

# Milwaukee Promise 2017 Performance Metrics Employment & Income

Report to the Finance and Personnel Committee  
Presented by Budget and Management Division

June 14, 2017

# OUTLINE

## I. Local, Regional, and National Trends

- Income
- Poverty
- Employment

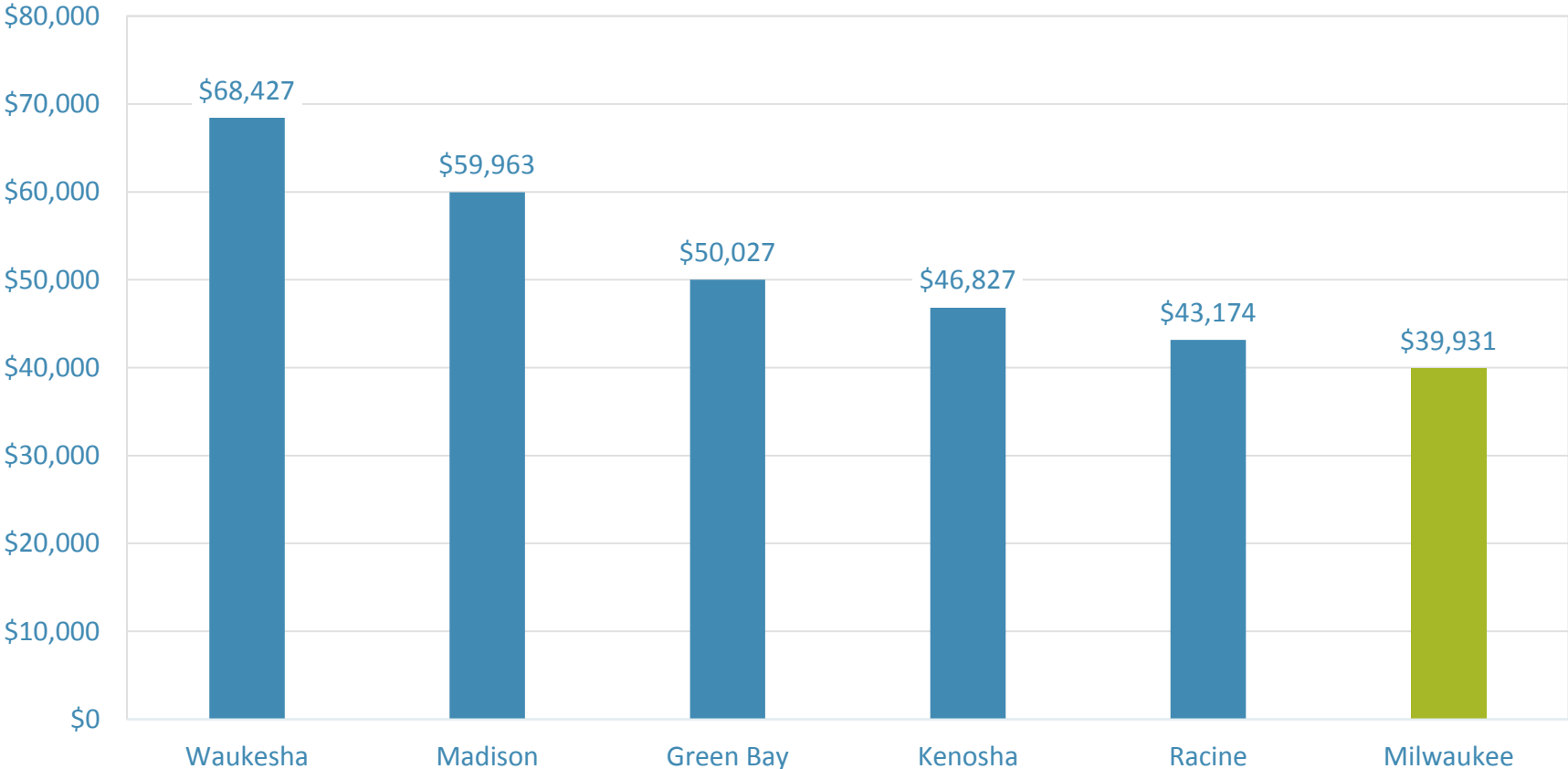
## II. City Strategies

- Residents Preference Program
- Compete Milwaukee
- Earn and Learn
- Kiva
- CDBG-Funded Programs
- Employ Milwaukee Initiatives

