

# Milwaukee Zipcode 53216

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



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**M**ilwaukee 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

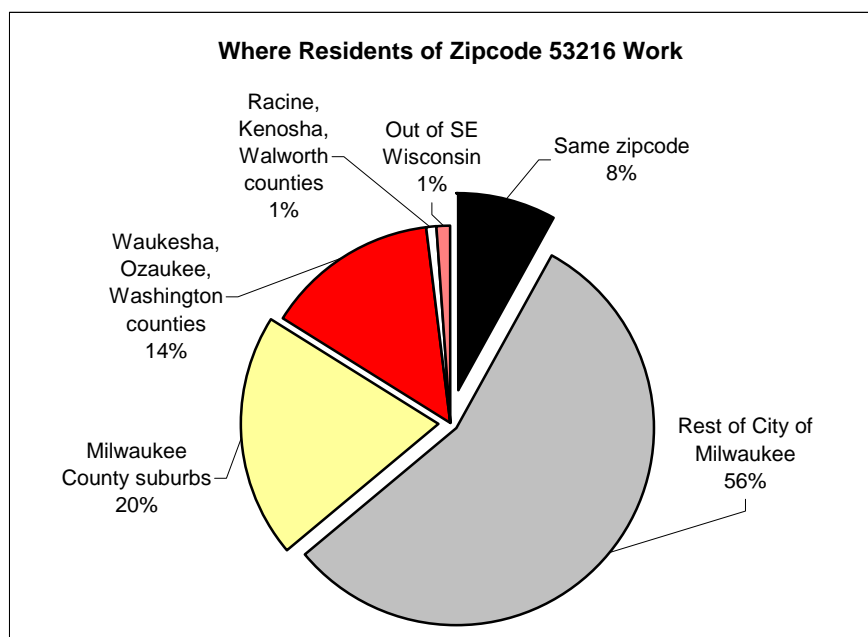
This report assesses employment, economic and welfare changes in ZIP code 53216 based on thirteen years of institutional data. Recently released Census 2000 transportation planning databases are used to provide a first-time analysis by race of jobs located within each central city neighborhood. State-of-the-art 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 53216 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](http://www.eti.uwm.edu).

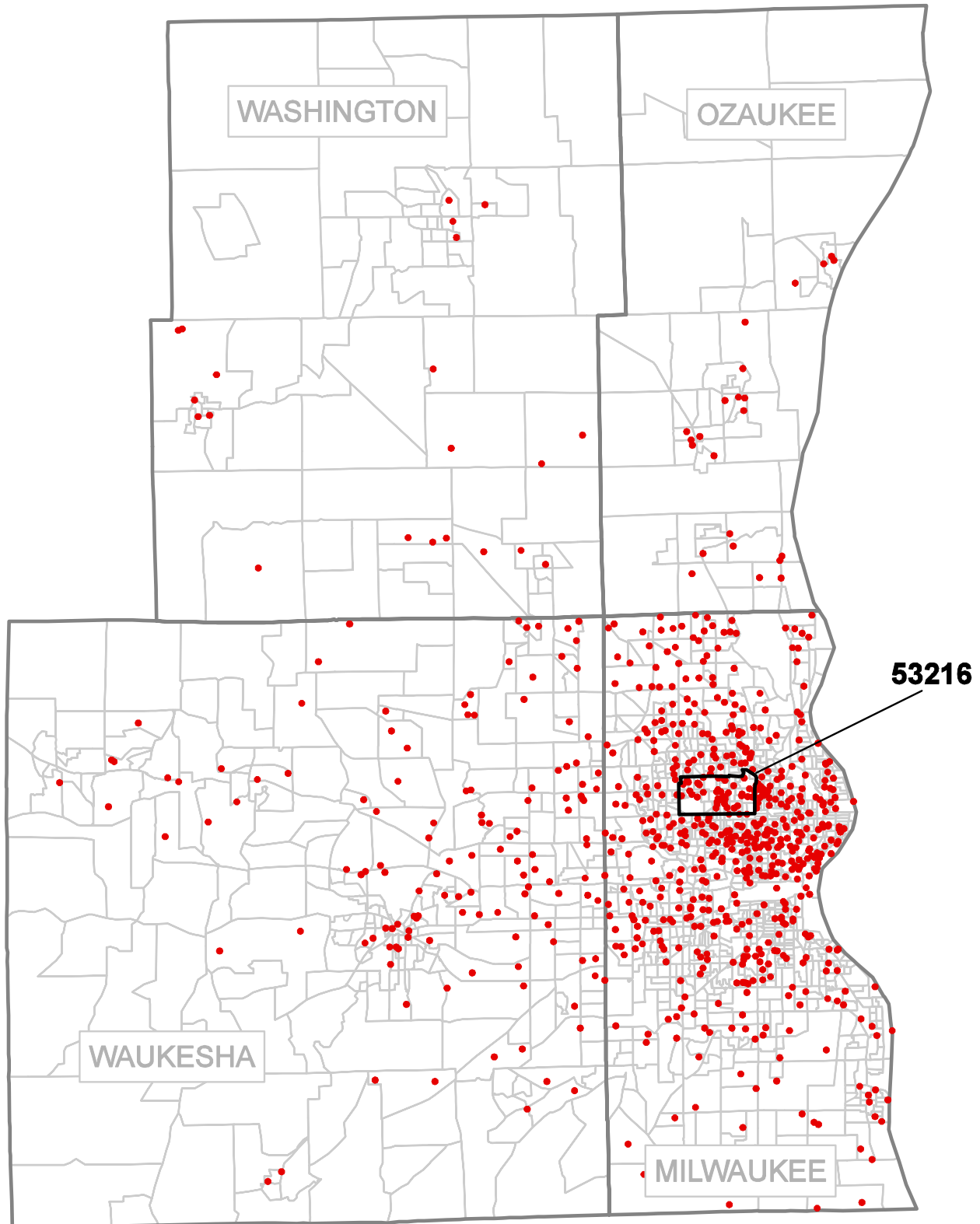
# Findings for Zipcode 53216

## Workforce Issues

1. **An estimated 29% of employed families in zipcode 53216 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 557 of these families out of poverty, but still left about 1,367 families (or 21% of the 6,532 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 53216, the labor market is very limited. According to the Census 2000 transportation files, 84% of 53216 residents work in Milwaukee County**, including 64% of 53216 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 jobs 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 53216 were employed at the time of the 2000 Census.

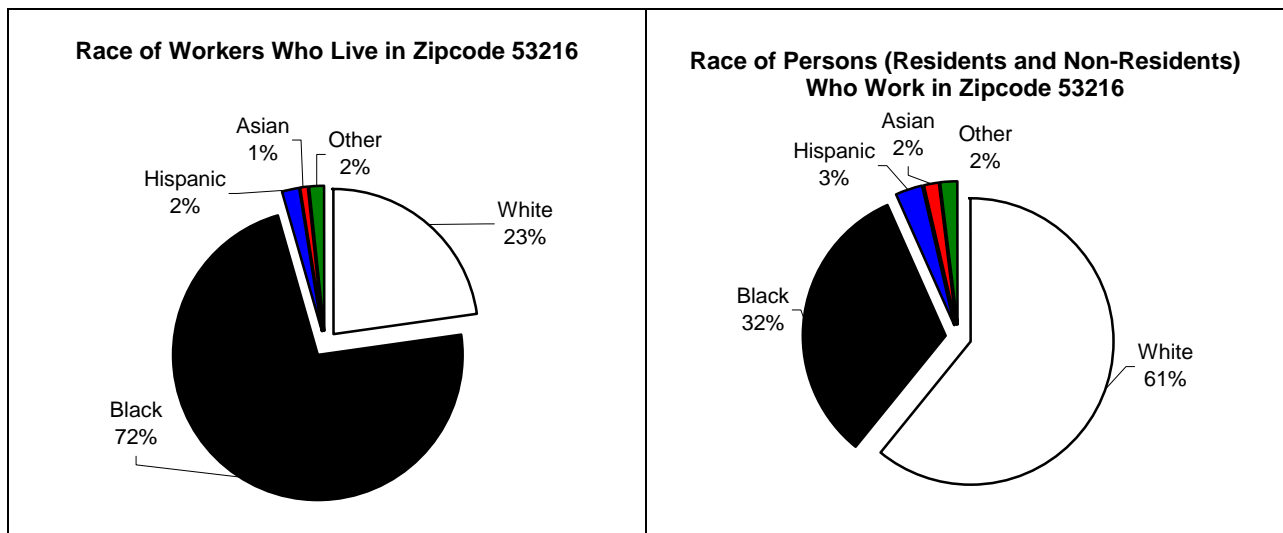


# Where People Work Who Live in Zipcode 53216



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 53216 and the race of persons (residents and non-residents) employed at jobsites in zipcode 53216. According to recently released 2000 Census transportation data files, whites make up 23% of the resident workforce, but white workers hold 61% of jobs with employers (public, private and non-profit) in the 53216 neighborhood. On the other hand, **African Americans make up 72% of the resident workforce in the zipcode, but African American workers hold only 32% of jobs at worksites in 53216.**



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 (4,719 suspensions) as suspension orders for traffic violations, driving while intoxicated, and drug convictions combined (1,038 suspensions). On the positive side, the 4,719 “failure to pay” suspension orders are down from an all-time high of 6,690 in 2003.

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

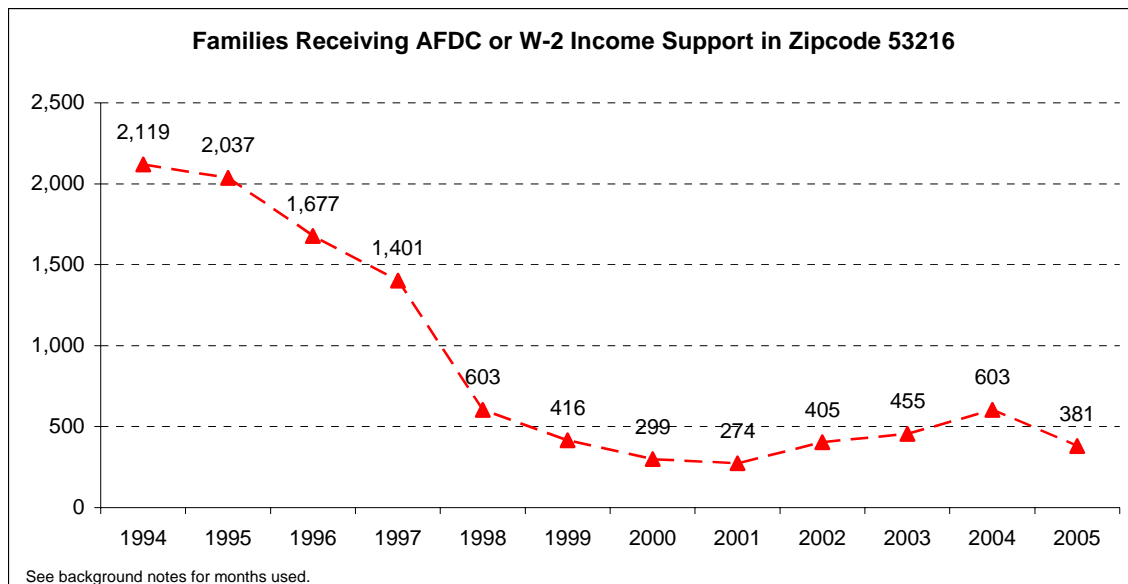
5. This neighborhood has benefited from a dramatic increase in licensed child care facilities since the state expanded its Wisconsin Shares Program offering subsidized child care for "W-2" participants and "working poor" families. **The total capacity for full-time child care with state licensed providers has tripled, from 829 slots in March 1996 to 2,467 slots in August 2005.** Almost two-thirds of the licensed slots are in group centers and 36% 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 an estimated \$111 million annually for 16 categories of consumer expenditures.** This translates into nearly \$24 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 about 41% of residents' retail expenditures (for 15 categories of purchases) are captured by local retail establishments, while **an estimated \$56.8 million is leaving the 53216 neighborhood annually when residents buy their goods at other locations.**
8. Contrary to popular misconceptions about the inner city, **the majority (87%) of single family houses in zipcode 53216 are owner-occupied.** The majority (62%) of duplexes are also owner-occupied.
9. **Home owners in zipcode 53216 have seen marked increases in the value of their houses in the last five years.** From 2000 to 2005, the average value of a 3-bedroom house increased 64%, compared to a slower 36% for the seven years from 1993-2000. For houses with 4 or more bedrooms, the average market value increased 67% from 2000 to 2005, compared to increases of 38% from 1993-2000. Likewise, the market value of duplexes rose 64%, from a \$70,317 average in 2000 to a \$115,548 average in 2005. 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 53216 residents have declined since the 2000 Census.** The total adjusted gross income of working age tax filers decreased by 1.8% between 2000 and 2004. When inflation is considered, the real income earnings of residents dropped by 8.2%. This neighborhood suffered the third largest 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 53216. **The earned income tax credits have more than tripled, from \$3.1 million in 1993 to \$10.8 million in the 2004 tax year.** For the 2004 tax year, 94% of income-eligible single parent tax filers and 78% of married parent filers with dependents claimed the EIC. The claim rates for single parents (but not for married families) are among the highest in the county.
12. In spite of the low earnings of single parent families, very few families in zipcode 53216 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 53216.



