

Milwaukee Zipcode 53205

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



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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

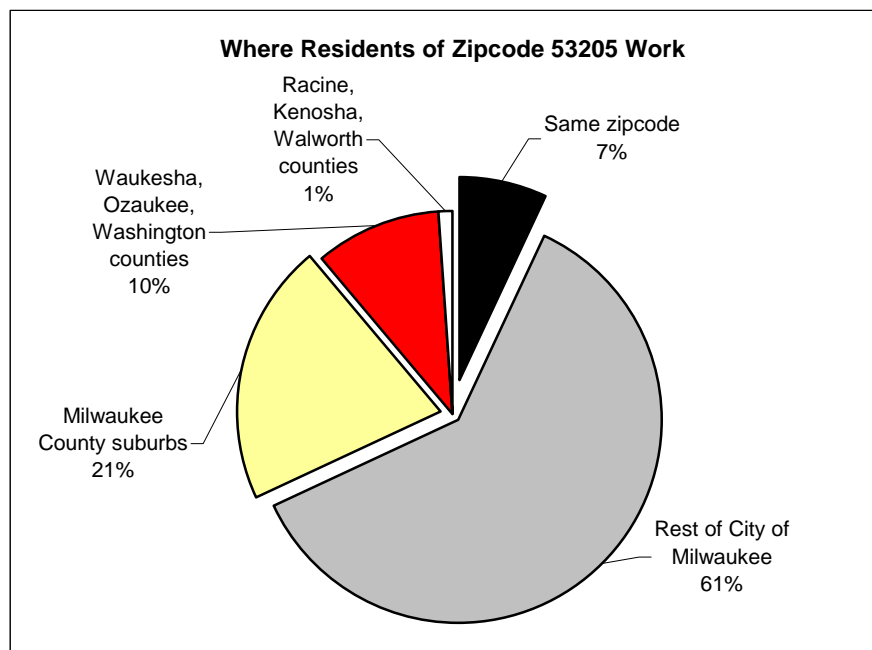
This report assesses employment, economic and welfare changes in ZIP code 53205 based on thirteen years of institutional data. Recently released Census 2000 transportation planning databases are used to provide a first-time analysis by race of jobs located within each central city neighborhood. State-of-the-art 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 53205 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.

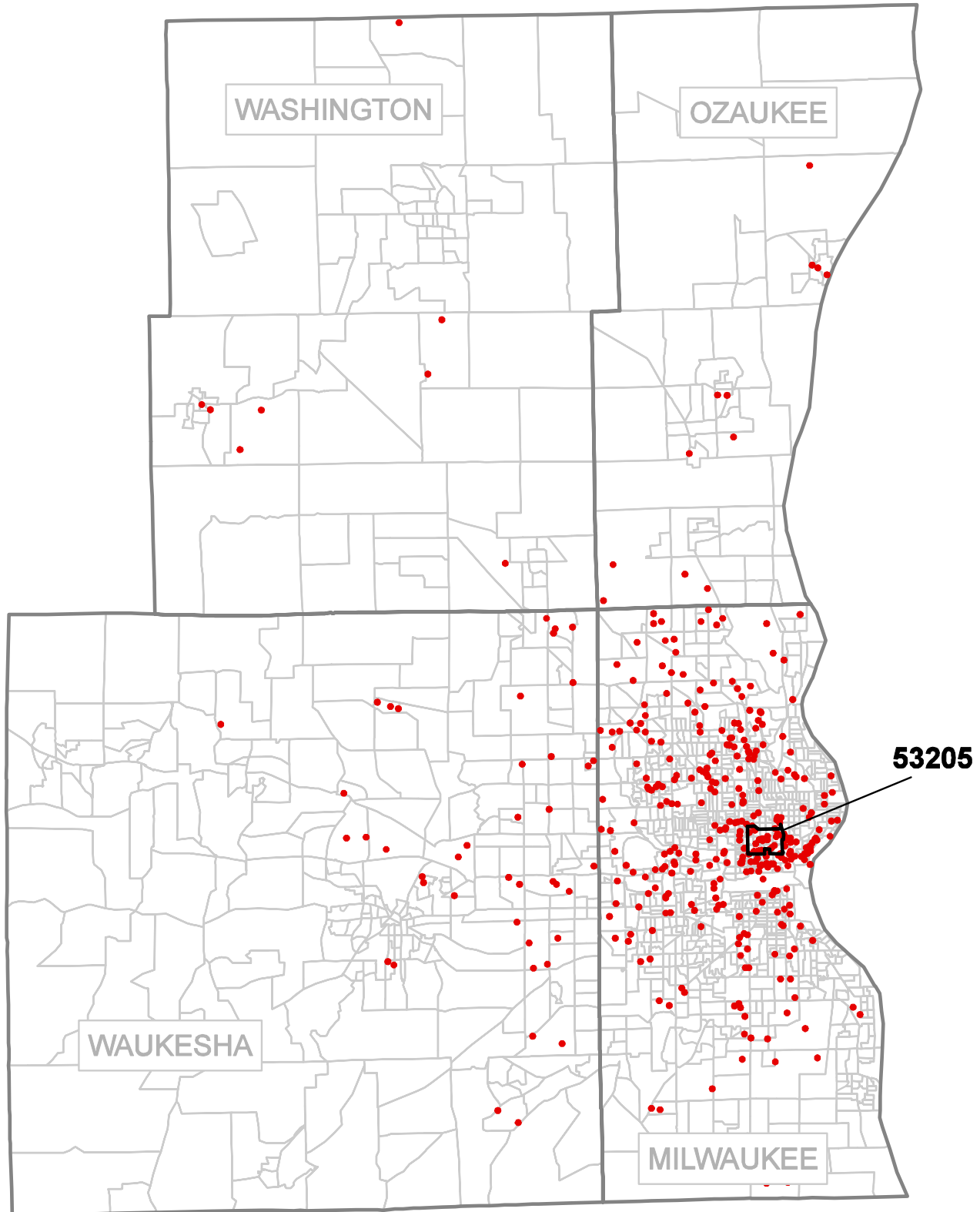
Findings for Zipcode 53205

Workforce Issues

1. **Nearly half (48%) of employed families in zipcode 53205 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 216 of these families out of poverty, but still left about 665 families (or 36% of the 1,854 tax filers with dependents) with income below poverty. The very low federal standards consider a family's annual income to be below poverty if it is below \$12,490 for a 2-person family, below \$15,670 for a 3-person family, and below \$18,850 for 4 persons.
2. **The labor market for most employed residents of zipcode 53205 is very limited. According to the Census 2000 transportation files, 89% of 53205 residents work in Milwaukee County**, including 68% of 53205 residents who are employed at jobsites within the City of Milwaukee. About 10% 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 53205 were employed at the time of the 2000 Census.

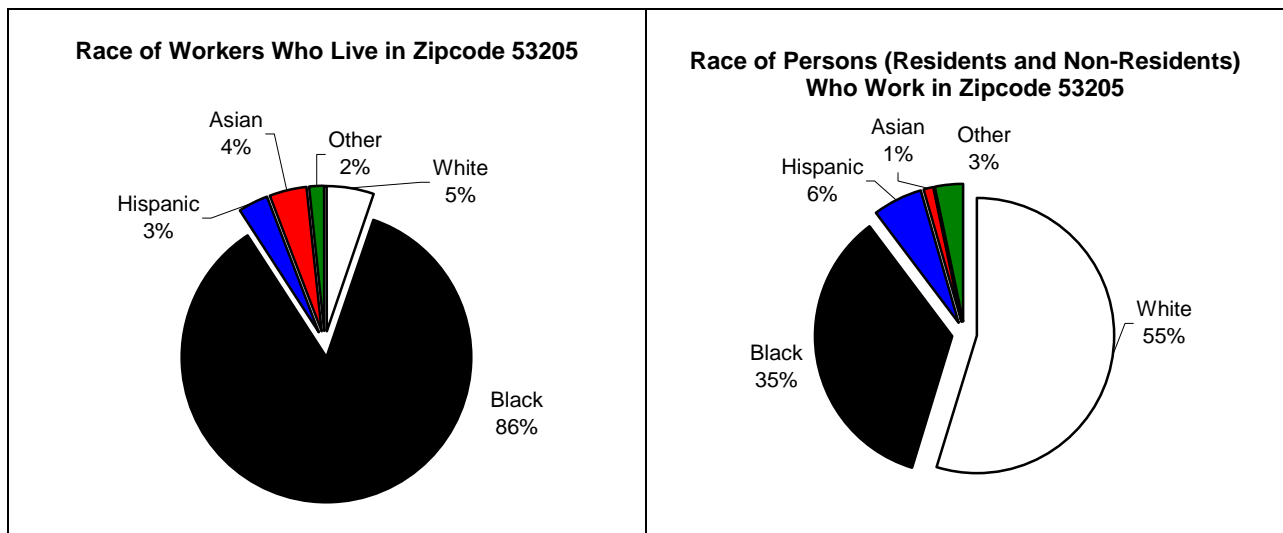


Where People Work Who Live in Zipcode 53205



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

3. **Workforce/Job Gaps:** The Census 2000 showed sharp differences between the race of workers living in zipcode 53205 and the race of persons (residents and non-residents) employed at jobsites in zipcode 53205. According to recently released 2000 Census transportation data files, whites make up 5% of the resident workforce, but white workers hold 55% of jobs with employers (public, private and non-profit) in the 53205 neighborhood. On the other hand, **African Americans make up 86% of the resident workforce in the zipcode, but African American workers hold only 35% of jobs at worksites in 53205.**



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

4. 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 more than 4 times as many driver’s license suspension orders for failure to pay fines (1,921 suspensions) as suspension orders for traffic violations, driving while intoxicated, and drug convictions combined (421 suspensions). On the positive side, these 1,921 “failure to pay” suspension orders are down from an all-time high of 2,674 in 2003.

The large number of residents without a valid driver's license remains an ongoing impediment to employment.

5. This 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 503 slots in March 1996 to 1,152 slots in August 2005.** Most (84%) of the slots are in group centers and 16% are in licensed family care.

Untapped Opportunities

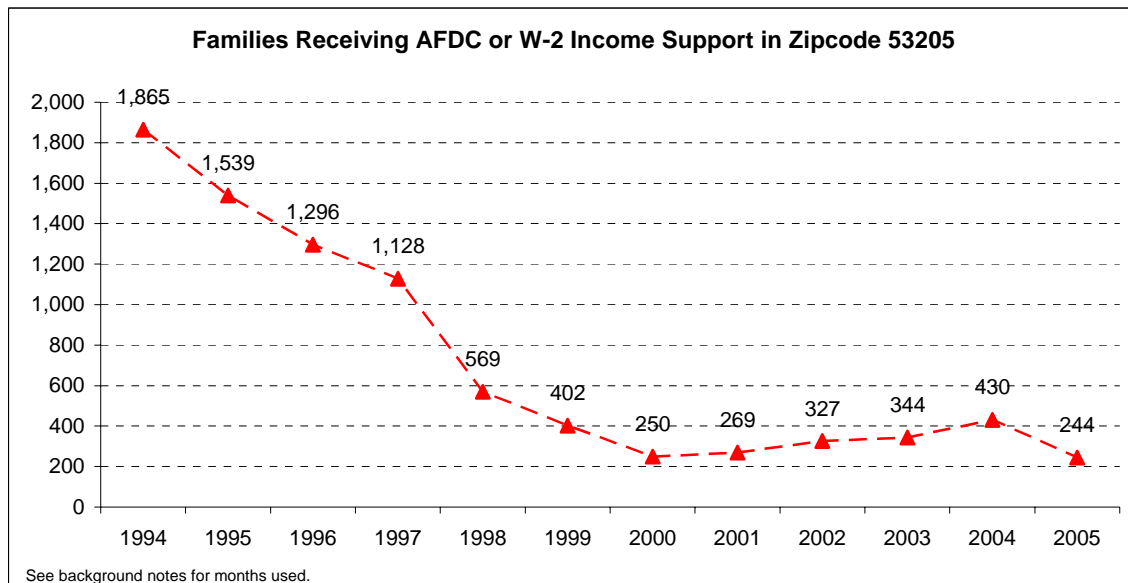
6. **Economic assets** of the immediate neighborhood include its high population density, high concentration of wage earners, and the purchasing power of residents. **Local residents spend over \$26 million annually for 16 categories of consumer expenditures.** This translates into \$18.1 million of spending per square mile, well above the average spending in many affluent suburban neighborhoods. Tapping into this purchasing power could improve the economic health of the immediate neighborhood.
7. It is estimated that 71% of residents' retail expenditures (for 15 categories of purchases) are captured by local retail establishments, while **an estimated \$6.6 million is leaving the 53205 neighborhood annually when residents buy their goods at other locations.**
8. Contrary to popular misconceptions about the inner city, **the majority (70%) of single family houses in zipcode 53205 are owner-occupied.** In 2005, 50% of duplexes were also owner-occupied, up from 45% in 2000.
9. **Home owners in zipcode 53205 have seen increases in the value of their houses in the last five years.** From 2000 to 2004 the average value of a 4-bedroom house increased 130%, compared to only a 35% increase for the 7 years from 1993-2000. The average value of duplexes doubled from 2000 to 2004, compared to only a 30% increase in the 7-year period from 1993-2000. 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

10. Unlike some nearby central city zipcodes, **total earnings of zipcode 53205 residents showed increases since the 2000 Census.** The total adjusted gross income of working age tax filers increased by 7.9% between 2000 and 2004. When inflation is considered, however, the real income earnings of residents showed only a 1% increase.