# EXECUTIVE SUMMARY

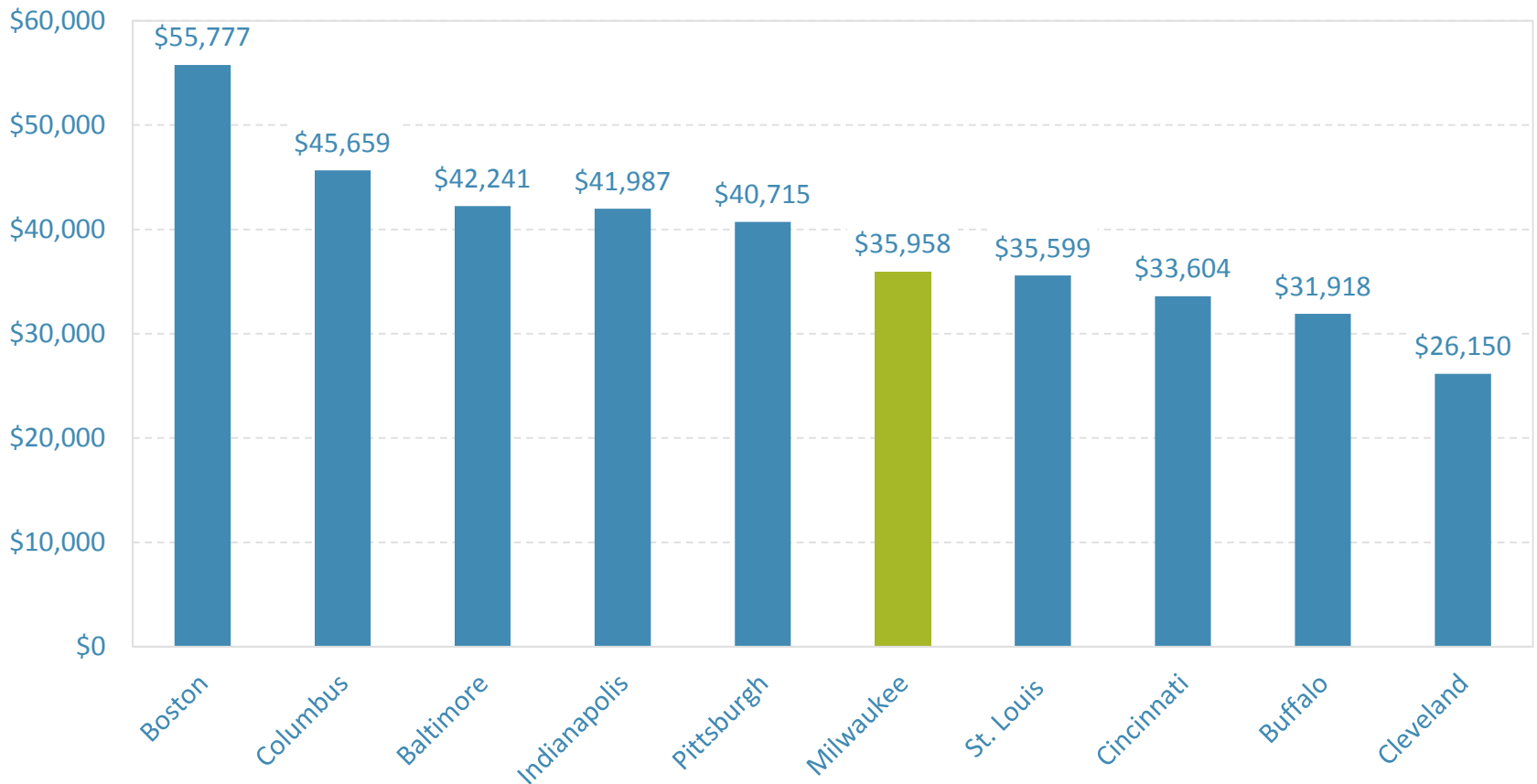
1. Employment for Milwaukeeans has improved, but income remains a challenge
2. Projections indicate that majority of projected job growth is in low wage occupations
3. City government's role in employment and income generation is primarily indirect
  - Land redevelopment, including Tax Increment Finance
  - Infrastructure supports investment
  - Partnerships with Employ Milwaukee
  - Capital improvements Budget & Resident Preference Program
  - Specialized micro efforts, including commercial corridors
  - Impacts from Strong Neighborhoods Plan

