

Milwaukee Zipcode 53210

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

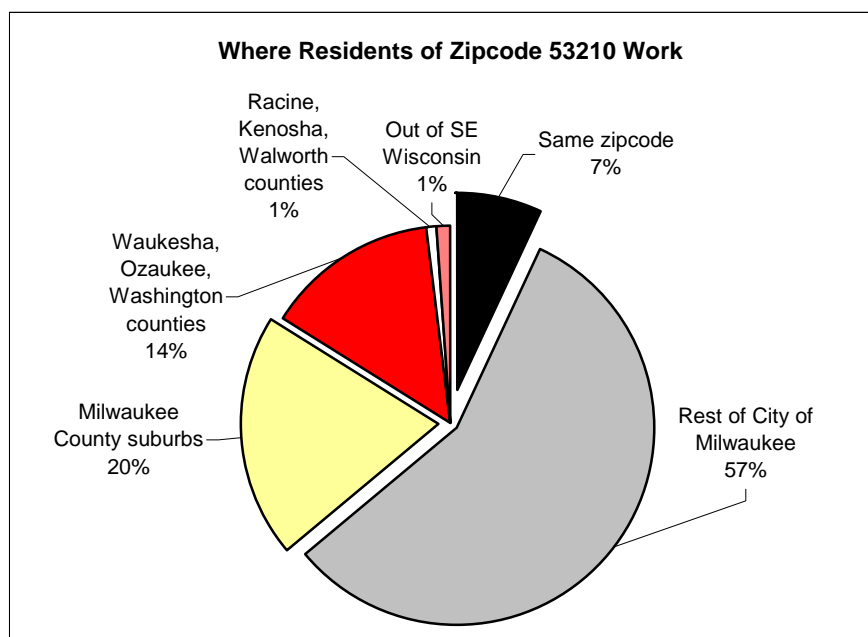
This report assesses employment, economic and welfare changes in ZIP code 53210 based on thirteen years of institutional data. Recently released Census 2000 transportation planning databases are used to provide a first-time analysis by race of jobs located within each central city neighborhood. State-of-the-art 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 53210 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.

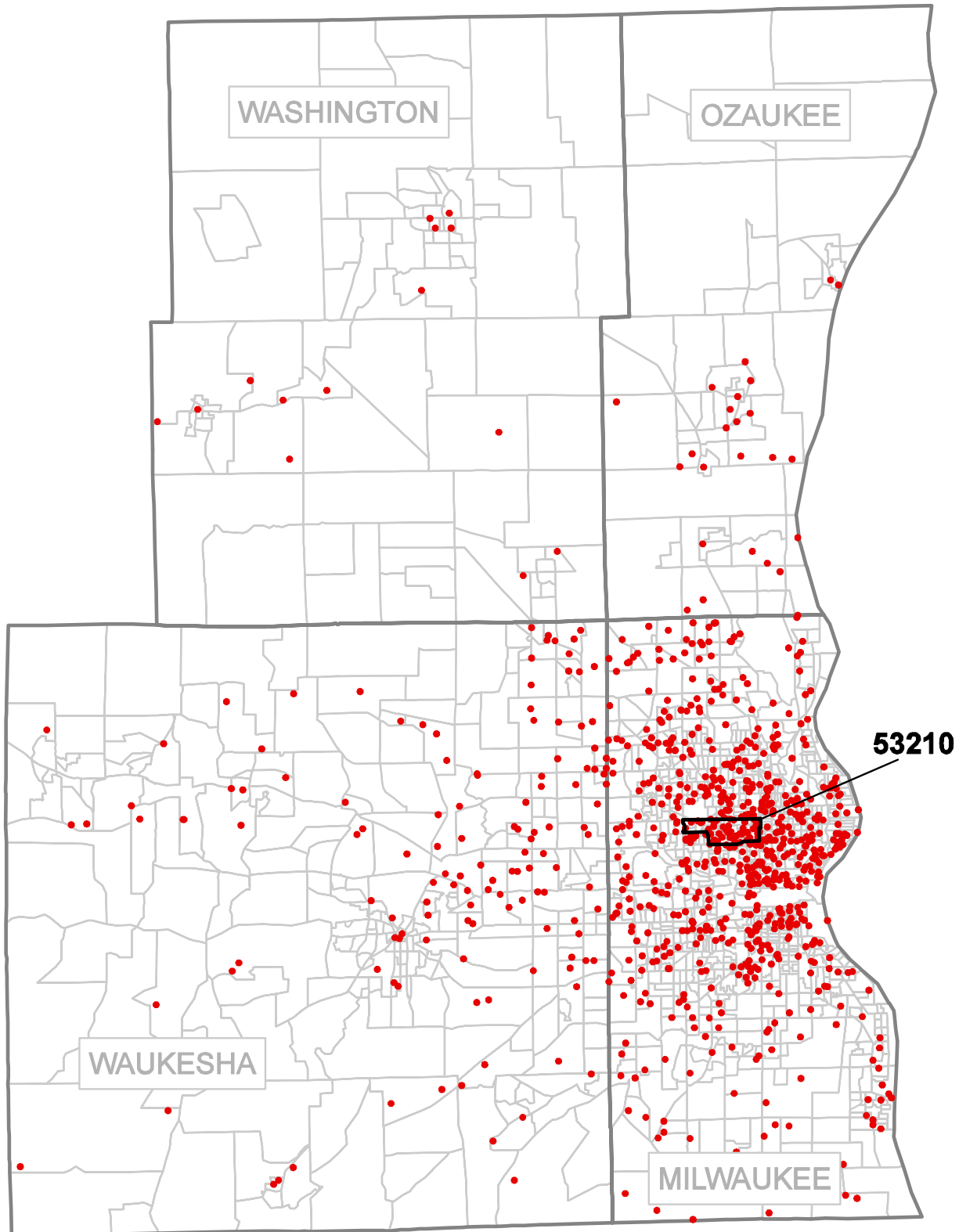
Findings for Zipcode 53210

Workforce Issues

1. **An estimated 38% of employed families in zipcode 53210 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 594 of these families out of poverty, but still left at least 1,577 families (or 28% of the 5,733 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. **For most residents of zipcode 53210, the labor market is very limited. According to the Census 2000 transportation files, 84% of 53210 residents work in Milwaukee County**, including 64% of 53210 residents who are employed at jobsites within the City of Milwaukee. About 14% 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 53210 were employed at the time of the 2000 Census.

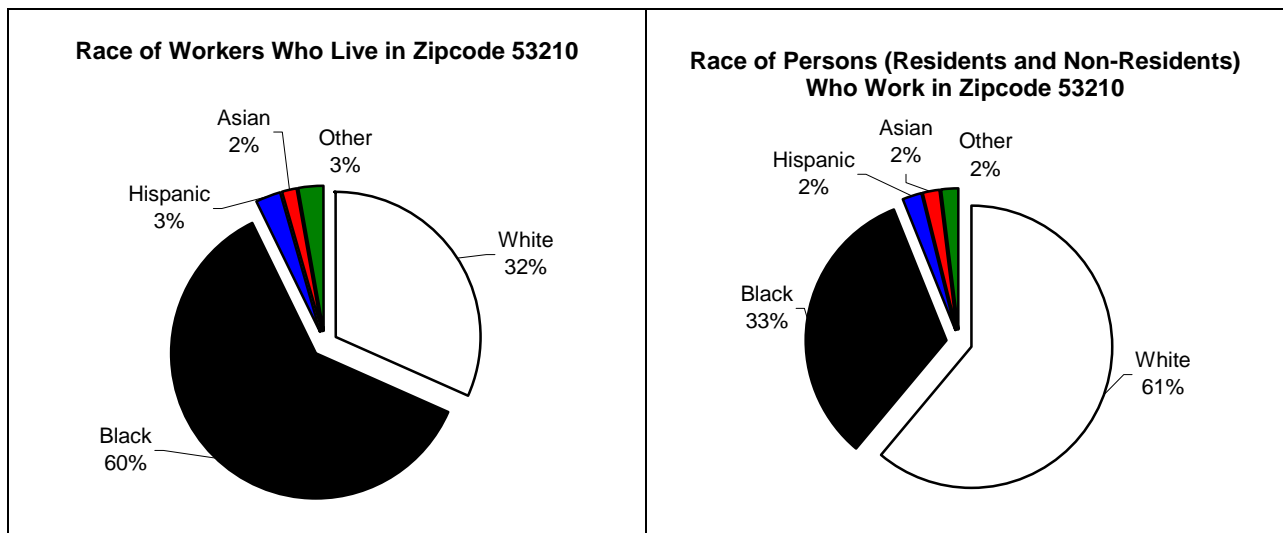


Where People Work Who Live in Zipcode 53210



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:** Zipcode 53210 is a mixed race community both in the composition of its resident workforce and in the race/ethnicity of persons employed at jobsites within the zipcode. According to recently released 2000 Census transportation data files, whites make up 32% of the resident workforce, but white workers hold 61% of jobs with employers (public, private and non-profit) in the 53210 neighborhood. On the other hand, **African Americans make up 60% of the resident workforce in the zipcode, but African American workers hold only 33% of jobs at worksites in 53210.**



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 4 times as many driver’s license suspension orders for failure to pay fines (4,884 suspensions) as suspension orders for traffic violations, driving while intoxicated, and drug convictions combined (1,102 suspensions). On the positive side, the 4,884 “failure to pay” suspension orders are down from an all-time high of 7,092 in 2003. The large number of residents without a valid driver’s license remains an ongoing impediment to employment.

5. 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 nearly tripled, from 906 slots in March 1996 to 2,653 slots in August 2005.** Seventy percent of the slots are in group centers and 30% in licensed family care.

Untapped Opportunities

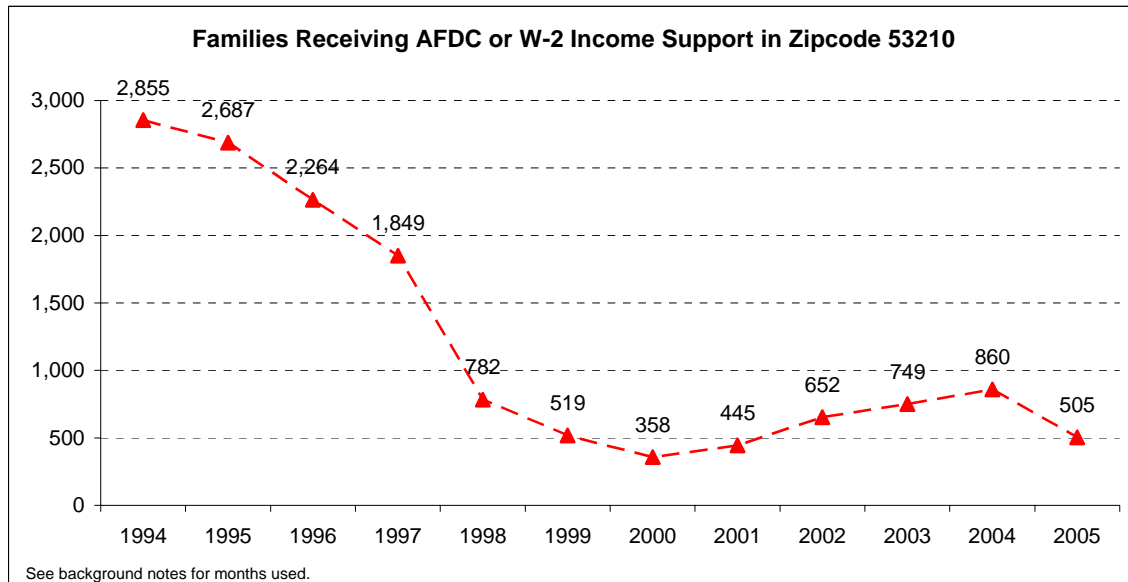
6. **Economic assets** of the immediate neighborhood include its high population density, high concentration of wage earners, and the purchasing power of residents. **Local residents spend an estimated \$92.7 million annually for 16 categories of consumer expenditures.** This translates into \$37 million 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. Because of the absence of retail establishments, this zipcode shows a very large **retail sales leakage.** It is estimated that only a third of residents’ retail expenditures (for 15 categories of purchases) are captured by local retail establishments, while **an estimated \$54 million is leaving the 53210 neighborhood annually when residents buy their goods at other locations.**
8. Contrary to popular misconceptions about the inner city, the **majority (85%) of single family houses in zipcode 53210 are owner-occupied.** The home ownership rates for duplexes in 2005 was 53%, a slight increase over prior years.
9. **Home owners in zipcode 53210 have seen marked increases in the value of their houses in the last five years.** From 2000 to 2005, the average value of a 4-bedroom house increased 69%, compared to a slower 38% increase for the seven year period from 1993-2000. For duplexes the average market value increased 78% from 2000 to 2005, compared to only a 30% increase 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 local families to purchase houses in the neighborhood.**

Income Growth/Stagnation

10. **Total earnings of zipcode 53210 residents have declined since the 2000 Census.** The total adjusted gross income of working age tax filers decreased by 2.9% between 2000 and 2004. When inflation is considered, the real income earnings of residents dropped by 9.1%. This neighborhood suffered the second worst decrease in income among the nine central city zipcodes in Milwaukee's Community Development Block Grant area.

