

Milwaukee Zipcode 53204

Neighborhood Indicators of Employment and Economic Well-Being
of Families, Barriers to Employment, and Untapped Opportunities



PREPARED BY

John Pawasarat and Lois M. Quinn,
Employment and Training Institute,
University of Wisconsin-Milwaukee

2006

Contents

Introduction	3
Findings	4
Job Gaps in Zipcode 53204	9
Purchasing Power Assets and Retail Business Potential	14
Transportation Barriers: Driver's License Suspensions and Revocations	16
Family Income and Workforce Growth	17
Earned Income Tax Credits	21
Working Families with Income Below Poverty	25
Families Receiving Public Assistance	28
Child Care Availability and Subsidies	31
Home Ownership Rates and Housing Values	34
Business Activity in the Neighborhood	36
Background Notes	42

List of Graphs

Where Residents of Zipcode 53204 Work	4
Race of Workers Who Live in Zipcode 53204	6
Race of Persons (Residents and Non-Residents) Who Work at Jobsites in Zipcode 53204	6
Families Receiving AFDC or W-2 Income Support in Zipcode 53204	8
Estimated Retail Sales Leakage for Zipcode 53204	15
Driver's License Revocations and Suspensions: Residents of 53204	16
Total Adjusted Gross Income of Working Age Tax Filers in Zipcode 53204	17
Adjusted Gross Income Range of Single Tax Filers in Zipcode 53204	18
Comparison of Est. Single Parent Income Tax Filers and AFDC/"W-2" Payment Cases	19
Adjusted Gross Income Range of Married Tax Filers with Dependents in 53204	20
Families Claiming the EIC in Zipcode 53204	22
Est. Federal and State Earned Income Tax Credit Dollars Claimed by Families	22
Families in Zipcode 53204 Claiming EIC Credits	23
Federal and State Earned Income Tax Credits for Workers Raising Qualified Children	24
Est. Employed Single Parent Families with 2004 Earnings Below Poverty	25
Est. Employed Married Parent Families with 2004 Earnings Below Poverty	26
Adjusted Gross Income of Families with Dependents in Zipcode 53204	27

Families Receiving AFDC or W-2 Income Support in Zipcode 53204	28
Families Receiving Food Stamps in Zipcode 53204	29
Families Receiving Medical Insurance (incl. Medicaid, BadgerCare, Healthy Start)	29
Families Receiving Food Stamps or Medical Insurance Compared to AFDC/W-2	30
Licensed Child Care Capacity in Zipcode 53204	31
Licensed Child Care Capacity: Family vs. Group Providers	31
Families Receiving Child Care Subsidies	32
Monthly Child Care Subsidy Payments to Families in Zipcode 53204	33
Percent of Single Family and Duplex Houses Occupied by Owners in Zipcode 53204	34
Average Housing Values in Zipcode 53204	35
Private Sector Employees Working in Zipcode 53204	36
First Quarter Payroll of Businesses in Zipcode 53204	37
Annual Payroll of Businesses in Zipcode 53204	38
Number of Business Establishments in Zipcode 53204	39
Business Property Values in Zipcode 53204	40
Schedule C Self-Employed Business Filers in Zipcode 53204	41

List of Maps

Where People Live Who Work in Zipcode 53204	5
Milwaukee Central City ZIP Codes	43

List of Tables

Characteristics of Those Who Work at Jobsites in Zipcode 53204	11
Occupations of People Who Work at Jobsites in Zipcode 53204	13
Purchasing Power Profile for Residents of the Milwaukee 53204 Neighborhood	14

Milwaukee Neighborhood Indicators Reports were initiated by the University of Wisconsin-Milwaukee Employment and Training Institute and its government and foundation partners to provide independent, timely and ongoing assessment tools to measure short-term and long-term progress toward improving economic and employment well-being of families in central city Milwaukee neighborhoods. The indicators track changes by neighborhood since 1993, prior to beginning of state and federal welfare reform. Community agencies assisted in identifying key areas of concern. City, county and state agencies cooperate in securing databases needed for the analysis

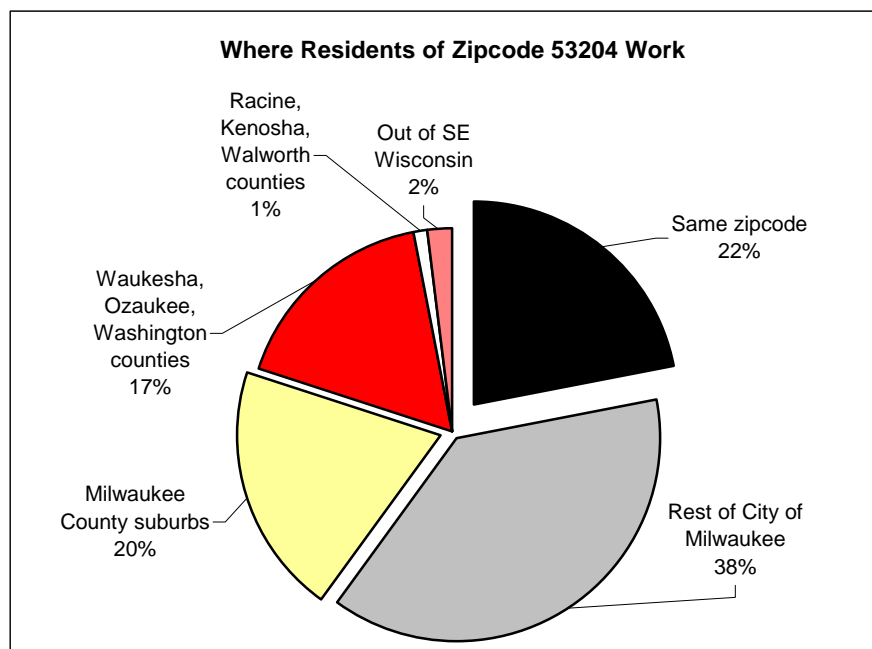
This report assesses employment, economic and welfare changes in ZIP code 53204 based on thirteen years of institutional data. Recently released Census 2000 transportation planning databases are used to provide a first-time analysis by race of jobs located within each central city neighborhood. State-of-the-art purchasing power and retail sales leakage analyses developed by the Employment and Training Institute help communities and neighborhood-based businesses assess the spending power of each central city zipcode. The 2004 income tax analyses (based on state tax returns filed in 2005) provide income data that is five years more current than the 1999 incomes reported by the 2000 Census.

The 53204 zipcode study is one in a series of neighborhood indicators reports for central city neighborhoods. Additional data on each zipcode and census tract in Milwaukee (and throughout the U.S.) is available on the Institute's UWM website at www.eti.uwm.edu.

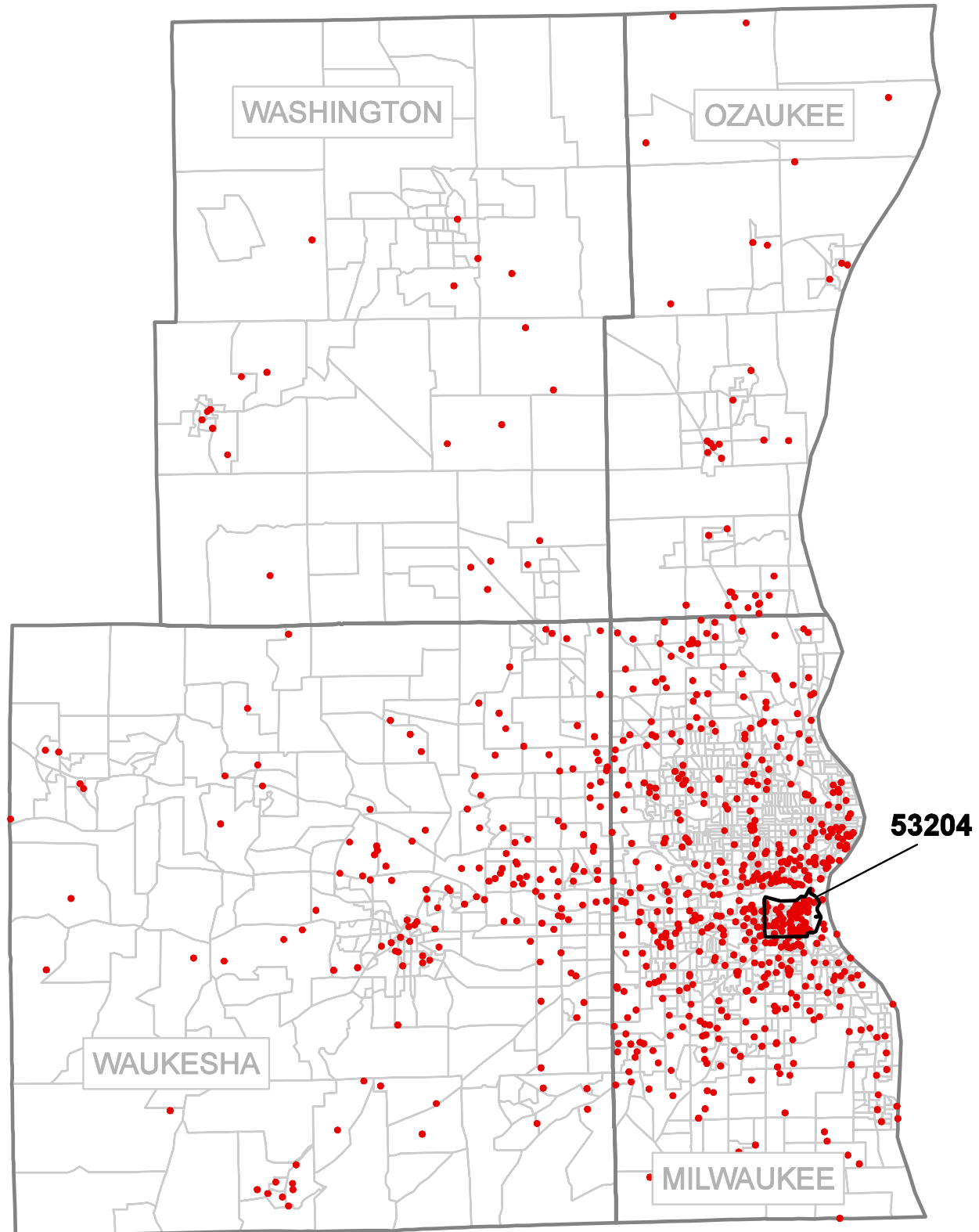
Findings for Zipcode 53204

Workforce Issues

1. **An estimated 41% of employed families in zipcode 53204 have income earnings below the poverty level**, according to 2004 state tax returns for working age families with dependents. The federal and state earned income tax credits helped raise about 574 of these families out of poverty, but still left about 2,149 families (or 32% of the 6,710 tax filers with dependents) with income below poverty. The very low federal standards in 2004 considered a family's annual income to be below poverty if it was below \$12,490 for a 2-person family, below \$15,670 for a 3-person family, and below \$18,850 for 4 persons.
2. **For many residents of zipcode 53204, the labor market is very limited. According to the Census 2000 transportation files, 79% of 53204 residents work in Milwaukee County**, including 60% of 53204 residents who are employed at jobsites within the City of Milwaukee. About 17% of residents have jobs in Waukesha, Ozaukee and Washington (WOW) counties, and almost no residents have found work in Racine, Kenosha and Walworth counties. Leveraging greater employment for minority workers in Milwaukee County and nearby jobsites in the WOW counties remains a top priority. The map below shows the jobsites where most residents of zipcode 53204 were employed at the time of the 2000 Census. The map below shows the jobsites where most residents of zipcode 53204 were employed at the time of the 2000 Census.



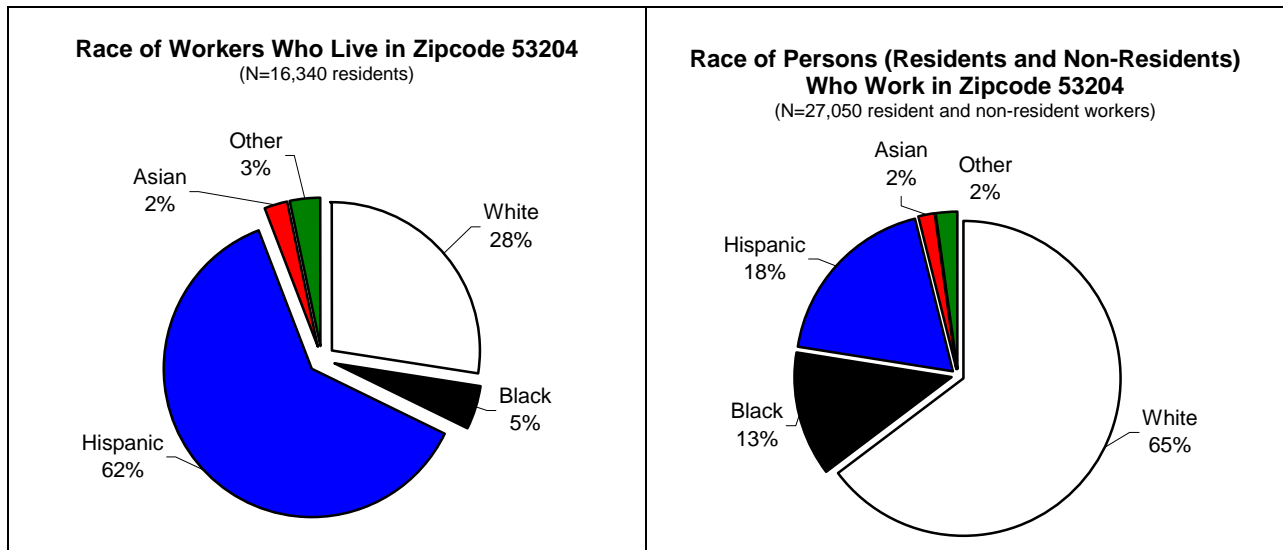
Where People Work Who Live in Zipcode 53204



Source: U.S. Census 2000 Transportation Planning Package data files (1 dot = 5 workers)
Analysis by Employment and Training Institute, University of Wisconsin-Milwaukee.

- Workforce/Job Gaps:** The Census 2000 showed sharp differences between the race of workers living in zipcode 53204 and the race of persons (residents and non-residents) employed at jobsites in zipcode 53204. According to recently released 2000 Census transportation data files, whites make up 28% of the resident workforce, but white workers hold 65% of jobs with employers (public, private and non-profit) in the 53204 neighborhood. On the other hand, **Hispanics make up 62% of the resident workforce in the zipcode, but Hispanic workers hold only 18% of jobs at worksites in 53204.**

4.



- According to the 2000 Census data, Hispanics made up 19% of the 1,860 workers employed at local government jobsites (including schools) in zipcode 53204 and 12% of the 309 workers employed at state government jobsites, but only 4% of the 2,078 workers employed at federal government jobsites. **Increased efforts to (1) utilize and enforce residential preference ordinances targeted to neighborhoods with higher poverty rates, (2) monitor affirmative action provisions for federal and state contractors, (3) support disadvantaged and emerging businesses, and (4) improve access of minorities to apprenticeship and other job training programs could help address the significant racial job gaps in this and other central city Milwaukee neighborhoods.**

Addressing Barriers to Employment

- Given the need for most residents to find jobs outside their neighborhood, policies using the driver's license to collect fines for non-driving offenses continue to restrict workers' access to jobs in outlying areas. In 2005, **the zipcode area showed 3 times as many driver's license suspension orders for**

failure to pay fines (5,277 suspensions) as suspension orders for traffic violations, driving while intoxicated, and drug convictions combined (1,720 suspensions). On the positive side, the 5,277 “failure to pay” suspension orders are down from an all-time high of 7,314 in 2003. The large number of residents without a valid driver’s license remains an ongoing impediment to employment.