## Job Gaps in Zipcode 53216

### *2000 Census CTPP Files*

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

### **Where Residents Work**

The 2000 Census transportation files reported a total of 16,675 residents of zipcode 53216 (ages 16 and above) employed at the time of the 2000 Census.

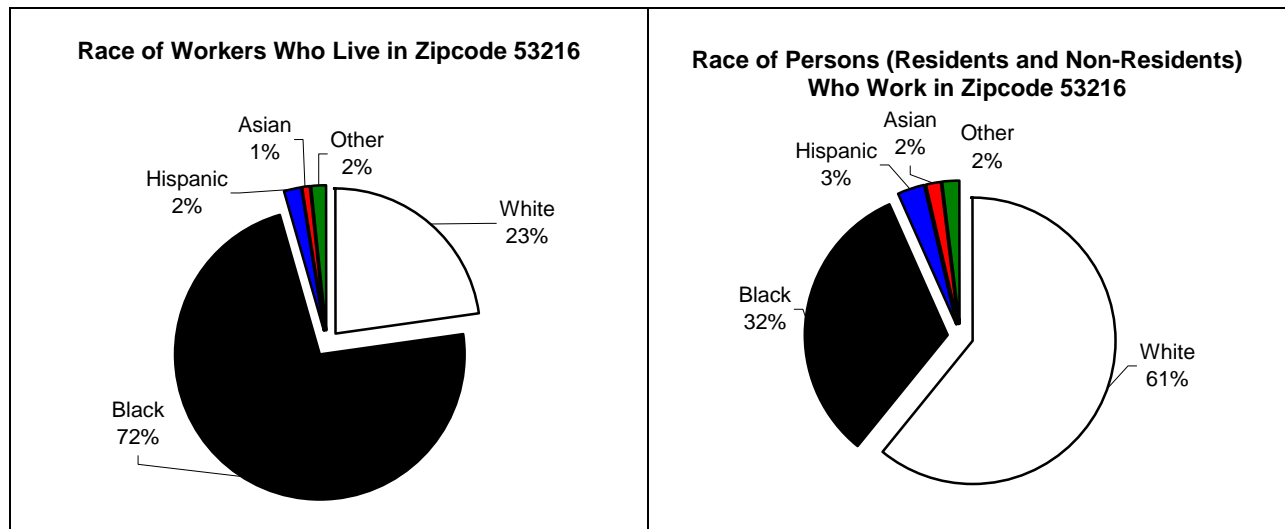
- Most residents commute to jobs outside the zipcode. Only about 8% of residents worked in the 53216 zipcode area, while 92% traveled to jobs outside the zipcode.
  
- The labor market for most 53216 **residents** is limited to Milwaukee County. The majority of residents (64%) worked in the City of Milwaukee and 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 53216 resident workers, and 1% work outside of southeastern Wisconsin.

## Who Works for 53216 Employers

The Census 2000 files showed 13,300 persons (residents and non-residents) whose primary job was located at a worksite in zipcode 53216. This included employment with private companies, governmental and school units, non-profits, and self-employment.

- Eighty-nine percent of persons working at jobsites within zipcode 53216 came from outside the neighborhood.
- Workers coming into the central city to work showed a much broader labor market than outgoing central city workers. One fourth 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 2% of the workers coming into 53216 for jobs, and 1% came 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 23% of the resident workforce, but white workers hold 61% of jobs with employers (public, private and non-profit) with jobsites in 53216. On the other hand, African Americans make up 72% of the resident workforce in this zipcode, but African American workers hold only 32% of jobs in zipcode 53216.
- African American workers held 32% of jobs with private companies located in the 53216 neighborhood. For non-profits, they held 23% of the jobs at neighborhood worksites.
- African Americans made up 70% of the 117 workers employed at state government jobsites, 36% of the 128 workers employed at federal government jobsites, and 32% of the 1,340 workers employed at local government jobsites (including schools) located in zipcode 53216. Hispanics showed their highest rates of employment with state government. Asians showed their highest rates of employment working for non-profits.

### Characteristics of Those Who Work at Jobsites in Zipcode 53216

(Includes Jobs Held by Residents and Non-Residents)						
Type of Employer	White	Black	Hispanic	Asian	Other	Total Workers
Total workers	8,095	4,310	418	219	248	13,300
Private for-profit	59.7%	32.4%	3.2%	2.0%	2.5%	8,825
Private not-for-profit	73.6%	23.5%	1.1%	1.1%	0.4%	2,160
Local government	60.4%	32.4%	5.0%	0.6%	1.3%	1,340
State government	15.4%	70.1%	12.0%	0.0%	0.0%	117
Federal government	66.4%	35.9%	0.0%	0.0%	0.0%	128
Self-employed not incorporated	45.7%	52.1%	3.2%	0.0%	0.6%	720
Unpaid family workers	50.0%	50.0%	0.0%	0.0%	0.0%	8

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.

- Two-thirds (66%) of workers employed at 53216 jobsites worked for private companies, with manufacturing firms as the leading industry type. Another 16% worked for non-profit agencies and 12% worked for local, state, and federal governments. A relatively small number of workers (5%) reported self-employment as their primary job.

The tables below show the breakdown of jobs in zipcode 53216 by occupational groupings of workers.

- The largest number of African Americans employed at jobsites located in zipcode 53216 were working in production jobs and office and administrative support.
- Over half of the workers employed in personal care services, food preparation and service, building and grounds cleaning/maintenance, and healthcare support were African Americans.
- Hispanics showed significant numbers of workers employed in production and transportation and material moving jobs.
- Asian workers showed employment as production workers, healthcare practitioners and technicians, and office and administrative support jobs.

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, 238 persons were engaged in construction work (including self-employment) at jobsites in zipcode 53216. White workers held 74% of these jobs (or 177 jobs) and African Americans held 22% of the jobs (53 jobs).
- When the occupations of 53216 **residents** were analyzed (regardless of whether they worked inside or outside of the neighborhood), the Census reported 443 residents with occupations in construction. These included 325 African Americans and 118 whites.

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](http://www.eti.uwm.edu)).

## Occupations of People Who Work at Jobsites in Zipcode 53216

(Including Jobs Held by Residents and Non-Residents)						
Total	White	Black	Hispanic	Asian	Other	Occupational Grouping
13,290	8,095	4,310	418	219	248	Total Occupation
2,311	1,480	639	123	26	43	Production
1,724	1,408	239	28	24	25	Healthcare practitioners, technicians
1,550	939	540	28	23	20	Office, administrative support
892	599	259	12	4	18	Education, training, library
853	584	239	8	4	18	Management
777	317	382	74	0	4	Transportation, material moving
744	333	338	14	19	40	Sales, related
500	461	25	0	14	0	Engineering, architecture
456	355	87	10	0	4	Installation, maintenance, repairs
444	134	247	14	15	34	Healthcare support
428	94	330	0	4	0	Personal care, service
404	79	303	0	18	4	Food preparation, serving related
385	269	92	4	10	10	Business, financial operations
352	217	103	24	4	4	Protective service
332	157	149	18	8	0	Community, social service
307	105	178	4	0	20	Building + grounds cleaning/maintenance
238	177	53	4	0	4	Construction, excavation
207	160	35	4	8	0	Computer, mathematical
172	124	29	19	0	0	Arts, design, entertainment, sports, media
90	68	10	0	12	0	Life, physical, social science
Total	White	Black	Hispanic	Asians	Other	Groupings with Over 100 Employed
13,290	60.9%	32.4%	3.1%	1.6%	1.9%	Total Occupation
2,311	64.0%	27.7%	5.3%	1.1%	1.9%	Production
1,724	81.7%	13.9%	1.6%	1.4%	1.5%	Healthcare practitioners, technicians
1,550	60.6%	34.8%	1.8%	1.5%	1.3%	Office, administrative support
892	67.2%	29.0%	1.3%	0.4%	2.0%	Education, training, library
853	68.5%	28.0%	0.9%	0.5%	2.1%	Management
777	40.8%	49.2%	9.5%	0.0%	0.5%	Transportation, material moving
744	44.8%	45.4%	1.9%	2.6%	5.4%	Sales, related
500	92.2%	5.0%	0.0%	2.8%	0.0%	Engineering, architecture
456	77.9%	19.1%	2.2%	0.0%	0.9%	Installation, maintenance, repairs
444	30.2%	55.6%	3.2%	3.4%	7.7%	Healthcare support
428	22.0%	77.1%	0.0%	0.9%	0.0%	Personal care, service
404	19.6%	75.0%	0.0%	4.5%	1.0%	Food preparation, serving related
385	69.9%	23.9%	1.0%	2.6%	2.6%	Business, financial operations
352	61.6%	29.3%	6.8%	1.1%	1.1%	Protective service
332	47.3%	44.9%	5.4%	2.4%	0.0%	Community, social service
307	34.2%	58.0%	1.3%	0.0%	6.5%	Building + grounds cleaning/maintenance
238	74.4%	22.3%	1.7%	0.0%	1.7%	Construction, excavation
207	77.3%	16.9%	1.9%	3.9%	0.0%	Computer, mathematical
172	72.1%	16.9%	11.0%	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.

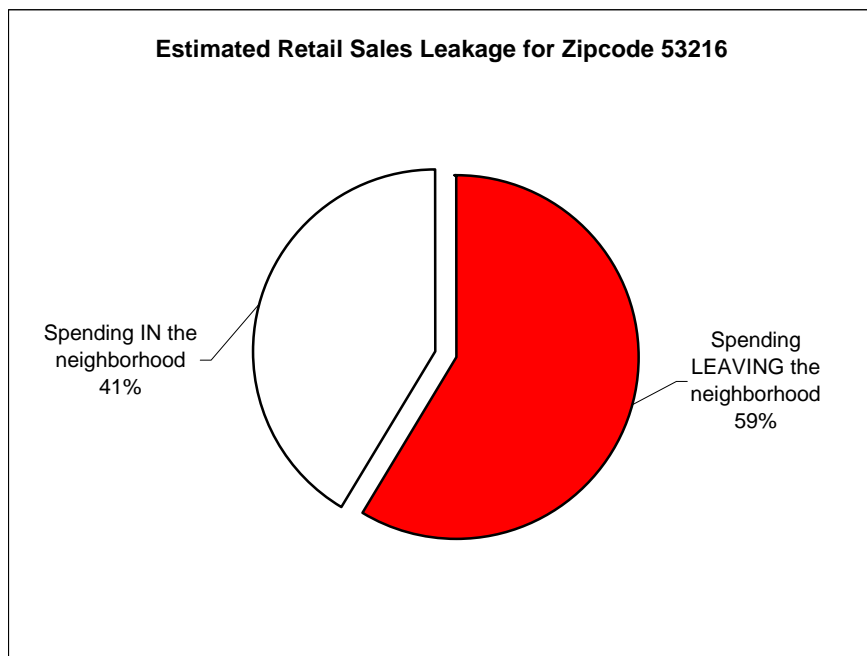
- An analysis of the estimated spending of resident households in zipcode 53216 showed over \$111 million in annual spending for 16 major retail expenditure areas.
- This translates into nearly \$24 million of spending per square mile, well above the average spending in many suburban and exurban neighborhoods.