11. Federal and Wisconsin tax credits (EIC) provide significant support for lower-income employed families in zipcode 53210. **The earned income tax credits have tripled, from \$3.7 million in 1993 to \$11.6 million in the 2004 tax year.** For the 2004 tax year, 94% of income-eligible single parent tax filers and 70% of married parent filers with dependents claimed the EIC. Zipcode 53210 showed EIC claim rates that are among the highest in the county for single parents, but not for married families.

12. In spite of the low earnings of single parent families, very few families in zipcode 53210 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 one-fifth the level of AFDC cases in the mid-1990s in zipcode 53210.



Job Gaps in Zipcode 53210 *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 18,680 residents of zipcode 53210 (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 53210 zipcode area, while 93% traveled to jobs outside the zipcode.

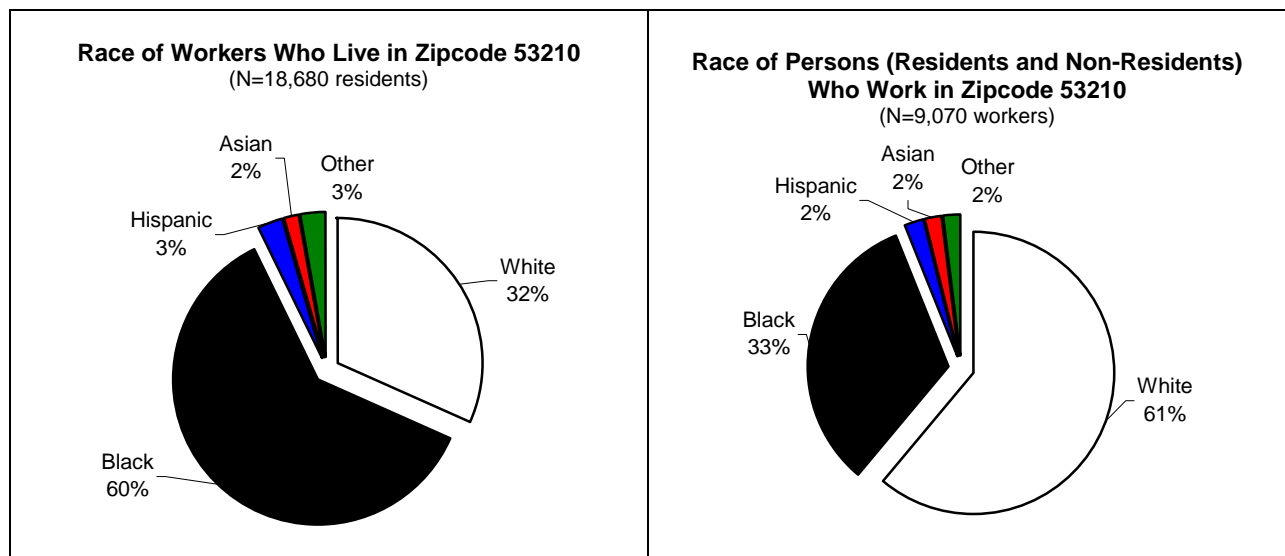
- The labor market for most 53210 **residents** is limited to Milwaukee County. The majority of residents (64%) worked in the City of Milwaukee and most (84%) work within Milwaukee County. Another 14% of workers were employed in Waukesha, Washington and Ozaukee counties. The other three counties (Racine, Kenosha and Walworth) of the “Milwaukee Region” provided employment to only 1% of 53210 resident workers, and 1% worked outside of southeastern Wisconsin.

Who Works for 53210 Employers

The Census 2000 files showed 9,070 persons (residents and non-residents) whose primary job was located at a worksite in zipcode 53210. This included employment with private companies, governmental and school units, non-profits, and self-employment.

- Eighty-five percent of persons working at jobsites within zipcode 53210 came from outside the neighborhood.
- One fourth (25%) of the workers came from outside Milwaukee County, including 22% from the WOW (Waukesha, Ozaukee and Washington) counties. The three southern counties (Racine, Kenosha and Walworth) of the “Milwaukee Region” provided 1% of the workers coming into 53210 for jobs – the same percentage as workers coming into the neighborhood from outside of the Southeast Wisconsin area.

This zipcode is racially mixed, both in the composition of its resident population and in the workforce employed at jobsites within the zipcode.



- Whites comprise 32% of the resident workforce, but white workers hold 61% of jobs with employers (public, private and non-profit) with jobsites in 53210. On

the other hand, African Americans make up 60% of the resident workforce in this zipcode, but African American workers hold only 33% of jobs in zipcode 53210. Hispanics comprise 3% of the resident workforce and hold 2% of jobs at worksites in the zipcode. Asians make up 2% of the resident workforce and hold about 2% of jobs in the neighborhood.

- African American workers held 35% of the jobs with private companies located in the 53210 neighborhood. For non-profits, they held 19% of the jobs at neighborhood worksites.
- African Americans made up 60% of the 159 workers employed at state government jobsites, 40% of the 83 workers employed at federal government jobsites, and 35% of the 1,163 workers employed at local government jobsites (including schools) located in zipcode 53210. Hispanics showed their highest level of employment at state jobsites, where they held 8.8% of jobs.

Characteristics of Those Who Work at Jobsites in Zipcode 53210

(Includes Jobs Held by Residents and Non-Residents)						
Type of Employer	White	Black	Hispanic	Asian	Other	Total Workers
Total workers	5,525	2,970	215	162	184	9,070
Private for-profit	57.7%	34.6%	2.7%	2.3%	2.4%	4,825
Private not-for-profit	75.5%	18.9%	1.7%	1.2%	2.2%	2,025
Local government	61.0%	35.4%	2.4%	0.0%	1.2%	1,163
State government	27.0%	59.7%	8.8%	0.0%	0.0%	159
Federal government	71.1%	39.8%	0.0%	0.0%	0.0%	83
Self-employed not incorporated	50.3%	44.1%	0.5%	3.8%	0.5%	789
Unpaid family workers	44.4%	55.6%	0.0%	0.0%	0.0%	18

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 half (53%) of workers employed at 53210 jobsites worked for private companies, and 22% worked for non-profit establishments (including health facilities). Another 15% worked for local, state, and federal governments, and a significant number of workers (9%) reported self-employment as their primary job. Health care is the largest occupational area of employment.

The tables below show the breakdown of jobs in zipcode 53210 by occupational groupings of workers.

- Among the largest occupational areas, African Americans comprised two-thirds (68%) of personal care workers and 63% of food preparation and service workers. Only 10% of healthcare practitioners and technicians were African American, and only African Americans made up only 19% of management occupations.
- Hispanics showed their highest rates of employment in protective services jobs (where they comprised 10% of the workforce) and production (where they made up 7% of workers). Asians showed highest rates of employment in business and financial occupations (7% of the workers), personal care workers (6% of workers), and management (5% of the workers).
- Whites dominated jobs as healthcare practitioners and technicians, where they made up 84% of the workers.

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, 169 persons were engaged in construction work (including self-employment) at jobsites in zipcode 53210. White workers held 76% of the jobs (129 jobs) and African Americans held 32% (53 jobs).
- When the occupations of 53210 **residents** were analyzed (regardless of whether they worked inside or outside of the neighborhood), 502 residents reported occupations in construction. These included 273 African Americans, 204 whites, and 25 persons with other racial backgrounds (e.g., Native American or of 2 or more races).

Additional tables showing differences by 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 53210

(Including Jobs Held by Residents and Non-Residents)						
Total	White	Black	Hispanic	Asian	Other	Occupational Grouping
9,056	5,525	2,970	215	162	184	Total Occupation
1,604	1,355	172	24	38	15	Healthcare practitioners, technicians
1,167	709	410	30	0	18	Office, administrative support
979	644	295	22	0	18	Education, training, library
945	512	349	66	8	10	Production
638	304	292	0	4	38	Sales, related
559	408	107	14	30	0	Management
449	113	307	0	29	0	Personal care, service
369	134	190	0	15	30	Healthcare support
331	102	211	0	8	10	Food preparation, serving related
283	111	149	4	4	15	Community, social service
256	230	14	4	4	4	Installation, maintenance, repairs
254	107	143	4	0	0	Transportation, material moving
234	137	69	24	0	4	Protective service
179	67	93	4	0	15	Building + grounds cleaning/maintenance
169	129	32	4	0	4	Construction, excavation
140	98	28	4	10	0	Business, financial operations
123	94	25	0	4	0	Computer, mathematical
82	72	10	0	0	0	Engineering, architecture
81	63	10	0	8	0	Life, physical, social science
71	67	0	4	0	0	Arts, design, entertainment, sports, media
Total	White	Black	Hispanic	Asians	Other	Groupings with Over 100 Employed
9,056	61.0%	32.8%	2.4%	1.8%	2.0%	Total Occupation
1,604	84.5%	10.7%	1.5%	2.4%	0.9%	Healthcare practitioners, technicians
1,167	60.8%	35.1%	2.6%	0.0%	1.5%	Office, administrative support
979	65.8%	30.1%	2.2%	0.0%	1.8%	Education, training, library
945	54.2%	36.9%	7.0%	0.8%	1.1%	Production
638	47.6%	45.8%	0.0%	0.6%	6.0%	Sales, related
559	73.0%	19.1%	2.5%	5.4%	0.0%	Management
449	25.2%	68.4%	0.0%	6.5%	0.0%	Personal care, service
369	36.3%	51.5%	0.0%	4.1%	8.1%	Healthcare support
331	30.8%	63.7%	0.0%	2.4%	3.0%	Food preparation, serving related
283	39.2%	52.7%	1.4%	1.4%	5.3%	Community, social service
256	89.8%	5.5%	1.6%	1.6%	1.6%	Installation, maintenance, repairs
254	42.1%	56.3%	1.6%	0.0%	0.0%	Transportation, material moving
234	58.5%	29.5%	10.3%	0.0%	1.7%	Protective service
179	37.4%	52.0%	2.2%	0.0%	8.4%	Building + grounds cleaning/maintenance
169	76.3%	18.9%	2.4%	0.0%	2.4%	Construction, excavation
140	70.0%	20.0%	2.9%	7.1%	0.0%	Business, financial operations
123	76.4%	20.3%	0.0%	3.3%	0.0%	Computer, mathematical

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.

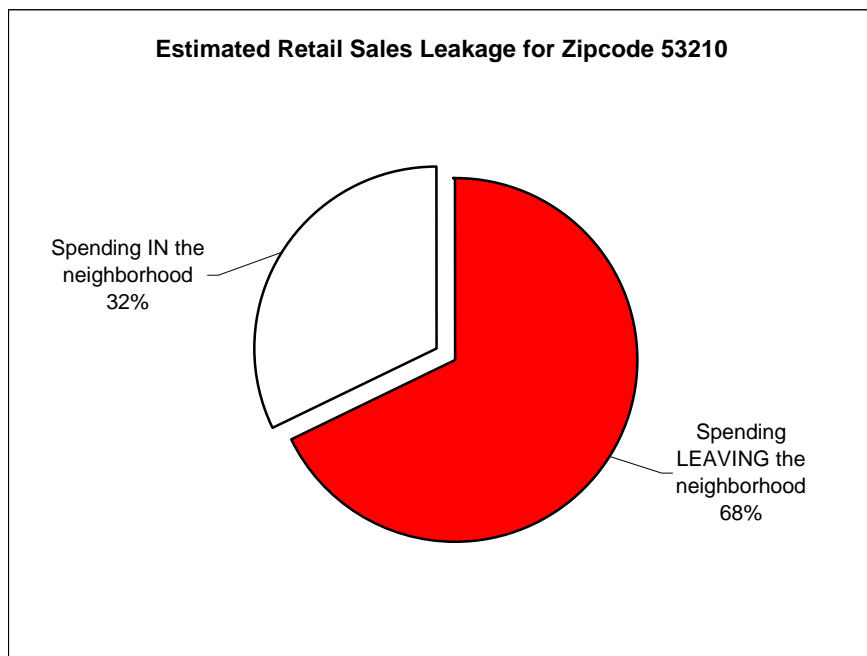
- An analysis of the estimated spending of resident households in zipcode 53210 showed \$92.7 million in annual spending for 16 major retail expenditure areas.
- This translates into \$37 million of spending per square mile, well above the average spending in many suburban and exurban neighborhoods.