11. Federal and Wisconsin earned income tax credits (EIC) provide significant support for lower-income employed families in zipcode 53205. The **earned income tax credits have more than doubled, from \$1.7 million in 1993 to \$4.8 million in the 2004 tax year.** For the 2004 tax year, 92% of income-eligible single parent tax filers and 84% of married parent filers with dependents claimed the EIC. These claim rates are among the highest in the county.

12. In spite of the low earnings of single parent families, very few families in zipcode 53205 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 53205.



Job Gaps in Zipcode 53205 *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 3,385 residents of zipcode 53205 (ages 16 and above) employed at the time of the 2000 Census.

- Most residents commute to jobs outside the zipcode. Only about 7% of residents worked in the 53205 zipcode area, while 93% traveled to jobs outside the zipcode.

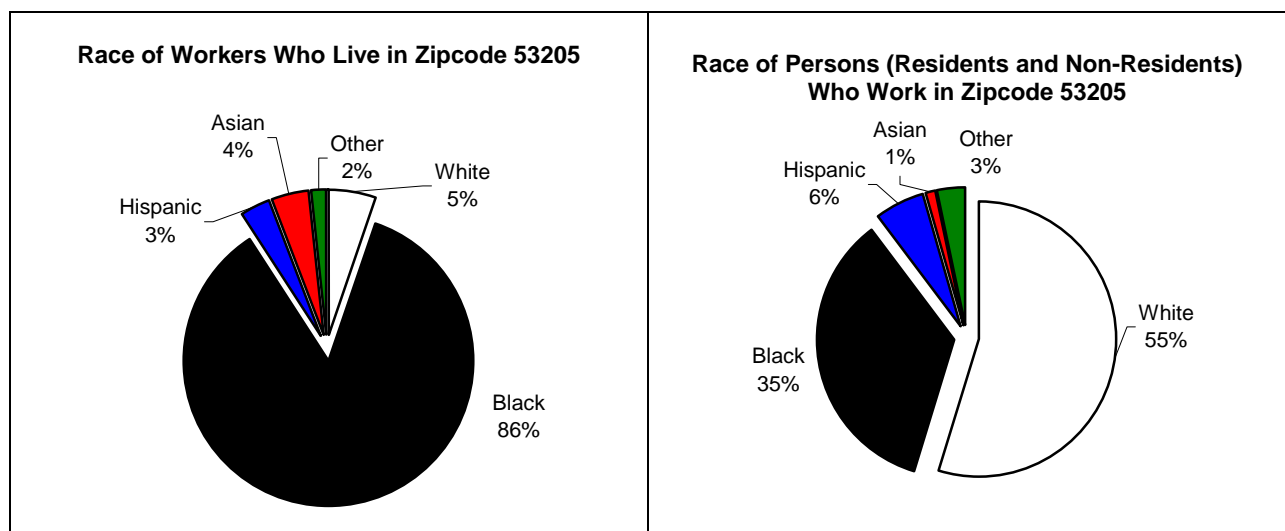
- The labor market for most 53205 **residents** is limited to Milwaukee County. Two-thirds of residents (68%) worked in the City of Milwaukee and nearly all (89%) work within Milwaukee County. Another 10% of workers were employed in Waukesha, Washington and Ozaukee counties. The other three counties (Racine, Kenosha and Walworth) of the “Milwaukee Region” provided employment to only 1% of 53205 resident workers.

Who Works for 53205 Employers

The Census 2000 files showed 4,776 persons (residents and non-residents) whose primary job was located at a worksite in zipcode 53205. This included employment with private companies, governmental and school units, non-profits, and self-employment.

- Ninety-five percent of persons working at jobsites within zipcode 53205 came from outside the neighborhood.
- In all, 16% of the workers came from outside Milwaukee County, including 12% from the WOW (Waukesha, Ozaukee and Washington) counties. The three southern counties (Racine, Kenosha and Walworth) of the “Milwaukee Region” provided 2% of the workers coming into 53205 for jobs – the same percentage as workers coming into the neighborhood 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 5% of the resident workforce, but white workers hold 55% of jobs with employers (public, private and non-profit) with jobsites in 53205. On the other hand, African Americans make up 86% of the resident workforce in this zipcode, but African American workers hold only 35% of jobs in zipcode 53205.
- African American workers held 31% of jobs with private companies located in the 53205 neighborhood. For non-profits, they held 34% of the jobs at neighborhood worksites.
- African Americans made up 38% of the 1,374 workers employed at local government jobsites (including schools) located in zipcode 53206, 56% of the 272 jobs at state government worksites, and 31% of the 125 workers employed at federal government jobsites.

Characteristics of Those Who Work at Jobsites in Zipcode 53205

(Includes Jobs Held by Residents and Non-Residents)						
Type of Employer	White	Black	Hispanic	Asian	Other	Total Workers
Total workers	2,614	1,674	274	57	157	4,779
Private for-profit	59.5%	30.9%	6.2%	1.6%	1.5%	2,068
Private not-for-profit	54.9%	34.1%	5.9%	2.0%	3.4%	745
Local government	50.9%	38.2%	6.2%	0.0%	5.1%	1,374
State government	34.2%	56.3%	5.5%	1.5%	0.0%	272
Federal government	68.0%	31.2%	0.0%	0.0%	0.0%	125
Self-employed not incorporated	52.8%	24.2%	0.0%	5.6%	16.3%	178
Unpaid family workers	28.6%	71.4%	0.0%	0.0%	0.0%	14

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.

- About 43% of workers employed at 53205 jobsites worked for private companies, with transportation, warehousing and utilities as the leading industry type. Another 37% worked for local, state, and federal governments, and 16% 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 53205 by occupational groupings of workers.

- Among the largest occupational areas, African Americans comprised 43% of the workers in management and 41% of office and administrative support staff, compared to about a fourth (28%) of production workers at 53205 jobsites.
- The highest percentages of employment of African Americans at 53205 jobsites were for personal care services (where African Americans made up 63% of all workers) and healthcare support (where they comprised 49% of the workers). Hispanics made up 16% of workers in protective services, 14% of those in building and grounds cleaning/maintenance, 12% in healthcare support, and 11% in food preparation and serving.
- White workers coming into the zipcode for work showed their highest rates of employment in jobs 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, 86 persons were reported as engaged in construction work (including self-employment) at jobsites in zipcode 53205. White workers held 67% of these jobs (or 58 jobs), African Americans held 21% of the jobs (18 jobs), and Asians held 12% (11 jobs).
- When the occupations of 53205 **residents** were analyzed (regardless of whether they worked inside or outside of the neighborhood), 81 residents reported occupations in construction, including 46 African Americans, 20 whites, and 15 Asians.

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 53205

(Including Jobs Held by Residents and Non-Residents)						
Total	White	Black	Hispanic	Asian	Other	Occupational Grouping
4776	2614	1674	274	57	157	Total Occupation
756	454	233	24	0	45	Transportation, material moving
673	344	278	4	15	32	Office, administrative support
627	352	218	53	0	4	Education, training, library
387	204	129	34	0	20	Community, social service
370	199	143	14	0	14	Sales, related
354	179	152	15	4	4	Management
303	167	84	28	14	10	Production
205	173	28	0	4	0	Healthcare practitioners, technicians
159	107	38	14	0	0	Installation, maintenance, repairs
140	57	64	15	0	4	Food preparation, serving related
126	49	49	18	0	10	Building + grounds cleaning/maintenance
92	59	29	4	0	0	Business, financial operations
88	36	38	14	0	0	Protective service
86	58	18	0	10	0	Construction, excavation
85	29	42	10	0	4	Healthcare support
76	24	48	0	4	0	Personal care, service
52	34	18	0	0	0	Arts, design, entertainment, sports, media
38	28	10	0	0	0	Computer, mathematical
33	10	4	15	4	0	Legal
Total	White	Black	Hispanic	Asians	Other	Groupings with Over 50 Employed
4776	54.7%	35.1%	5.7%	1.2%	3.3%	Total Occupation
756	60.1%	30.8%	3.2%	0.0%	6.0%	Transportation, material moving
673	51.1%	41.3%	0.6%	2.2%	4.8%	Office, administrative support
627	56.1%	34.8%	8.5%	0.0%	0.6%	Education, training, library
387	52.7%	33.3%	8.8%	0.0%	5.2%	Community, social service
370	53.8%	38.6%	3.8%	0.0%	3.8%	Sales, related
354	50.6%	42.9%	4.2%	1.1%	1.1%	Management
303	55.1%	27.7%	9.2%	4.6%	3.3%	Production
205	84.4%	13.7%	0.0%	2.0%	0.0%	Healthcare practitioners, technicians
159	67.3%	23.9%	8.8%	0.0%	0.0%	Installation, maintenance, repairs
140	40.7%	45.7%	10.7%	0.0%	2.9%	Food preparation, serving related
126	38.9%	38.9%	14.3%	0.0%	7.9%	Building + grounds cleaning/maintenance
92	64.1%	31.5%	4.3%	0.0%	0.0%	Business, financial operations
88	40.9%	43.2%	15.9%	0.0%	0.0%	Protective service
86	67.4%	20.9%	0.0%	11.6%	0.0%	Construction, excavation
85	34.1%	49.4%	11.8%	0.0%	4.7%	Healthcare support
76	31.6%	63.2%	0.0%	5.3%	0.0%	Personal care, service
52	65.4%	34.6%	0.0%	0.0%	0.0%	Arts, design, entertainment, sports, media

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.

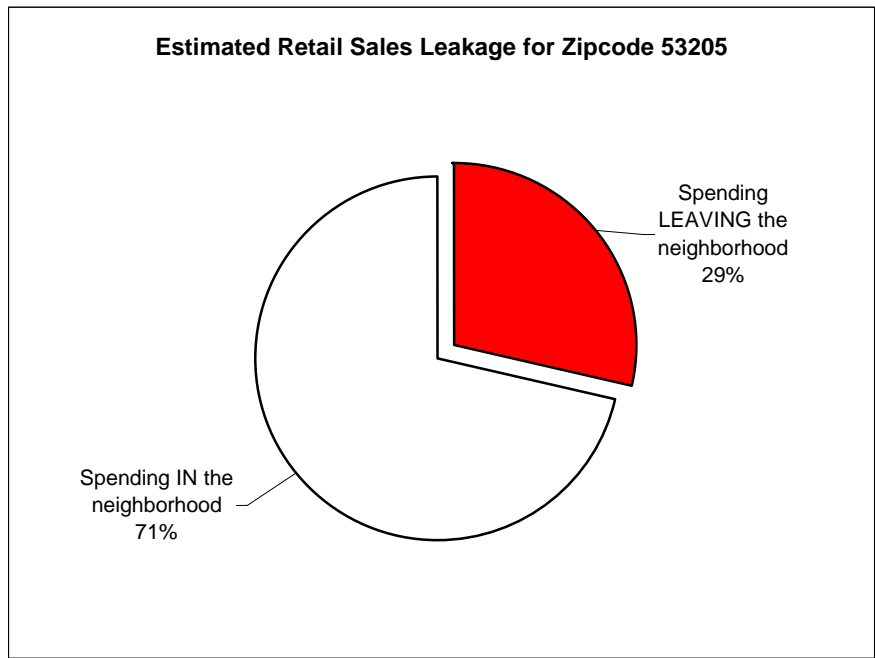
- An analysis of the estimated spending of resident households in zipcode 53205 showed \$26.3 million in annual spending for 16 major retail expenditure areas.
- This translates into \$18.1 million of spending per square mile, well above the average spending in many suburban and exurban neighborhoods.