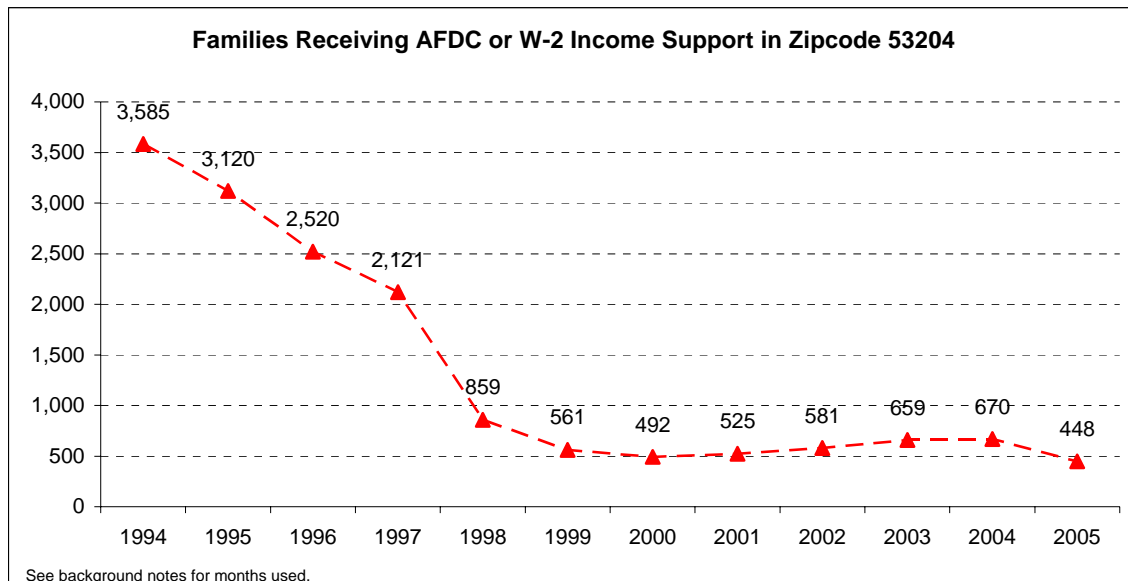
7. The neighborhood has benefited from a dramatic increase in licensed child care facilities since the state expanded its Wisconsin Shares Program offering subsidized child care for “W-2” participants and “working poor” families. **The total capacity for full-time child care with state licensed providers has more than doubled, from 588 slots in March 1996 to 1,280 slots in August 2005.** Most (86%) of the licensed slots are in group centers.

Untapped Opportunities

8. **Economic assets** of the immediate neighborhood include its high population density, high concentration of wage earners, and the purchasing power of residents. **Local residents spend an estimated \$98.7 million annually for 16 categories of consumer expenditures.** This translates into over \$30 million of spending per square mile, well above the average spending in many affluent suburban neighborhoods.
9. Given the number of retail establishments, this zipcode shows a relatively small net **retail sales leakage.** It is estimated that the neighborhood is capturing about \$79 million in retail spending, including spending by residents and in-coming shoppers (for 15 categories of purchases), while **an estimated \$6.8 million is leaving the 53204 neighborhood annually when residents buy their goods at other locations.**
10. Contrary to popular misconceptions about the inner city, the majority (72%) of single family houses in zipcode 53204 are owner-occupied, according to 2005 property tax records. About half (51%) of duplexes are also owner-occupied. **Home owners in zipcode 53204 have seen marked increases in the value of their houses in the last five years.** From 2000 to 2005, the average value of a 3-bedroom house increased 63%, compared to a slower 31% rate for the seven years from 1993-2000. The average value of duplexes rose 67% from \$43,499 in 2000 to \$72,640 in 2005. Given the income earnings of families in this zipcode and the predominance of single-parent families, **housing prices appear to be rising above the capacity of local families to purchase houses in the neighborhood.**

Income Growth/Stagnation

11. **Total earnings of zipcode 53204 residents have increased since the 2000 Census.** The total adjusted gross income of working age tax filers increased by 10% between 2000 and 2004. When inflation is considered, the real income earnings of residents increased 2.9%. This neighborhood had the second largest increase in income among the nine central city zipcodes in Milwaukee's Community Development Block Grant area.
12. Federal and Wisconsin tax credits (EIC) provide significant support for lower-income employed families in zipcode 53204. The **earned income tax credits have more than doubled, from \$4.5 million in 1993 to \$10.7 million in the 2004 tax year.** For the 2004 tax year for families in the \$15,000 to \$24,999 income ranges, only 61% of single filers with dependents and only 36% of married filers with dependents received the credit. Some filers may be ineligible for the credit given their immigration status and dependents who may not be qualifying children; others may be reluctant to file for the credit or unaware of this tax credit program. The zipcode 53204 claim rates are the lowest in the central city.
13. In spite of the low earnings of single parent families, very few families in zipcode 53204 receive public assistance income support under "W-2," the replacement for AFDC in Wisconsin. Under AFDC employed families could receive income supplements if their earnings were low. In 2005, "W-2" payment cases were at their lowest level to date in zipcode 53204.



Job Gaps in Zipcode 53204 *2000 Census CTPP Files*

As part of an innovative approach to central city economic development, the Employment and Training Institute has used the Census Transportation Planning Package databases (CTPP 2000) to examine not only where local residents work but also to profile who comes into each neighborhood for jobs. This first-time analysis of **employment by jobsite** uses place-of-work data (from household responses to the Census long-form questionnaire provided to 1 in 6 U.S. households) released in 2004 and 2005. **One job is reported for each worker** (the job where they worked the most hours). Since job totals show only the primary job of each worker, they understate the total number of jobs in area companies, particularly for employers with part-time work. This approach, however, allows a one-to-one match between available workers and primary jobs.

Where Residents Work

The 2000 Census transportation files reported a total of 16,340 residents of zipcode 53204 (ages 16 and above) employed at the time of the 2000 Census.

- A significant number of residents (22%) work within the 53204 zipcode, while 78% traveled to jobs outside the zipcode.

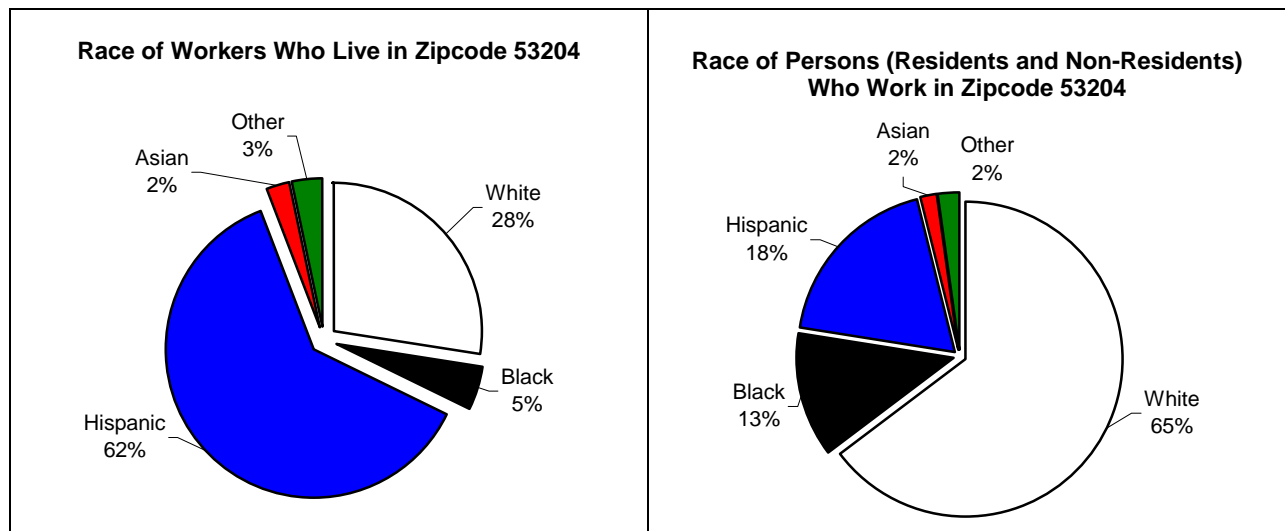
- The labor market for many 53204 **residents** is limited to Milwaukee County. The majority of residents (60%) worked in the City of Milwaukee and 80% worked within Milwaukee County. Another 17% of workers were employed in Waukesha, Washington and Ozaukee counties. The other three counties (Racine, Kenosha and Walworth) of the “Milwaukee Region” provided employment to only 1% of 53204 resident workers, and 2% worked outside of southeastern Wisconsin.

Who Works for 53204 Employers

The Census 2000 files showed 27,050 persons (residents and non-residents) whose primary job was located at a worksite in zipcode 53204. This included employment with private companies, governmental and school units, non-profits, and self-employment.

- Eighty-seven percent of persons working at jobsites within zipcode 53204 came from outside the neighborhood, while 13% came from within the zipcode.
- Workers coming into the central city to work showed a much broader labor market than outgoing central city workers. One fifth (21%) of the workers came from outside Milwaukee County, including 15% from the WOW (Waukesha, Ozaukee and Washington) counties. The three southern counties (Racine, Kenosha and Walworth) of the “Milwaukee Region” provided 4% of the workers coming into 53204 for jobs, and another 2% of workers came from outside of the southeastern Wisconsin area.

Given the sharp differences between the race of persons living in the zipcode and the race of persons employed at companies and other jobsites in the zipcode, job gaps were analyzed by race.



- Whites comprise 28% of the resident workforce, but white workers hold 65% of jobs with employers (public, private and non-profit) with jobsites in 53204. On

the other hand, Hispanics make up 62% of the resident workforce in this zipcode, but Hispanic workers hold only 18% of jobs in zipcode 53204.

- Hispanic workers held 20% of the jobs with private companies located in the 53204 neighborhood. For non-profits, they held 22% of the jobs at neighborhood worksites.
- Hispanics made up 12% of the 309 workers employed at state government jobsites, only 4% of the 2,078 workers employed at federal government jobsites, and 19% of the 1,860 workers employed at local government jobsites (including schools) located in zipcode 53204. African Americans showed their highest rates of employment at federal government jobsites, and Asians showed their highest rates of employment with state government.

Characteristics of Those Who Work at Jobsites in Zipcode 53204

(Includes Jobs Held by Residents and Non-Residents)						
Type of Employer	White	Black	Hispanic	Asian	Other	Total Workers
Total workers	17,535	3,445	4,995	490	589	27,050
Private for-profit	64.3%	11.8%	19.7%	1.7%	2.3%	19,335
Private not-for-profit	61.9%	11.0%	21.8%	2.0%	2.8%	2,285
Local government	62.0%	16.3%	19.5%	0.0%	1.5%	1,860
State government	68.3%	12.0%	12.3%	8.1%	3.9%	309
Federal government	70.4%	22.1%	4.2%	1.6%	1.4%	2,078
Self-employed not incorporated	73.2%	5.2%	16.1%	4.8%	0.4%	1,140
Unpaid family workers	56.3%	31.3%	12.5%	0.0%	0.0%	32
Source: Census Transportation Planning Package (CTPP2000) data on place-of-work based on responses to the 2000 Census long-form questionnaire. Only 1 job is reported for each worker 16 and older and cell values are rounded. Totals may vary in place-of-work tables due to rounding techniques used by the U.S. Census Bureau. See methodology for definitions of race/ethnicity. Drill Downs were prepared by the University of Wisconsin-Milwaukee Employment and Training Institute, 2005.						

- A majority (71%) of workers employed at 53204 jobsites worked for private companies, with manufacturing firms as the leading industry type. Another 16% worked for local, state, and federal governments, and 8% worked for non-profit agencies. A relatively small number of workers (4%) reported self-employment as their primary job.

The tables below show the breakdown of jobs in zipcode 53204 by occupational groupings of workers.

- Among the largest occupational areas, Hispanics comprised 1,414 of the production workers employed at 53204 jobsites, and 663 of the transportation and material moving workers. The highest percentages of Hispanic workers were reported in food preparation and services (where Hispanics made up 40% of workers), building and grounds cleaning and maintenance (33% of workers), community and social services (where Hispanics made up 29% of the workforce) and production (where they comprised 28% of workers).
- Asian workers showed employment in production jobs, sales work, office and administrative support, computer jobs, and employment as healthcare practitioners and technicians.

Current initiatives by the NAACP Milwaukee Branch and a coalition of other organizations are focusing on **access of minorities to jobs in construction**.

- At the time of the Census, 1,575 persons were engaged in construction work (including self-employment) at jobsites in zipcode 53204. White workers held 76% of these jobs (or 1,198 jobs), Hispanics held 13% (212 jobs), and African Americans held 8% (132 jobs).
- When the occupations of 53204 **residents** were analyzed (regardless of whether they worked inside or outside of the neighborhood), 837 residents reported occupations in construction. These included 524 Hispanics, 254 whites, and 59 persons of other races (including Native Americans and persons reporting 2 or more races).

Additional tables showing differences by transportation to work, type of industry, salary/wages, gender, and age are available for each neighborhood at the Employment and Training Institute's interactive drilldown website (at www.eti.uwm.edu).