Purchasing Power Profile for Residents of the Milwaukee 53210 Neighborhood		
Land Area in Square Miles: 2.50		
Consumer Expenditure Category	Est. Annual Expenditures	Expenditures Per Square Mile
Food at home	\$38,621,009	\$15,448,404
Food away from home	\$12,609,755	\$5,043,902
Apparel and related services	\$12,731,703	\$5,092,681
Television equipment, tapes, disks	\$5,489,694	\$2,195,878
Audio equipment, CDs, tapes	\$1,422,917	\$569,167
Household textiles	\$763,468	\$305,387
Furniture	\$3,392,665	\$1,357,066
Floor coverings	\$305,147	\$122,059
Major appliances	\$1,676,981	\$670,792
Small appliances and housewares	\$513,513	\$205,405
Computer hardware and software	\$1,523,798	\$609,519
Miscellaneous household equipment	\$2,425,608	\$970,243
Non-prescription drugs and supplies	\$2,529,134	\$1,011,654
Housekeeping supplies	\$4,807,892	\$1,923,157
Personal products	\$3,038,853	\$1,215,541
Home repair commodities	\$850,869	\$340,348
Total for 16 categories	\$92,703,006	\$37,081,202

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 absence of retail establishments within zipcode 53210, this zipcode showed a very large retail sales leakage. It is estimated (or \$25.8 million) of residents' retail spending for the 15 categories) was captured by local retail establishments, while the neighborhood is showing a net loss of 68% of its retail expenditures.
- **The neighborhood showed a retail sales leakage of \$54,307,000. These are the estimated dollars leaving the neighborhoods when residents buy their goods at other locations.**

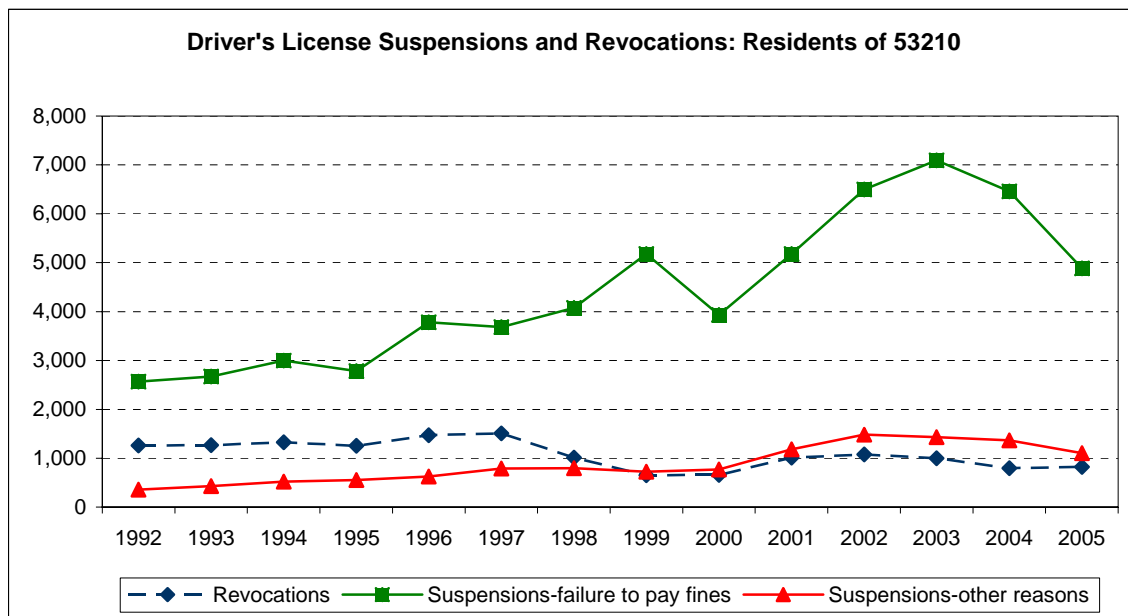


Transportation Barriers: Driver's License Suspensions

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 4,884 for residents of zipcode 53210. These "failure to pay" suspension orders are down from an all-time high of 7,092 orders in 2003.
- The zipcode area showed 4 times as many suspensions for failure to pay fines (4,884) as for suspension orders for traffic violations, driving while intoxicated, and drug convictions combined (1,102).
- License revocations totaled 821 in 2005, down from over 1,000 a year from 2001 to 2003.

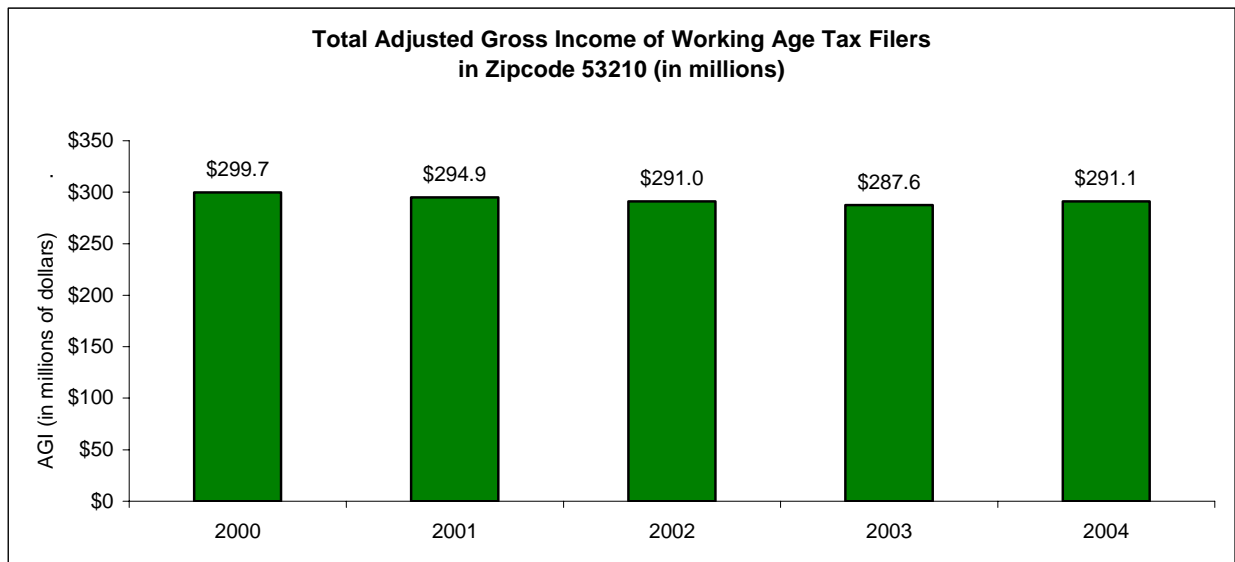


Family Income and Workforce Growth

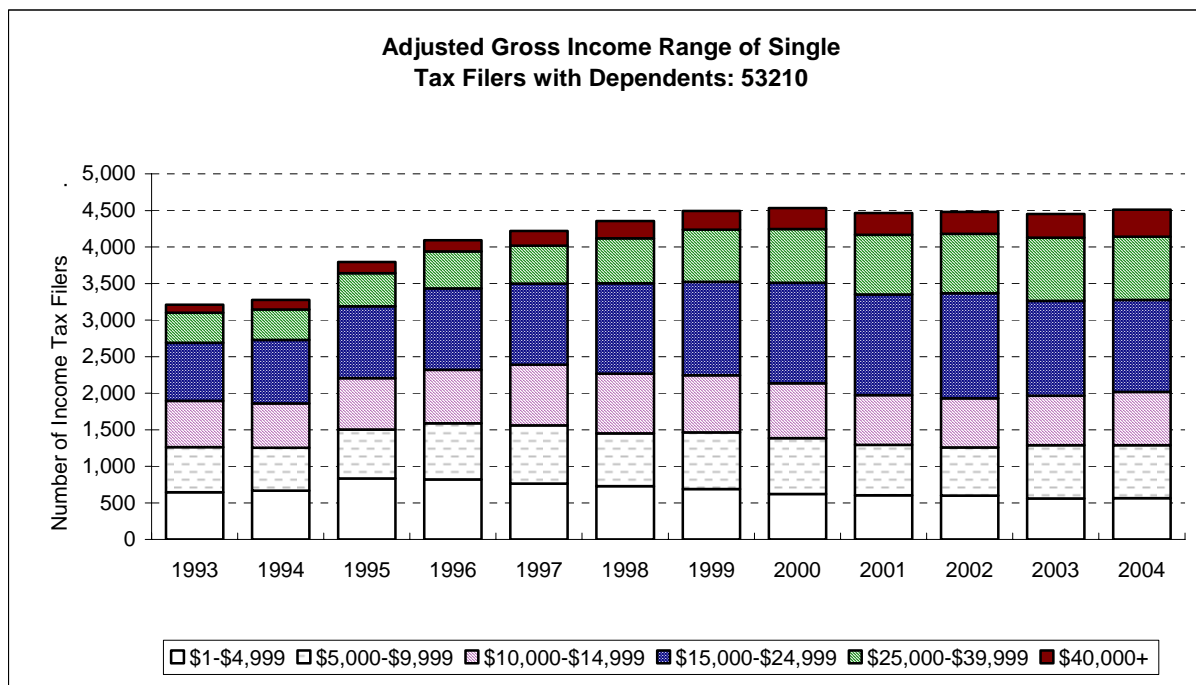
1993-2004

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. This neighborhood has shown declines in income since 2000. Overall, in zipcode 53210, the total adjusted gross income of working age tax filers decreased by 2.9% between 2000 and 2004, going from \$299.7 million to \$291.1 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 53210 dropped by 9.1%.**



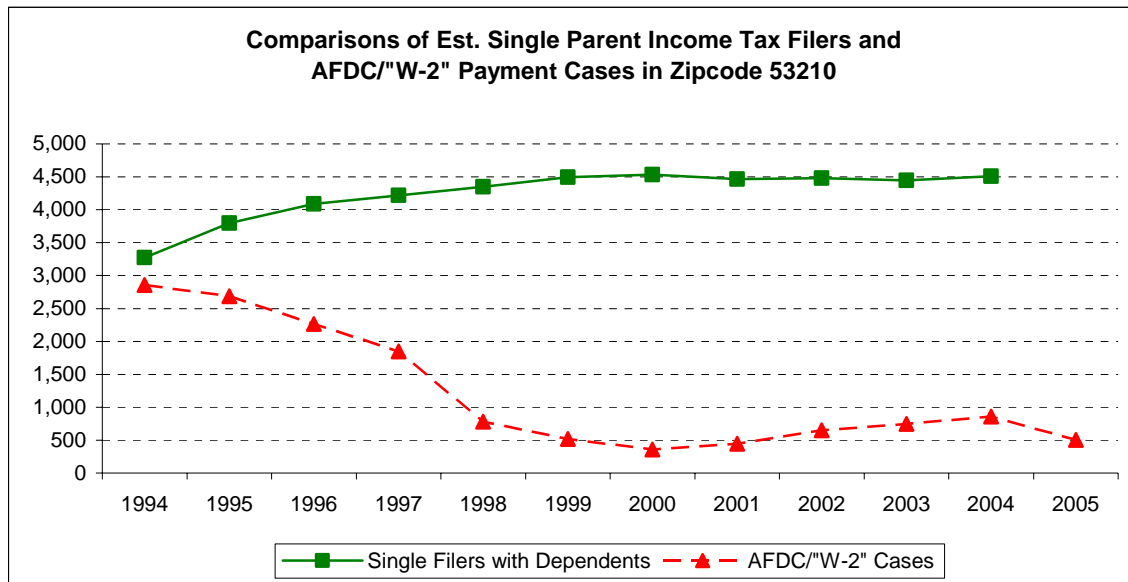
- The number of **working age tax filers** (single and married) also decreased by 7%, from 10,882 in 2000 to 10,107 in the 2004 tax year (i.e., taxes filed in 2005 based on earnings in 2004).
- The total number of **single tax filers with dependents** generally continues to increase and was up 40% in 2004, compared to 1993.
- Analysis of the 4,512 single tax filers (with dependents) in 2004 by their income category suggested that a large number of single parents in zipcode 53210 remain only marginally employed. In 2004, a total of 565 single filers with dependents (12% of the total) reported AGI below \$5,000, and another 723 filers (16%) reported income below \$10,000. Only 27% 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.