<b>Purchasing Power Profile for Residents of the Milwaukee 53216 Neighborhood</b>		
Land Area in Square Miles: 4.64		
<b>Consumer Expenditure Category</b>	<b>Est. Annual Expenditures</b>	<b>Expenditures Per Square Mile</b>
Food at home	\$45,902,138	\$9,892,702
Food away from home	\$15,297,368	\$3,296,847
Apparel and related services	\$14,995,698	\$3,231,831
Television equipment, tapes, disks	\$6,635,213	\$1,430,003
Audio equipment, CDs, tapes	\$1,676,454	\$361,305
Household textiles	\$935,254	\$201,563
Furniture	\$4,097,146	\$883,006
Floor coverings	\$374,150	\$80,636
Major appliances	\$2,035,599	\$438,707
Small appliances and housewares	\$631,120	\$136,017
Computer hardware and software	\$1,845,259	\$397,685
Miscellaneous household equipment	\$2,987,974	\$643,960
Non-prescription drugs and supplies	\$3,195,648	\$688,717
Housekeeping supplies	\$5,875,597	\$1,266,292
Personal products	\$3,649,009	\$786,424
Home repair commodities	\$1,043,716	\$224,939
<b>Total for 16 categories</b>	<b>\$111,177,343</b>	<b>\$23,960,634</b>

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](http://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 53216, this zipcode showed a very large retail sales leakage. It is estimated that only 41% (or \$39.8 million) of residents' retail spending for the 15 categories was captured by local retail establishments, while the neighborhood is showing a net loss of 59% of its retail expenditures.
- **The neighborhood showed a retail sales leakage of \$56,112,000. These are the estimated dollars leaving the neighborhoods when residents buy their goods at other locations.**

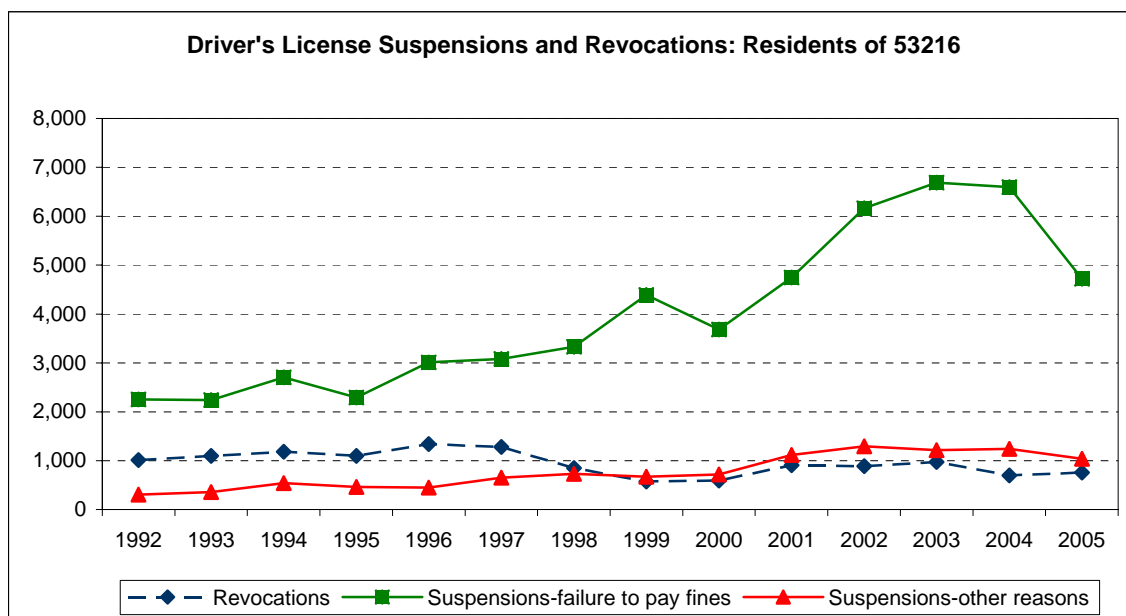


## Transportation Barriers: Driver's License Suspensions

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 4,719 for residents of zipcode 53216. These "failure to pay" suspension orders are down from an all-time high of 6,690 orders in 2003.
- The zipcode area showed more than 4 times as many suspensions for failure to pay fines (4,719) as for suspension orders for traffic violations, driving while intoxicated, and drug convictions combined (1,038).
- License revocations totaled 757 in 2005, down from 971 in 2003.

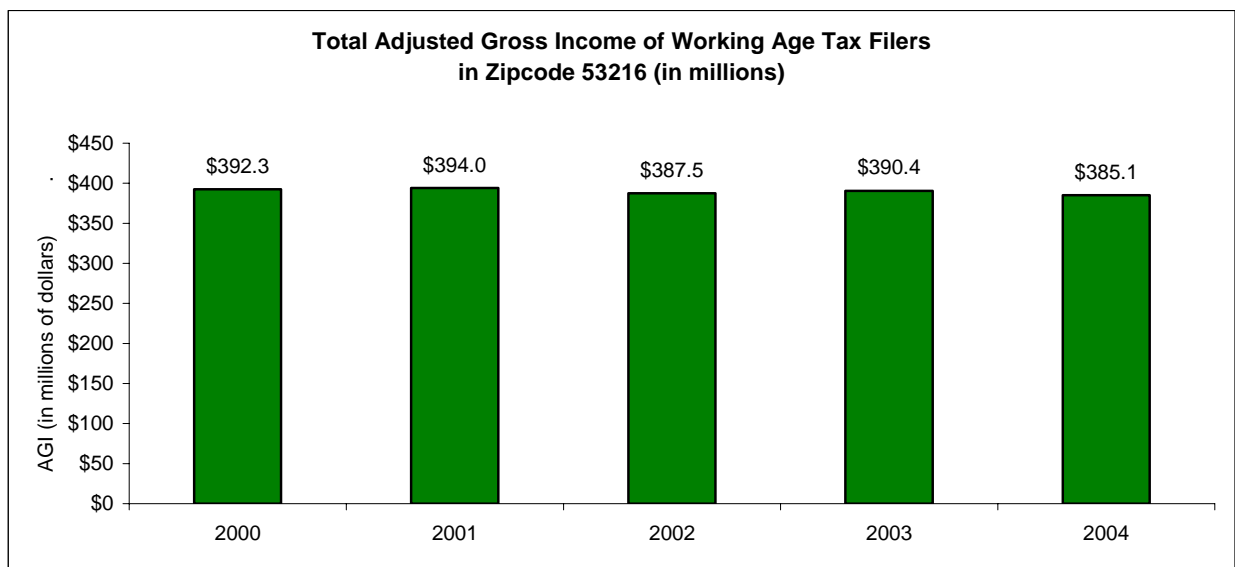


# Family Income and Workforce Growth

1993-2004

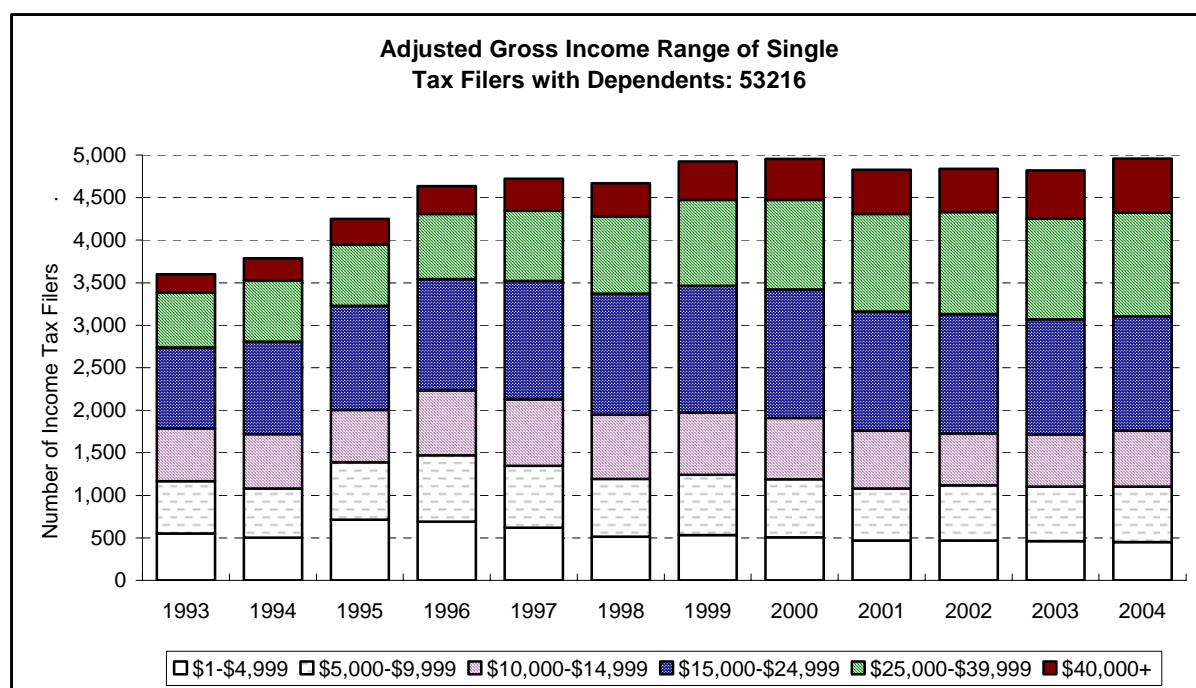
Wisconsin Department of Revenue income tax data were used to determine the total adjusted gross income (AGI) and number of married and single income tax filers by ranges of income. This analysis describes changes in income of working age (i.e., non-elderly) tax filers over the past five years and trends 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. In zipcode 53216, the total adjusted gross income of working age tax filers decreased by 1.8% between 2000 and 2004, going from \$392.3 million to \$385.1 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 53216 dropped by 8.2%.**



- The number of **working age tax filers** (single and married) decreased by 7%, from 12,968 in 2000 to 12,030 in the 2004 tax year (i.e., taxes filed in 2005 based on earnings in 2004).

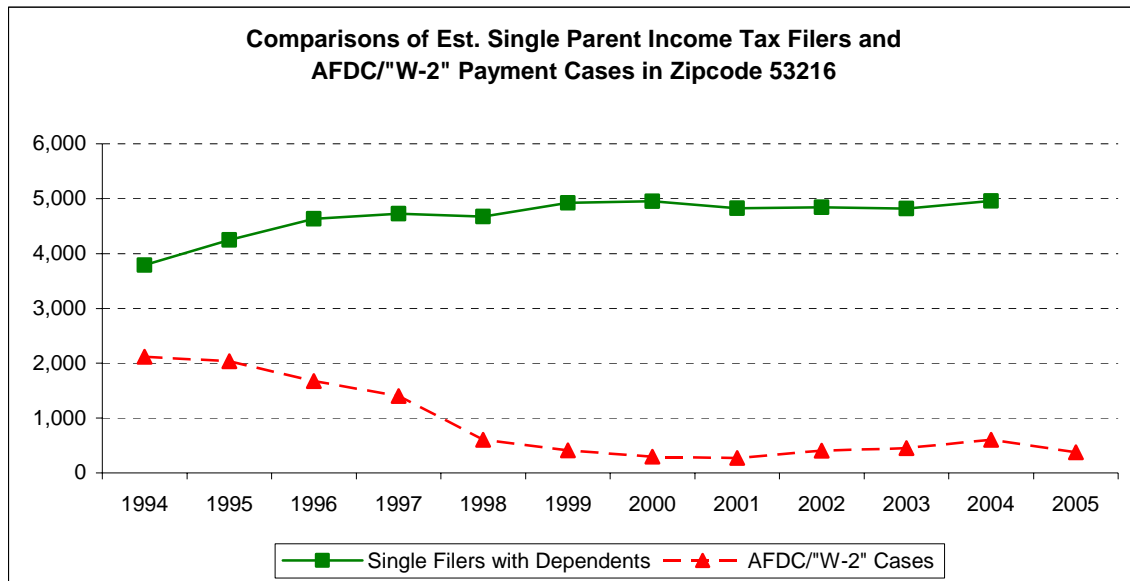
- The total number of **single tax filers with dependents** is at its highest point.
- Analysis of the 4,957 single tax filers (with dependents) in 2004 by their income category suggested that a large number of single parents in zipcode 53216 remain only marginally employed. In 2004, a total of 451 single filers with dependents (9% of the total) reported AGI below \$5,000, and another 651 filers (13%) reported income below \$10,000. Only 34% 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.