Occupations of People Who Work at Jobsites in Zipcode 53204

(Including Jobs Held by Residents and Non-Residents)						
Total	White	Black	Hispanic	Asian	Other	Occupational Grouping
27,054	17,535	3,445	4,995	490	589	Total Occupation
5,030	2,812	647	1,414	98	59	Production
4,236	2,974	662	439	59	102	Office, administrative support
2,633	1,266	609	663	28	67	Transportation, material moving
2,039	1,668	125	198	29	19	Management
1,808	1,223	228	240	60	57	Sales, related
1,575	1,198	132	212	4	29	Construction, excavation
1,198	924	93	146	0	35	Installation, maintenance, repairs
1,039	449	75	413	47	55	Food preparation, serving related
927	539	122	244	4	18	Education, training, library
899	737	68	94	0	0	Business, financial operations
830	398	136	273	4	19	Building + grounds cleaning/maintenance
687	650	4	19	4	10	Engineering, architecture
607	498	25	25	55	4	Computer, mathematical
554	338	47	161	8	0	Community, social service
540	257	87	148	10	38	Personal care, service
524	354	107	55	0	8	Protective service
483	317	69	38	55	4	Healthcare practitioners, technicians
453	393	14	32	4	10	Arts, design, entertainment, sports, media
378	171	121	76	0	10	Healthcare support
263	219	0	14	30	0	Life, physical, social science
Total	White	Black	Hispanic	Asians	Other	Groupings with Over 300 Employed
27054	64.8%	12.7%	18.5%	1.8%	2.2%	Total Occupation
5030	55.9%	12.9%	28.1%	1.9%	1.2%	Production
4236	70.2%	15.6%	10.4%	1.4%	2.4%	Office, administrative support
2633	48.1%	23.1%	25.2%	1.1%	2.5%	Transportation, material moving
2039	81.8%	6.1%	9.7%	1.4%	0.9%	Management
1808	67.6%	12.6%	13.3%	3.3%	3.2%	Sales, related
1575	76.1%	8.4%	13.5%	0.3%	1.8%	Construction, excavation
1198	77.1%	7.8%	12.2%	0.0%	2.9%	Installation, maintenance, repairs
1039	43.2%	7.2%	39.7%	4.5%	5.3%	Food preparation, serving related
927	58.1%	13.2%	26.3%	0.4%	1.9%	Education, training, library
899	82.0%	7.6%	10.5%	0.0%	0.0%	Business, financial operations
830	48.0%	16.4%	32.9%	0.5%	2.3%	Building + grounds cleaning/maintenance
687	94.6%	0.6%	2.8%	0.6%	1.5%	Engineering, architecture
607	82.0%	4.1%	4.1%	9.1%	0.7%	Computer, mathematical
554	61.0%	8.5%	29.1%	1.4%	0.0%	Community, social service
540	47.6%	16.1%	27.4%	1.9%	7.0%	Personal care, service
524	67.6%	20.4%	10.5%	0.0%	1.5%	Protective service
483	65.6%	14.3%	7.9%	11.4%	0.8%	Healthcare practitioners, technicians
453	86.8%	3.1%	7.1%	0.9%	2.2%	Arts, design, entertainment, sports, media
378	45.2%	32.0%	20.1%	0.0%	2.6%	Healthcare support

Source: Census Transportation Planning Package (CTPP2000) data on place-of-work based on responses to the 2000 Census long-form questionnaire. Only 1 job is reported for each worker and cell values are rounded. See methodology for definitions of race/ethnicity and occupations. Drill Downs were prepared by the University of Wisconsin-Milwaukee Employment and Training Institute, 2005.

Purchasing Power Assets and Retail Business Potential

Economic assets of central city Milwaukee neighborhoods include their population density, high concentrations of wage earners, and the purchasing power of residents. Retail spending was estimated for neighborhood residents based on five types of households at five income levels, using Consumer Expenditure Survey data on spending patterns for each of these 25 household/income categories.

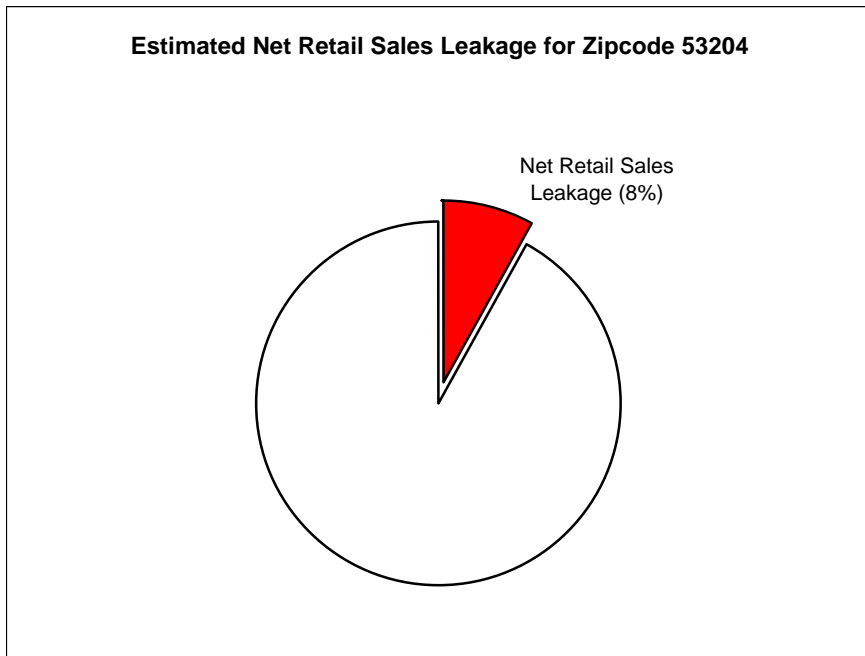
- An analysis of the estimated spending of resident households in zipcode 53204 showed over \$98.7 million in annual spending for 16 major retail expenditure areas.
- This translates into \$30.3 million of spending per square mile, well above the average spending in many suburban and exurban neighborhoods.

Purchasing Power Profile for Residents of the Milwaukee 53204 Neighborhood		
Land Area in Square Miles: 3.26		
Consumer Expenditure Category	Est. Annual Expenditures	Expenditures Per Square Mile
Food at home	\$43,927,332	\$13,474,642
Food away from home	\$12,385,543	\$3,799,246
Apparel and related services	\$13,026,598	\$3,995,889
Television equipment, tapes, disks	\$5,738,976	\$1,760,422
Audio equipment, CDs, tapes	\$1,469,211	\$450,678
Household textiles	\$713,283	\$218,798
Furniture	\$3,200,666	\$981,799
Floor coverings	\$301,029	\$92,340
Major appliances	\$1,673,760	\$513,423
Small appliances and housewares	\$506,274	\$155,299
Computer hardware and software	\$1,489,615	\$456,937
Miscellaneous household equipment	\$2,272,784	\$697,173
Non-prescription drugs and supplies	\$2,876,193	\$882,268
Housekeeping supplies	\$5,117,041	\$1,569,644
Personal products	\$3,234,159	\$992,073
Home repair commodities	\$855,306	\$262,364
Total for 16 categories	\$98,787,770	\$30,302,997

Source: University of Wisconsin-Milwaukee Employment and Training Institute, 2004. The analysis is based on 2002 Bureau of Labor Statistics Consumer Expenditure Surveys and 2000 U.S. Census data. See www.eti.uwm.edu.

To determine the extent to which existing retail businesses are capturing retail spending of local residents, consumer expenditure estimates were reviewed for 15 categories of consumer expenditures and compared to the retail sales estimated to result from numbers of retail employees in the neighborhood. All of the expenditures in the ETI Purchasing Power Profile shown above are included except for food-away-from-home (which is not included in the North American Industry Classification System, NAICS, retail sector).

- Given the number of retail establishments within zipcode 53204, this zipcode showed a relatively small retail sales leakage. It is estimated that the neighborhood is showing about a \$6.8 million net loss of retail expenditures.
- At the same time, **the 53204 neighborhood is capturing an estimated \$79.4 million in retail spending, including spending by residents and in-coming shoppers, for 15 major categories of consumer expenditures.**

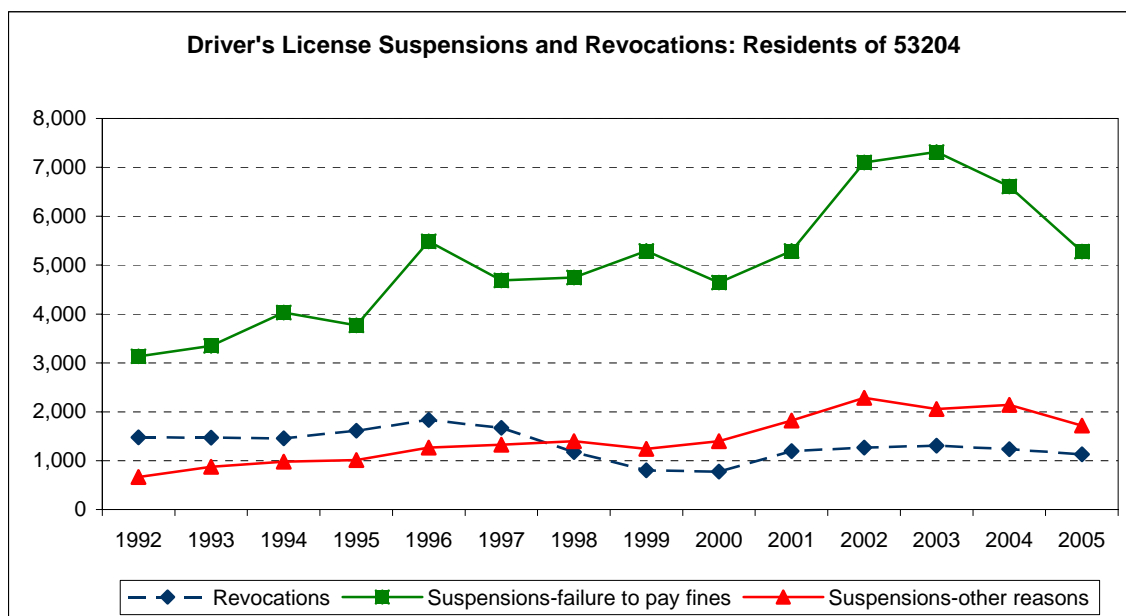


Transportation Barriers: Driver's License Suspensions

1993-2005

State department of transportation files on licensed drivers, license suspensions, and revocations were analyzed since greater employment opportunities are available to workers with private transportation. The large number of residents without a valid driver's license remains an ongoing impediment to employment.

- Failure to pay fines and civil forfeitures was the most common reason for driver's license suspensions. In 2005, suspension orders issued for failure to pay fines or forfeitures totaled 5,277 for residents of zipcode 53204. These "failure to pay" suspension orders are down from an all-time high of 7,314 orders in 2003.
- The zipcode area showed 3 times as many suspensions for failure to pay fines (5,277) as for suspension orders for traffic violations, driving while intoxicated, and drug convictions combined (1,720).
- License revocations totaled 1,131 in 2005, down 8% from the prior year.

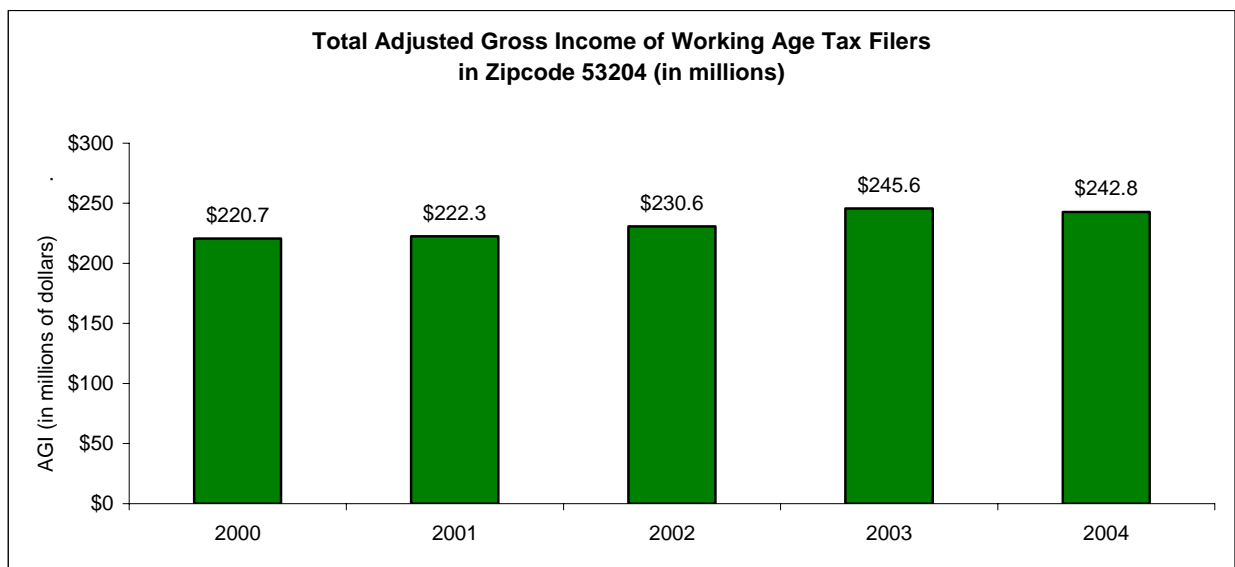


Family Income and Workforce Growth

1993-2004

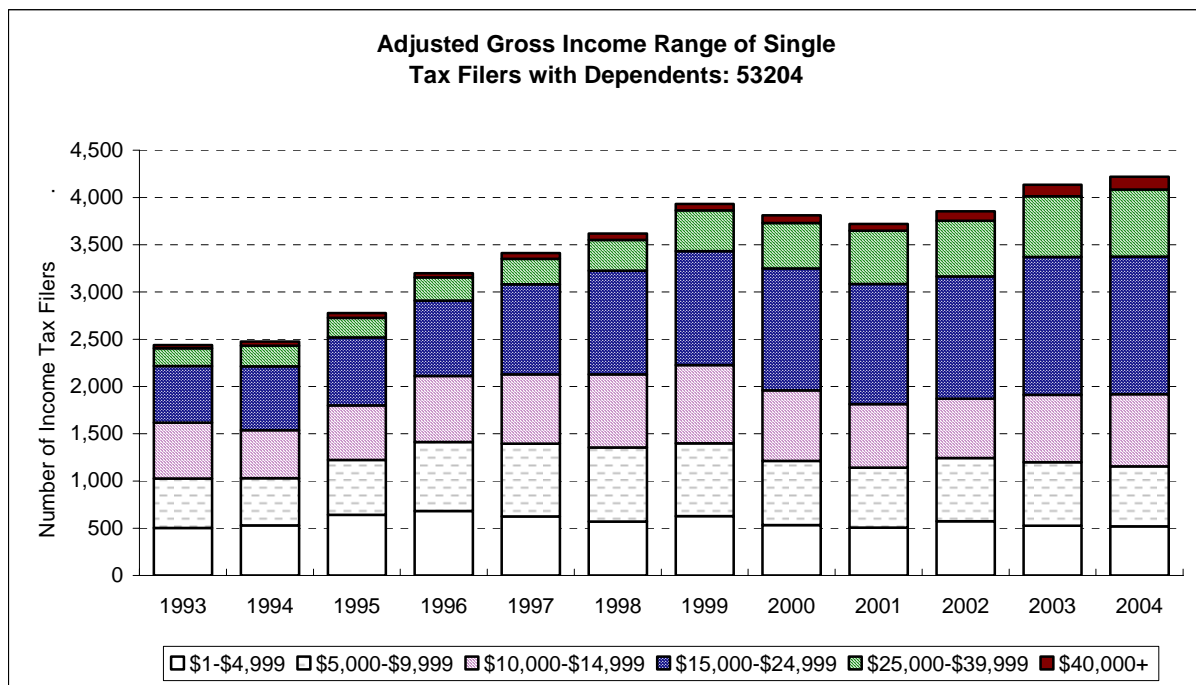
Wisconsin Department of Revenue income tax data were used to determine the total adjusted gross income (AGI) and number of married and single income tax filers by ranges of income. This analysis describes changes in income of working age (i.e., non-elderly) tax filers over the past five years and trends in income earnings of single and married filers with dependents since 1993. The 2004 income data is based on tax returns filed in 2005. See “Background Notes” for a description of data sources, definitions, and limitations of the tax data used.