Purchasing Power Profile for Residents of the Milwaukee 53205 Neighborhood		
Land Area in Square Miles: 1.45		
Consumer Expenditure Category	Est. Annual Expenditures	Expenditures Per Square Mile
Food at home	\$11,949,381	\$8,240,952
Food away from home	\$3,217,744	\$2,219,154
Apparel and related services	\$3,452,566	\$2,381,080
Television equipment, tapes, disks	\$1,584,414	\$1,092,699
Audio equipment, CDs, tapes	\$385,679	\$265,986
Household textiles	\$186,024	\$128,292
Furniture	\$777,752	\$536,381
Floor coverings	\$68,354	\$47,141
Major appliances	\$422,099	\$291,103
Small appliances and housewares	\$127,476	\$87,914
Computer hardware and software	\$373,968	\$257,909
Miscellaneous household equipment	\$562,041	\$387,614
Non-prescription drugs and supplies	\$763,337	\$526,439
Housekeeping supplies	\$1,319,185	\$909,783
Personal products	\$904,277	\$623,639
Home repair commodities	\$185,574	\$127,982
Total for 16 categories	\$26,279,901	\$18,124,070

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).

- It is estimated that about 71% of residents' retail expenditures (or \$16.4 million in spending for the 15 categories) was captured by local retail establishments. This includes spending by residents as well as spending by in-coming shoppers.
- **The neighborhood showed an estimated net retail sales leakage of \$6.6 million, or about 29% of residents' spending for the 15 categories. These dollars are leaving the neighborhoods when residents buy their goods at other locations.**

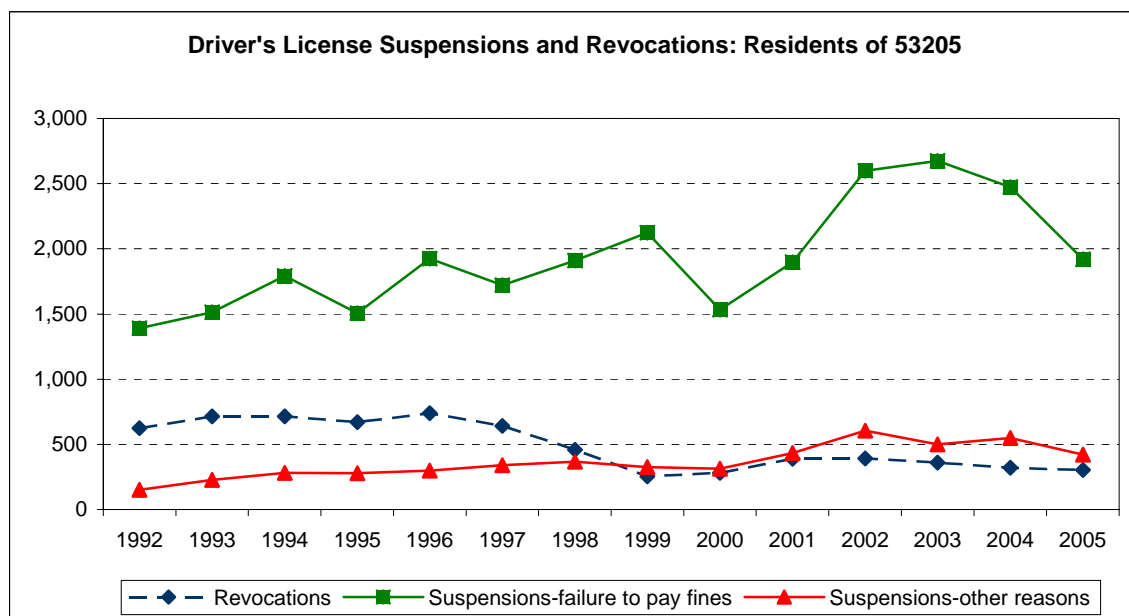


Transportation Barriers: Driver's License Suspensions

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 1,921 for residents of zipcode 53205. These "failure to pay" suspension orders are down from an all-time high of 2,674 orders in 2003.
- The zipcode area showed more than 4 times as many suspensions for failure to pay fines (1,921) as for suspension orders for traffic violations, driving while intoxicated, and drug convictions combined (421).
- License revocations totaled 303 in 2005, down 8% from the prior year.

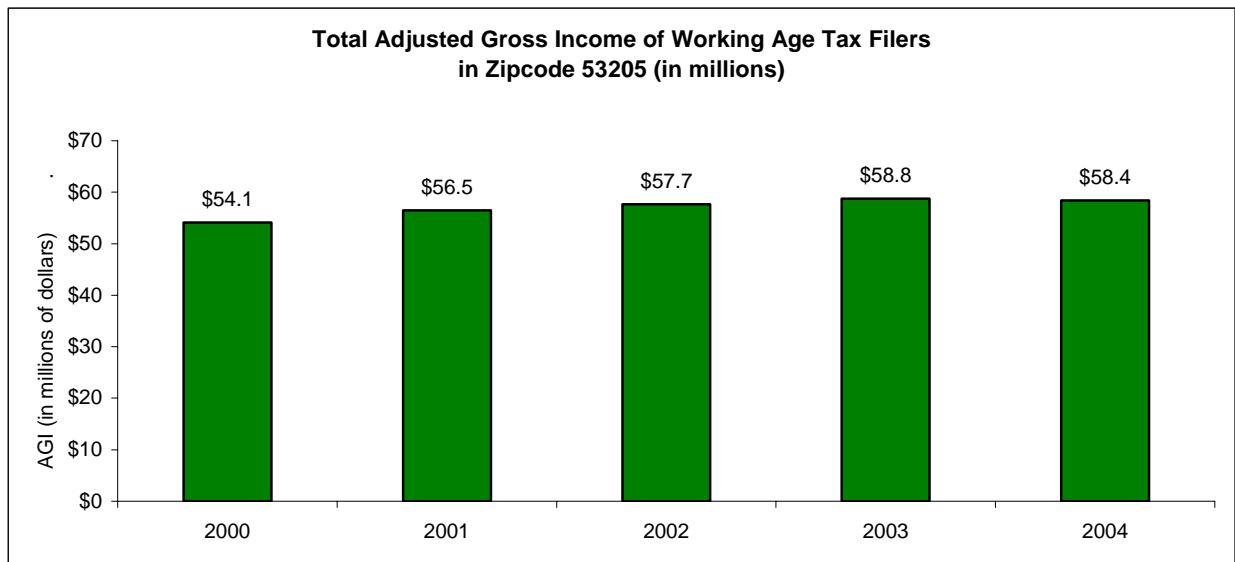


Family Income and Workforce Growth

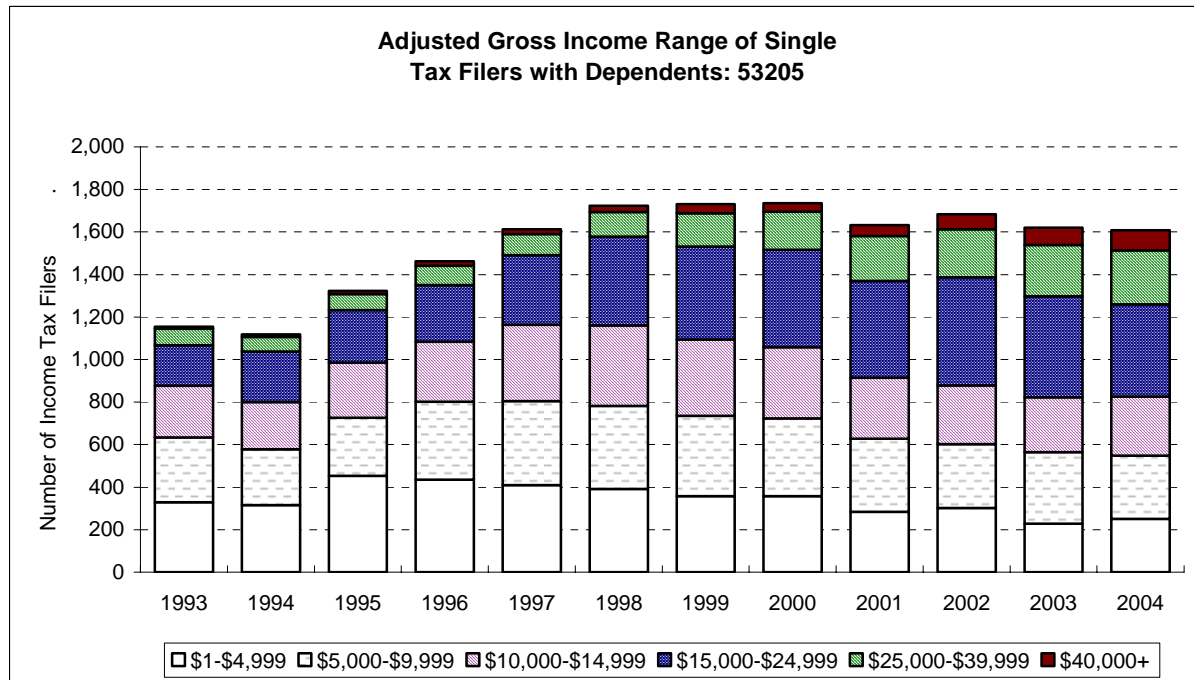
1993-2004

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 53205, the total adjusted gross income of working age tax filers increased by 7.9% between 2000 and 2004, going from \$54.1 million to \$58.4 million (a slight decline from 2003). 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 53205 showed only a 1% increase from 2000 to 2004.**



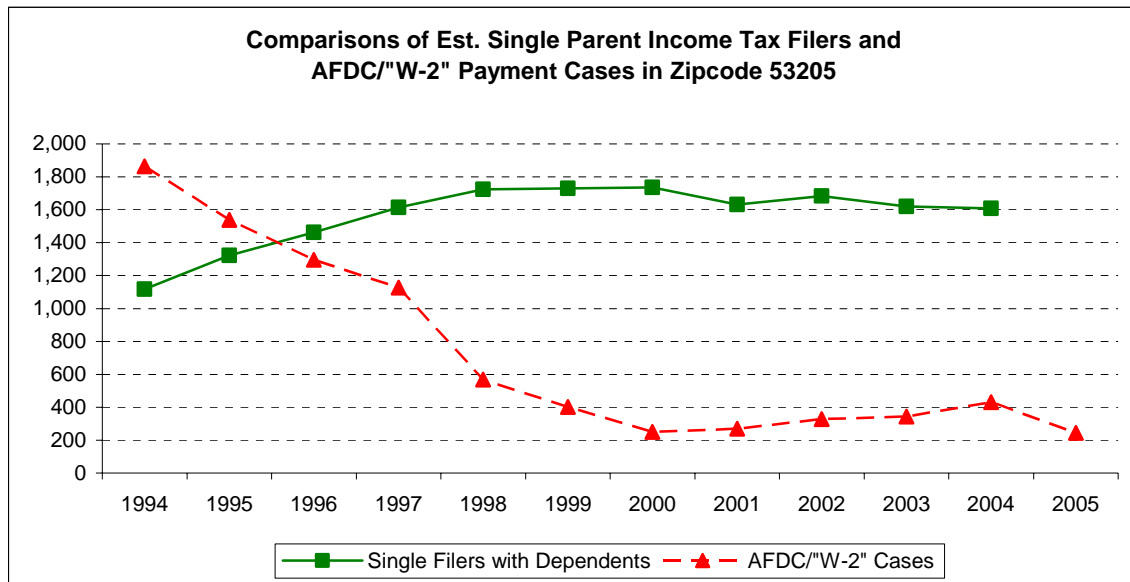
- The number of **working age tax filers** (single and married) also decreased by 11.4%, from 3,121 in 2000 to 2,765 in the 2004 tax year (i.e., taxes filed in 2005 based on earnings in 2004).
- The total number of **single tax filers with dependents, which had increased by 50% from 1993 to 2000, showed declines by 2004.** From a high of 1,736 single tax filers with dependents in 2000, the total was down to 1,608 in 2004.
- Analysis of the 1,608 single tax filers with dependents in 2004 by their income category suggested that a large number of single parents in zipcode 53205 remain only marginally employed. In 2004, a total of 251 single filers with dependents (16% of the total) reported AGI below \$5,000, and another 297 filers (18%) reported income below \$10,000. Only 22% of single parent filers earned \$25,000 or more.
- Some modest improvement was seen in the percentage of single tax filers with dependents who earned at least \$25,000.