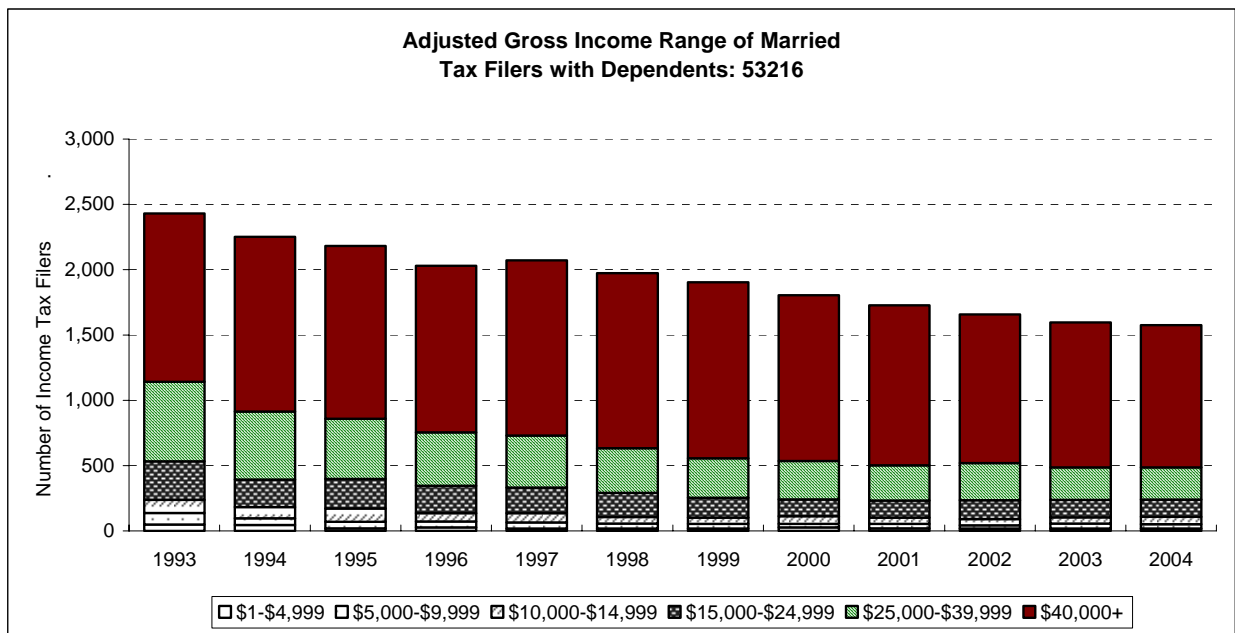
The growth in single tax filers with dependents was compared to changes in AFDC and “W-2” welfare caseloads in zipcode 53216 to help gauge whether employment had replaced welfare for single parents in the neighborhood and to determine the effect of the economy on both employment and welfare receipt.

- 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 1,516 AFDC/“W-2” payment cases from 1994 to 2004, compared to a 1,169 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.



Since 1993 the number of **married income tax filers with dependents** in zipcode 53216 has seen a 35 percent 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 1,575 married couples with dependents in 2004 – although far fewer in number – were more likely to have family-supporting incomes than the single heads of households in 2004. Most (85%) had income at or above \$25,000, and 69% 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.

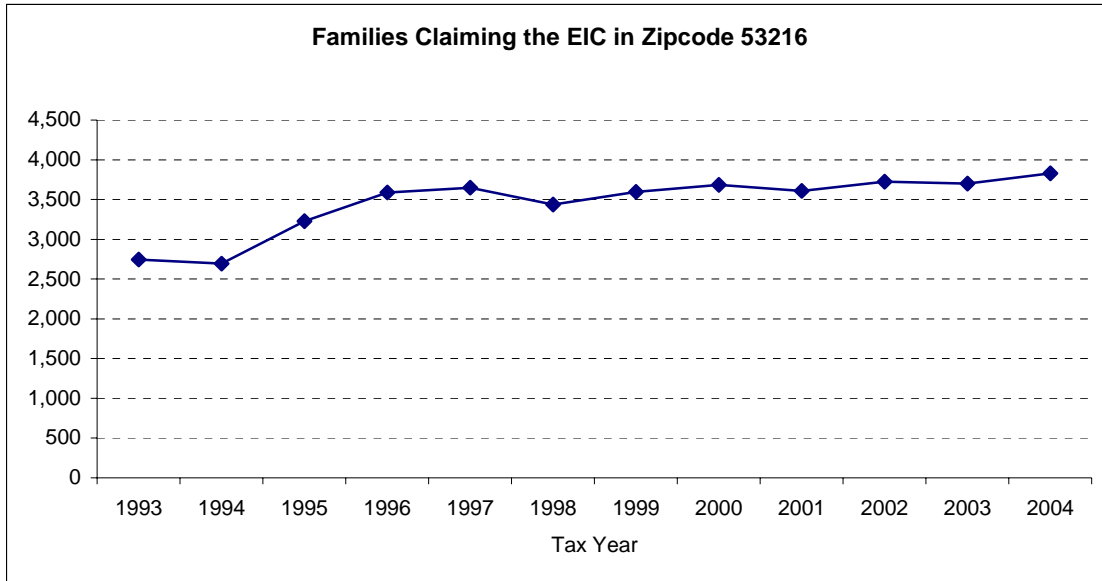
## Earned Income Tax Credits

*1993-2004*

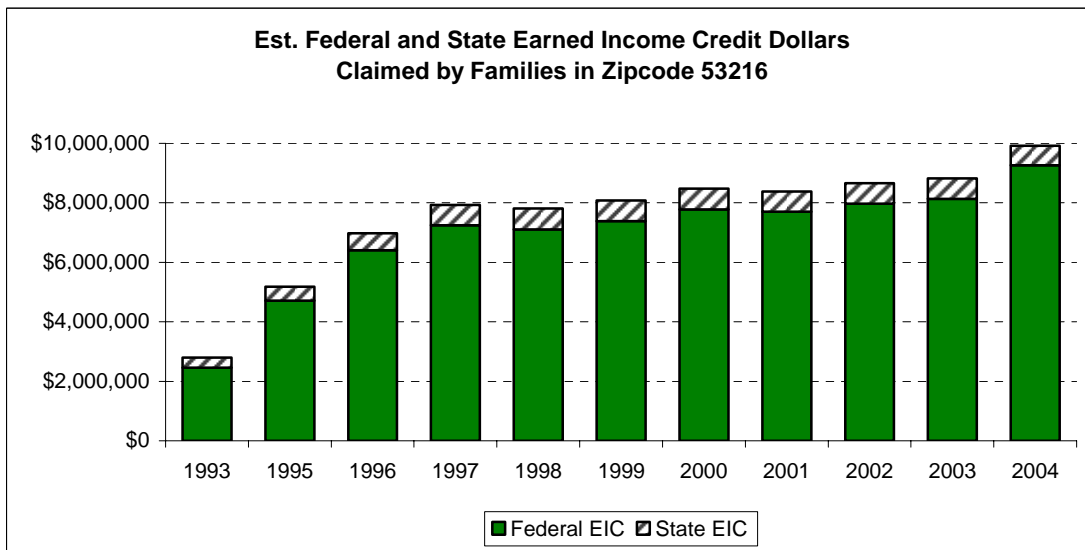
State and federal earned income tax credits offer a substantial boost to working families at the lower end of the wage scale. The earned income tax credit (EIC) offers a tax benefit to help reduce the payroll and social security tax burdens and to supplement wages for low and moderate income working 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 53216 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 39% from 2,744 in 1993 to 3,829 in the 2004 tax year (i.e., taxes filed in 2005 based on earnings in 2004).
  
- The number of families receiving the credit is at an all-time high.



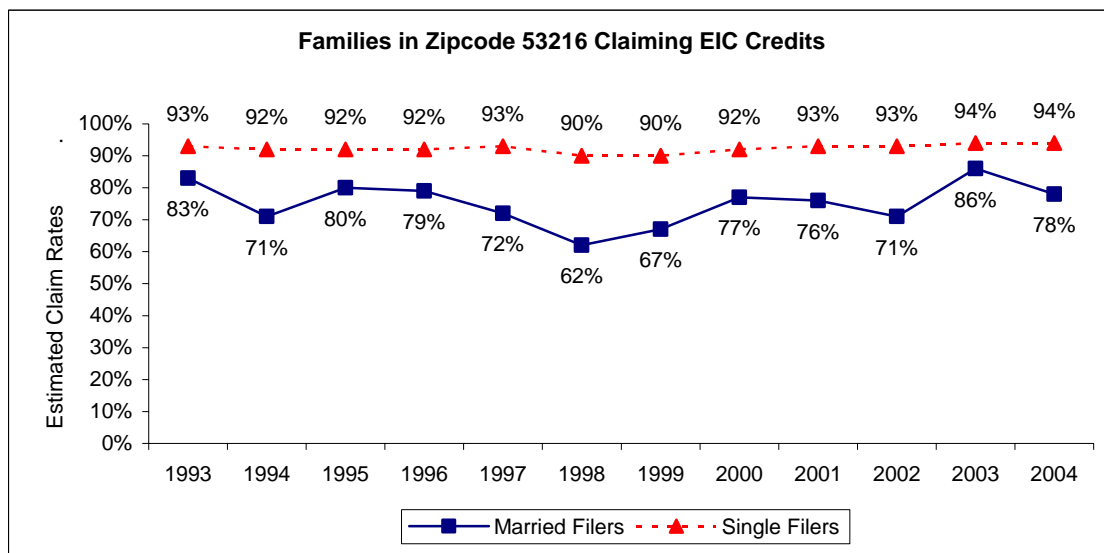
- The amount of the combined federal and state earned income tax credits more than tripled from \$3.1 million in 1993 to \$10.8 million in the 2004 tax year. The total credits in 2004 were at their highest level to date.



- In 2004, single parents received 90% of the credits claimed in zipcode 53216. Single parents comprised 76% 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.

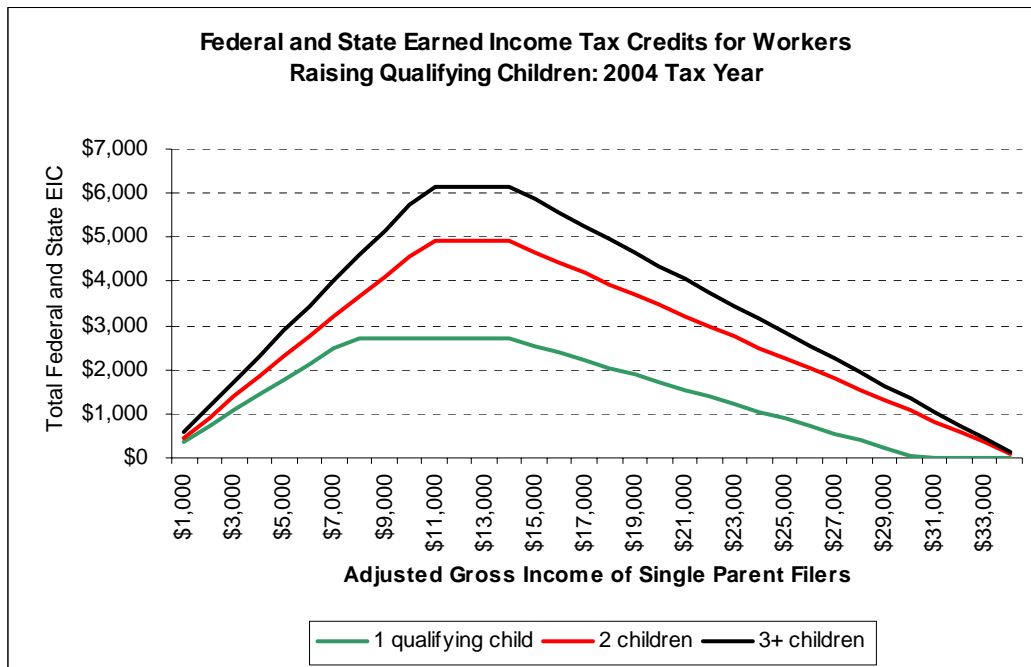
- Single parent tax filers showed higher claim rates than married filers. For filers with dependents, 94% of single filers with \$5,000 to \$14,999 in adjusted gross income – the range with the highest potential EIC claims – claimed the credit in 2004, as did 78% of married filers in that income range.