- The economic downturn showed different impacts by neighborhood. In zipcode 53204, the total adjusted gross income of working age tax filers increased 10% between 2000 and 2004, going from \$220.7 million to \$242.8 million. During this same time period, the cost of living, as measured by the Consumer Price Index for the Milwaukee-Racine area, increased by 6.9%. **When inflation is considered, the real income earnings of residents in zipcode 53204 rose by 2.9%.**



- The number of **working age tax filers** (single and married) increased from 10,875 in 2000 to 11,166 in 2004, or 2.7%.

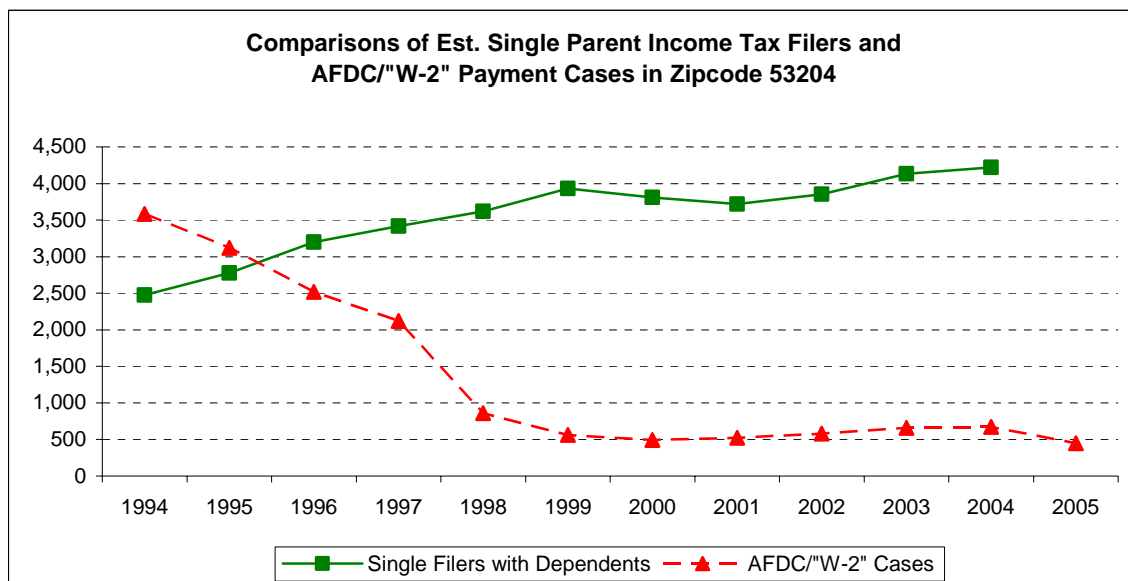
- From 1993 to 2004, the total number of **single tax filers with dependents** increased by 73%. Declines were seen in the number of single tax filers with dependents in 2000 and 2001, but in subsequent years the number of single parent filers has been steadily increasing.
- Analysis of the 4,220 single tax filers with dependents in 2004 by their income category suggested that a large number of single parents in zipcode 53204 remain only marginally employed. In 2004, a total of 521 single filers with dependents (15% of the total) reported AGI below \$5,000, and another 636 filers (15%) reported income below \$10,000. Only 20% of single parent filers earned \$25,000 or more.



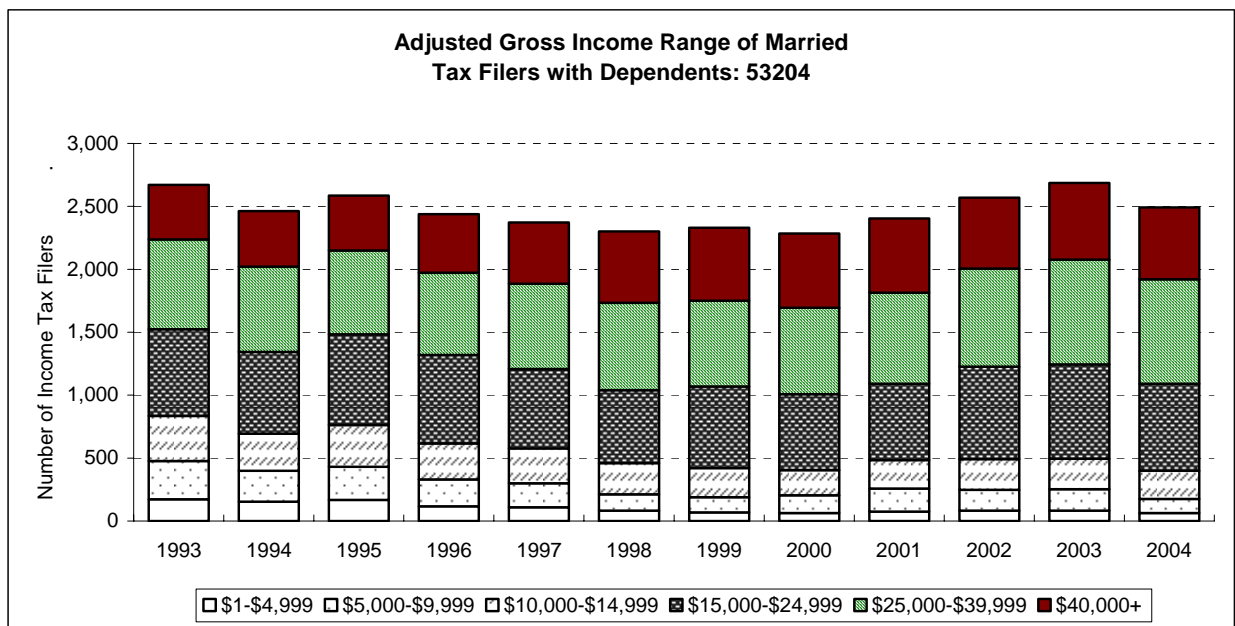
Note: Earnings categories are not adjusted for inflation. The cost of living increased by 26.8% from 1993 to 2004.

The growth in single tax filers with dependents was compared to changes in AFDC and “W-2” welfare caseloads in zipcode 53204 to help gauge whether employment had replaced welfare for single parents in the neighborhood and to determine the effect of the economy on both employment and welfare receipt.

- The increase in single parent filers began prior to the imposition of state welfare work requirements, as Milwaukee benefited from a thriving national and local economy and increased demand for workers. Single parents continued to enter the labor force when “Pay for Performance” and “W-2” welfare requirements were implemented in the county. In this zipcode the number of single filers with dependents has continued to rise in the last 3 years.
- Welfare records showed a decrease of 2,915 AFDC/“W-2” payment cases from 1994 to 2004, compared to only a 1,744 increase in single income tax filers with dependents.
- As noted in prior indicators reports, some parents may have left the neighborhood (while others moved into the area), not filed tax returns, or their children have grown up, but the data suggest that a number of families formerly on welfare have not moved into the mainstream economy and other parents have subsistence total earnings.



- The number of **married income tax filers with dependents** in zipcode 53204 showed a 7% decline between 2003 and 2004. That decline may be explained in part by reluctance of immigrant families to file tax returns even when taxes are withheld.
- The 2,490 married couples with dependents in 2004 were more likely to have family-supporting incomes than the single heads of households in 2004. Over half (56%) had income at or above \$25,000, and 23% had income of \$40,000 or more, when income from all jobs is considered.



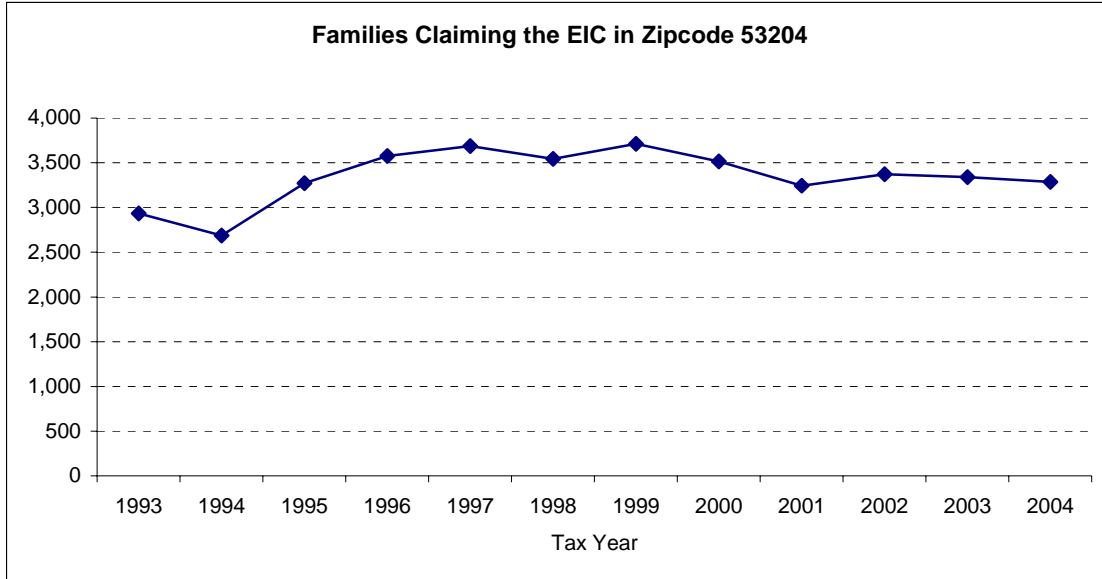
Note: Earnings categories are not adjusted for inflation. The cost of living increased by 26.8% from 1993 to 2004.

Earned Income Tax Credits 1993-2004

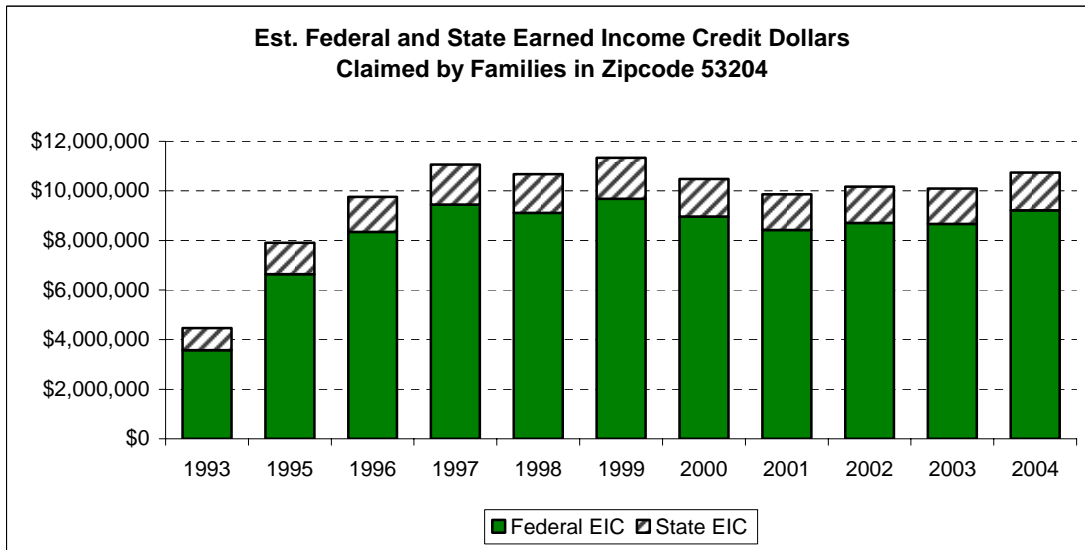
State and federal earned income tax credits offer a substantial boost to working families at the lower end of the wage scale. The earned income tax credit (EIC) offers a tax benefit to help reduce the payroll and social security tax burdens and to supplement wages for low and moderate income working families and single persons. Wisconsin has been a leader in providing a state credit in addition to the federal credit. For those working family tax filers who claim the state credit, Wisconsin adds 4% to the federal credit for families with one qualifying child, 14% to the federal credit for families with two qualifying children, and 43% to the federal credit for families with three or more qualifying children.

An analysis of earned income tax credits received by families in the 53204 zipcode showed the importance of the credits to working families at lower income levels. Wisconsin Department of Revenue data was analyzed for tax filers with dependent children who received the Wisconsin earned income tax credit. Federal EIC payments were estimated based on Wisconsin usage ratios.

- The number of families receiving earned income tax credits rose 12% from 2,933 in 1993 to 3,285 in the 2004 tax year (i.e., taxes filed in 2005 based on earnings in 2004).
- The number of families receiving the credits in 2004 was down 26% from the 2002 tax year, however, largely due to declines in the number of married filers receiving the credit.



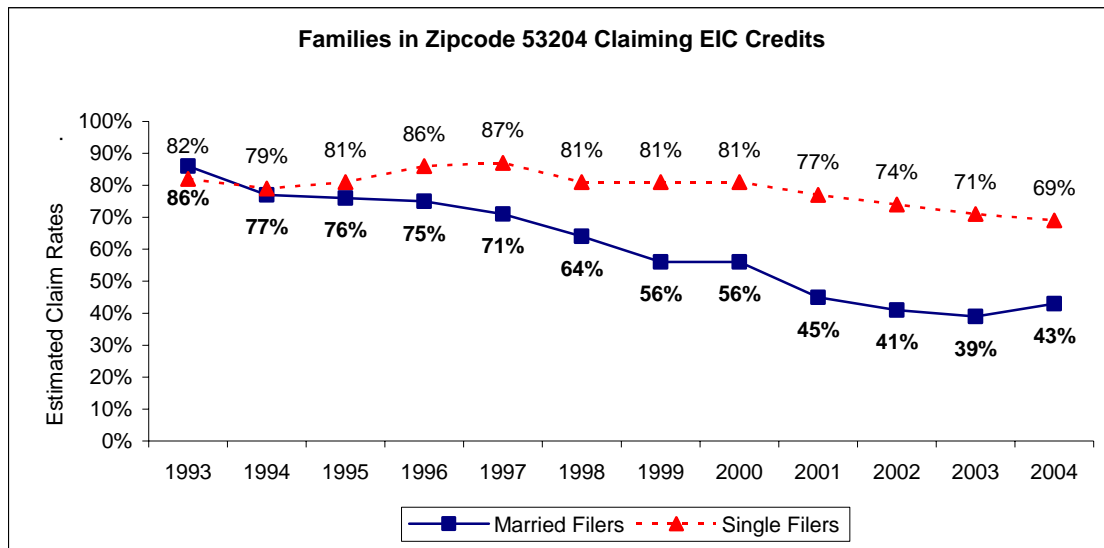
- The amount of the combined federal and state earned income tax credits more than doubled from \$4.5 million in 1993 to \$10.7 million in the 2004 tax year. The total credits reached a peak in 1999 at \$11.3 million.



- In 2004, single parents received 75% of the credits claimed in zipcode 53204. Single parents comprised 63% of tax filers with dependents.

The Employment and Training Institute estimated claim rates for the EIC based on the number of claims for filers with dependents and with adjusted gross income (AGI) between \$5,000 and \$14,999. With some exceptions, most of these families may be eligible for the EIC if their dependents are living at home, have social security numbers, and are relatives.