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

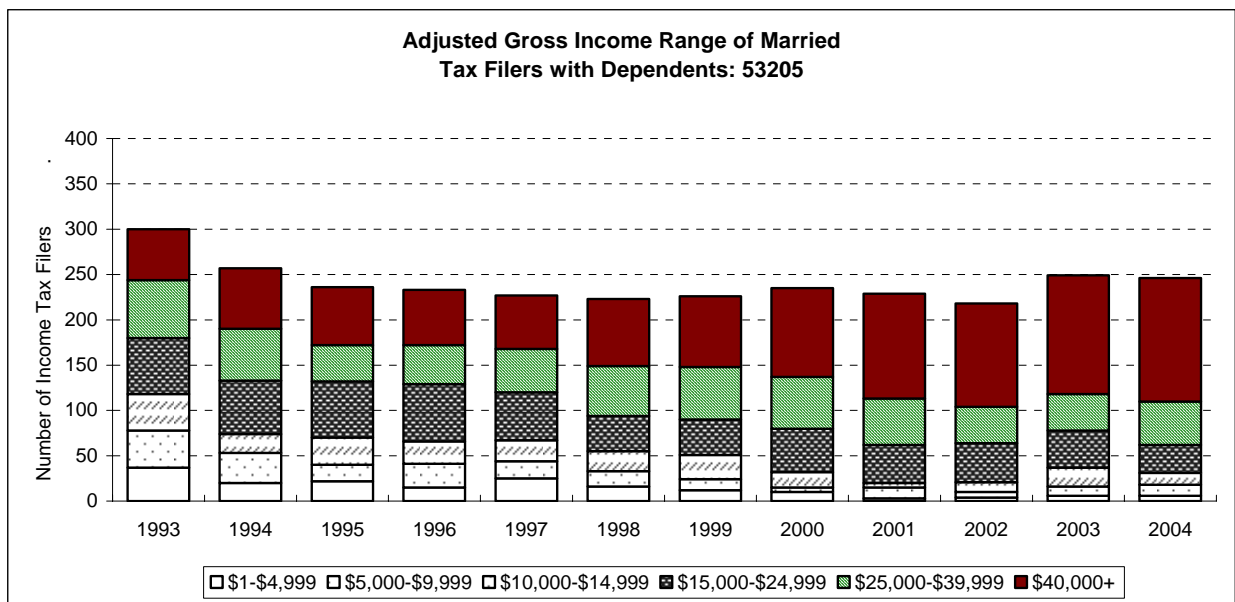
The growth in single tax filers with dependents was compared to changes in AFDC and “W-2” welfare caseloads in zipcode 53205 to help gauge whether employment had replaced welfare for single parents in the neighborhood and to determine the effect of the economy on both employment and welfare receipt.

- 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 parent filers with dependents has declined from a high of 1,736 in 2000.
- Welfare records showed a decrease of 1,435 AFDC/“W-2” payment cases from 1994 to 2004, compared to only a 490 increase in single income tax filers with dependents.
- As noted in prior indicators reports, some parents may have left the neighborhood, 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. In this zipcode, the number of single filers with dependents has declined since the 2000 high.



The number of **married income tax filers with dependents** in zipcode 53205 – although very small relative to the single parent population – has seen a modest increase in the last two years.

- The 246 married couples with dependents in 2004 were more likely to have family-supporting incomes than the single heads of households in 2004. Three-fourths had income at or above \$25,000, and 55% had income of \$40,000 or more, when income from all jobs is considered.



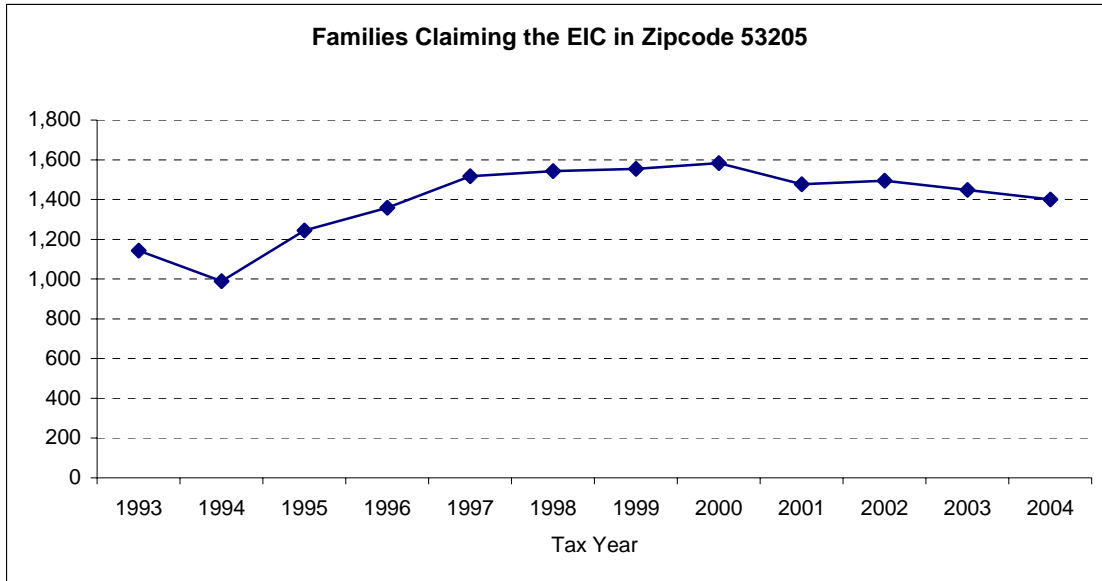
Note: Earnings categories are not adjusted for inflation. The cost of living increased by 26.8% from 1993 to 2004.

Earned Income Tax Credits 1993-2004

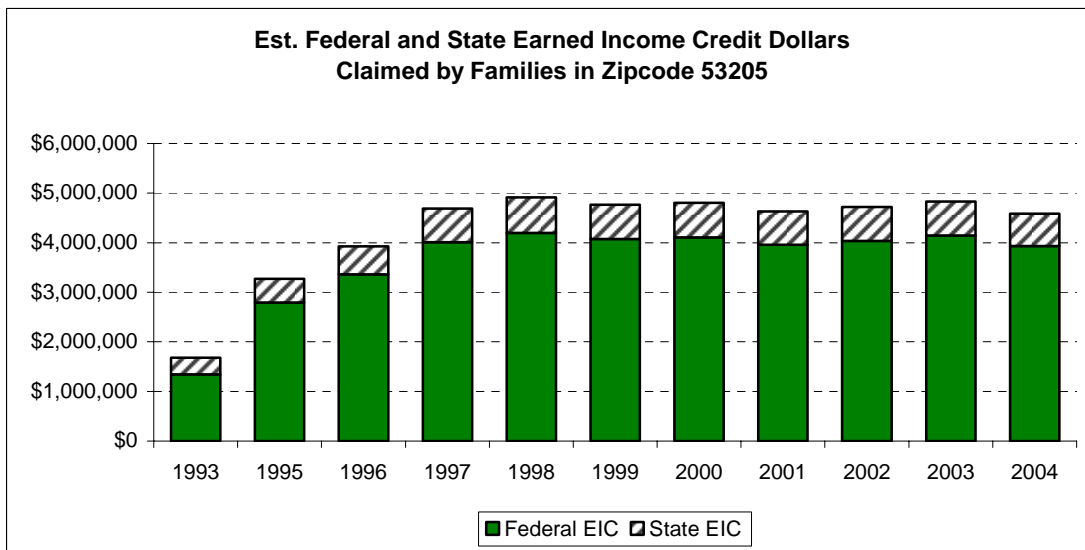
State and federal earned income tax credits offer a substantial boost to working families at the lower end of the wage scale. The earned income tax credit (EIC) offers a tax benefit to help reduce the payroll and social security tax burdens and to supplement wages for low and moderate income working 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 53205 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 22% from 1,143 in 1993 to 1,400 in the 2004 tax year (i.e., taxes filed in 2005 based on earnings in 2004).
- The number of families receiving the credit in 2004 was down 6.3% from the number filing claims for the 2000 tax year, however.



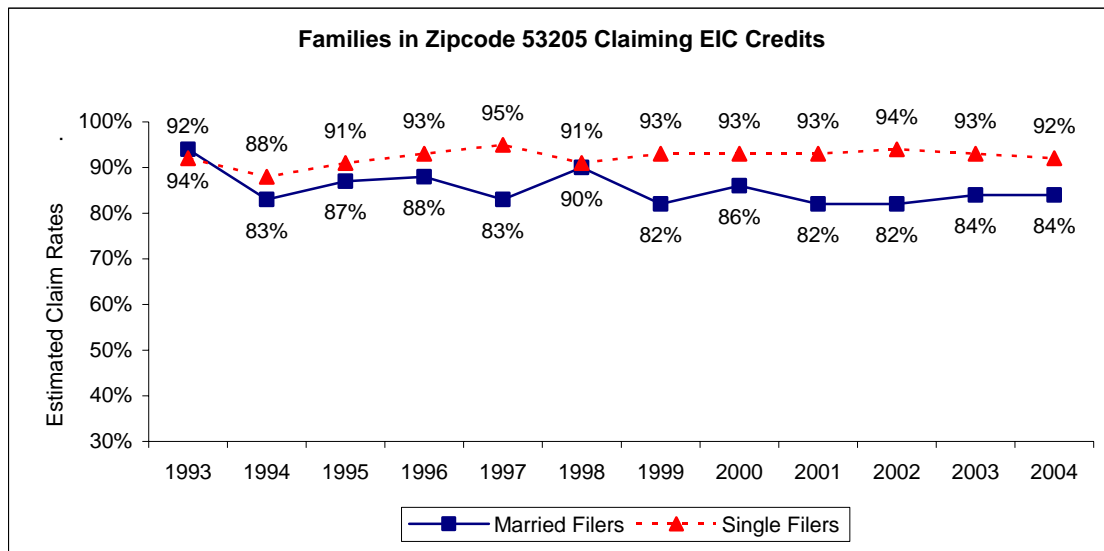
- The amount of the combined federal and state earned income tax credits more than doubled from \$1.7 million in 1993 to \$4.8 million in the 2003 tax year and then dropped 5% to \$4.6 million in 2004.



- In 2004, single parents received 95% of the credits claimed in zipcode 53205. Single parents comprised 86% 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 a few exceptions, nearly all of these families may be eligible for the EIC if their dependents are living at home and are relatives.