- For 2004 tax filers in the \$15,000 to \$24,999 income ranges, EIC claim rates were 93% for single parents and 82% for married parents.
- Zipcode 53216 showed claim rates for the EIC that are among the highest in the county for single parents but not for married filers.

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.

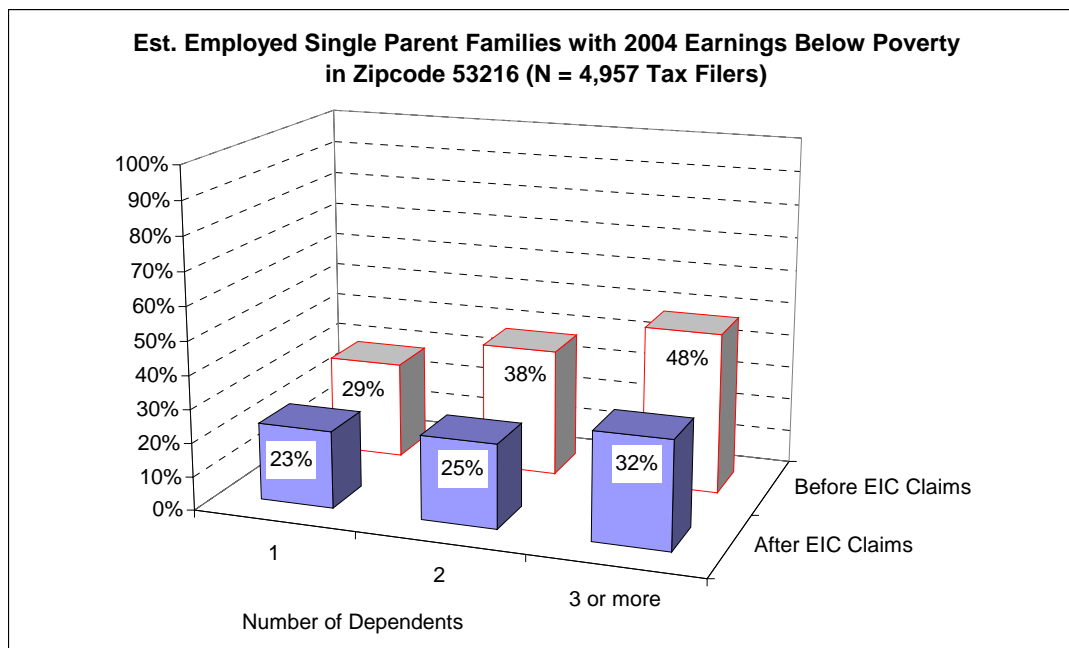


## Working Families with Income Below Poverty

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.

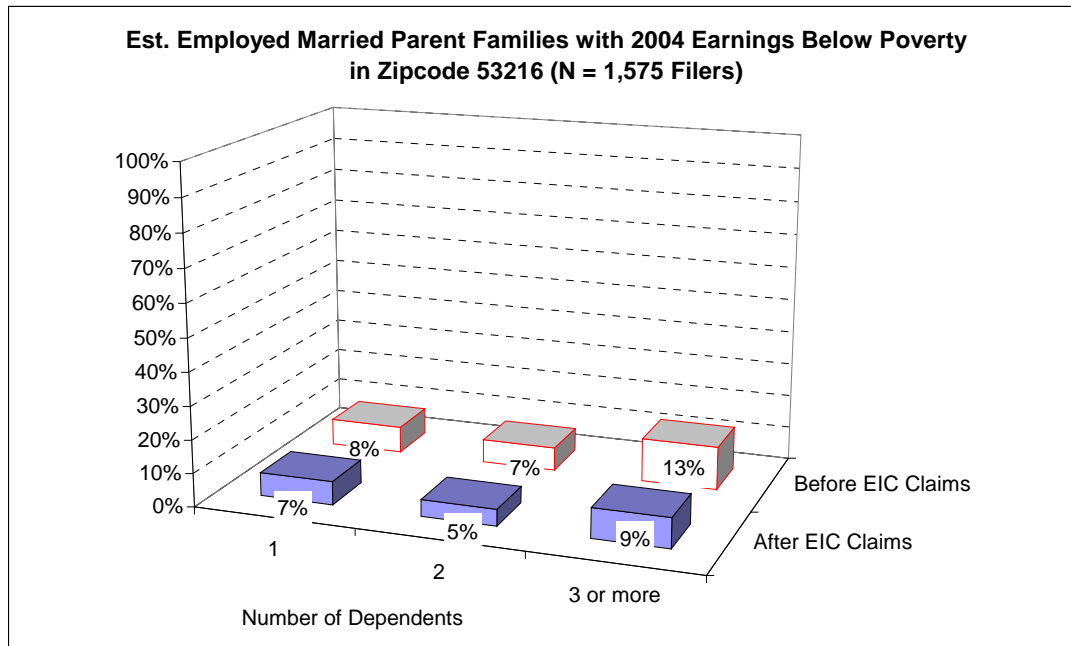
- For **single parent families with dependents**, in zipcode 53216 in tax year 2004 about 29% of single tax filers with one dependent showed adjusted gross income (AGI) below the poverty level (\$12,490 for two persons). About 38% of single filers with 2 dependents showed AGI below (\$15,670 for three persons) and 48% (or more) of filers with three or more dependents had income below poverty.



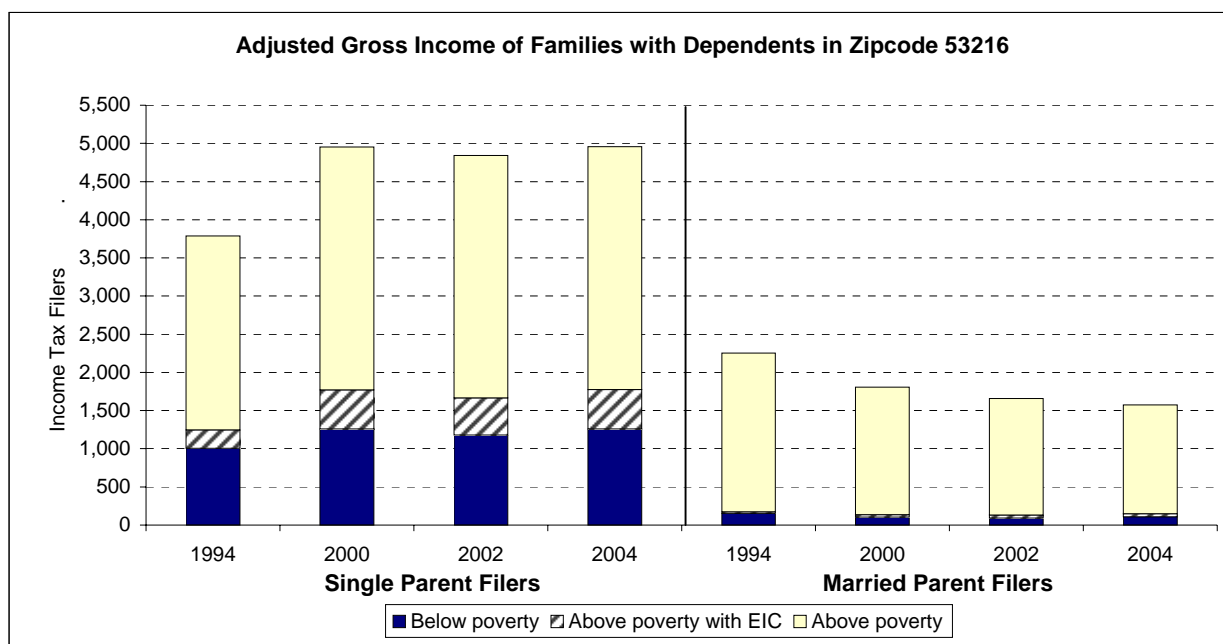
- When the number of filers claiming the state and federal earned income credit (EIC) was considered, the percentage of single parent families living in poverty was

reduced to about 23% of filers with one dependent and 32% (or more) of filers with three or more dependents.

- State Department of Revenue data showed only 1,575 **married tax filers with dependents** out of the 6,532 income tax filers with dependents in 2004. More employed parents showed adjusted gross incomes above the poverty level.
- About 8% of married tax filers with one dependent showed adjusted gross income below the poverty level. About 7% of married filers with two dependents reported AGI below the poverty level, as did 13% (or more) of married filers with 3 or more dependents.
- Federal and state EIC claims brought the poverty rates for married filers down to 7% for filers with one dependent and 5% for filers with two dependents.
- In zipcode 53216, married filers with three or more dependents showed about 9% (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 517 single parent families above the poverty level, leaving an estimated 1,275 single tax filers with dependents (25% 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 39 families out of poverty leaving 109 married filers with dependents (7% of the married parent total) still in poverty.

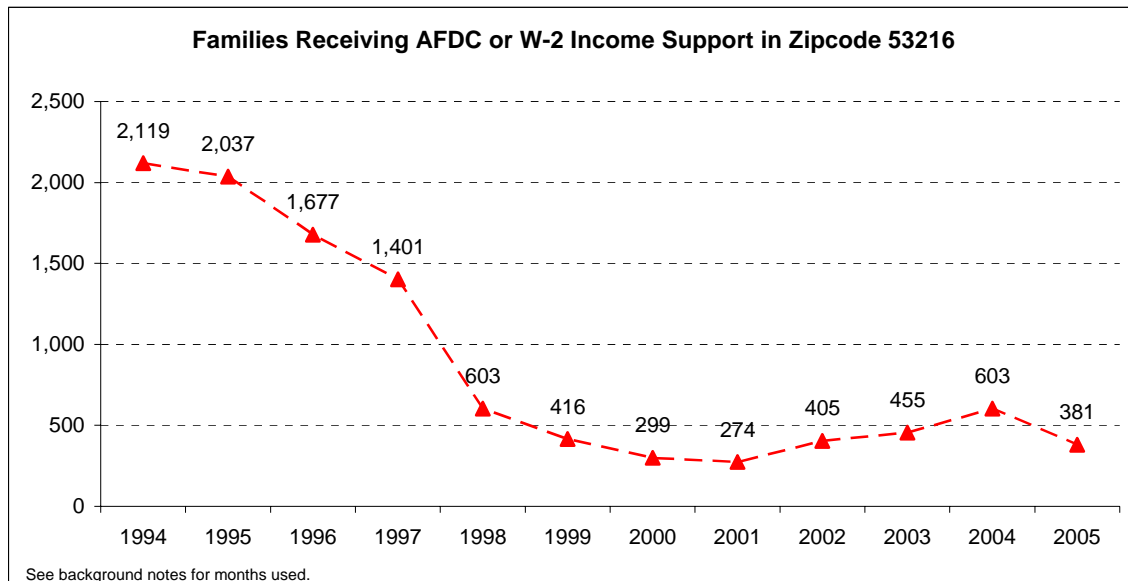


- The challenges of securing and maintaining full-time, year-round employment are particularly difficult for lower-income single parents. About 43% of single income tax filers (with dependents) with income estimated to be below the poverty level for their family size appeared to be employed less than 70% time (based on minimum wage rates of \$5.15 an hour in 2004), and a fourth (28%) appeared to be have employment less than half time or less than half-year.