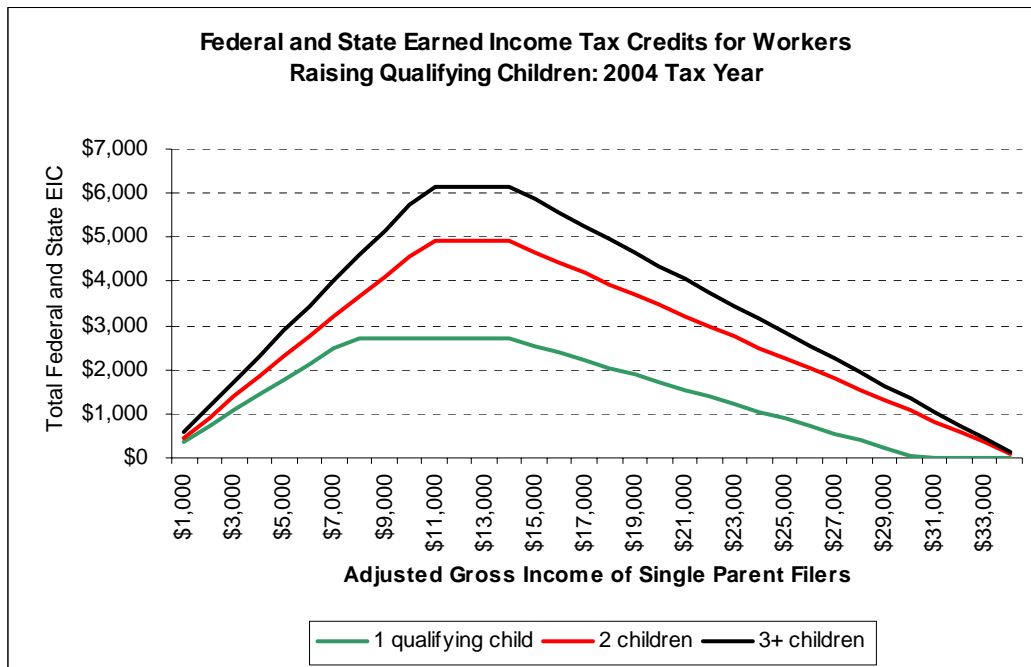
- Single parent tax filers showed higher claim rates than married filers. For filers with dependents, 69% of single filers with \$5,000 to \$14,999 in adjusted gross income – the range with the highest potential EIC claims – claimed the credit in 2004, compared to only 43% of married filers in that income range.



- For the 2004 tax year, EIC claim rates were even lower for filers in the \$15,000 to \$24,999 income ranges where only 61% of single filers with dependents and only 36% of married filers with dependents received the credit. Some filers may be ineligible for the credit given their immigration status or have dependents who are not qualifying children; others may be reluctant to file for the credit or unaware of this tax credit program.

The formula for calculating the federal earned income tax credit in 2004 provided the highest payments to families with 1 child when their income was \$7,650 to \$14,050 (\$15,050 for married filers) and to families with 2 or more children when their income was \$10,750 to \$14,050 (\$15,050 for married filers). Given that entry-level jobs in the Milwaukee area since October 2003 have averaged over \$8.00 an hour, this formula tends to provide higher support for families in part-time or part-year work rather than full-time, year-round employment.

For the 2004 tax year families with one qualifying dependent were eligible for the earned income credit if their income was below \$30,300 (for an unmarried filer) or \$31,338 for married filers in the 2004 tax year. Families with two or more qualifying dependents are eligible for the credit if their income was below \$34,450 for unmarried filers or \$35,458 for married filers in 2004. Federal earned income credits, but not Wisconsin credits, are also available for workers without dependent children if aged 25-64 and earning less than \$11,490 (if single) or \$12,490 (if married) in 2004.

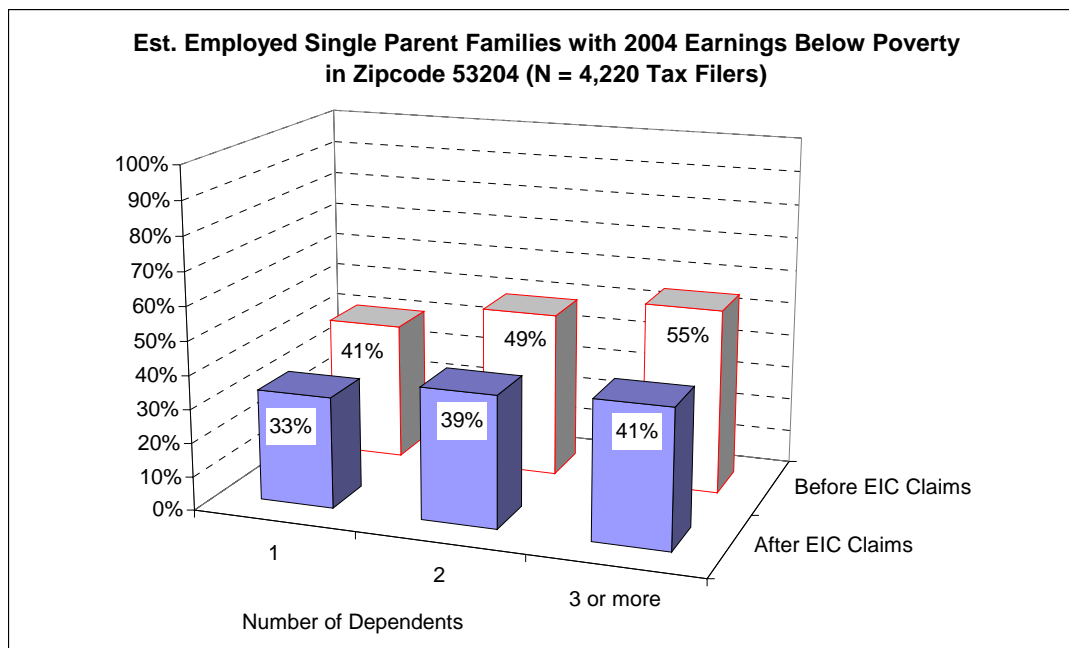


Working Families with Income Below Poverty

1994-2004

Federal poverty guidelines, adjusted gross income ranges for single and married tax filers with dependents, and EIC credit claims were used to estimate the number of employed families with AGI below the poverty level. The poverty guidelines provide the federal government's estimate of the bare minimum required by families to meet their basic needs and are used to determine eligibility for federal support programs. In 2004, the federal government set these guidelines at \$12,490 for a two-person family, \$15,670 for three persons, and \$3,180 for each additional person in the family. These very low standards were used to determine the number of family tax filers showing income below the poverty line.

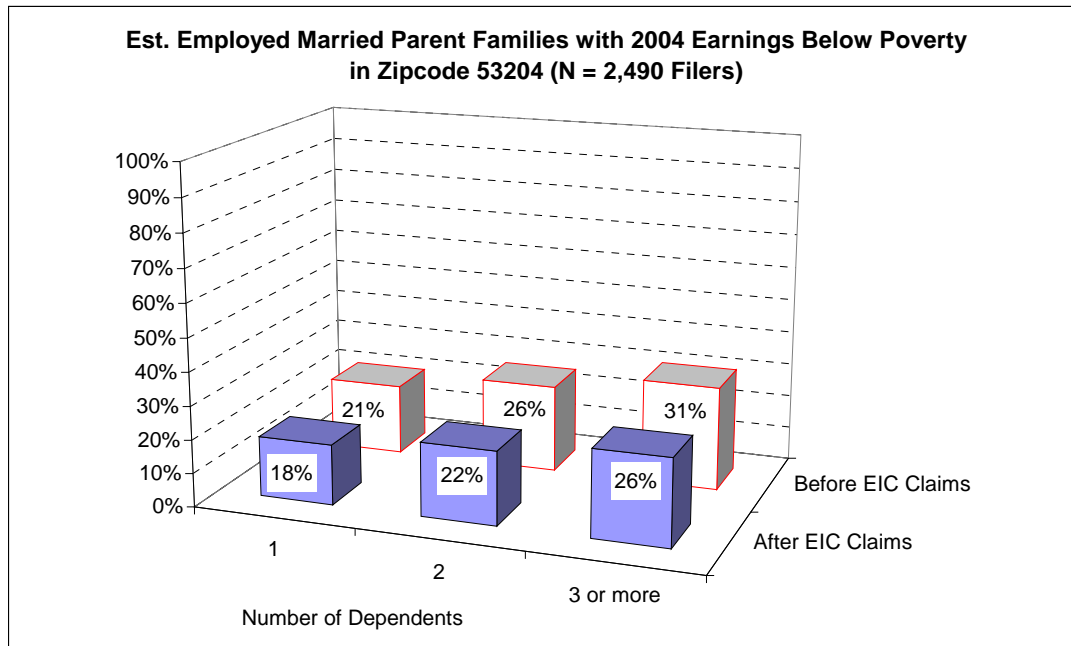
- For **single parent families with dependents**, in zipcode 53204 in tax year 2004 about 41% of single tax filers with one dependent showed adjusted gross income (AGI) below the poverty level (\$12,490 for two persons). Half (49%) of single filers with 2 dependents showed AGI below (\$15,670 for three persons) and at least 55% of filers with three or more dependents had income below poverty.



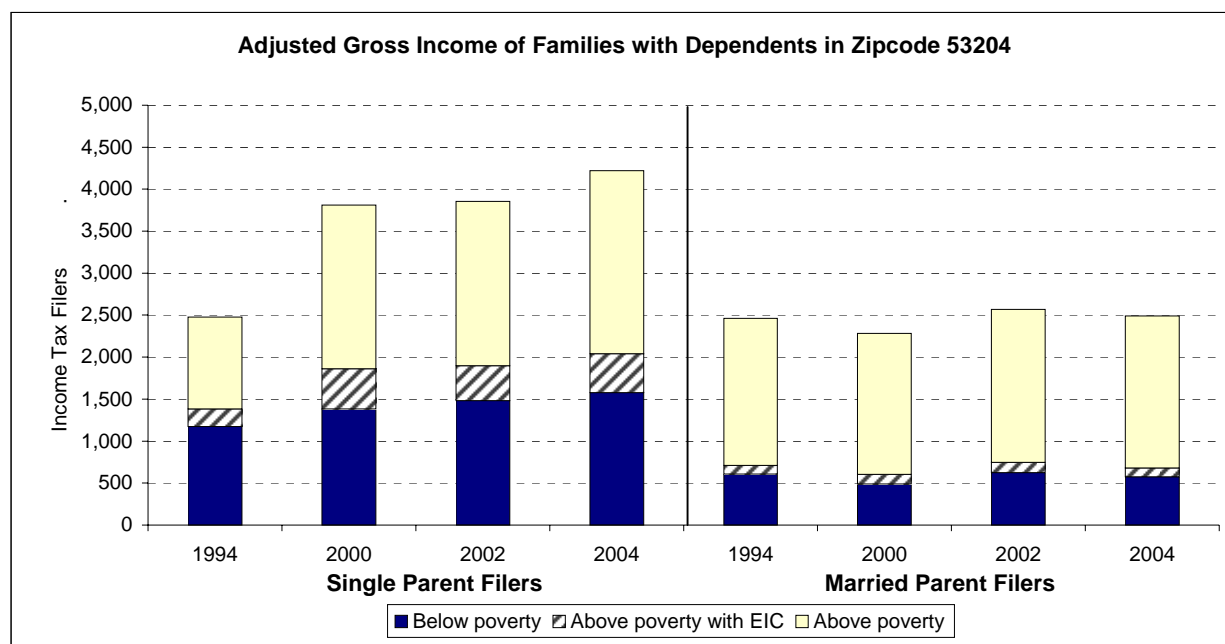
- When the number of filers claiming the state and federal earned income credit (EIC) was considered, the percentage of single parent families living in poverty was

reduced to about 33% of filers with one dependent, 39% for filers with two dependents, and 41% (or more) of filers with three or more dependents.

- State Department of Revenue data showed only 2,490 **married tax filers with dependents** out of the 6,710 income tax filers with dependents in 2004. More employed parents showed adjusted gross incomes above the poverty level.
- About 21% of married tax filers with one dependent showed adjusted gross income below the poverty level. About 26% of married filers with two dependents reported AGI below the poverty level, as did 31% (or more) of married filers with 3 or more dependents.
- Federal and state EIC claims brought the poverty rates for married filers down to 18% for filers with one dependent and 22% for filers with two dependents.
- In zipcode 53204, married filers with three or more dependents showed at least a fourth (26% or more) of families still living in poverty even with EIC claims.



- In total, the earned income tax credit (EIC) helped lift the income of about 467 single parent families above the poverty level, leaving an estimated 1,575 single tax filers with dependents (41% of the single parent total) still below the poverty level based on their adjusted gross income and family size.
- For married filers, EIC claims helped raise about 107 families out of poverty leaving 574 married filers with dependents (23% of the married parent total) still in poverty.

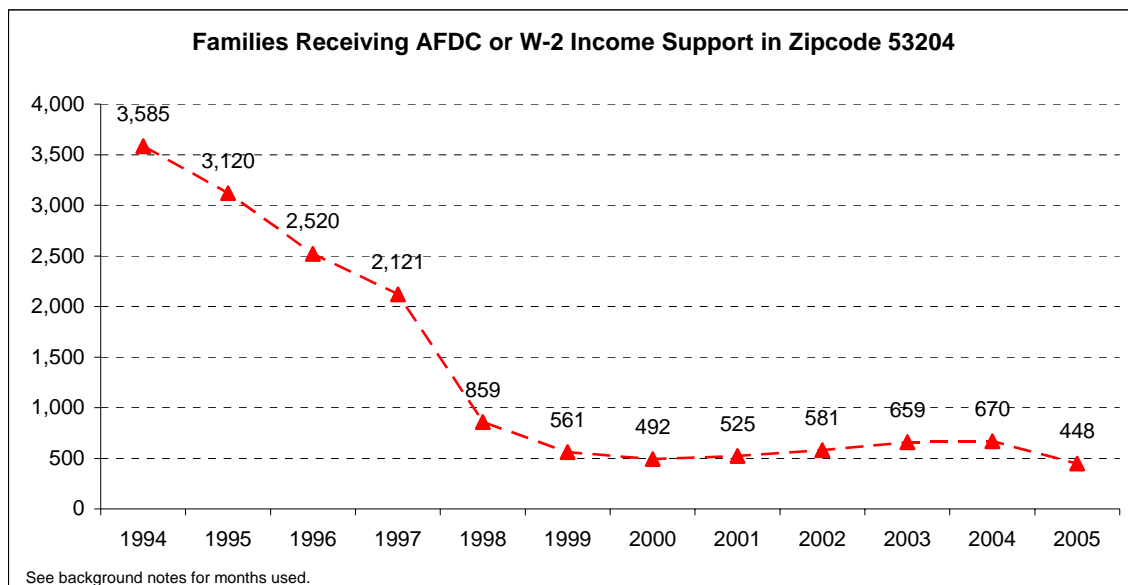


- The challenges of securing and maintaining full-time, year-round employment are particularly difficult for lower-income single parents. About 40% of single income tax filers (with dependents) with income estimated to be below the poverty level for their family size appeared to be employed less than 70% time (based on minimum wage rates of \$5.15 an hour in 2004), and at least a fourth appeared to have employment of less than half time or less than half-year.