# AVERAGE TAXABLE INCOME FOR SELECT WISCONSIN CITIES



Source: Wisconsin Dept. of Revenue, Wisconsin Municipal Per Return Income Report for 2015

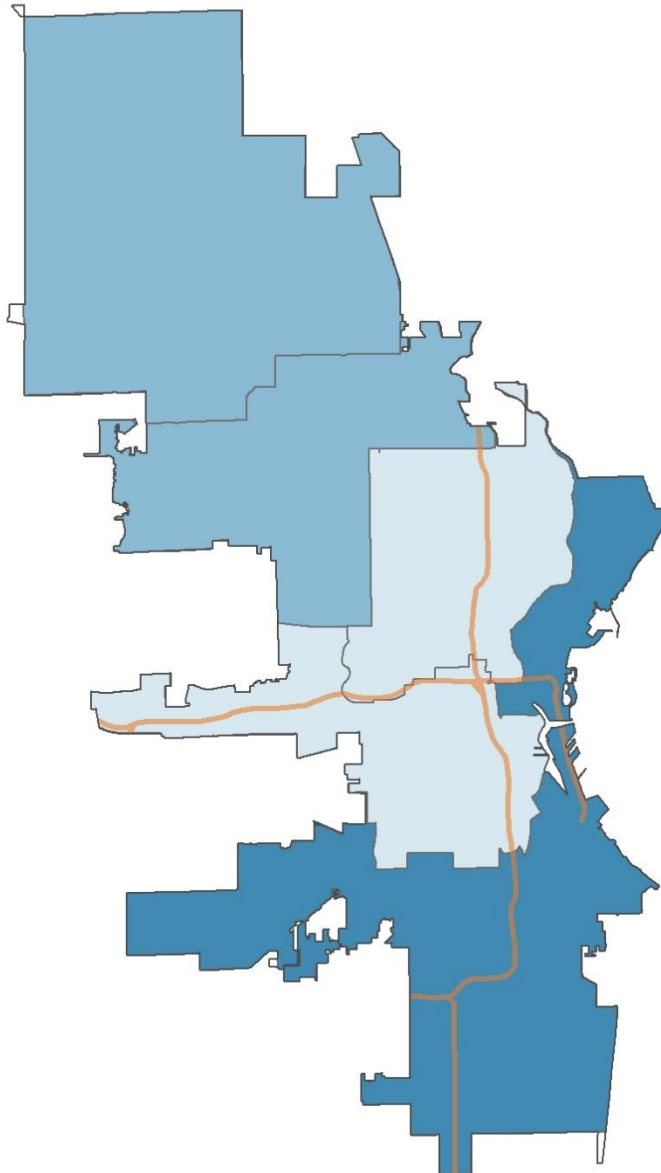
# MEDIAN HOUSEHOLD INCOME FOR SELECT CITIES (2011-2015)



Source: US Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

# CITY OF MILWAUKEE

## Median Household Income (2011-2015 Estimates)



### LEGEND

#### Median Household Income

- Light Blue: \$35,000 or less
- Medium Blue: \$35,001 to \$45,000
- Dark Blue: Greater than \$45,000
- White Outline: City Limit
- Orange Line: Interstate