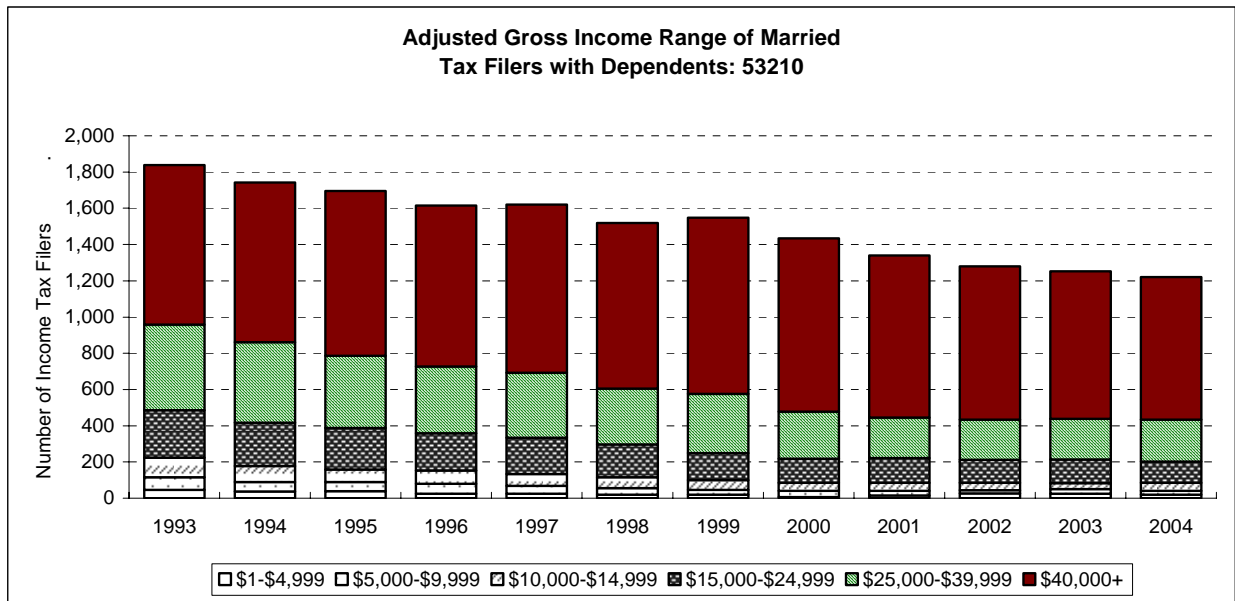
The growth in single tax filers with dependents was compared to changes in AFDC and “W-2” welfare caseloads in zipcode 53210 to help gauge whether employment had replaced welfare for single parents in the neighborhood and to determine the effect of the economy on both employment and welfare receipt.

- 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.
- Welfare records showed a decrease of 1,995 AFDC/“W-2” payment cases from 1994 to 2004, compared to only a 1,237 increase in single income tax filers with dependents for the decade.
- 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 been declining since 1999.



Since 1993 the number of **married income tax filers with dependents** in zipcode 53210 – smaller to begin with – has seen a 34% decline. That decline may be resulting from families with grown children no longer qualifying for IRS dependency status, married families leaving the neighborhood, a decline in marriages, dissolution of marriages by death or divorce, or a combination of factors.

- The 1,221 married couples with dependents – although far fewer in number – were more likely to have family-supporting incomes than the single heads of households in 2004. Most (83%) had income at or above \$25,000, and 64% had income of \$40,000 or more, when income from all jobs is considered.



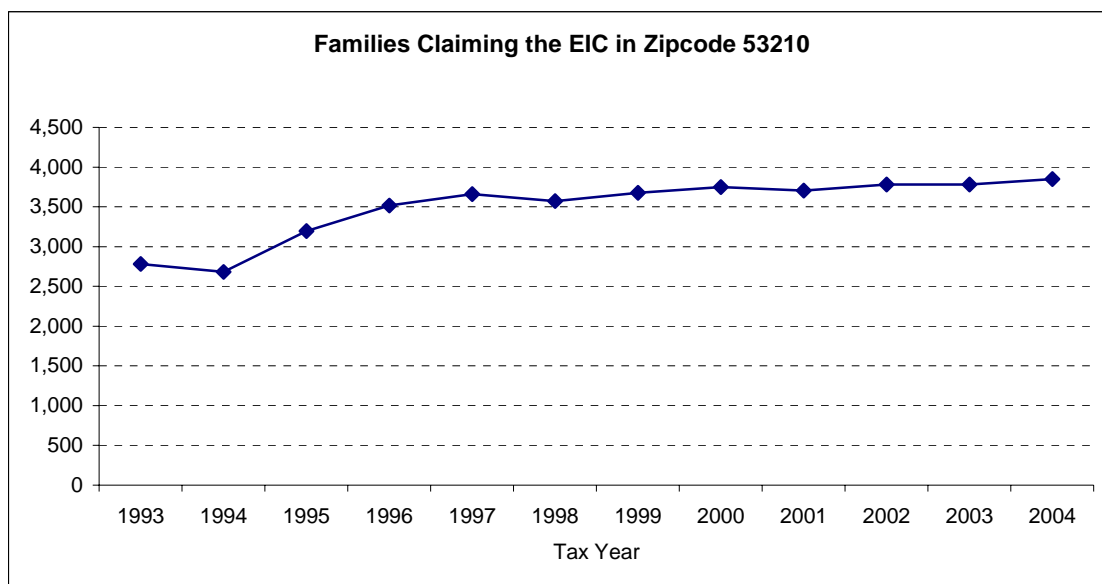
Note: Earnings categories are not adjusted for inflation. The cost of living increased by 26.8% from 1993 to 2004.

Earned Income Tax Credits 1993-2004

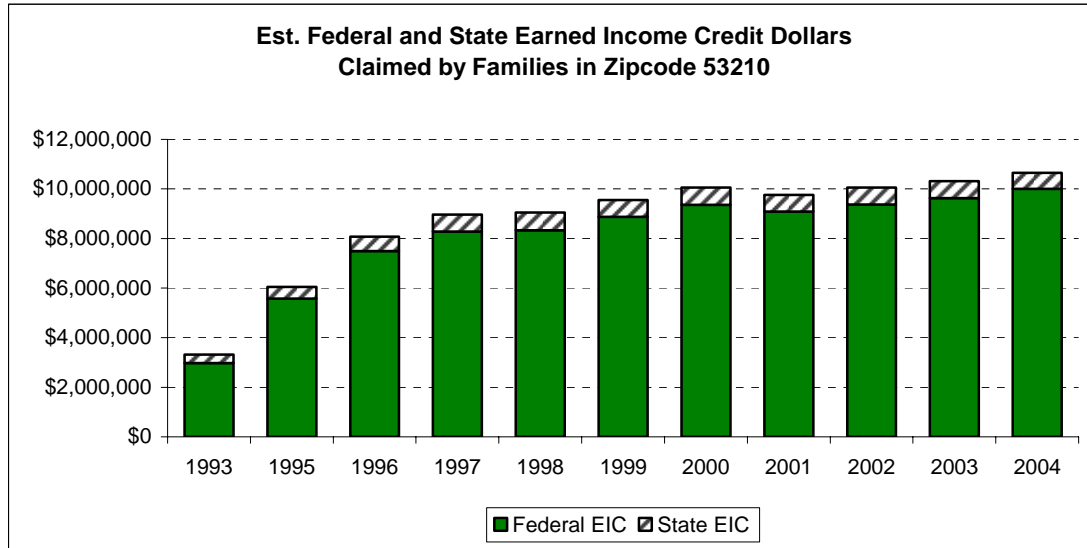
State and federal earned income tax credits offer a substantial boost to working families at the lower end of the wage scale. The earned income tax credit (EIC) offers a tax benefit to help reduce the payroll and social security tax burdens and to supplement wages for low and moderate income working 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 53210 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 38% from 2,780 in 1993 to 3,850 in the 2004 tax year (i.e., taxes filed in 2005 based on earnings in 2004). The number of claimants is at an all-time high.



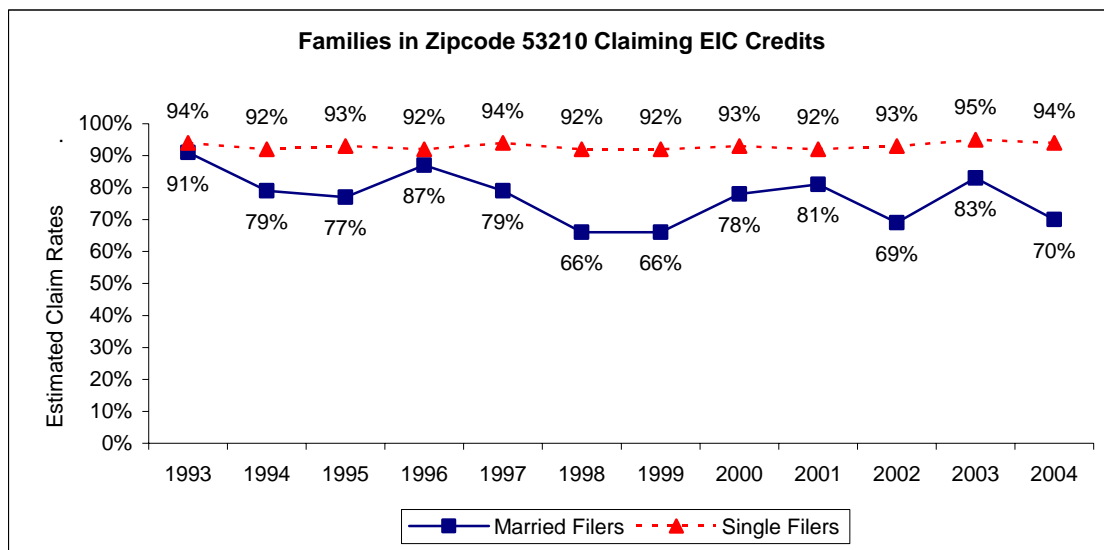
- The amount of the combined federal and state earned income tax credits tripled from \$3.7 million in 1993 to \$11.6 million in the 2004 tax year. In 2004 the total credits were at their highest rates to date.



- In 2004, single parents received 92% of the credits claimed in zipcode 53210. Single parents comprised 79% 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 relative children.

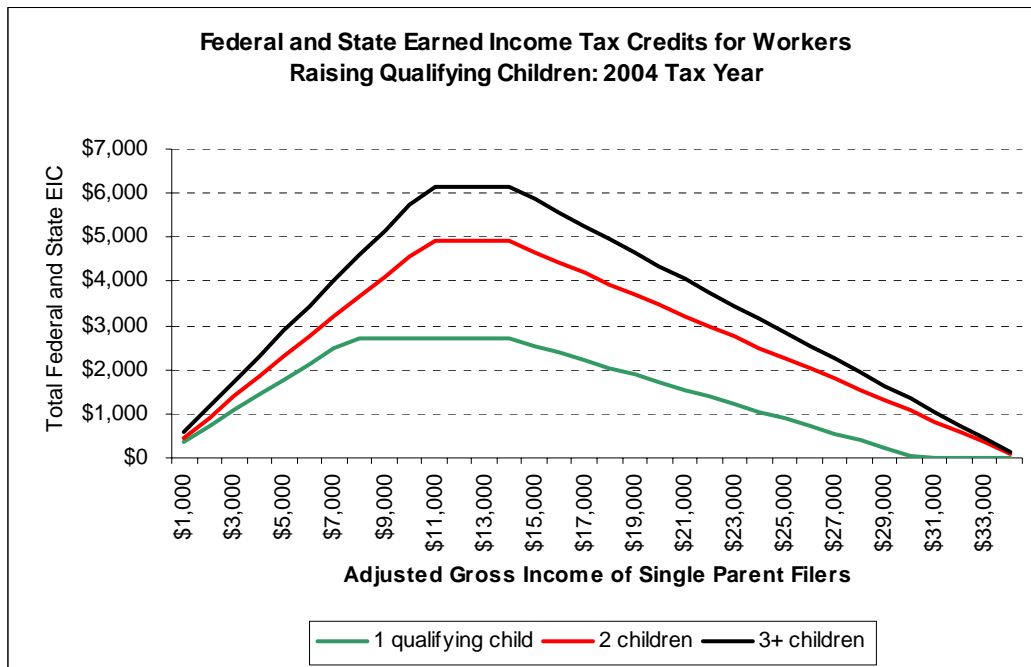
- Single parent tax filers showed higher claim rates than married filers. For filers with dependents, 94% of single filers with \$5,000 to \$14,999 in adjusted gross income – the range with the highest potential EIC claims – claimed the credit in 2004, as did 70% of married filers in that income range.
- Zipcode 53210 showed claim rates for the EIC that are among the highest in the county for single parents, but not for married filers.