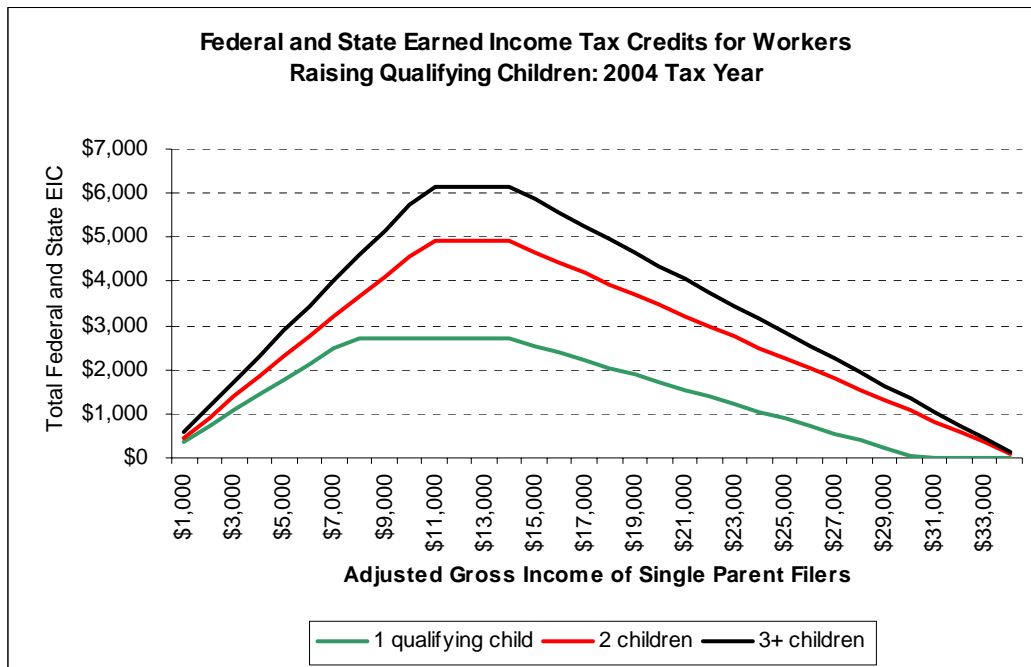
- Single parent tax filers showed higher claim rates than married filers. For filers with dependents, 92% of single filers with \$5,000 to \$14,999 in adjusted gross income – the range with the highest potential EIC claims – claimed the credit in 2004, as did 84% of married filers in that income range.



- For 2004 tax filers in the \$15,000 to \$24,999 income ranges, the EIC claim rates were 93% for single parents and 81% for married parents.
- Zipcode 53205 showed claim rates for the EIC that are among the highest in the county.

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.

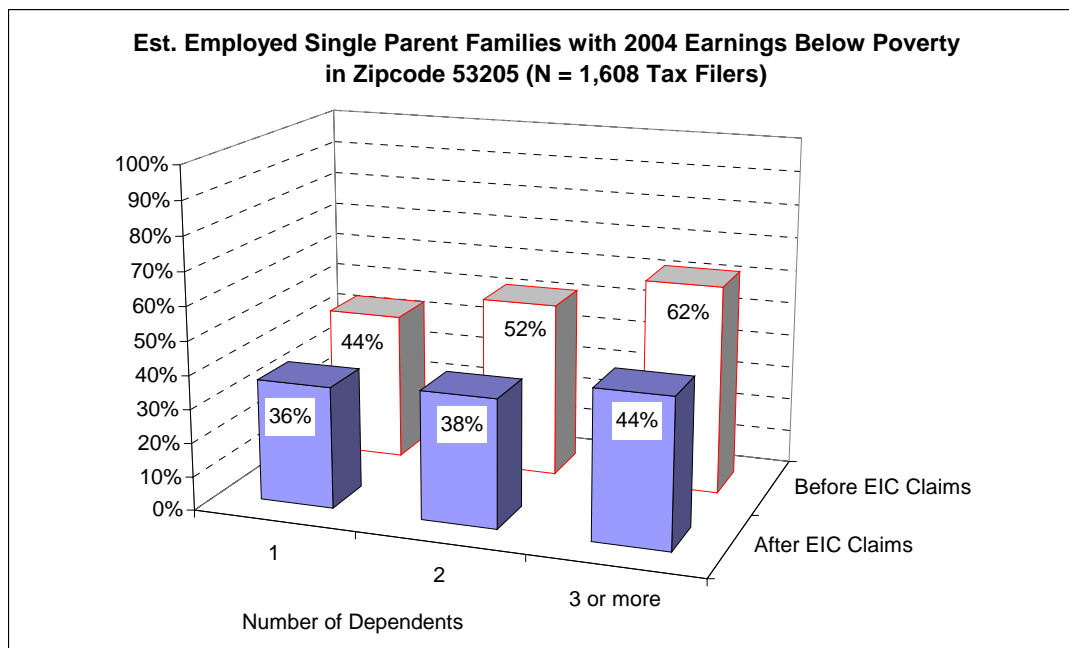


Working Families with Income Below Poverty

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.

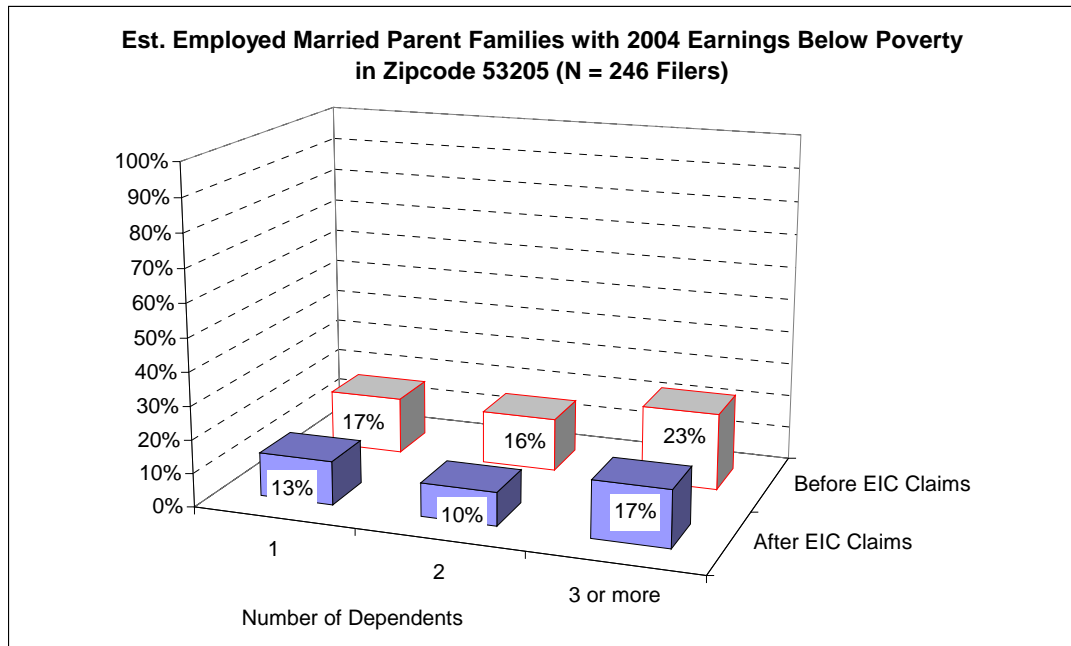
- For **single parent families with dependents**, in zipcode 53205 in tax year 2004 about 44% of single tax filers with one dependent showed adjusted gross income (AGI) below the poverty level (\$12,490 for two persons). Over half (52%) of single filers with 2 dependents showed AGI below (\$15,670 for three persons) and at least 62% (or more) of filers with three or more dependents had income below poverty.



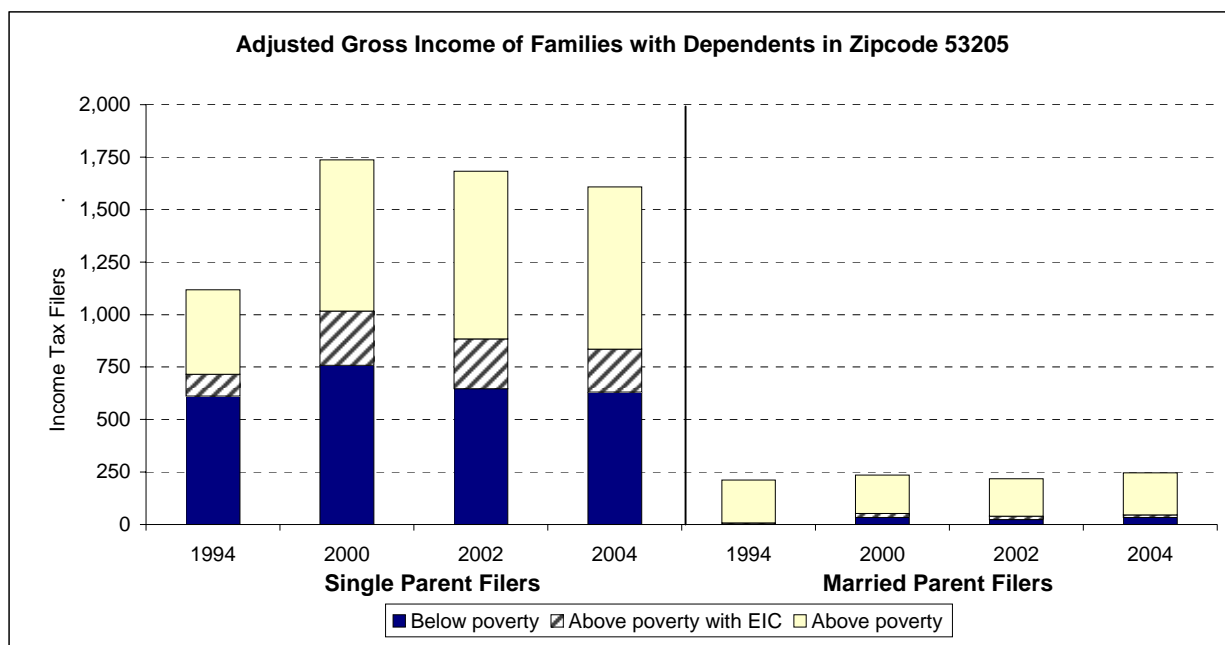
- When the number of filers claiming the state and federal earned income credit (EIC) was considered, the percentage of single parent families living in poverty was

reduced to about 36% of filers with one dependent and 44% (or more) of filers with three or more dependents.

- State Department of Revenue data showed only 246 **married tax filers with dependents** out of the 1,854 income tax filers with dependents in 2004. More employed parents showed adjusted gross incomes above the poverty level.
- About 17% of married tax filers with one dependent showed adjusted gross income below the poverty level. About 16% of married filers with two dependents reported AGI below the poverty level, as did 23% (or more) of married filers with 3 or more dependents.
- Federal and state EIC claims brought the poverty rates for married filers down to 13% for filers with one dependent and 10% for filers with two dependents.
- In zipcode 53205, married filers with three or more dependents showed 17% of families still living in poverty even with EIC claims.



- In total, the earned income tax credit (EIC) helped lift the income of about 204 single parent families above the poverty level, leaving an estimated 631 single tax filers with dependents (39% 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 13 families out of poverty.

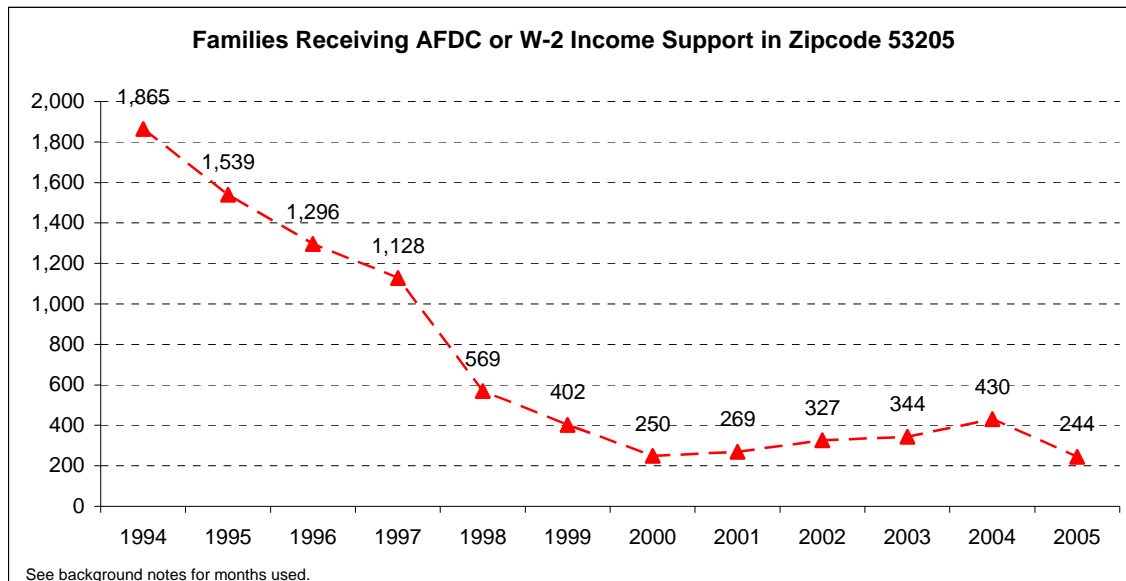


- The challenges of securing and maintaining full-time, year-round employment are particularly difficult for lower-income single parents. Half of single income tax filers (with dependents) with income estimated to be below the poverty level for their family size appeared to be employed less than 70%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