Families Receiving Public Assistance 1994-2005

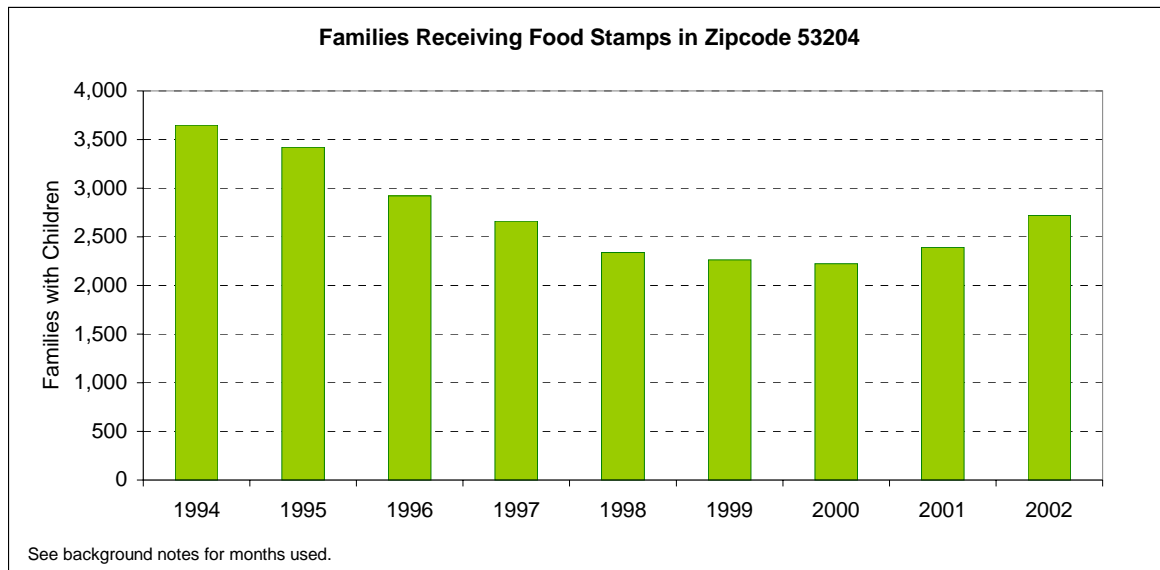
Public assistance case records were analyzed for families receiving AFDC/"W-2" income support, food stamps, and medical coverage.

- The number of families in zipcode 53204 receiving **income support** (AFDC or "Wisconsin Works," i.e. "W-2," cases) dropped 86%, from 3,585 in March 1994 to 492 in April 2000. Caseloads rose again to 670 "W-2" payment cases in July 2004, but by July 2005 were at their lowest point with 448 families receiving financial aid.
- The number of families receiving income support is 88% below the levels 11 years earlier.

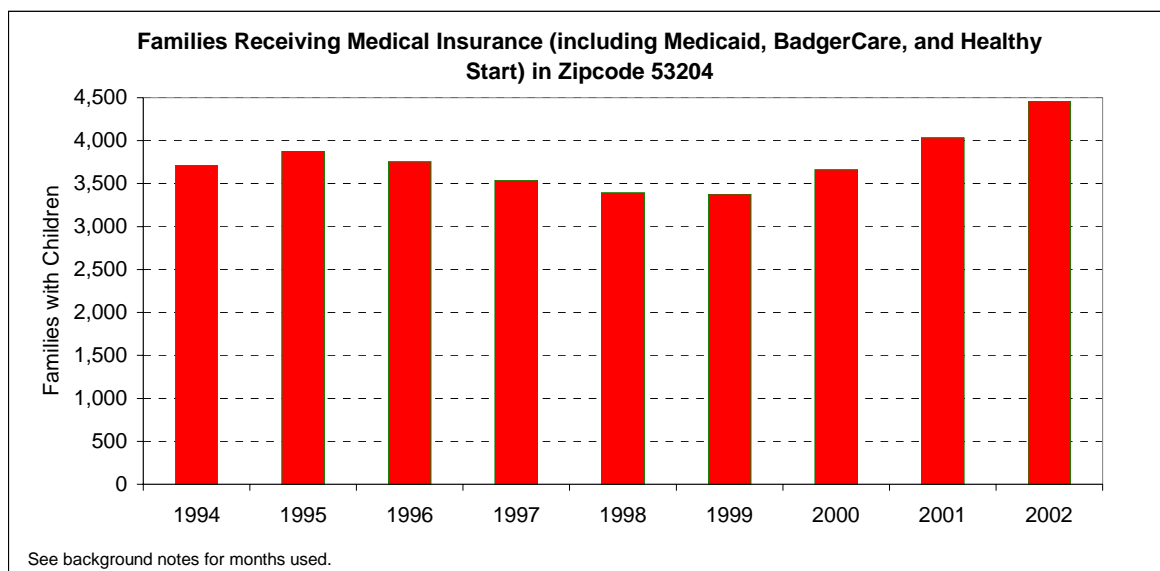


- The families with children in zipcode 53204 have also showed sharp declines in the numbers receiving **food stamps** although these declines were not nearly as steep as the AFDC/W-2 drops. The number of families receiving food stamps dropped from 3,648 in March 1994 to 2,223 in April 2000, or a 39% decline.

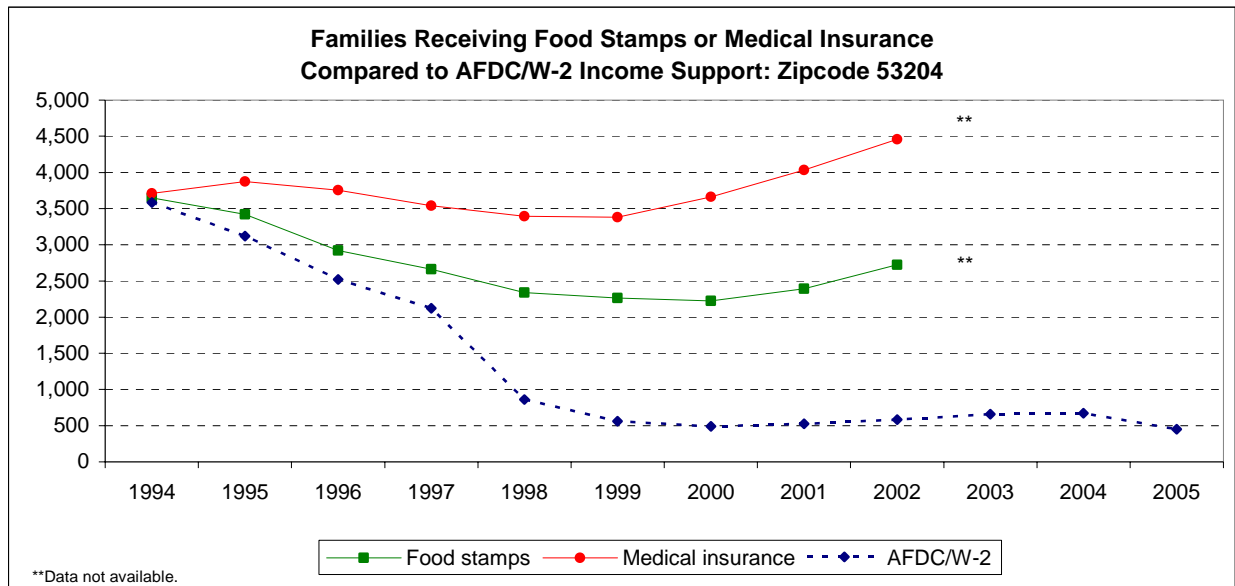
- The number of families enrolled in the food stamp program had increased to 2,721 in 2002, with an increase of 328 families between 2001 and 2002. Enrollments in 2002 remained 25% below the 1994 levels.



- The number of families (with children) in zipcode 53204 covered by medical assistance, including Medicaid, BadgerCare and Healthy Start, dropped from 3,712 in March 1994 to 3,379 in February 1999, or 9%.
- Numbers increased between 1999 and 2002 to 4,456. In zipcode 53204 enrollments in public medical insurance programs were 20% higher in 2002 than in 1994.



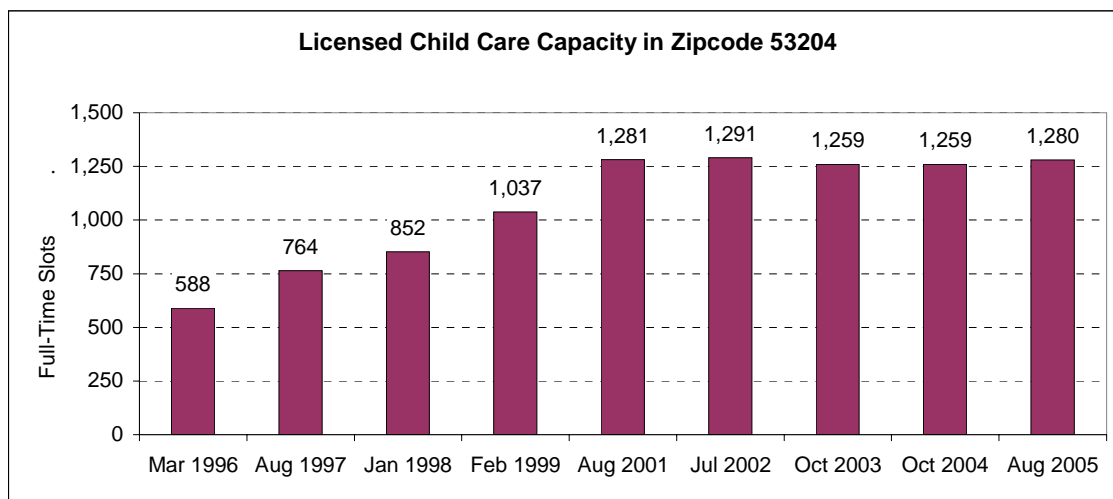
- When trends in the numbers of families (with children) receiving income support are compared to those receiving medical assistance and food stamps, in 2002 the data show many more families in zipcode 53204 using medical insurance (4,456 families with children in July 2002) than food stamps (2,721 families) or “W-2” income support (581 families).



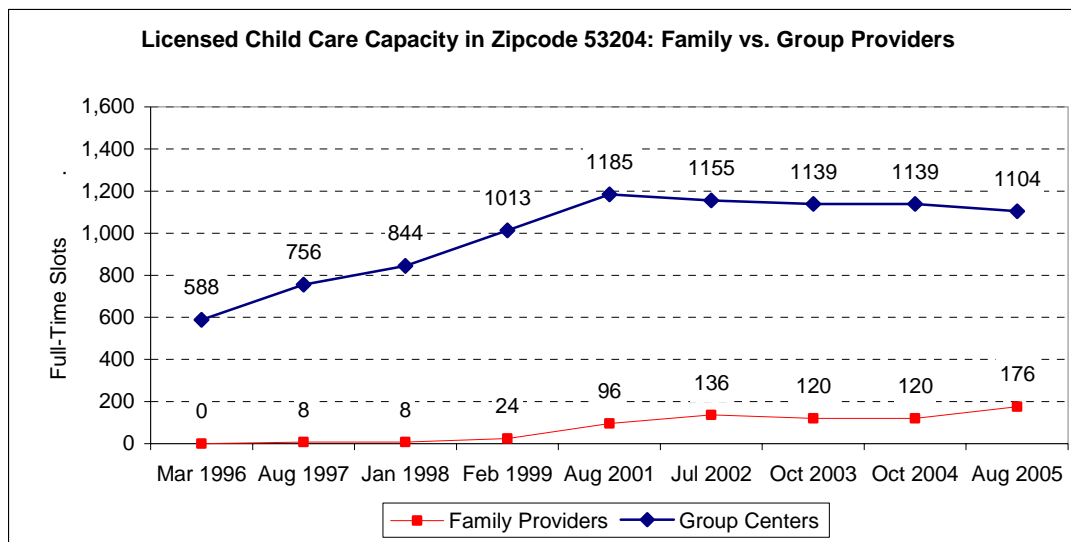
Child Care Availability and Subsidies 1993-2005

Central city neighborhoods showed substantial increases in state-licensed child care facilities since the state expanded its Wisconsin Shares Program, offering subsidized care for children of “W-2” participants and “working poor” families. The state Department of Health and Family Services licenses child care facilities. Capacity of licensed child care was examined for family and group centers operating full-time, year-round.

- The capacity for children in full-time care with licensed providers more than doubled, from 588 slots for full-time care in March 1996 to 1,280 slots in August 2005.

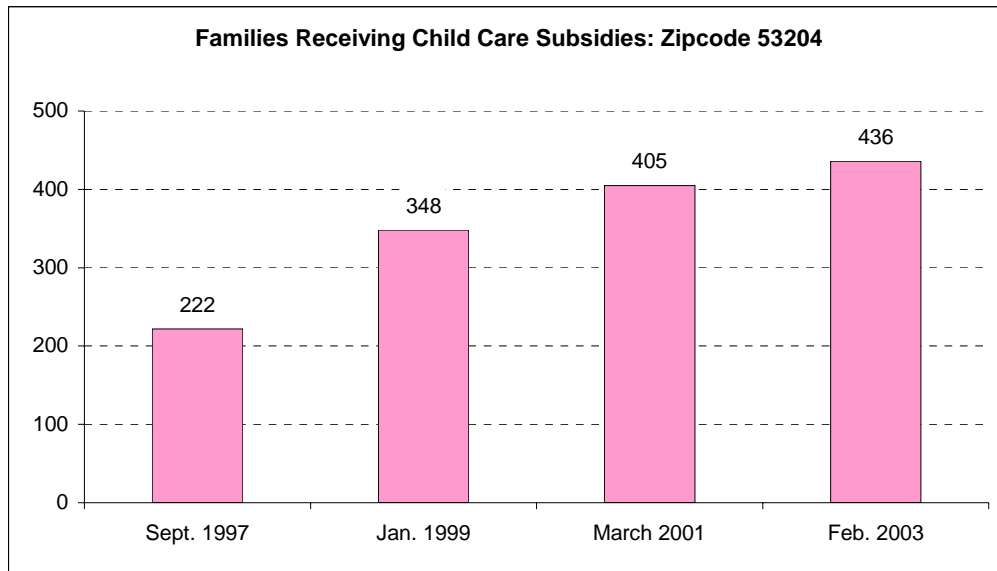


- Most (86%) of the licensed slots were in group centers.