- For 2004 tax filers with income in the \$15,000 to \$24,999 income ranges, EIC claim rates were 93% for single parents and 79% for married parents.

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.

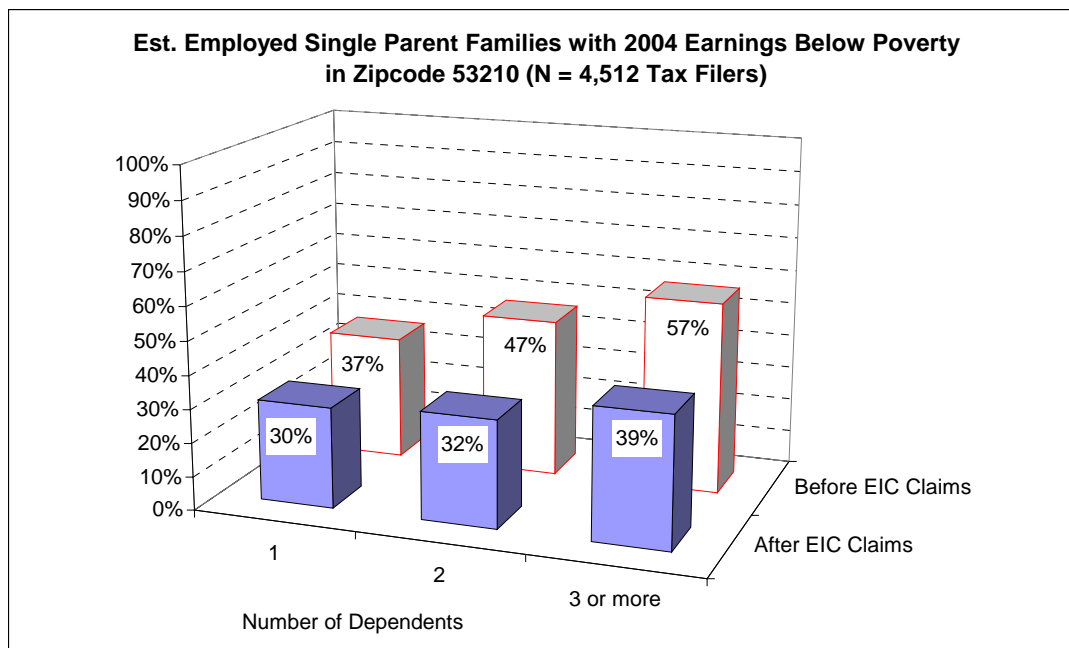


Working Families with Income Below Poverty

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.

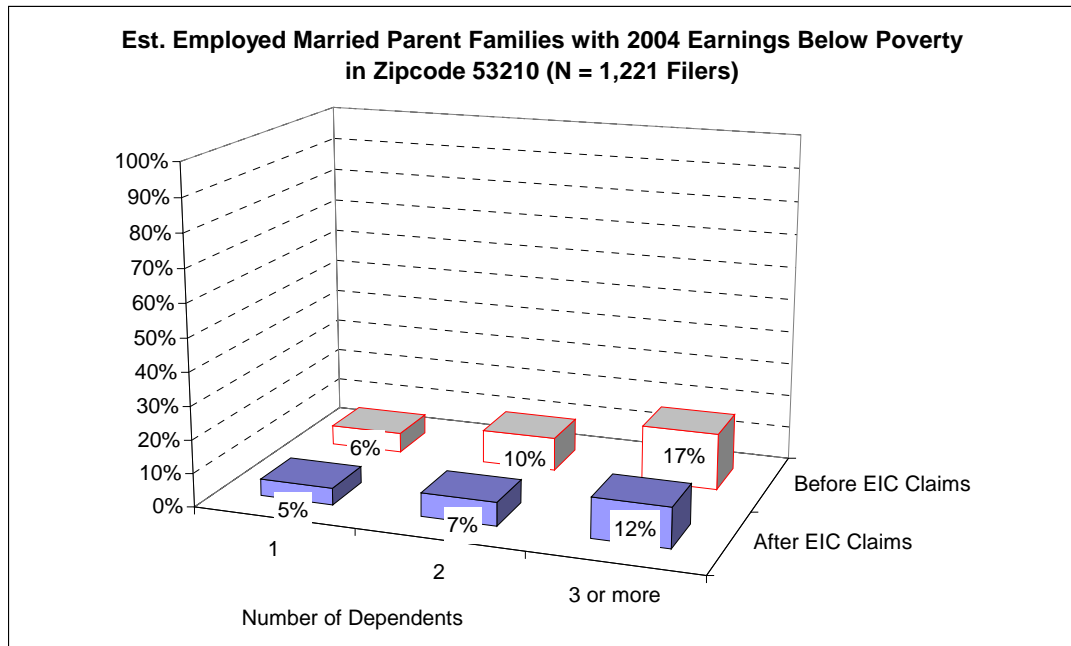
- For **single parent families with dependents**, in zipcode 53210 in tax year 2004 about 37% of single tax filers with one dependent showed adjusted gross income (AGI) below the poverty level (\$12,490 for two persons). Nearly half (47%) of single filers with 2 dependents showed AGI below (\$15,670 for three persons) and 57% (or more) of filers with three or more dependents had income below poverty.



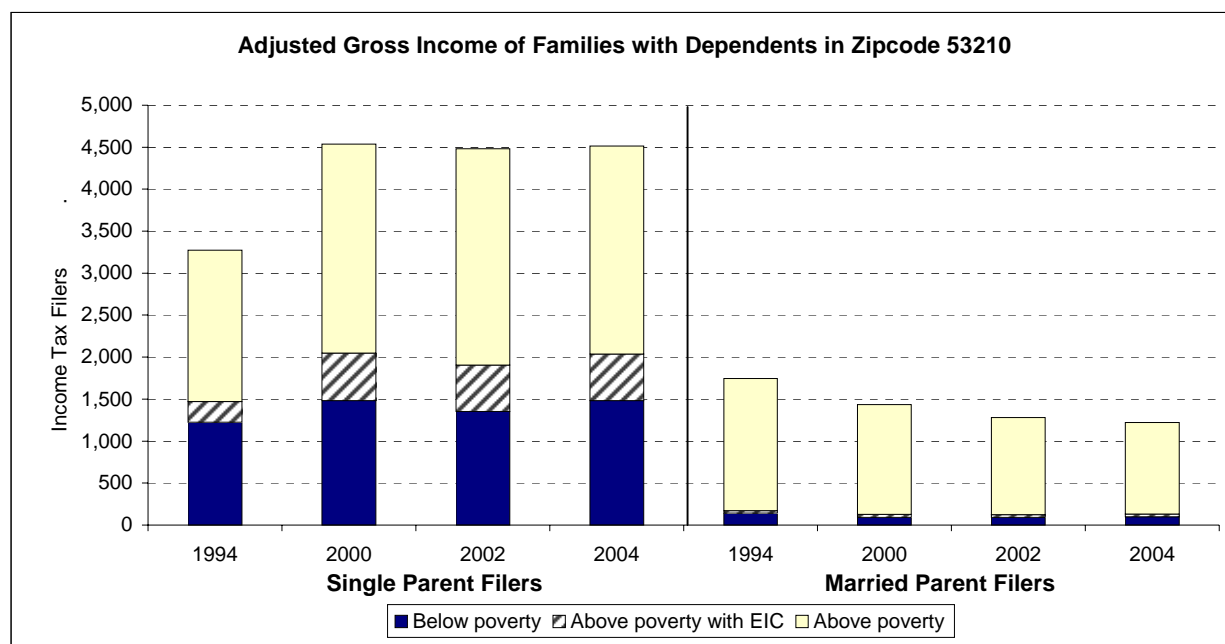
- When the number of filers claiming the state and federal earned income credit (EIC) was considered, the percentage of single parent families living in poverty was

reduced to 30% of filers with one dependent and 39% (or more) of filers with three or more dependents.

- State Department of Revenue data showed only 1,221 **married tax filers with dependents** out of the 5,733 income tax filers with dependents in 2004. More employed parents showed adjusted gross incomes above the poverty level.
- About 6% of married tax filers with one dependent showed adjusted gross income below the poverty level. About 10% of married filers with two dependents reported AGI below the poverty level, as did 17% (or more) of married filers with 3 or more dependents.
- Federal and state EIC claims brought the poverty rates for married filers down to 5% for filers with one dependent and 7% for filers with two dependents.
- In zipcode 53210, married filers with three or more dependents showed 12% (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 558 single parent families above the poverty level, leaving an estimated 1,481 single tax filers with dependents (33% 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 36 families out of poverty leaving 97 married filers with dependents (8% of the married parent total) still in poverty.

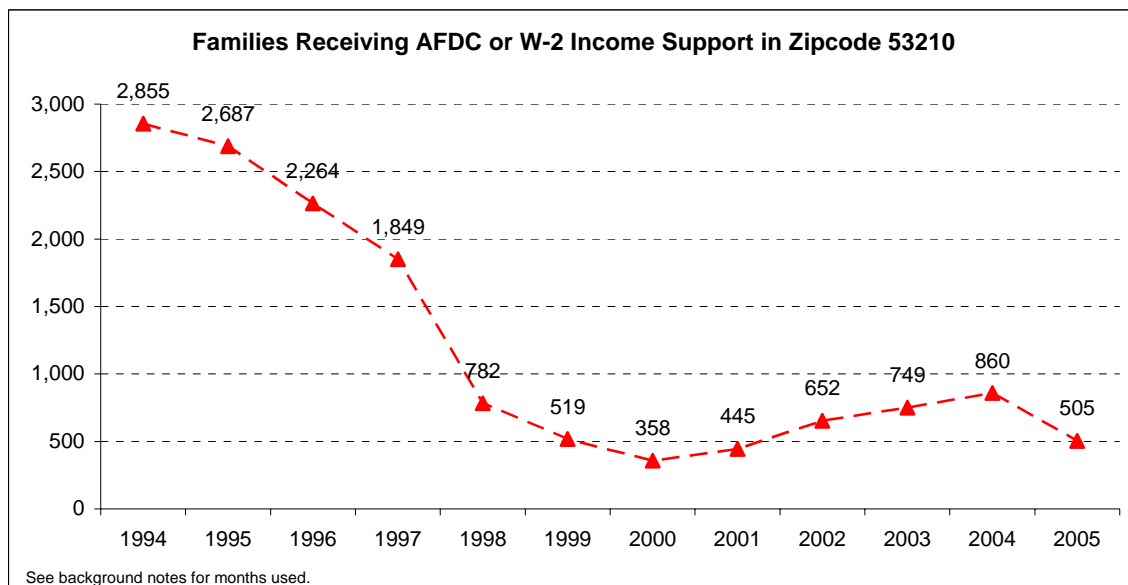


- The challenges of securing and maintaining full-time, year-round employment are particularly difficult for lower-income single parents. Almost half (46%) of single income tax filers (with dependents) with income estimated to be below the poverty level for their family size appeared to be employed less than 70% time (based on minimum wage rates of \$5.15 an hour in 2004), and about 30% appeared to be have employment less than half time or less than half-year.

Families Receiving Public Assistance 1994-2005

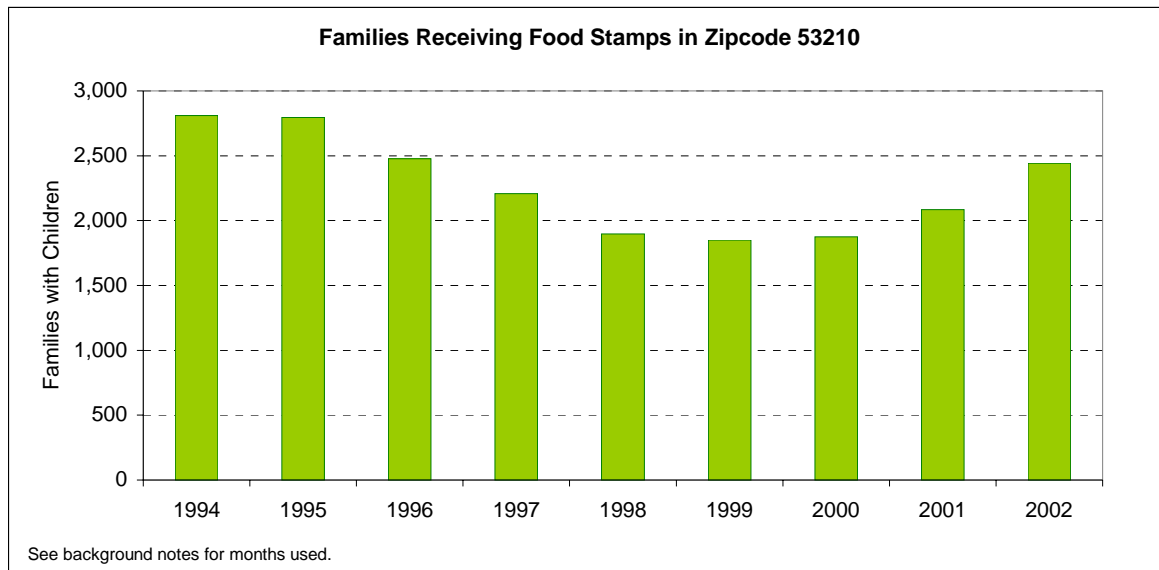
Public assistance case records were analyzed for families receiving AFDC/"W-2" income support, food stamps, and medical coverage.