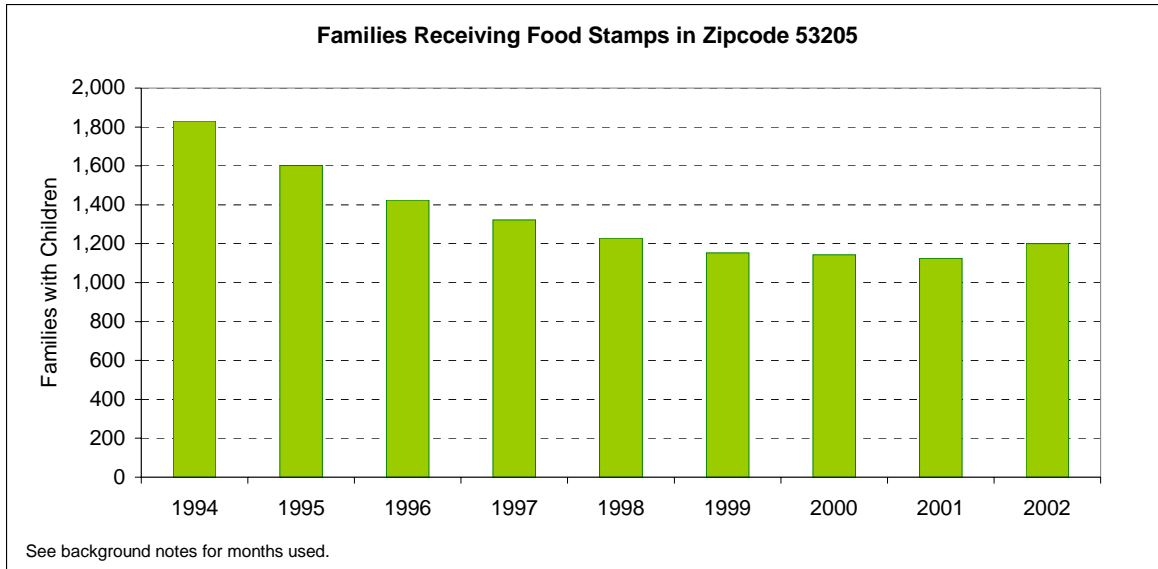
Families Receiving Public Assistance 1994-2005

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

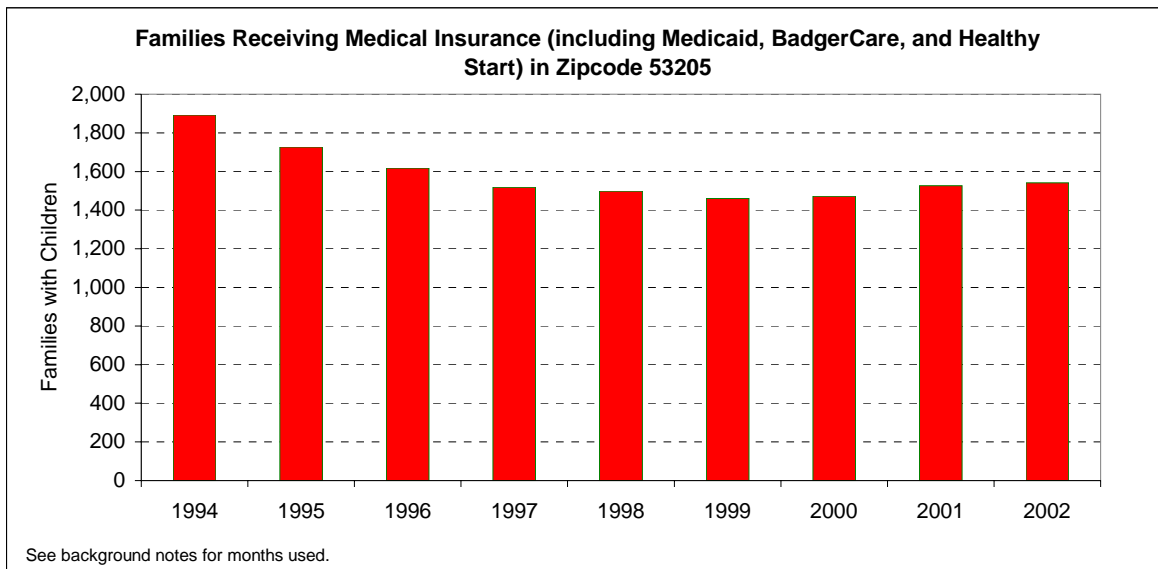
- The number of families in zipcode 53205 receiving **income support** (AFDC or "Wisconsin Works," i.e. "W-2," cases) dropped 87%, from 1,865 in March 1994 to 250 in April 2000. Caseloads rose again to 430 "W-2" payment cases in July 2004 and then were reduced to 244 cases by July 2004.
- By July 2005, "W-2" payment cases were at their lowest level to date at 244 families. This caseload is 87% below the number 11 years earlier.



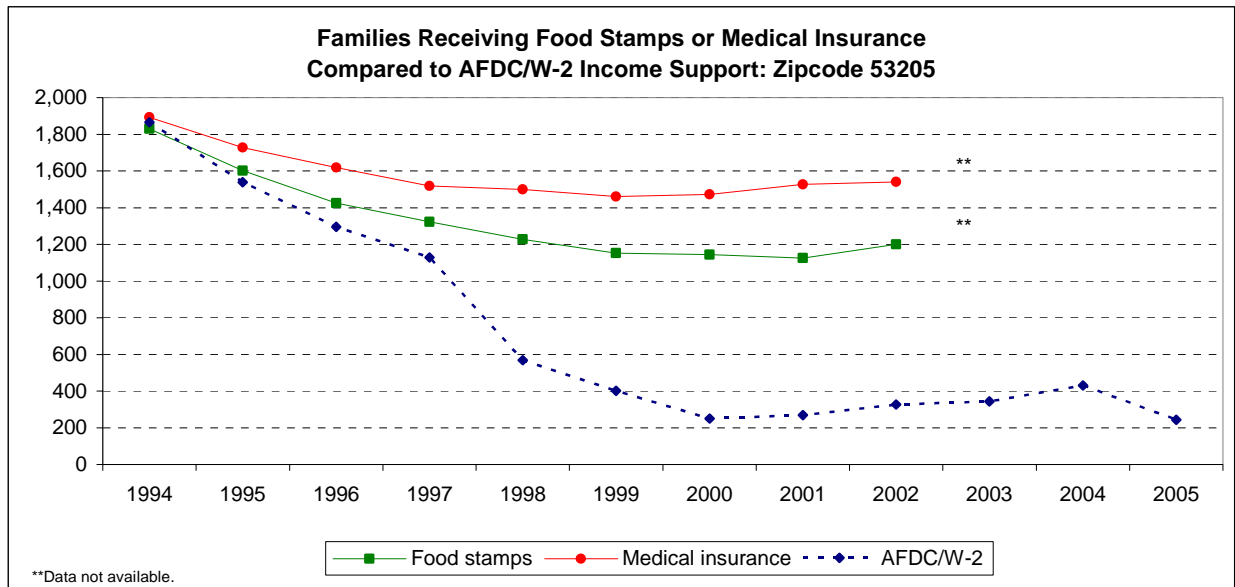
- The families with children in zipcode 53205 also have shown sharp declines in the numbers receiving **food stamps** although these declines were not nearly as steep as the AFDC/W-2 drops. The number of families receiving food stamps dropped from 1,830 in March 1994 to 1,125 in June 2001, or a 38% decline.
- The number of families enrolled in the food stamp program had increased to 1,200 in 2002. Enrollments in 2002 still remained 34% below the 1994 levels.



- The number of families (with children) in zipcode 53205 covered by medical assistance, including Medicaid, BadgerCare and Healthy Start, dropped from 1,892 in March 1994 to 1,460 in February 1999, or 23%.
- Numbers increased between 1999 and 2002 to 1,541, or 19% below 1994 levels.



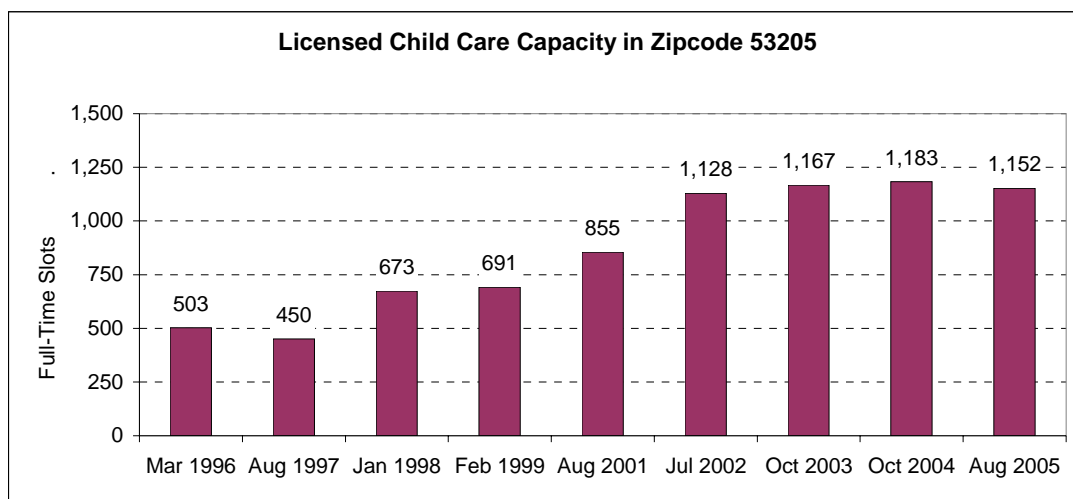
- When trends in the numbers of families (with children) receiving income support are compared to those receiving medical assistance and food stamps, the data show many more families in zipcode 53205 using medical insurance and food stamps than receiving income support.



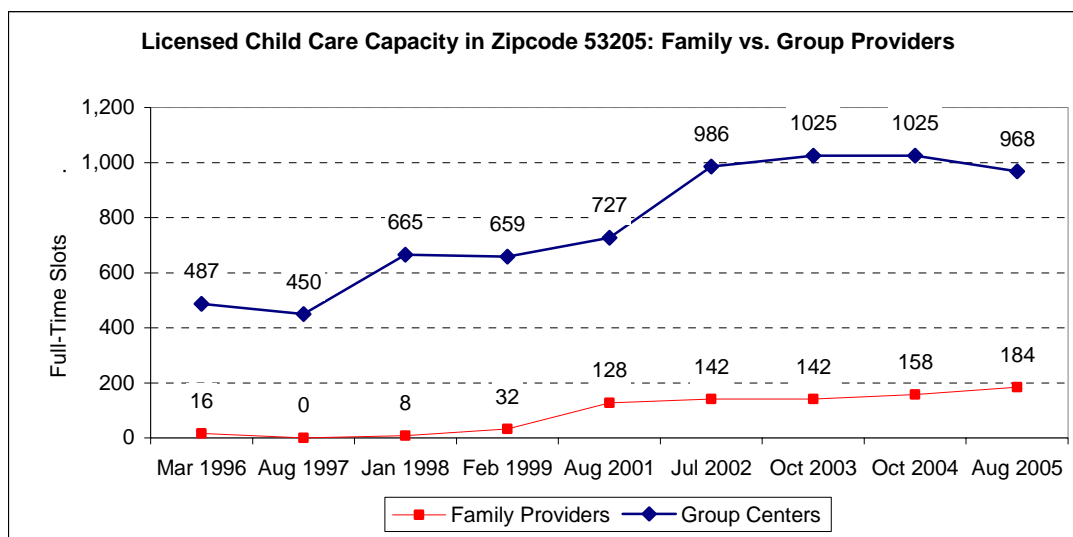
Child Care Availability and Subsidies 1993-2005

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 503 slots for full-time care in March 1996 to 1,152 slots in August 2005.