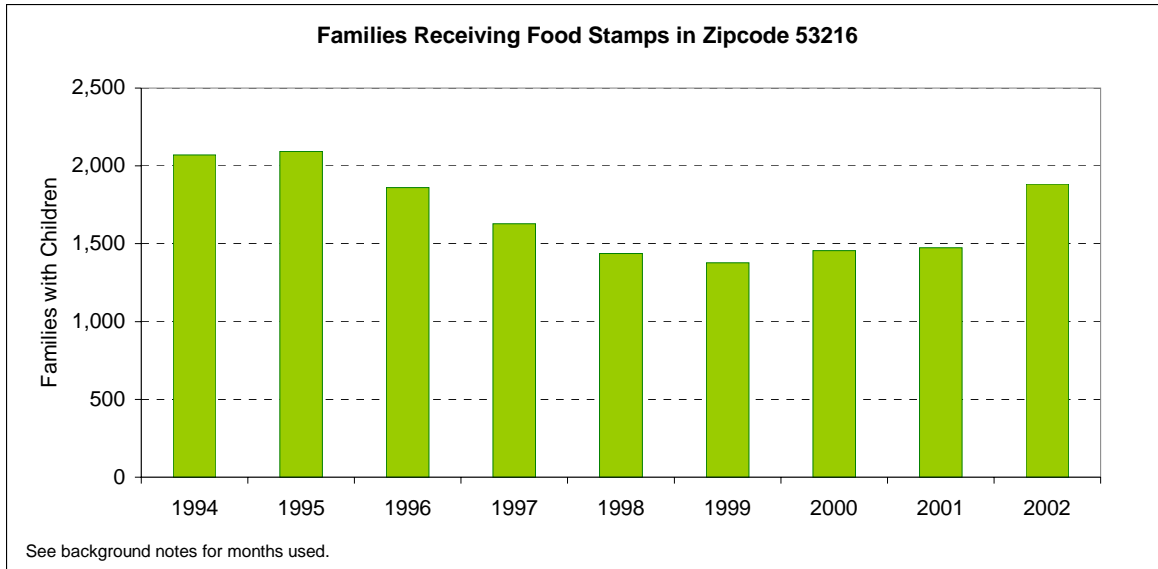
## Families Receiving Public Assistance 1994-2005

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

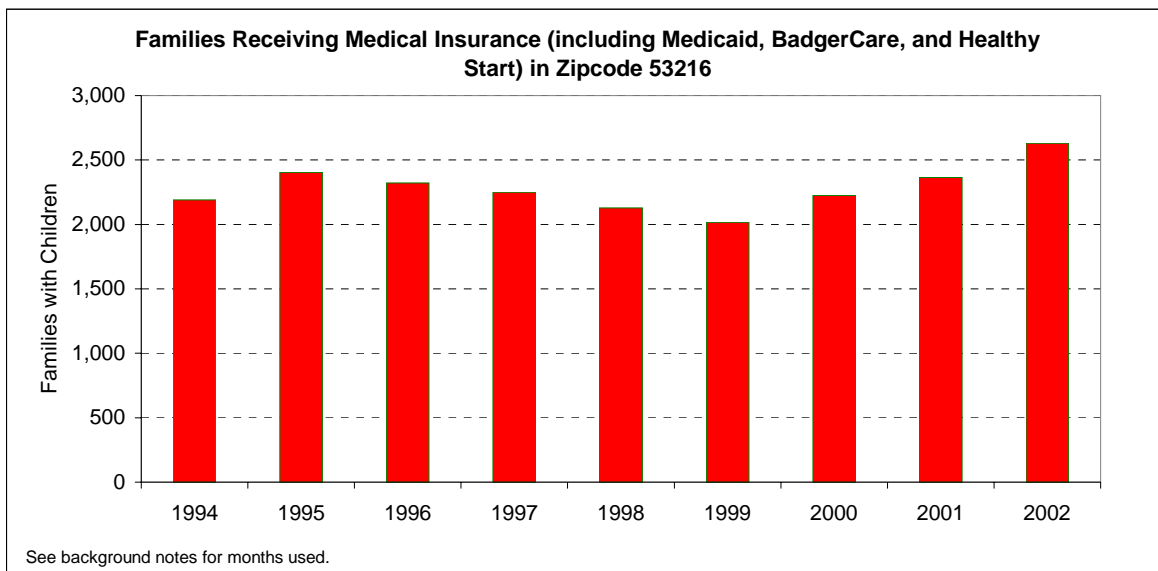
- The number of families in zipcode 53216 receiving **income support** (AFDC or "Wisconsin Works," i.e. "W-2," cases) dropped 87%, from 2,119 in March 1994 to 274 in June 2001. Caseloads rose again to 603 "W-2" payment cases in July 2004. By July 2005, "W-2" payment case were down again – to 381 families.
- The number of families receiving income support in July 2005 is 82% below the levels 11 years earlier.



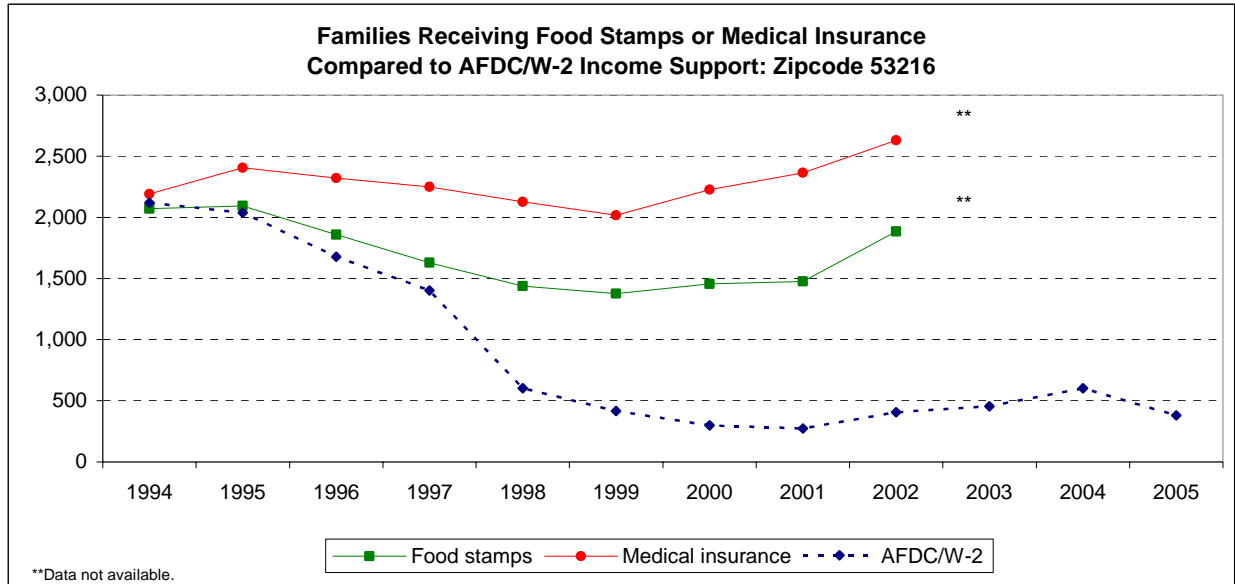
- The families with children in zipcode 53216 have also showed sharp declines in the numbers receiving **food stamps** although these declines were not nearly as steep as the AFDC/W-2 drops. The number of families receiving food stamps dropped from 2,071 in March 1994 to 1,377 in February 1999, or a 33 percent decline.
- The number of families enrolled in the food stamp program had increased to 1,883 in 2002, with an increase of 408 families between 2001 and 2002. Enrollments in 2002 were 9 percent below the 1994 levels.



- The number of families (with children) in zipcode 53216 covered by medical assistance, including Medicaid, BadgerCare and Healthy Start, dropped from 2,190 in March 1994 to 2,017 in February 1999, or 8 percent.
- Numbers increased between 1999 and 2002 to 3,630. About 20 percent more families were receiving medical insurance in 2002 than in 1994.



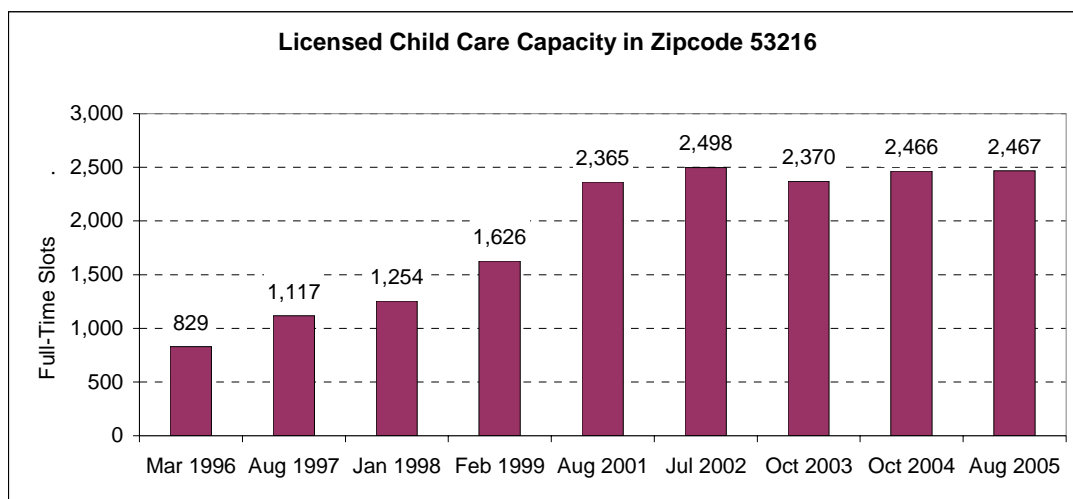
- When trends in the numbers of families (with children) receiving income support are compared to those receiving medical assistance and food stamps, the data show many more families in zipcode 53216 using medical insurance and food stamps than receiving income support.



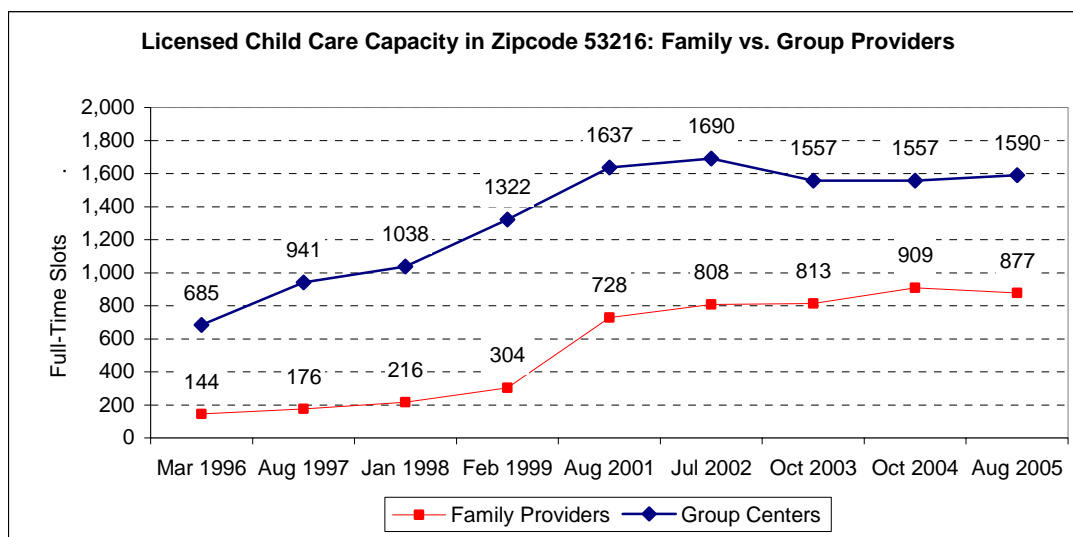
## Child Care Availability and Subsidies 1993-2005

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 has tripled, from 829 slots for full-time care in March 1996 to 2,467 slots in August 2005.

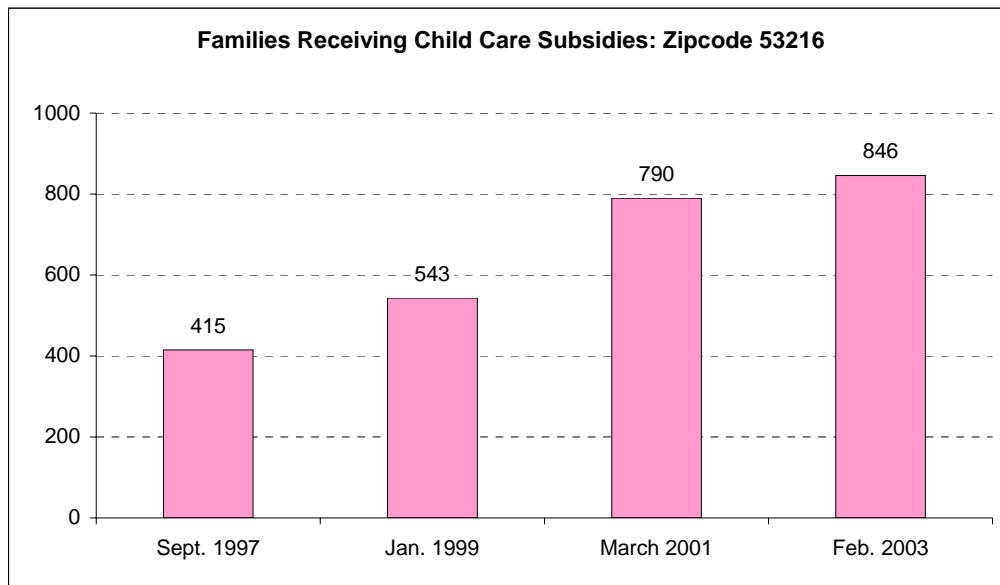


- Almost two-thirds of the licensed slots were in group centers with 36% in licensed family care. The zipcode has seen a dramatic rise in family child care centers.