- The number of families in zipcode 53210 receiving **income support** (AFDC or "Wisconsin Works," i.e. "W-2," cases) dropped 87%, from 2,855 in March 1994 to 358 in April 2000. Caseloads rose again to 860 "W-2" payment cases in July 2004. By July 2005, the number of "W-2" payment cases had again dropped to 505 families.
- The number of families receiving income support in July 2005 is 82% below the levels of 11 years earlier.

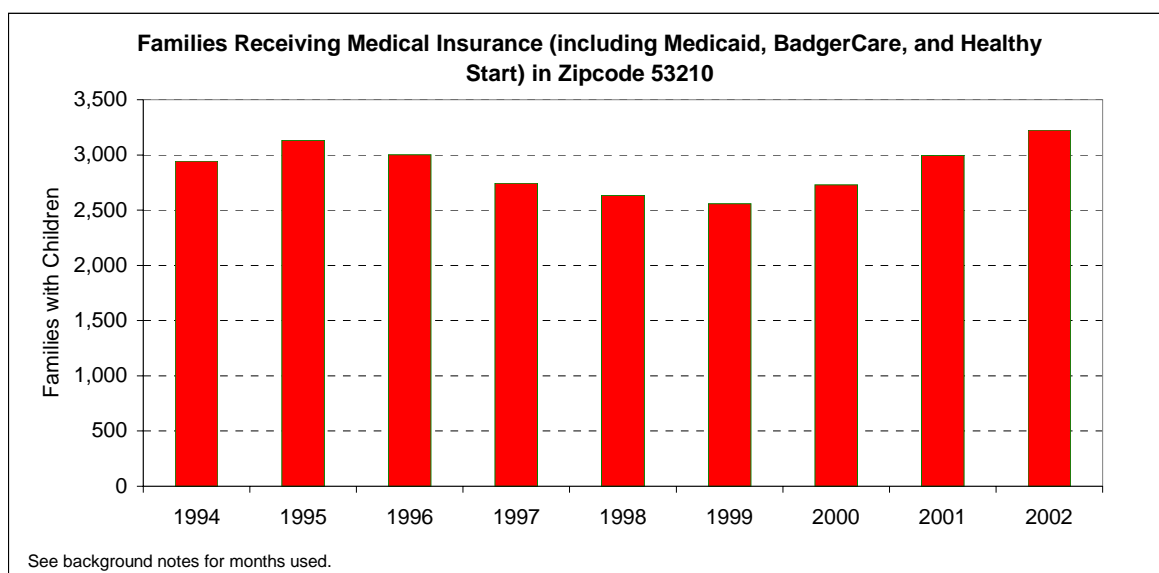


- The families with children in zipcode 53210 have also showed sharp declines in the numbers receiving **food stamps** although these declines were not nearly as steep as the AFDC/W-2 drops. The number of families receiving food stamps dropped from 2,809 in March 1994 to 1,850 in February 1999, or a 34% decline.

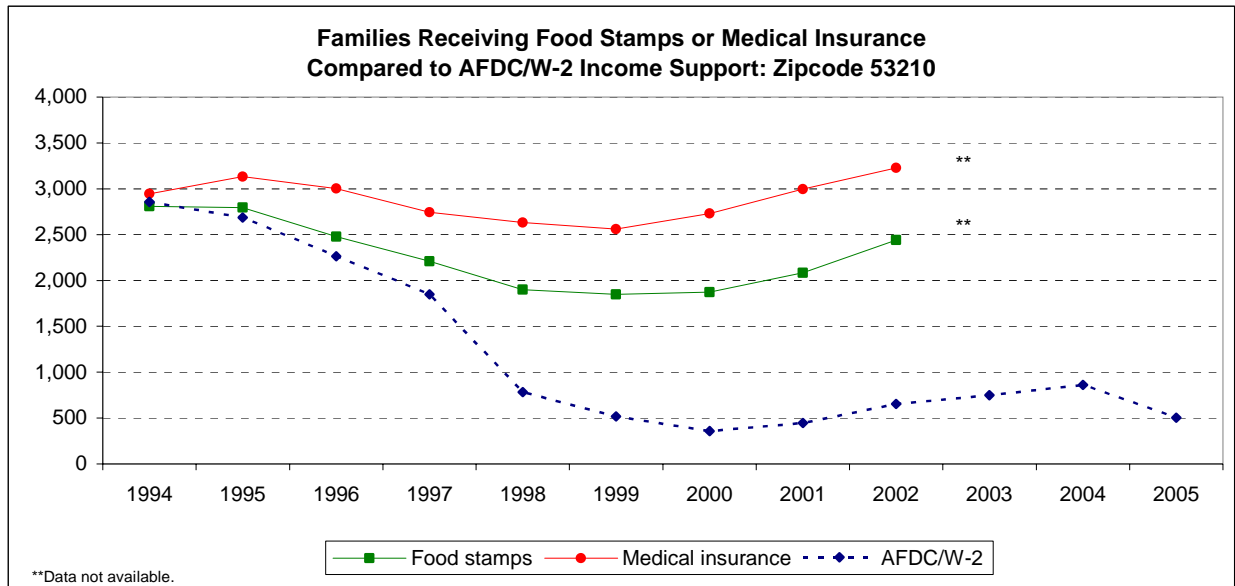
- The number of families enrolled in the food stamp program had increased to 2,442 in 2002, with an increase of 358 families between 2001 and 2002. Enrollments in 2002 are 13% below the 1994 levels.



- The number of families (with children) in zipcode 53210 covered by medical assistance, including Medicaid, BadgerCare and Healthy Start, dropped from 2,943 in March 1994 to 2,559 in February 1999, or 13%.
- Numbers increased between 1999 and 2002 to 3,226. The number of families receiving public medical insurance in 2002 was 10% higher than in 1994.



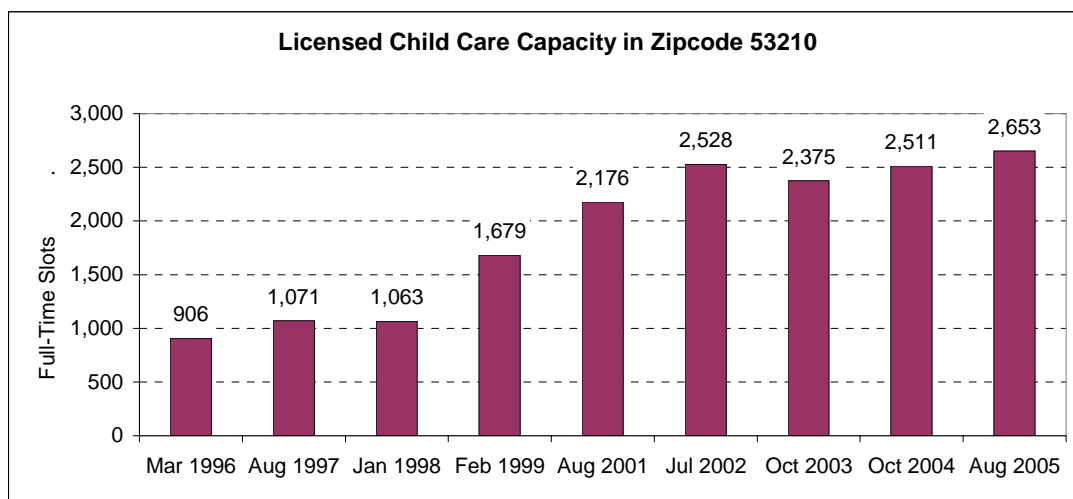
- When trends in the numbers of families (with children) receiving income support are compared to those receiving medical assistance and food stamps, the data show many more families in zipcode 53210 using medical insurance and food stamps than receiving income support.



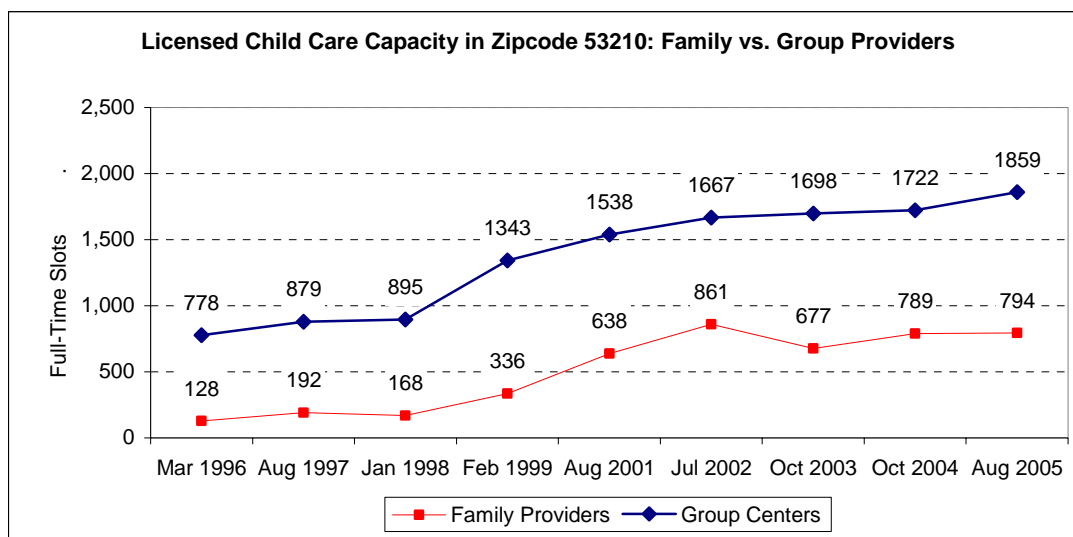
Child Care Availability and Subsidies 1993-2005

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 nearly tripled, from 906 slots for full-time care in March 1996 to 2,653 slots in August 2005.

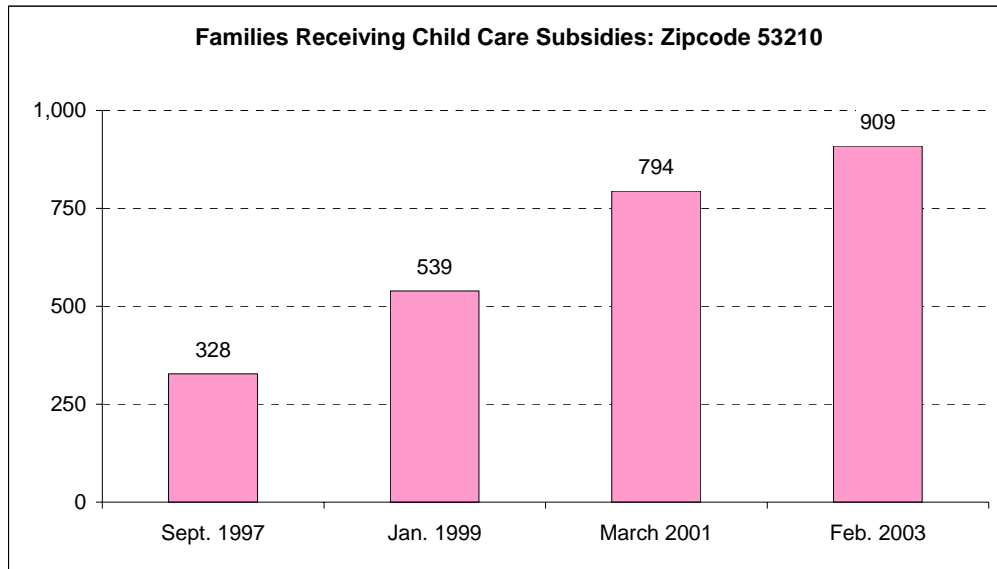


- Seventy percent of the licensed slots were in group centers and 30% in licensed family care. The zipcode has seen a dramatic rise in licensed child care capacity.