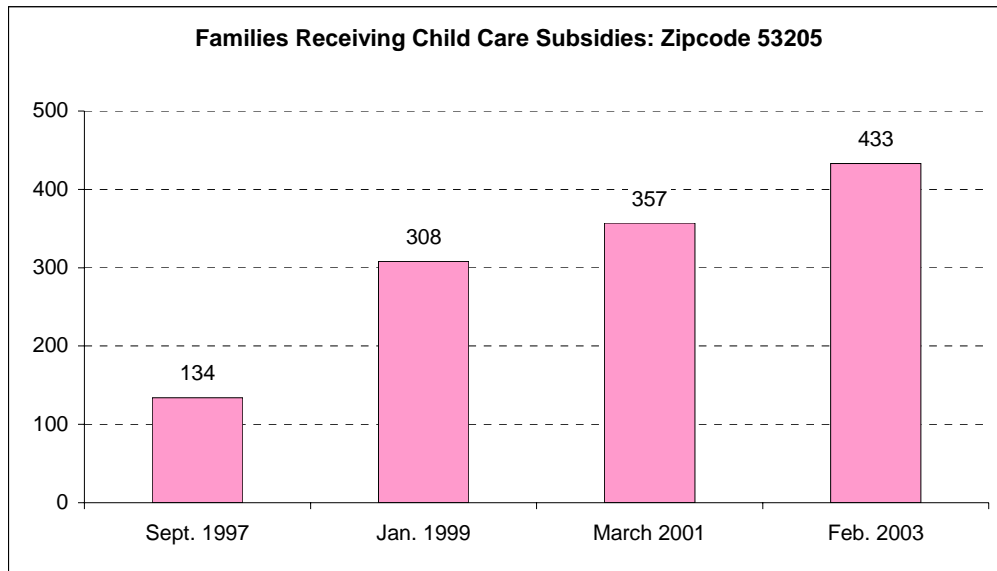


- Most (84%) of the licensed slots were in group centers and the balance in licensed family care.

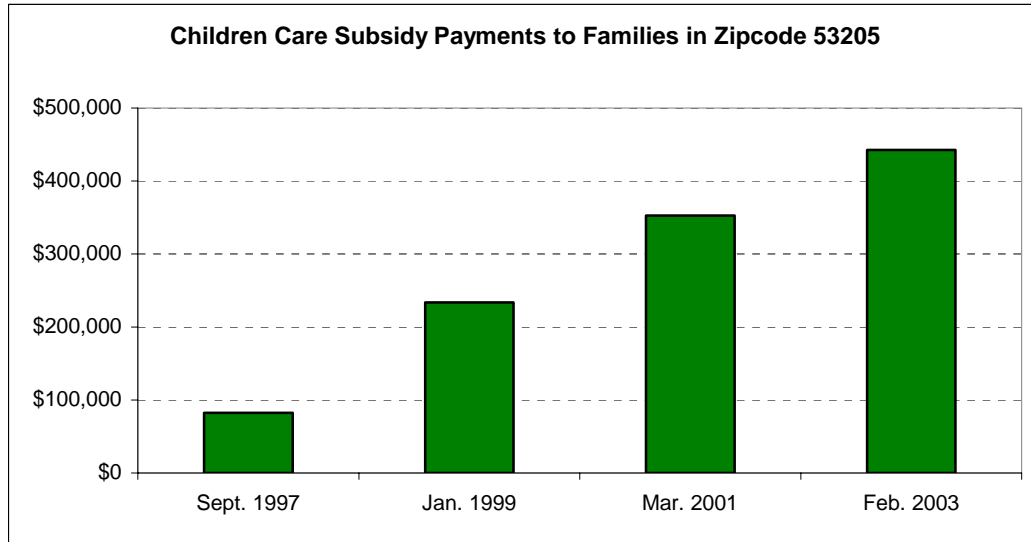


Subsidized child care payments were tracked for the Wisconsin Shares Program, that offers federal and state child care support under TANF (the Temporary Assistance to Needy Families) and CCDBG (Child Care Development Block Grant) monies. The program subsidizes qualified day care for children and W-2 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 53205 receiving child care support more than tripled from 134 in September 1997 to 433 in February 2003.



- Total four-week payments for families rose from \$82,378 in September 1997 (or \$615 per family) to \$442,671 in February 2003 (or \$1,022 per family).



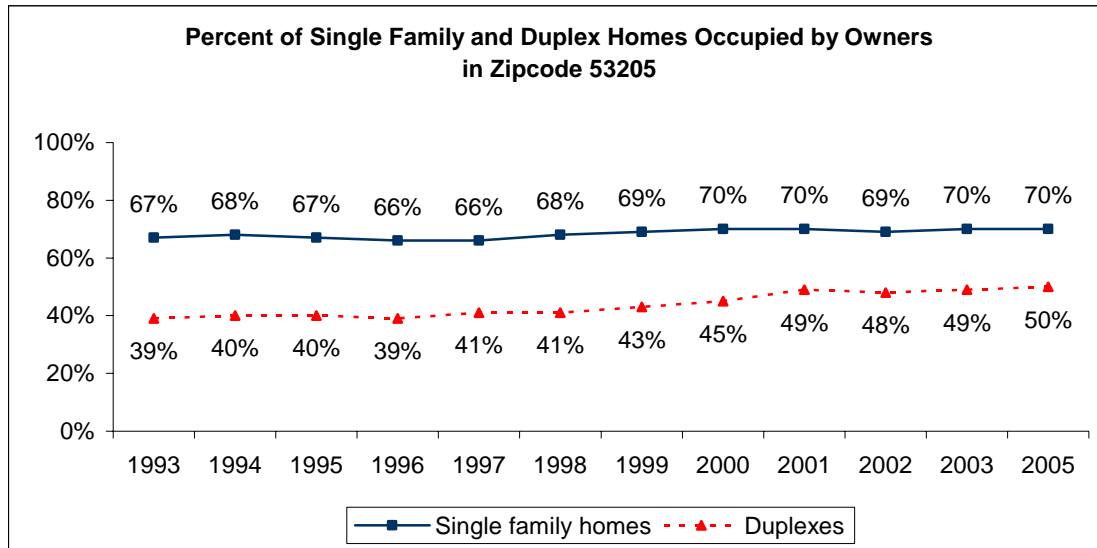
- Most of the Wisconsin Shares subsidies for care of children in zip code 53205 went to licensed providers. In February 2003, over half (55%) of total payments went to state licensed group centers, and another 30% to licensed family centers.

Home Ownership Rates and Housing Values

1993-2005

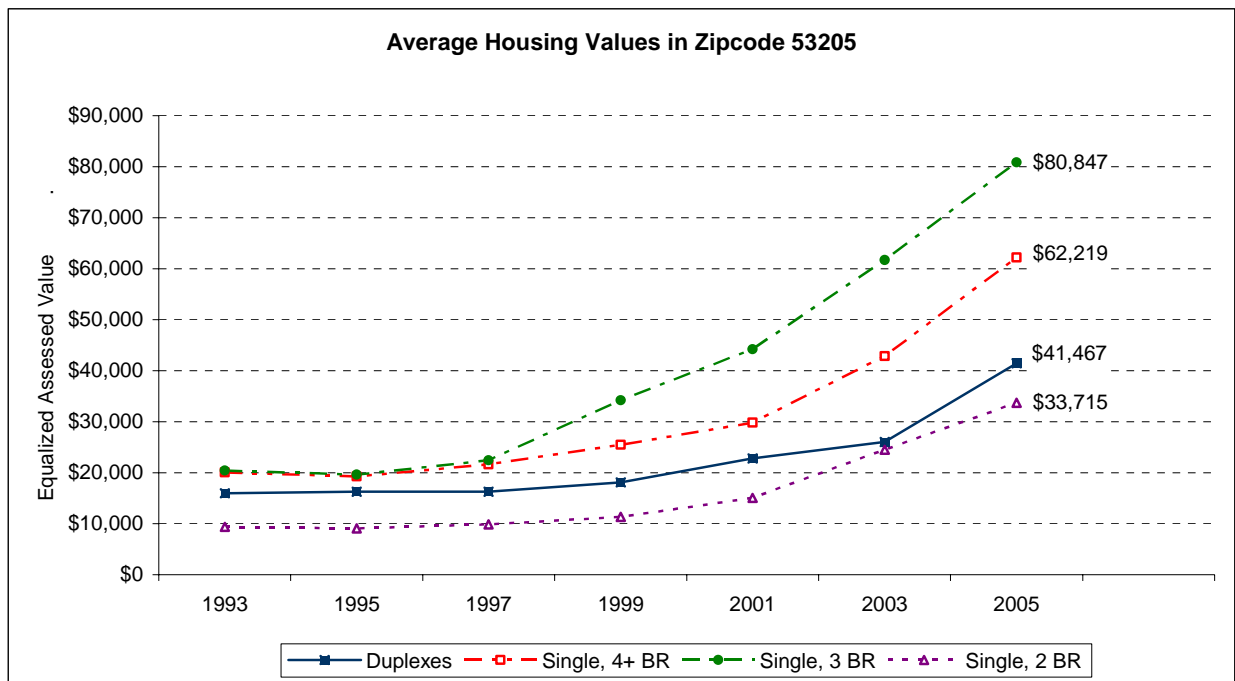
Neighborhood housing data were tracked using City of Milwaukee property files.

- Contrary to popular misconceptions about the inner city, the majority of houses in zipcode 53205 are owner-occupied. The home ownership rate for single family houses was 70% in 2005 and has remained fairly constant since 2000.
- The home ownership rate for duplexes was 50%, up from 45% in 2000.



Housing prices have been rising in zipcode 53205 during the 2000s, 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 53205 more increased 106%, from \$39,301 in 2000 to \$80,847 in 2005.
- The average market value of houses with 4 or more bedrooms increased 130% from \$27,114 in 2000 to \$62,219 in 2005. The prior seven-year period showed increases of only 35%.
- **Duplexes showed a doubling of property values.** From 2000 to 2005, the average value of duplexes in zipcode 53205 rose 99%, from a very low \$20,816 in 2000 to \$41,467 in 2005. This compares to only a 30% increase for the seven-year period from 1993-2000.
- **Given the stagnant 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 53205 to afford them.**

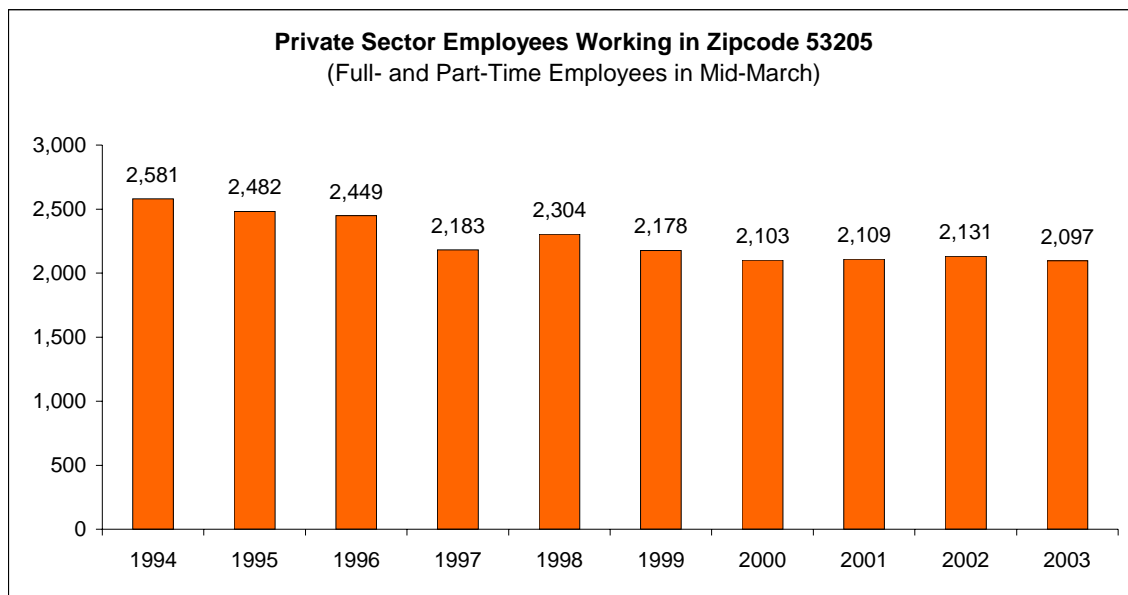


Business Activity in the Neighborhood 1993-2005

Data used to measure business activity in zipcode 53205 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.