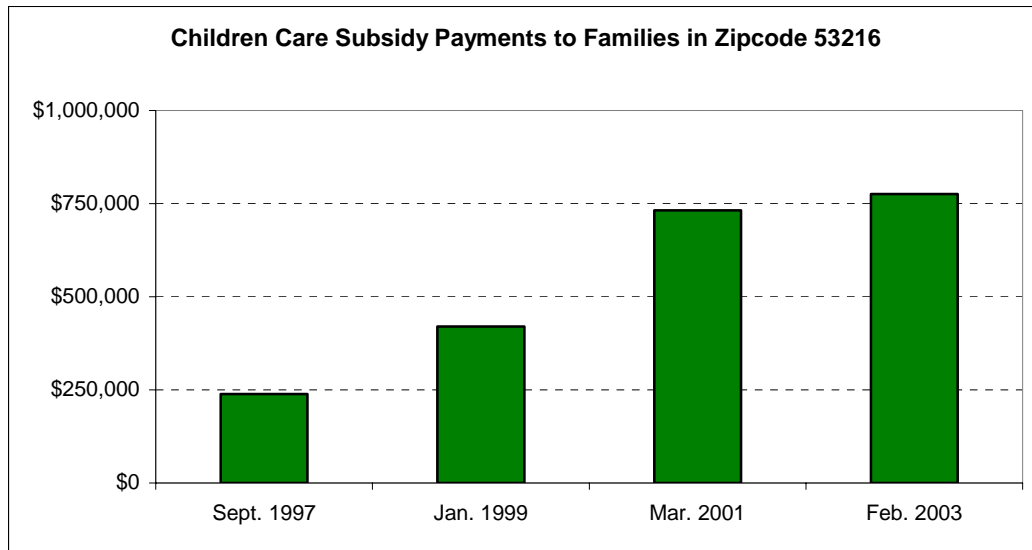


Subsidized child care payments were tracked for the Wisconsin Shares Program, that offers federal and state child care support under TANF (the Temporary Assistance to Needy Families) and CCDBG (Child Care Development Block Grant) monies. The program subsidizes qualified day care for children and W-2 participants and for children in “working poor” families. Families with income up to 185 percent of the poverty level are eligible for Wisconsin Shares child care subsidies, and families may continue to receive assistance until their income exceeds 200 percent 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 53216 receiving child care support more than doubled from 415 in September 1997 to 846 in February 2003.



- Total four-week payments for families rose from \$239,033 in September 1997 (or \$576 per family) to \$775,998 in February 2003 (or \$917 per family).



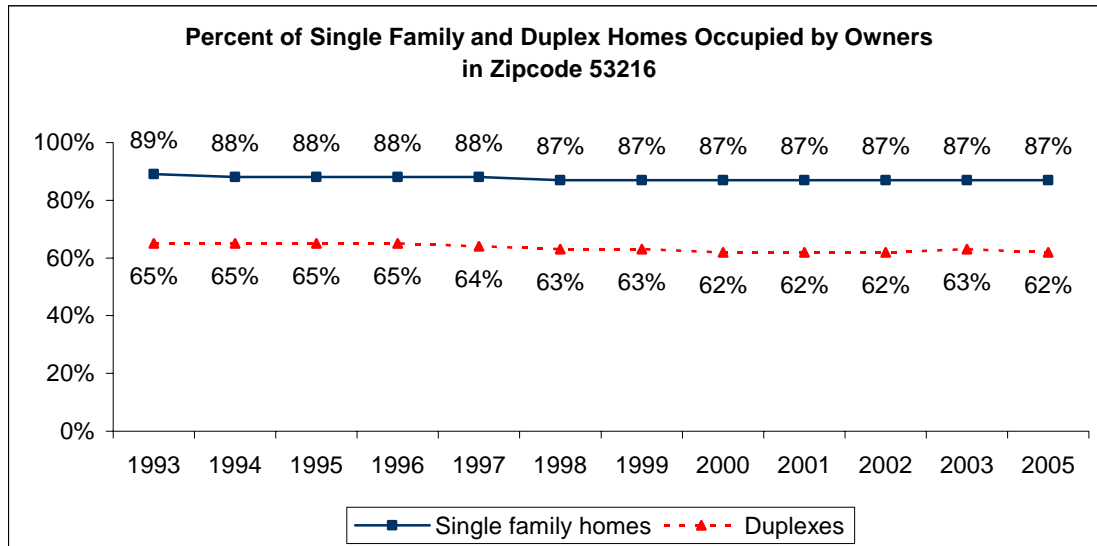
- Most of the Wisconsin Shares subsidies for care of children in zip code 53216 went to licensed providers. In February 2003, over half (56 percent) of total payments went to state licensed group centers, and another 29 percent to licensed family centers.

# Home Ownership Rates and Housing Values

1993-2005

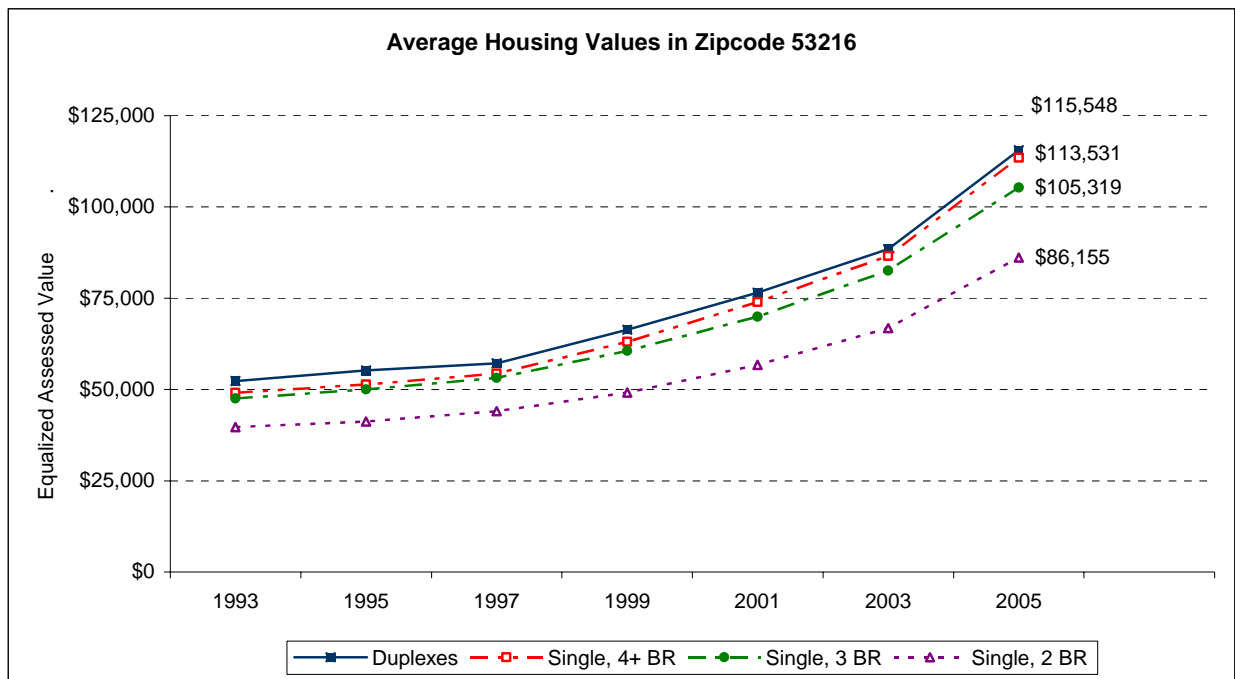
Neighborhood housing data were tracked using City of Milwaukee property files.

- Contrary to popular misconceptions about the inner city, the majority of houses in zipcode 53216 are owner-occupied. The home ownership rate for single family houses was 87% in 2005 and has remained fairly constant since the late 1990s.
- The majority of duplexes (62%) are owner-occupied.



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 53216 increased 63%, from \$64,439 in 2000 to \$105,319 in 2005. This compares to a slower 36% increase for the seven-year period from 1993-2000.
- The average market value of houses with 4 or more bedrooms increased 67% from \$67,886 in 2000 to \$113,531 in 2005. The prior seven-year period showed slower increases of 38%.
- Duplexes showed a 64% increase in market values. From 2000 to 2005, the average value of duplexes in zipcode 53216 rose from \$70,317 in 2000 to \$115,548 in 2005. This compares to only a 34% 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 local families in zipcode 53216 to afford them.**



## Business Activity 1993-2005

Sources of data used to measure business activity in zipcode 53216 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.

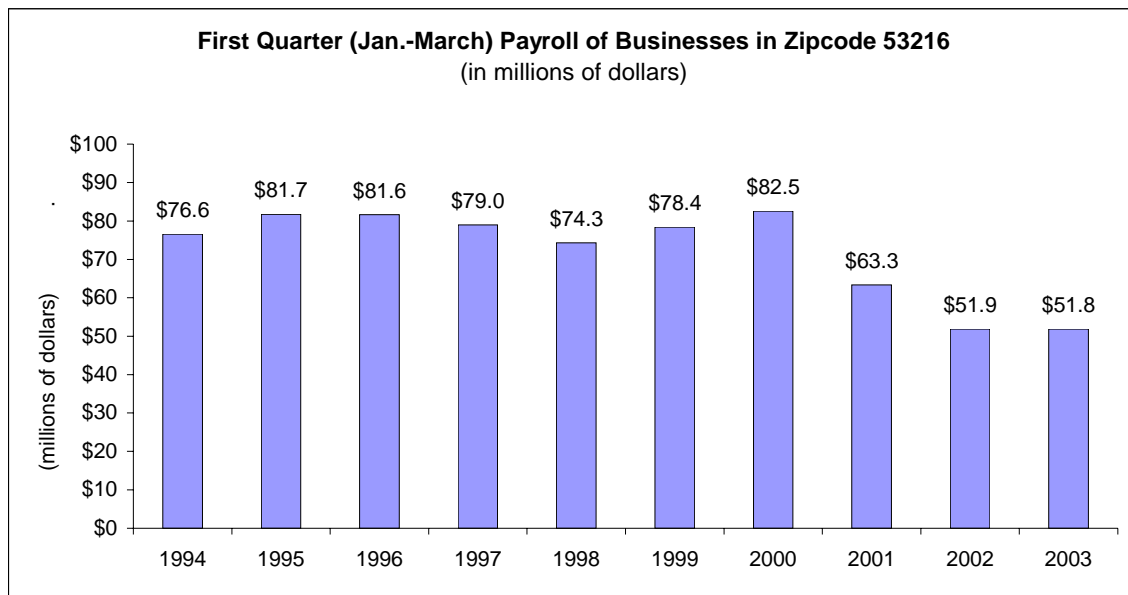
The U.S. Census Bureau ZIP Code Business Patterns reports the number of businesses, payroll and number of full-time and part-time employees.

- The number of **workers employed in private businesses** located in zipcode 53216 fell from 11,694 in 1994 to 6,644 in 2002, a loss of 5,050 workers.
- In 2003, the number of workers rose 7% to 7,125, but still below the levels prior to 2001.