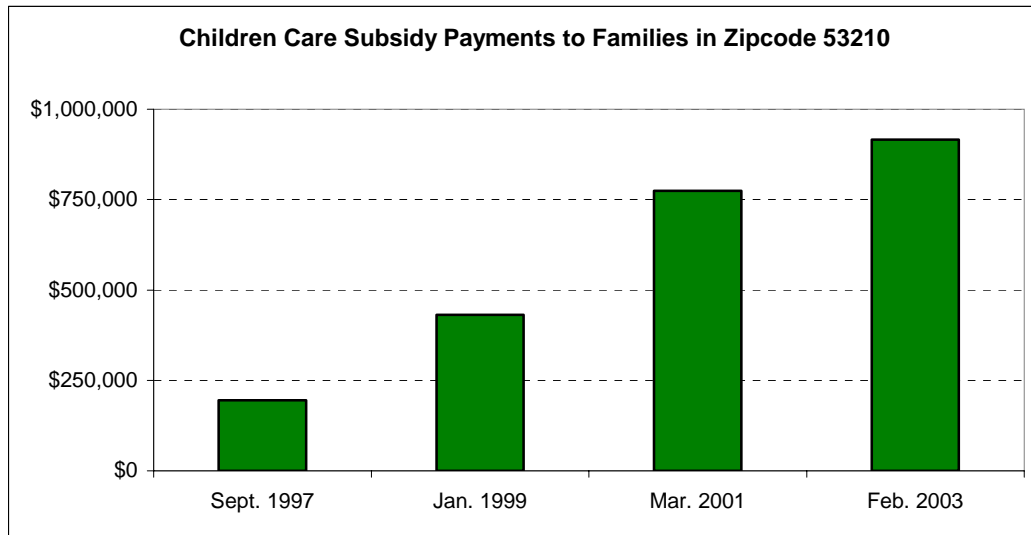


Subsidized child care payments were tracked for the Wisconsin Shares Program, that offers federal and state child care support under TANF (the Temporary Assistance to Needy Families) and CCDBG (Child Care Development Block Grant) monies. The program subsidizes qualified day care for children and W-2 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 53210 receiving child care support more than doubled from 328 in September 1997 to 909 in February 2003.



- Total four-week payments for families rose from \$194,477 in September 1997 (or \$593 per family) to \$915,861 in February 2003 (or \$1,008 per family).



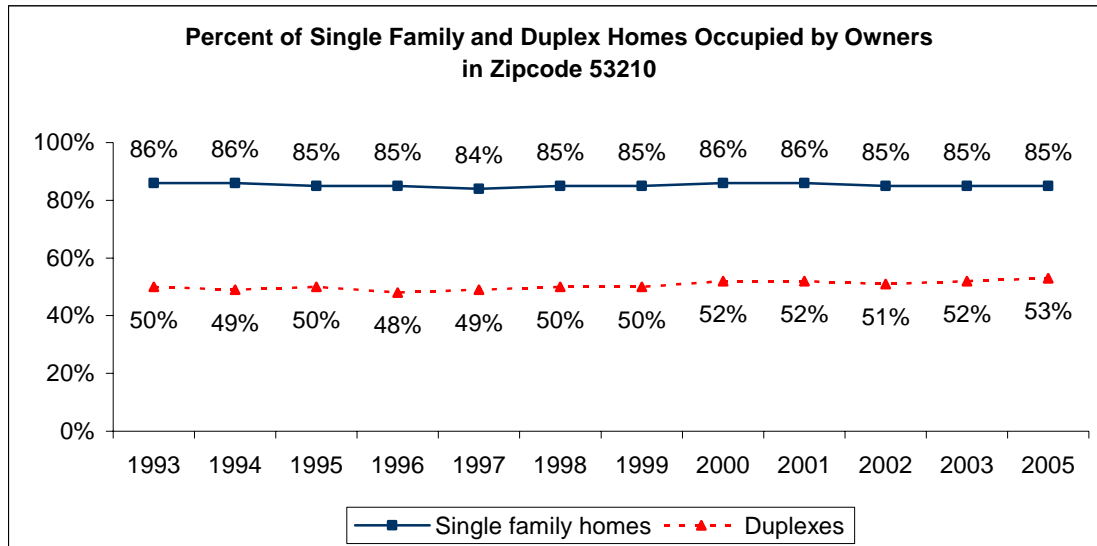
- Most of the Wisconsin Shares subsidies for care of children in zipcode 53210 went to licensed providers. In February 2003, over half (55%) of total payments went to state licensed group centers, and another 30% to licensed family centers.

Home Ownership Rates and Housing Values

1993-2005

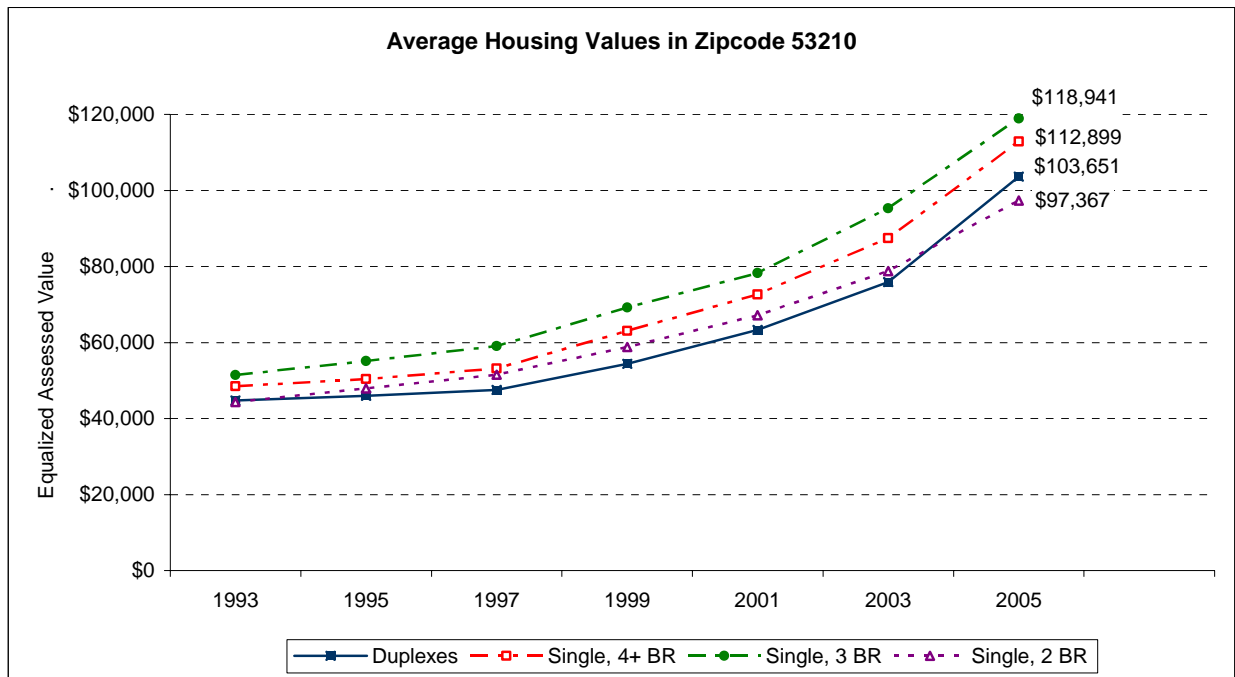
Neighborhood housing data were tracked using City of Milwaukee property files.

- Contrary to popular misconceptions about the inner city, the majority of houses in zipcode 53210 are owner-occupied. The home ownership rate for single family houses was 85% in 2005 and has remained fairly constant since 1995.
- The home ownership rate for duplexes was 53%, a slight increase over prior years.



Housing prices rose markedly in central city neighborhoods 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 53210 increased 66%, from \$71,806 in 2000 to \$118,941 in 2005. This compares to only a 39% increase for the seven-year period from 1993-2000.
- The average market value of houses with 4 or more bedrooms increased 69% from \$66,922 in 2000 to \$112,899 in 2005. The prior seven-year period showed increases of 38%.
- From 2000 to 2005, the average value of duplexes in zipcode 53210 rose 78%, from \$58,140 in 2000 to \$103,651 in 2005. This compares to only a 30% increase for the seven-year period from 1993-2000.
- **Given the decline in 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 in zipcode 53210 to afford them.**

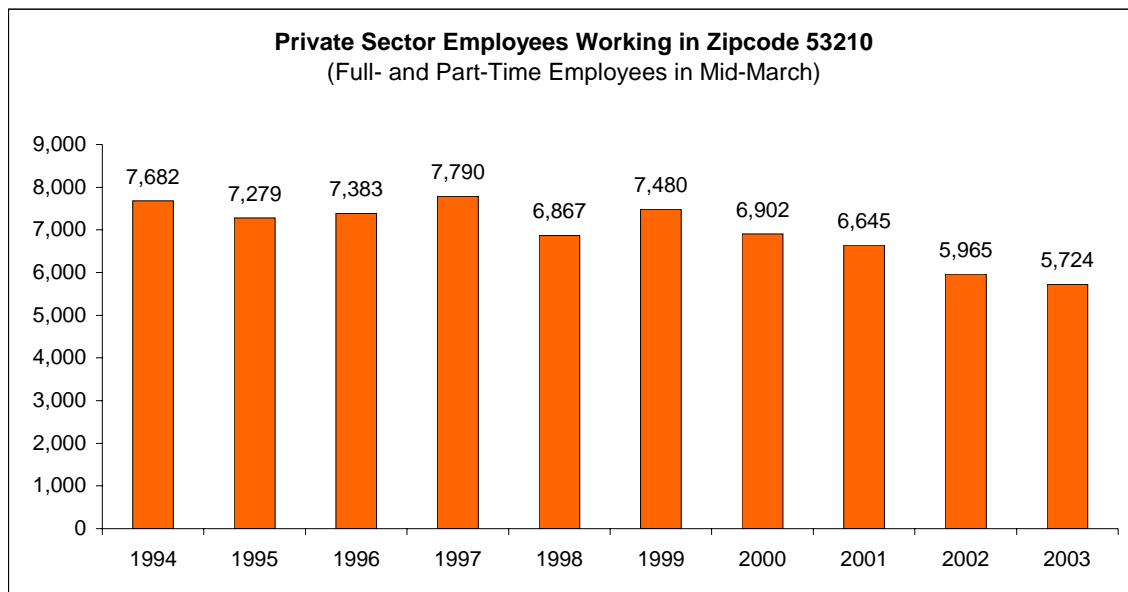


Business Activity in the Neighborhood 1993-2005

Sources of data used to measure business activity in zipcode 53210 include 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.

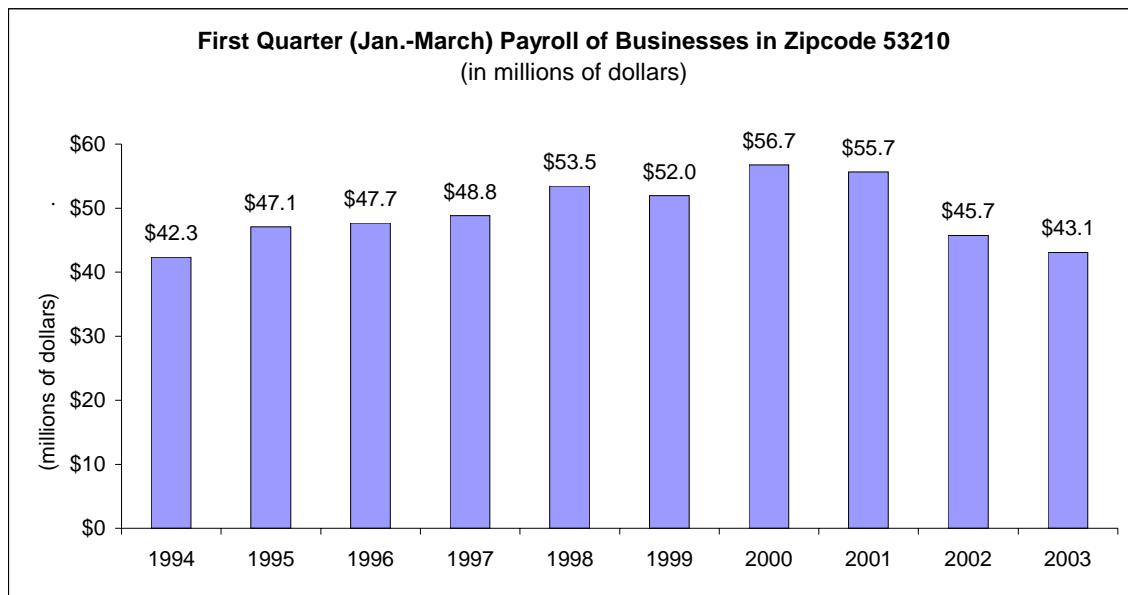
The U.S. Census Bureau ZIP Code Business Patterns reports the number of businesses, payroll and number of full-time and part-time employees.