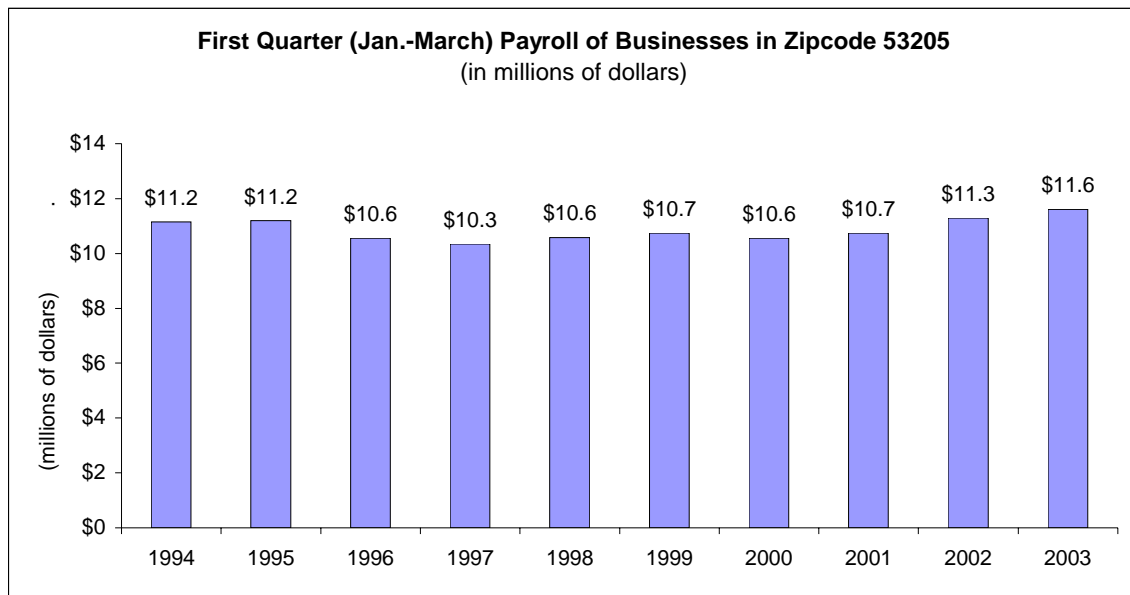
The U.S. Census Bureau ZIP Code Business Patterns reports the number of businesses, payroll and number of full-time and part-time employees.

- The number of **workers employed in private businesses** located in zipcode 53205 decreased from 2,581 in 1994 to the 2,100 level in recent years.
- The number of workers employed in businesses in the zipcode was flat for the last five years.



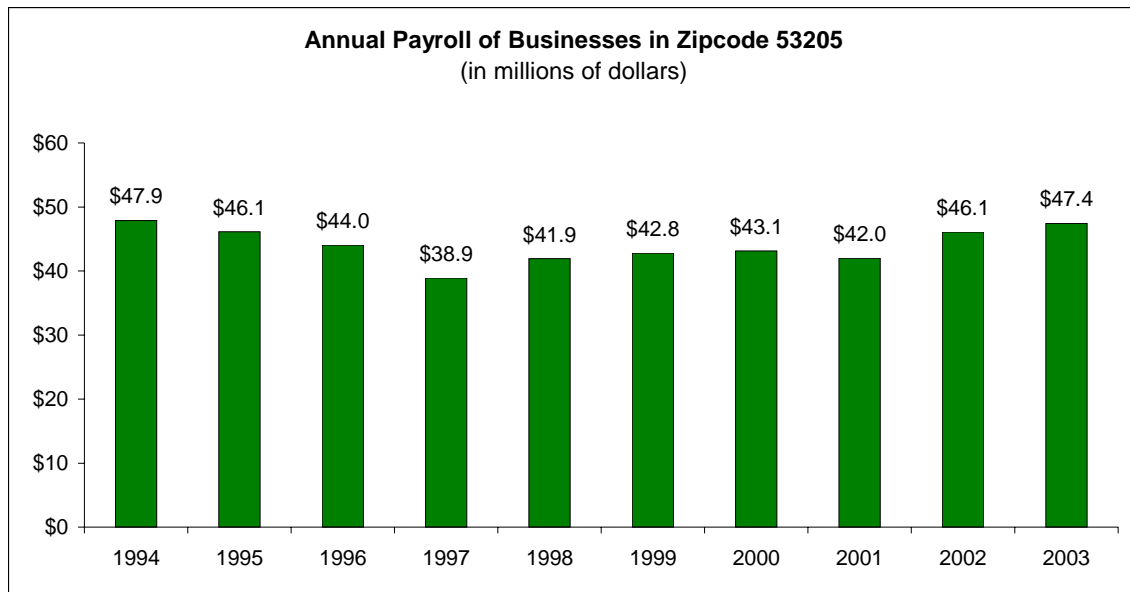
The Census Bureau ZIP Code Business Patterns reports **First Quarter payrolls** for all private establishments located in the zipcode (regardless of the residence of the workers). Payroll is reported before deductions for social security, income tax, insurance, etc.

- Quarterly payrolls of \$11.2 million in First Quarter (i.e., January – March) 1994 rose to \$11.6 million in 2003 after years of declines.
- After flat payrolls, First Quarter payrolls increased to \$11.3 million in 2002 and to \$11.6 million in 2003.



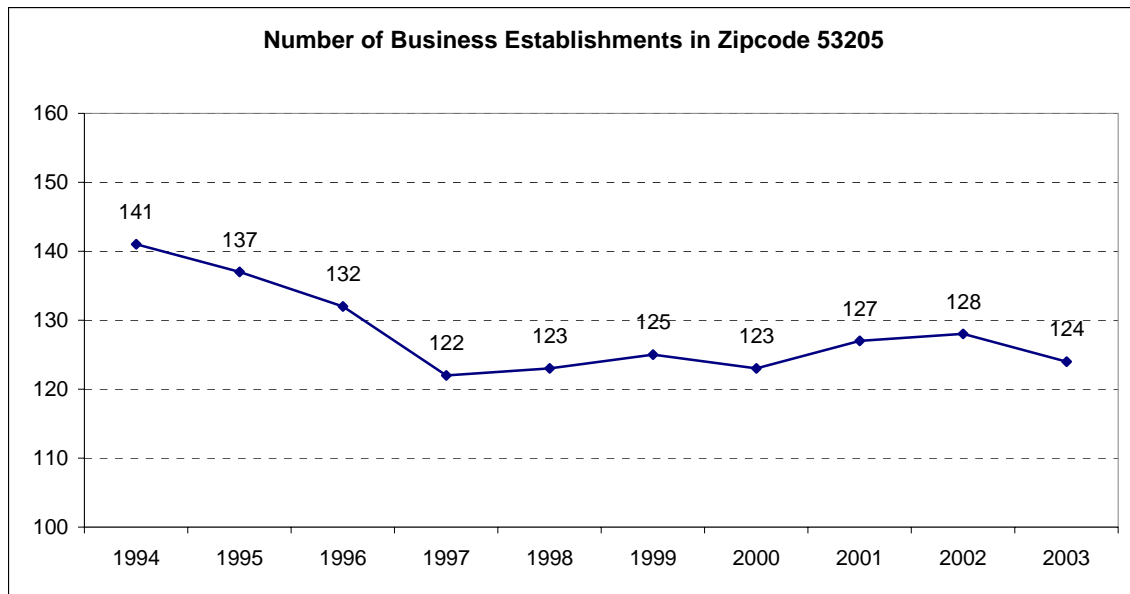
The ZIP Code Business Patterns reports total **annual payroll**, including salaries, wages, commissions, bonuses, sick-leave pay, in-kind payments for meals and lodging, and reported tips. Total are before deductions for social security, taxes, union dues, etc.

- Annual payrolls for private establishments located in zipcode 53205 dropped from \$47.9 million in 1994 to \$42.0 million in 2001, but then rose to \$47.4 million in 2003.
- Annual payrolls rose by \$4.1 million in 2002 and by \$5.4 million in 2003, from the 2001 levels of \$42.0 million.



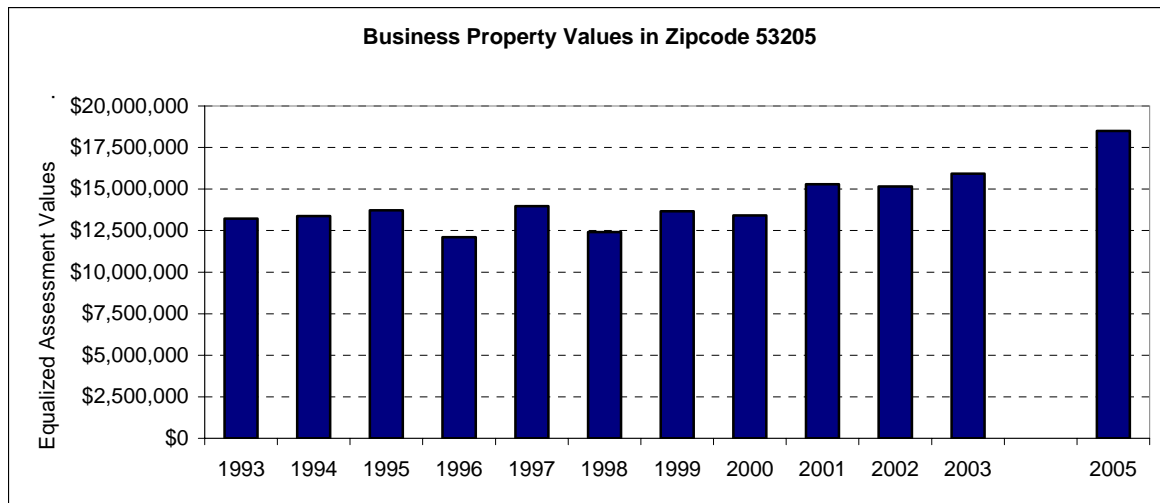
The ZIP Code Business Patterns also report **number of establishments** by location. Establishments are defined as single physical locations where business is conducted or services or industrial operations are performed. Individual companies may have several establishments in a community – each counted 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 53205 the number of establishments went from 141 in 1994 to 122 in 1997 and then 128 in 2002.
- In 2003 the number of established was reported at 124.



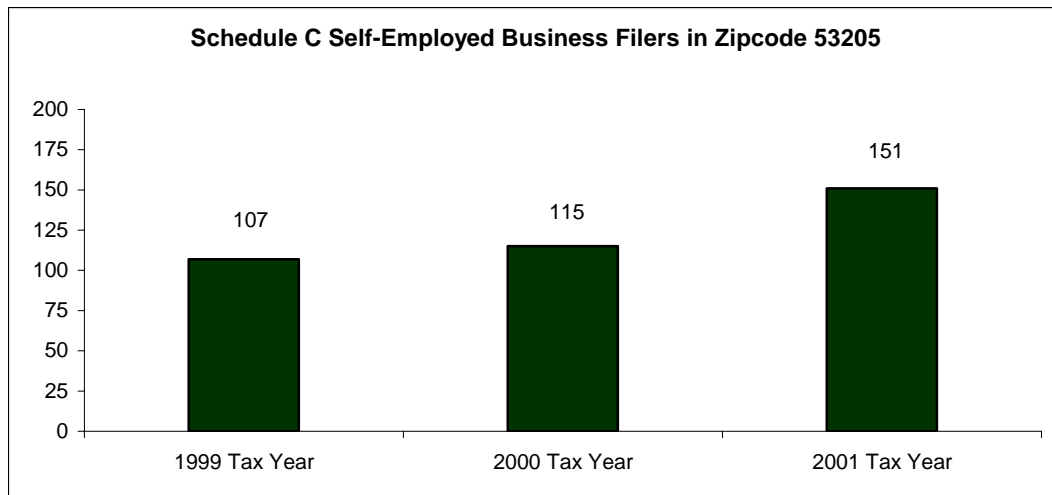
City of Milwaukee property records on **equalized tax assessment of business property** provide another measure of business activity and were analyzed for a twelve-year period. These records showed continuing growth of business property values. The records are somewhat limited, however, since Wisconsin 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 53205 increased by 40% from \$13.2 million in 1993 to \$18.5 million in 2005.
- Business property values rose 16% 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 53205, 151 individuals filed Schedule C forms for 2001 tax year.
- The number of filers completing Schedule C rose 41% 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.