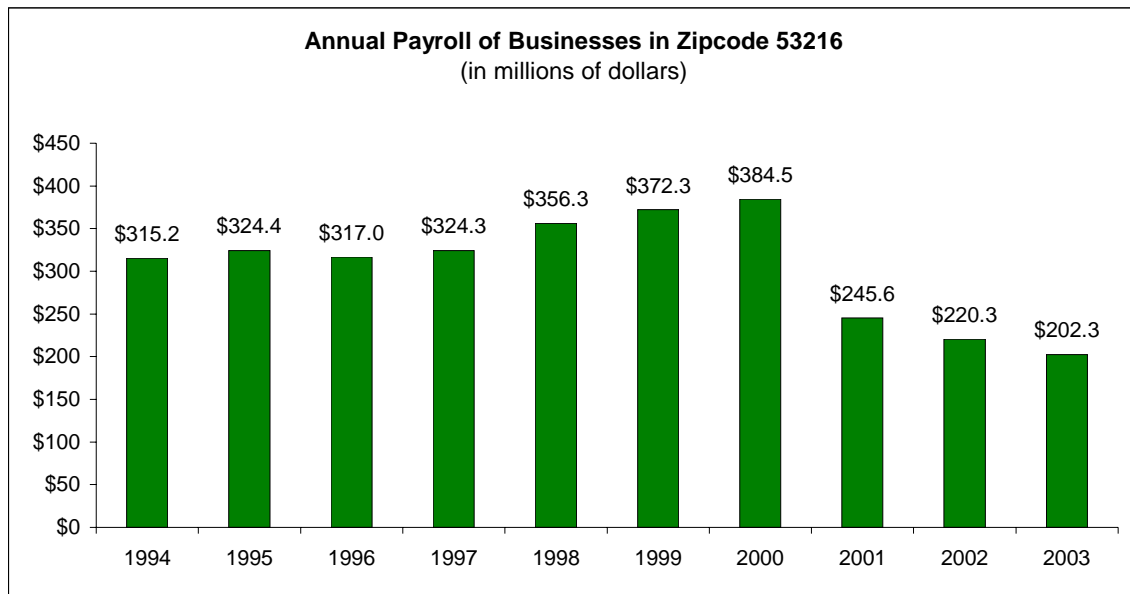
The Census Bureau ZIP Code Business Patterns reports **First Quarter payrolls** for all private establishments located in the zipcode (regardless of the residence of the workers). Payroll is reported before deductions for social security, income tax, insurance, etc.

- Quarterly payrolls showed a decline from \$76.6 million in First Quarter (i.e., January – March) 1994 to \$51.8 million in First Quarter 2003.
- In this zipcode payrolls are at a ten-year low.



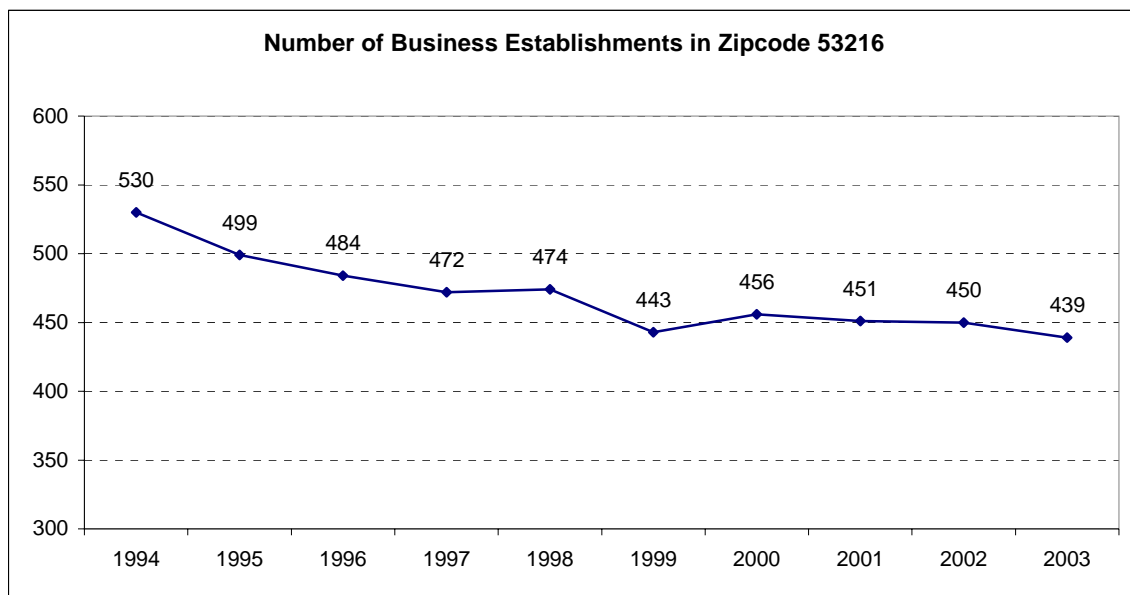
The ZIP Code Business Patterns reports total **annual payroll**, including salaries, wages, commissions, bonuses, sick-leave pay, in-kind payments for meals and lodging, and reported tips. Total are before deductions for social security, taxes, union dues, etc.

- Annual payrolls for private establishments located in zipcode 53216 dropped from a high of \$384.5 million in 2000 to a ten-year low of \$202.3 million in 2003.
- The largest decrease was reported between 2000 and 2003, when payrolls dropped by 47%.



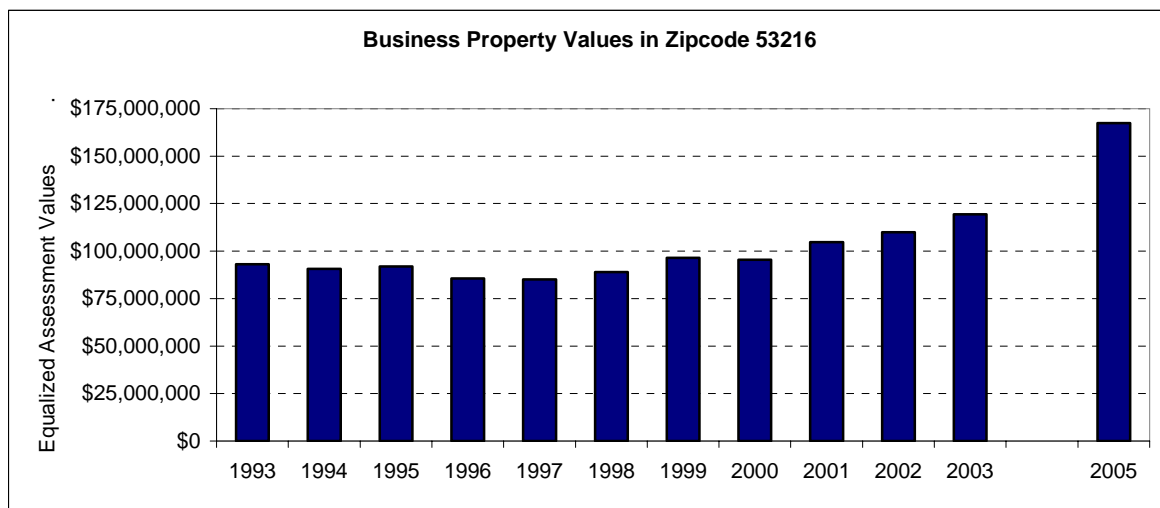
The ZIP Code Business Patterns also report **number of establishments** by location. Establishments are defined as single physical locations where business is conducted or services or industrial operations are performed. Individual companies may have several establishments in a community – each counted 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 53216 the number of establishments went from 530 in 1994 to 439 in 2003.



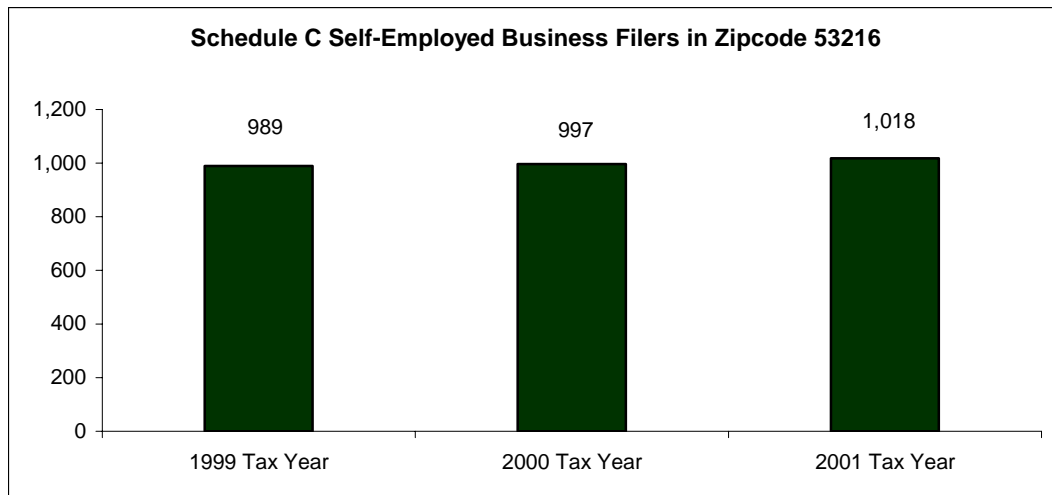
City of Milwaukee property records on **equalized tax assessment of business property** provide another measure of business activity and were analyzed for a twelve-year period. These records showed continuing growth of business property values. The records are somewhat limited, however, since Wisconsin 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 53216 increased by 80% from \$93.1 million in 1993 to \$167.4 million in 2006.



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 53216, 1,018 individuals filed Schedule C forms for 2001 tax year.
- The number of filers completing Schedule C remained similar over the three tax years from 1999 to 2001.



## Background Notes

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

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

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

The **earned income tax credit** offers a tax benefit to help reduce the tax burden and to supplement wages for low and moderate income working families and single persons. For family tax filers who claim the credit, Wisconsin adds 4 percent to the federal credit for families with one qualifying child, adds 14 percent to the federal credit for families with two qualifying children, and adds 43 percent 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.

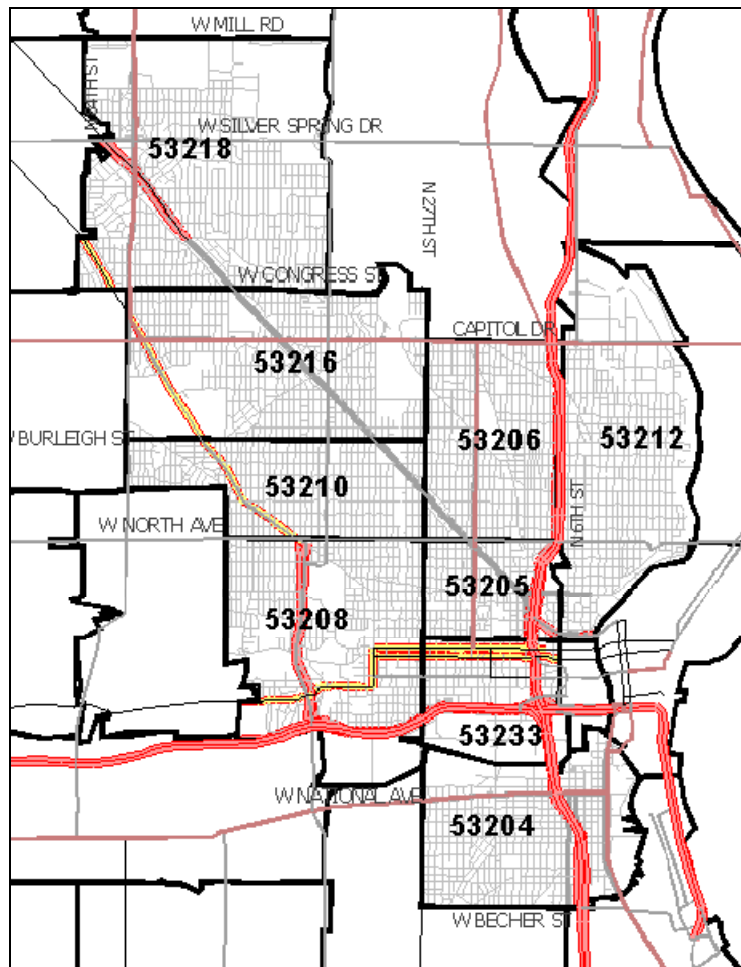
The U.S. Census 2000 Census Transportation Planning Package (CTPP 2000) data used four **racial categories** in reporting its data tables: white alone, black or African American alone, Asian alone, and all other (including persons reported as 2 or more races, Native Hawaiian or Pacific Islander, American 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 percent 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](http://www.eti.uwm.edu)), the U.S. Census Bureau website ([www.census.gov](http://www.census.gov)), and the U.S. Department of Transportation Census Transportation Planning Package 2000 website ([www.fhwa.dot.gov/ctpp](http://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



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