- The number of **workers employed in private businesses** located in zipcode 53210 decreased from 7,682 in 1994 to 6,645 in 2001, and dropping to 5,724 in 2003.
- The number of workers has declined steadily for the last five years.



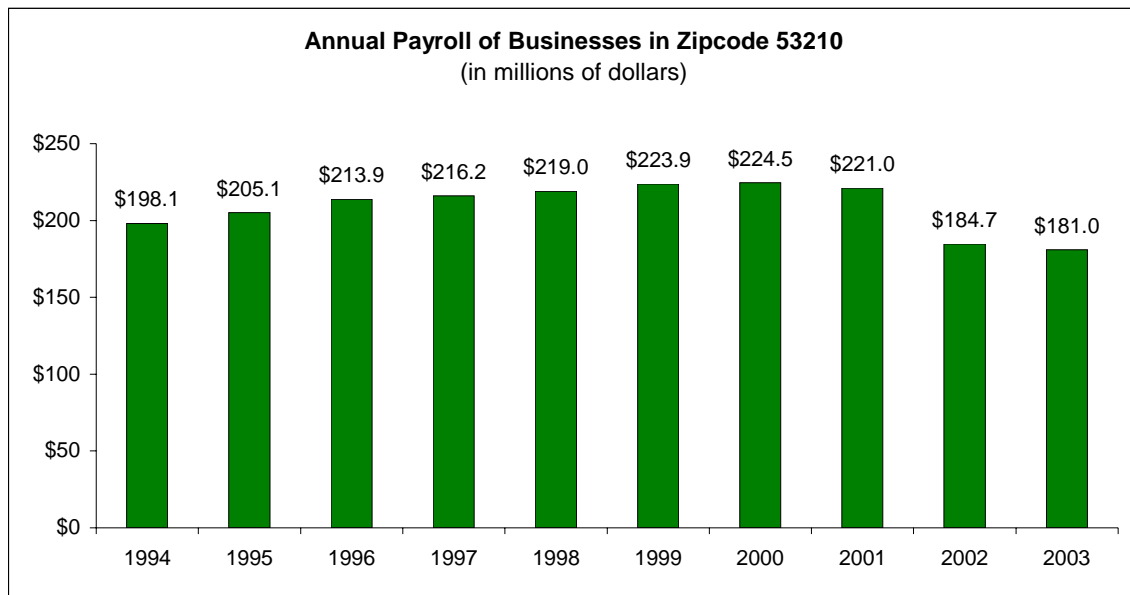
The Census Bureau ZIP Code Business Patterns reports **First Quarter payrolls** for all private establishments located in the zipcode (regardless of the residence of the workers). Payroll is reported before deductions for social security, income tax, insurance, etc.

- Quarterly payrolls rose from \$42.3 million in First Quarter (i.e., January – March) 1994 to a high of \$56.7 million in 2000, but has declined since then.
- First Quarter payrolls fell by over \$13 million from the 2000 levels.



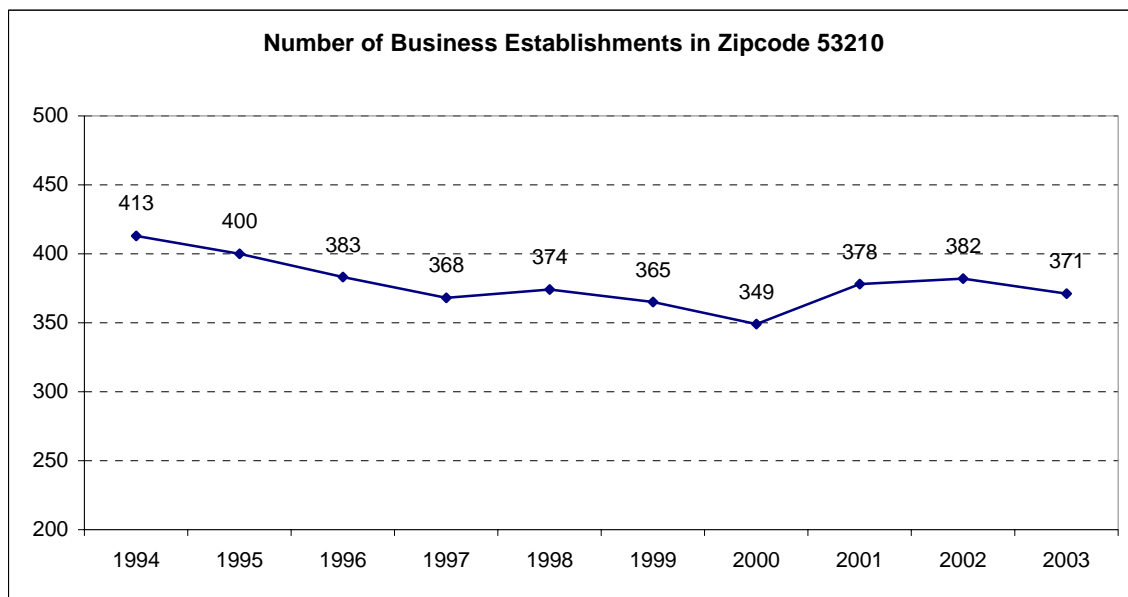
The ZIP Code Business Patterns reports total **annual payroll**, including salaries, wages, commissions, bonuses, sick-leave pay, in-kind payments for meals and lodging, and reported tips. Total are before deductions for social security, taxes, union dues, etc.

- Annual payrolls for private establishments located in zipcode 53210 rose from \$198 million in 1994 to \$224 million in 2000, but fell to a 10-year low of \$181 in 2003.
- Between the high of \$224.5 million in 2000 and 2003, payrolls fell \$43.5 million.



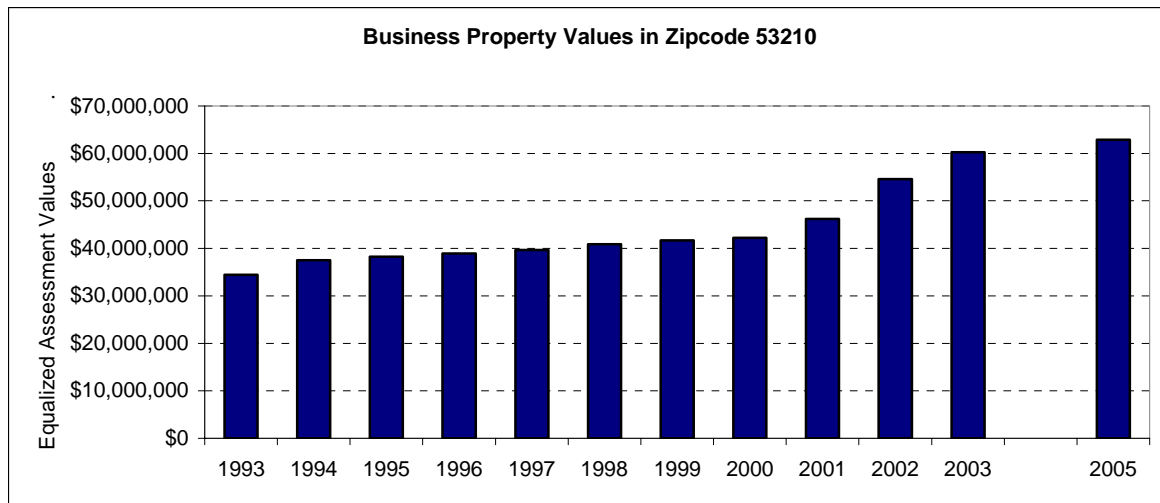
The ZIP Code Business Patterns also report **number of establishments** by location. Establishments are defined as single physical locations where business is conducted or services or industrial operations are performed. Individual companies may have several establishments in a community – each counted 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 53210 the number of business establishments went from 413 in 1994 to a low of 349 in 2000.
- The number of establishments rose to 382 in 2002 but then went down to 371 in 2003.



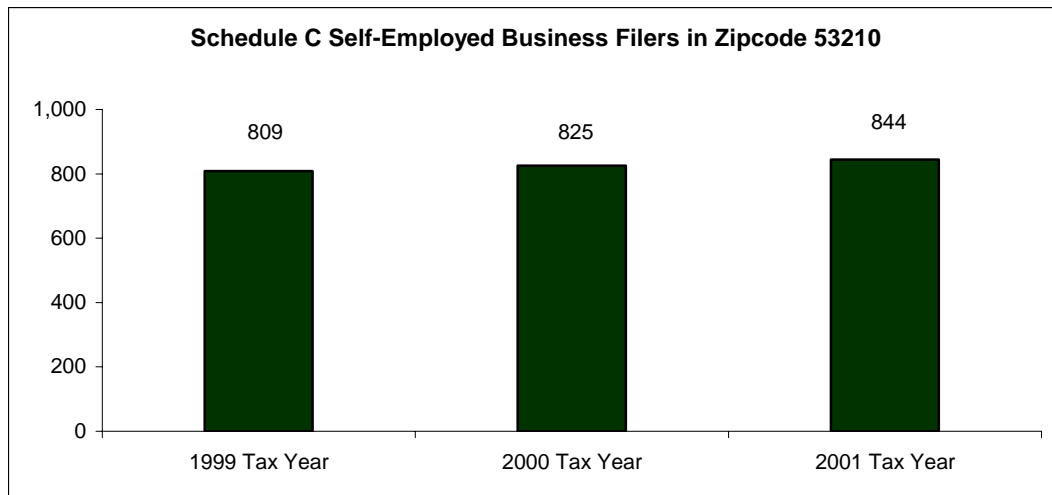
City of Milwaukee property records on **equalized tax assessment of business property** provide another measure of business activity and were analyzed for a twelve-year period. These records showed continuing growth of business property values. The records are somewhat limited, however, since Wisconsin 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 53210 increased by 83% from \$34.3 million in 1993 to \$62.9 million in 2005.
- Business property values rose 4.4% 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 53210, 844 individuals filed Schedule C forms for 2001 tax year.
- The number of filers completing Schedule C rose 4% 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.

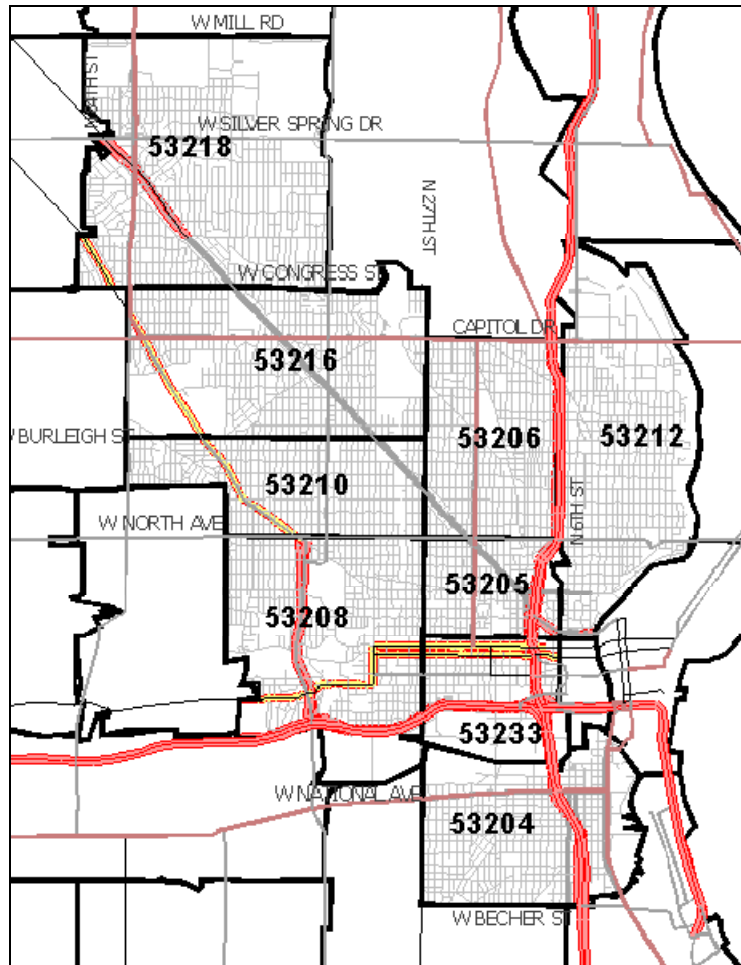
The U.S. Census 2000 Census Transportation Planning Package (CTPP 2000) data used four **racial categories** in reporting its data tables: white alone, black or African American alone, Asian alone, and all other (including persons reported as 2 or more races, Native Hawaiian or Pacific Islander, American 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.