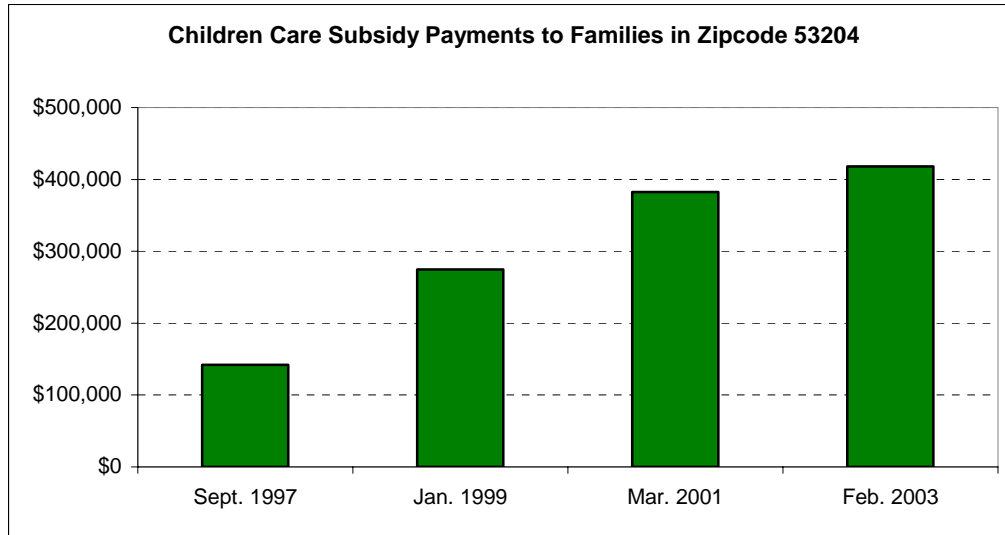


Subsidized child care payments were tracked for the Wisconsin Shares Program, that offers federal and state child care support under TANF (the Temporary Assistance to Needy Families) and CCDBG (Child Care Development Block Grant) monies. The program subsidizes qualified day care for children and W-2 participants and for children in “working poor” families. Families with income up to 185% of the poverty level are eligible for Wisconsin Shares child care subsidies, and families may continue to receive assistance until their income exceeds 200% of poverty.

- The child care subsidy program offers a more generous financial benefit to working families than the earned income tax credit although the number of families receiving child care subsidies was considerably lower than the number claiming the EIC.
- The number of families in zipcode 53204 receiving child care support nearly doubled from 222 in September 1997 to 436 in February 2003.



- Total four-week payments for families rose from \$141,825 in September 1997 (or \$639 per family) to \$418,078 in February 2003 (or \$959 per family).



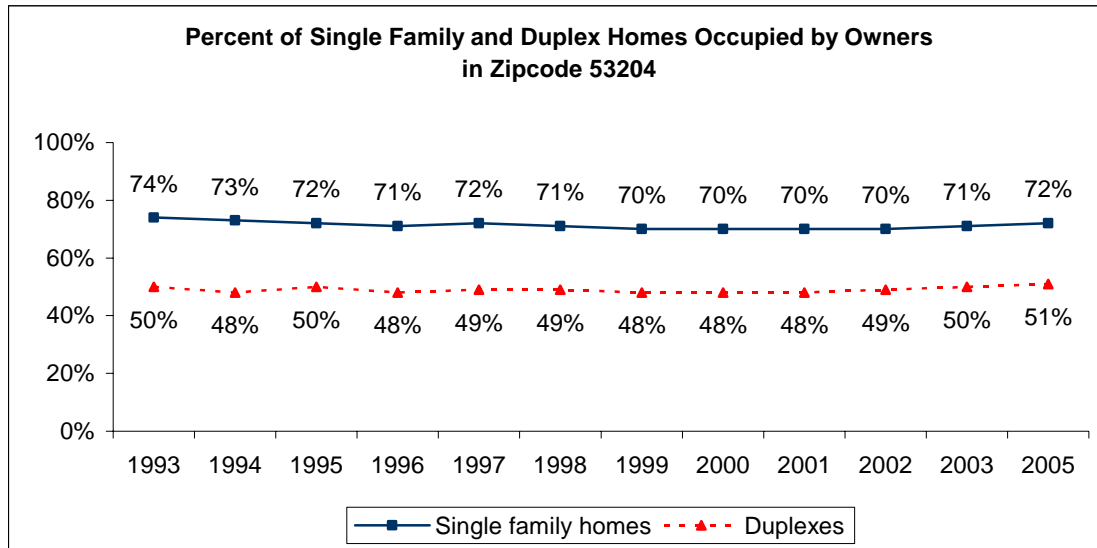
- Most of the Wisconsin Shares subsidies for care of children in zip code 53204 went to licensed providers. In February 2003, over half (59%) of total payments went to state licensed group centers, and another 26% to licensed family centers.

Home Ownership Rates and Housing Values

1993-2005

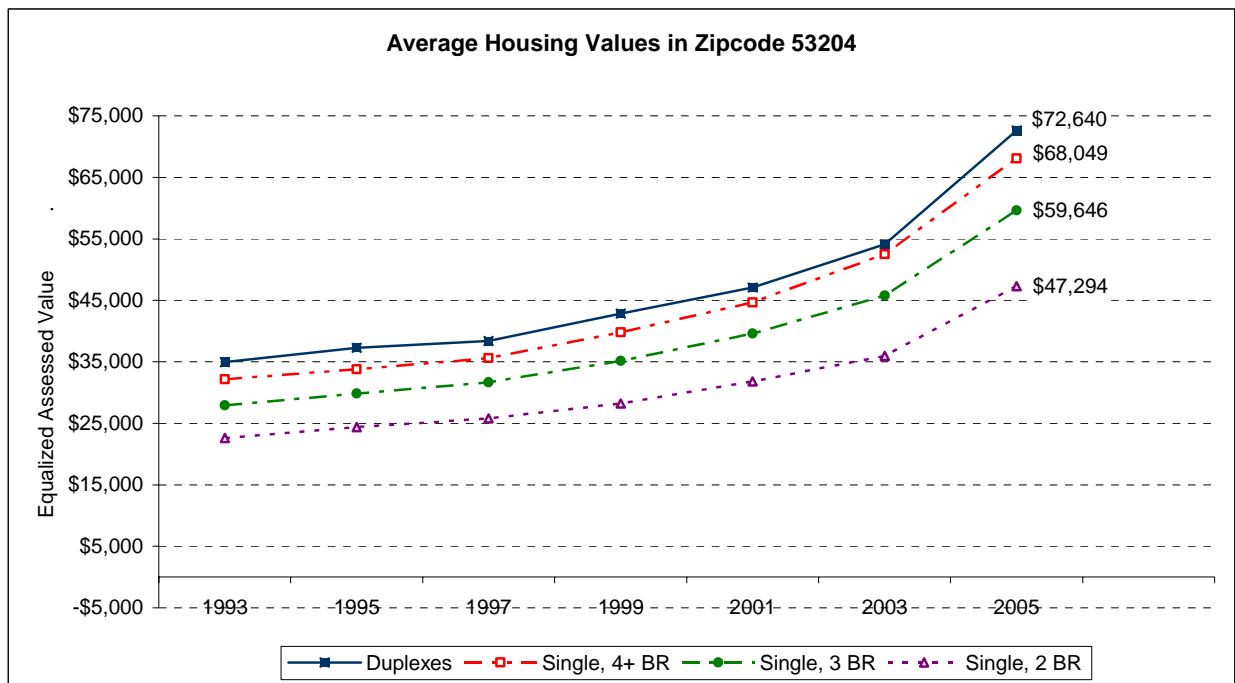
Neighborhood housing data were tracked using City of Milwaukee property files.

- Contrary to popular misconceptions about the inner city, the majority of houses in zipcode 53204 are owner-occupied. The home ownership rate for single family houses was 72% in 2005.
- About half of duplexes are owner-occupied.



Housing prices rose at a faster rate during the 2000s than during the 1990s, increasing the assets of current home owners but limiting the ability of renters to buy homes.

- From 2000 to 2005, the average value of a 3 bedroom house in zipcode 53204 increased 63%, from \$36,486 in 2000 to \$59,648 in 2005. This compares to only a 31% increase for the seven-year period from 1993-2000.
- The average market value of houses with 4 or more bedrooms increased 65% from \$41,229 in 2000 to \$68,049 in 2005. The prior seven-year period showed increases of only 28%.
- From 2000 to 2005, the average value of duplexes in zipcode 53204 rose 67%, from \$43,499 in 2000 to \$72,640 in 2005. This compares to only a 24% increase for the seven-year period from 1993-2000.
- **Given the low income earnings of families in this zipcode and the predominance of single-parent families, housing prices appear to be rising above the capacity of renters in zipcode 53204 to afford them.**

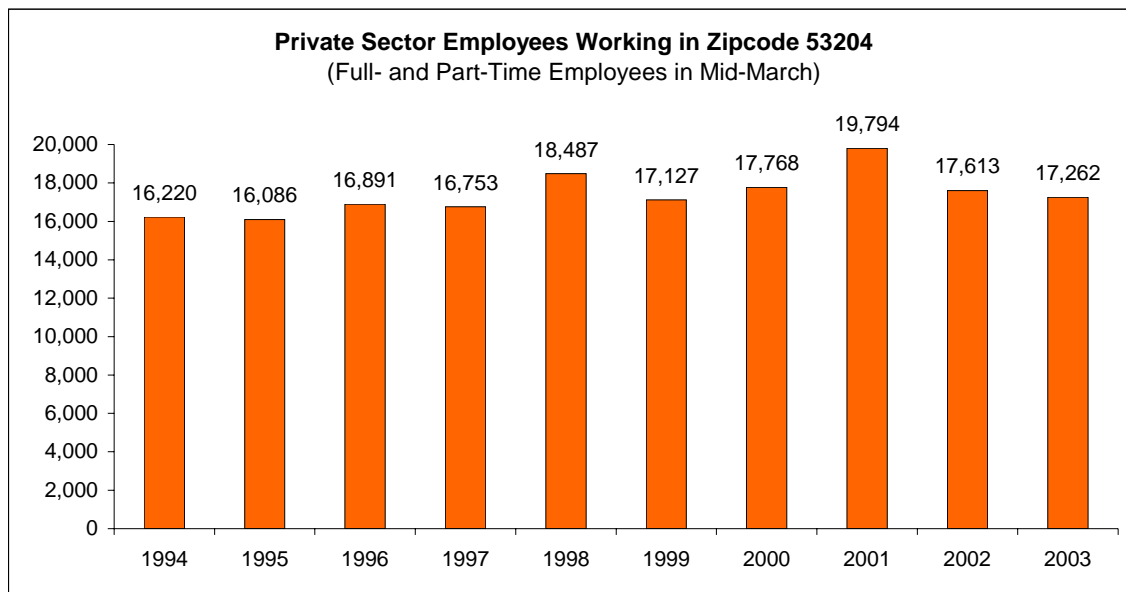


Business Activity in the Neighborhood 1993-2005

Sources of data used to measure business activity in zipcode 53204 included U.S. Census Bureau data on business patterns (including number of number of employees, first quarter payroll, annual payroll for private companies, and number of establishments) and City of Milwaukee records on the value of taxable business property in the zipcode.

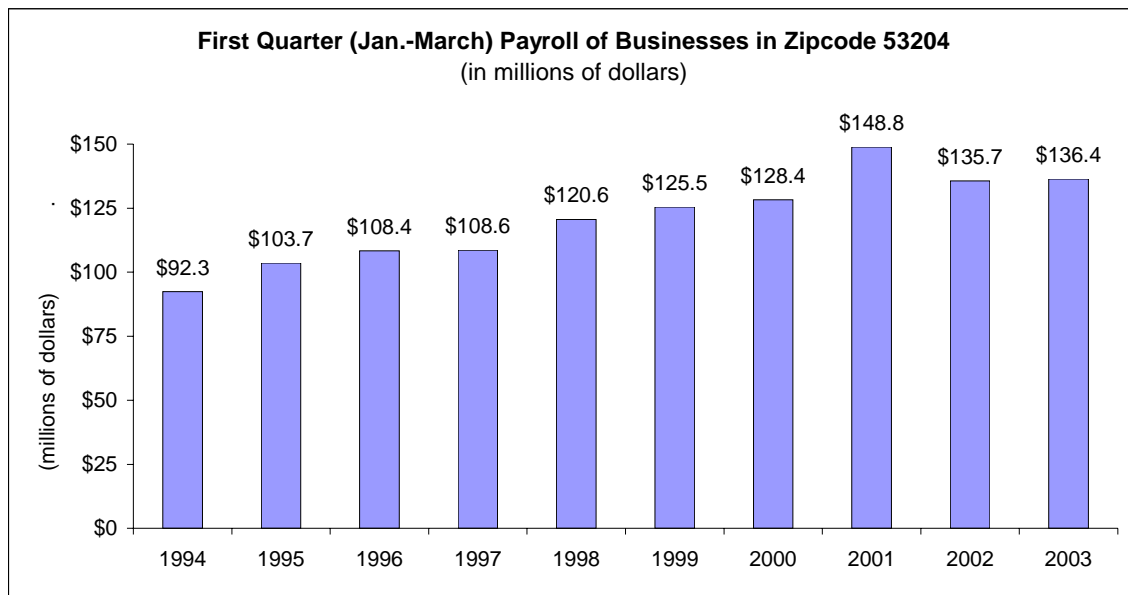
The U.S. Census Bureau ZIP Code Business Patterns reports the number of businesses, payroll and number of full-time and part-time employees.

- The number of **workers employed in private businesses** located in zipcode 53204 increased from 16,220 in 1994 to 19,794 in 2001, and then fell to 17,262 in 2003.
- A drop of over 2,500 workers occurred after the high in 2001.



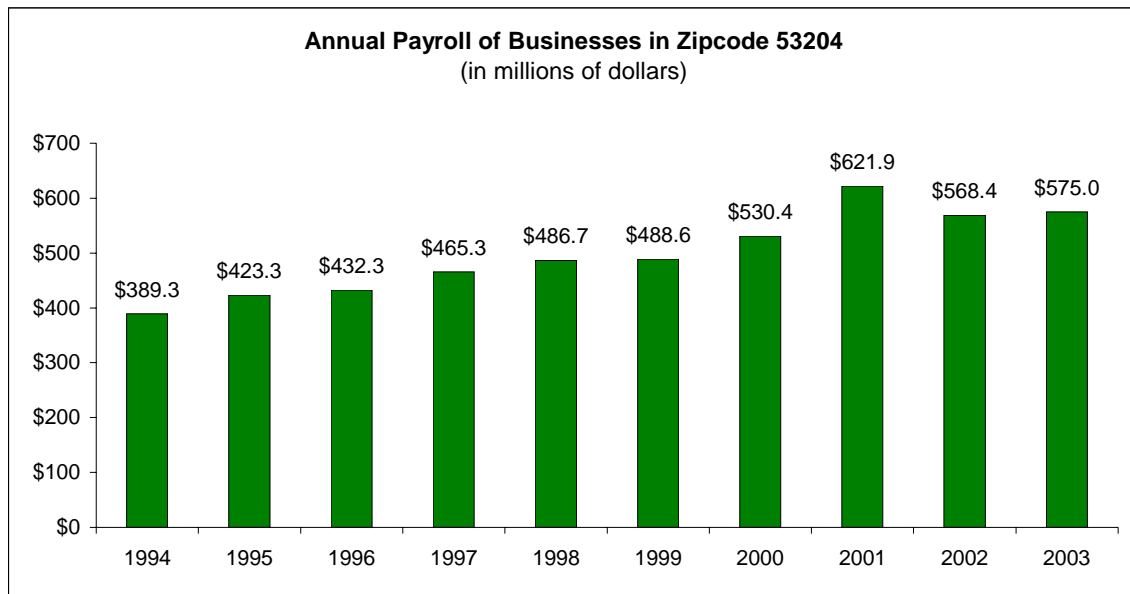
The Census Bureau ZIP Code Business Patterns reports **First Quarter payrolls** for all private establishments located in the zipcode (regardless of the residence of the workers). Payroll is reported before deductions for social security, income tax, insurance, etc.

- Quarterly payrolls rose from \$92.3 million in First Quarter (i.e., January – March) 1994 to \$148.8 million in First Quarter 2001, but fell in 2002 and in 2003.
- In this zipcode First Quarter payrolls in 2003 were \$12 million less than in 2001.



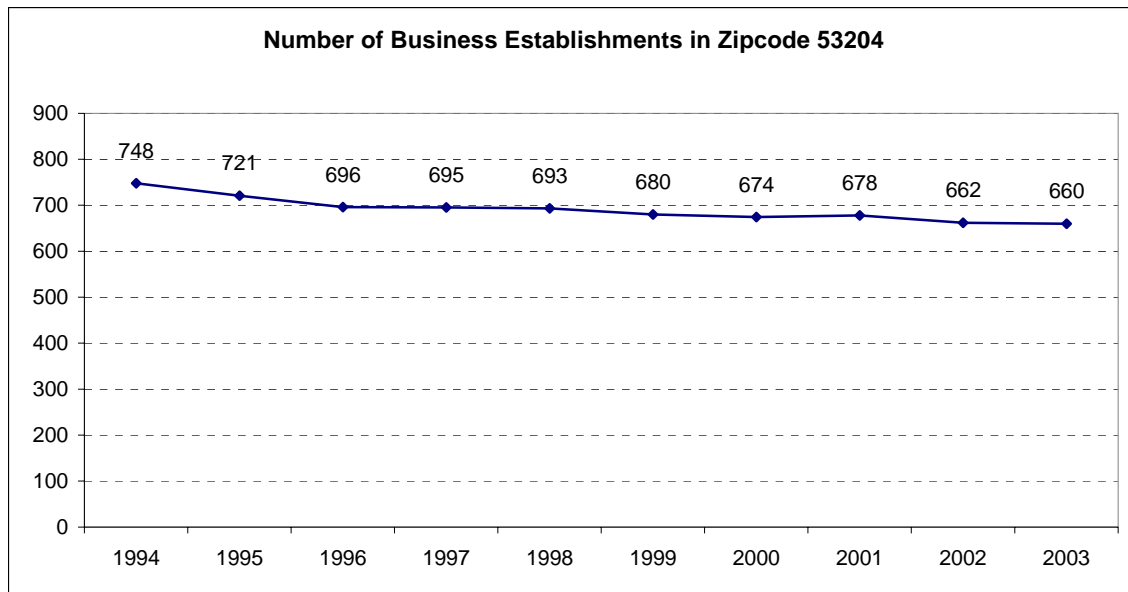
The ZIP Code Business Patterns reports total **annual payroll**, including salaries, wages, commissions, bonuses, sick-leave pay, in-kind payments for meals and lodging, and reported tips. Total are before deductions for social security, taxes, union dues, etc.

- Annual payrolls for private establishments located in zipcode 53204 rose from \$389.3 million in 1994 to \$621.9 million in 2001, and then dropped to \$568.4 million in 2002.
- Payrolls increased by only 1% between 2002 and 2003.



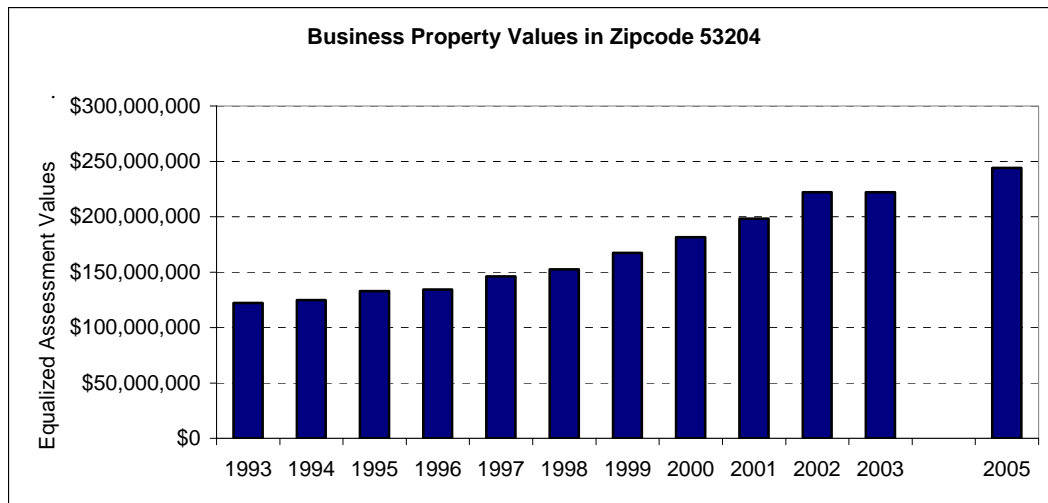
The ZIP Code Business Patterns also report **number of establishments** by location. Establishments are defined as single physical locations where business is conducted or services or industrial operations are performed. Individual companies may have several establishments in a community – each counted separately. Changes in the number of establishments reflect gains or losses of businesses, and shifts from smaller to larger businesses (or vice versa).

- In zipcode 53204 the number of establishments went from 748 in 1994 down to 660 in 2003.
- Total businesses declined by 88 during the ten years examined.



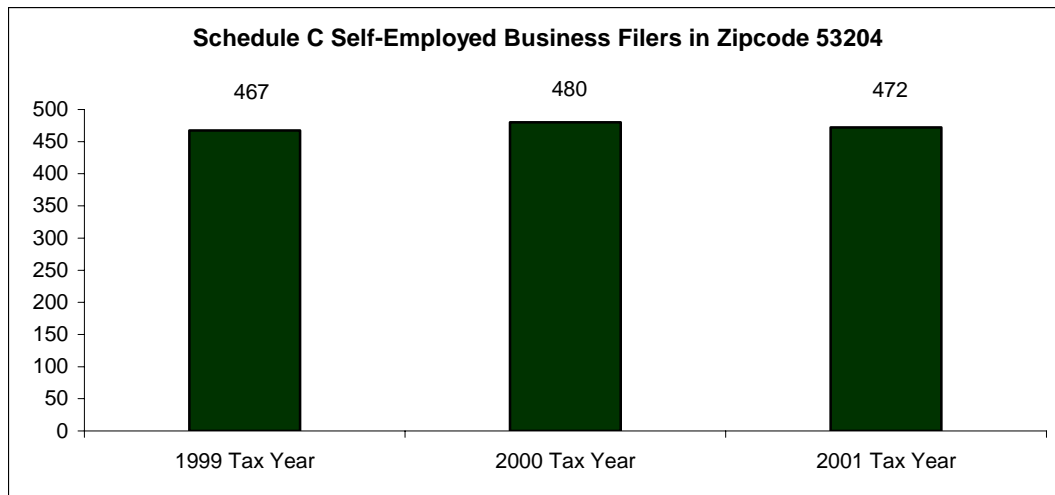
City of Milwaukee property records on **equalized tax assessment of business property** provide another measure of business activity and were analyzed for a twelve-year period. These records showed continuing growth of business property values. The records are somewhat limited, however, since Wisconsin has exempted manufacturing and equipment property from taxation and the full value of manufacturing properties are no longer assessed by the city or state.

- The equalized tax assessments of business, non-residential properties in zipcode 53204 doubled from \$122 million in 1993 to \$244 million in 2005.
- Business property values rose 10% between 2003 and 2005.



For three years the U.S. Internal Revenue Service reported income tax statistics by zip code, including the number of individual income tax filers who completed Schedule C Profit or Loss from Business forms. These include **self-employed individuals** who are sole proprietors (who own unincorporated businesses) or statutory employees.

- In zipcode 53204, 472 individuals filed Schedule C forms for 2001 tax year.
- The number of filers completing Schedule C remained similar over the three tax years from 1999 to 2001.



Background Notes

The Milwaukee Neighborhood Indicators Reports are based on thirteen years of institutional data, including state income tax filings, property tax records, welfare administrative records, county child care payments, state child care licensing reports, city crime reports, and federal census records.

“**Adjusted gross income**” includes income from wages, salaries, tips, taxable interest, dividends, alimony, business income, capital gains income, rental income, etc. and excludes certain business losses, capital gains losses, alimony payments, etc. See state and federal tax forms for definitions of adjustments made to calculate Adjusted Gross Income. Income tax data have several advantages as neighborhood indicators: they are available annually and they provide more comprehensive listings of income than may be volunteered for the U.S. Census long form or survey research projects. They miss, however, income of persons not filing taxes, “earnings” from the underground economy, and the cash value of food stamps, medical assistance, and child care subsidies. Also, they are subject to the vagaries of the income tax code and may understate income for persons with rental properties, self-employment expenses, tax-deferred annuities, etc.

The income tax returns analyzed in this report are for **working age tax filers**, excluding dependents (teenagers, students and others) claimed on another adult’s tax return and senior citizens claiming the elderly credit or elderly exemption. In tax year 2000, the elderly credit was replaced by an elderly exemption. Because filers can now be more effectively identified as elderly, the year 2000 through year 2004 working age files include a slightly different, and smaller, population than the files for previous years. Consequently, calculations of working age tax filers and total AGI for the 1993 to 1999 period may differ from those in 2000-2004 due to the elderly credit/exemption changes.

The **earned income tax credit** offers a tax benefit to help reduce the tax burden and to supplement wages for low and moderate income working families and single persons. For family tax filers who claim the credit, Wisconsin adds 4% to the federal credit for families with one qualifying child, adds 14% to the federal credit for families with two qualifying children, and adds 43% to the federal credit for families with three or more qualifying children. Together the federal and state credits could total from \$3 to \$6,149 for the 2004 tax year.

The **poverty estimates** understate poverty for larger families with more than three dependents and for families who are contributing to the support of other family members, and they do not include federal food stamps and child care subsidy benefits, SSI payments, child support, other financial contributions to the care of family and non-reported income sources.

“**W-2**” cases for the zipcode do not include families receiving public assistance support under the “Kinship Care” program for relatives caring for minor children or the “Caretaker Supplement” program for eligible parents receiving Supplemental Security Income (SSI). AFDC/W-2 caseloads are reported for the following months: March 1994, December 1995, September 1996, June 1997, April 1998, February 1999, April 2000, June 2001, July 2002, July 2002, July 2003, July 2004, and July 2005.

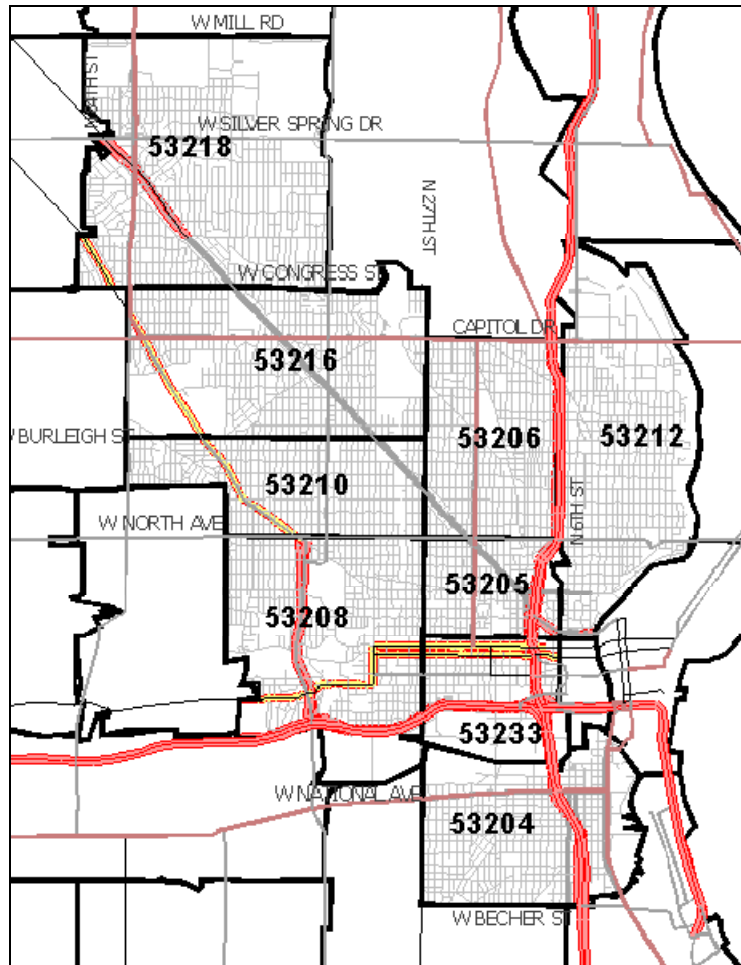
The U.S. Census 2000 Census Transportation Planning Package (CTPP 2000) data used four **racial categories** in reporting its data tables: white alone, black or African American alone, Asian alone, and all other (including persons reported as 2 or more races, Native Hawaiian or Pacific Islander, American Indian or Alaska Native, or other race). Workers were also identified as (1) Hispanic or Latino, and (2) not Hispanic or Latino. For this report, all workers identified as “Hispanic or Latino” are included in that category. The four categories of race listed above were used for persons who were not identified as Hispanic or Latino.

The **estimates of workers in the CTPP 2000** tabulations have been rounded by the Census Bureau for each reported cell. Values from 1 through 7 were rounded to 4. Values of 8 or greater were rounded to the nearest multiple of 5, unless the estimate already ended in 5 or 0, in which case it was not changed. As a result, estimates derived from these files may not be identical to comparable figures contained in other census products. The greater the number of records from these files that are summed for comparison purposes, the more rounding errors there may be and the greater the difference between the estimates from different sources may be.

Counts of workers at-work obtained from CTPP 2000 will differ from other employment data sources. The number of workers shown in CTPP Part 2 will be approximately 91 to 93 percent of the number of jobs counted by establishment inventories. There are several reasons for differences between worker counts and total jobs. Census 2000 counts employed persons not individual jobs. For persons with more than one job, characteristics on only the principal job are collected. Nationally, about 6% of workers have second jobs. CTPP 2000 reports only those workers who were at work during the reference week (typically the week before the U.S. Census is conducted). Individual responses may vary as to the location of worksites (e.g., a street address vs. intersection bordering several census tracts, the company headquarters vs. a specific worksite). For more detail on methodology and definitions, see the UWM Employment and Training Institute website (www.eti.uwm.edu), the U.S. Census Bureau website (www.census.gov), and the U.S. Department of Transportation Census Transportation Planning Package 2000 website (www.fhwa.dot.gov/ctpp).

The **cost of living**, as measured by the Consumer Price Index for the Milwaukee-Racine area, increased 26.8% from 1993 to 2004 and by 2.8% from 2004 to 2005.

Milwaukee Central City ZIP Codes



For more information, contact Lois Quinn, Senior Scientist, Employment and Training Institute, School of Continuing Education, University of Wisconsin-Milwaukee, 161 W. Wisconsin Avenue, Suite 6000, Milwaukee, WI 53203. Phone: 414-227-3380. Email: eti@uwm.edu. Website: www.uwm.edu/Dept/ETI.