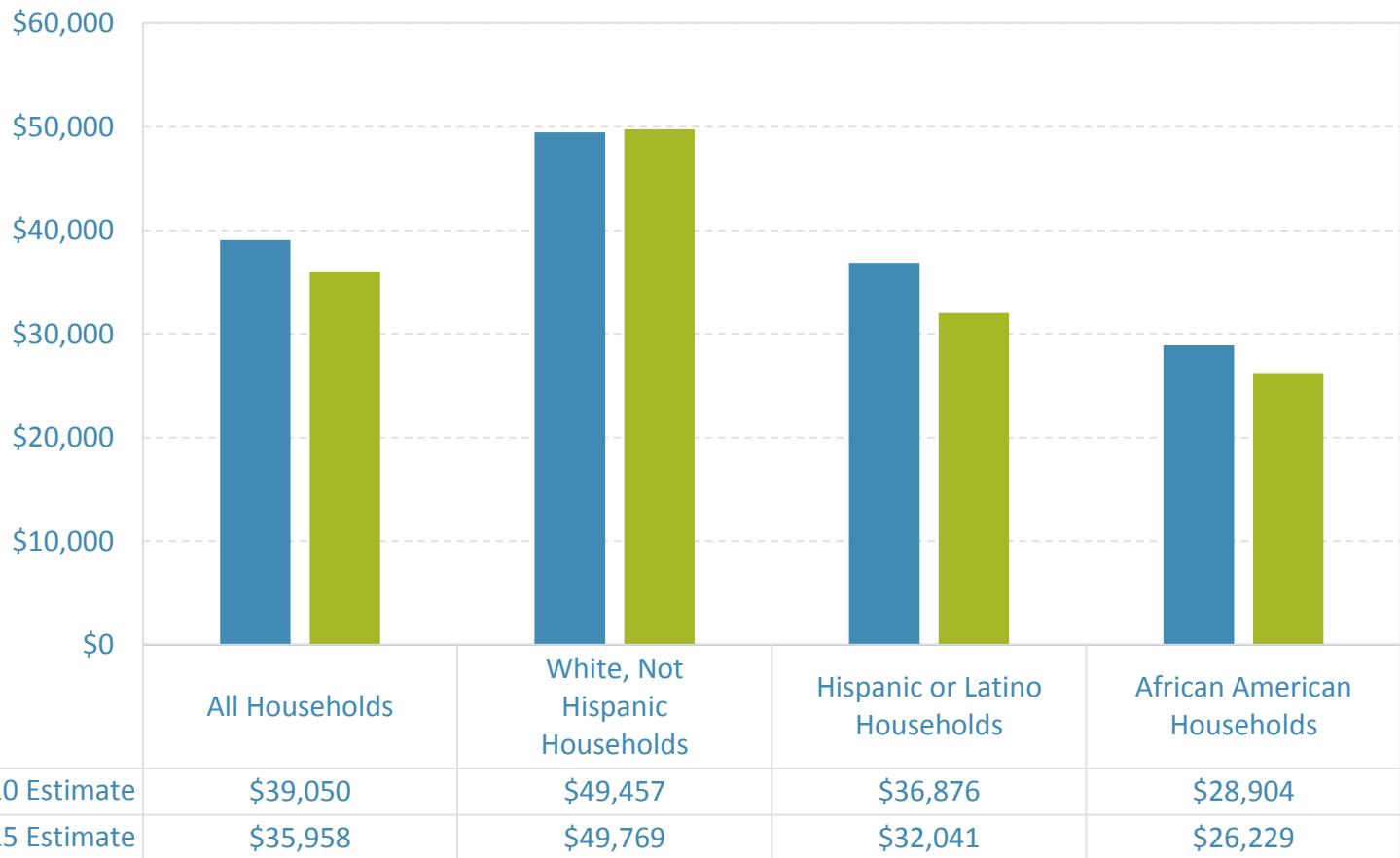


Source: US Census Bureau, 2011-2015 American Community Survey 5-Year Estimates, Public Use Microdata Areas (PUMA)

\*Derived estimate for PUMA 40101 (Downtown and East Side) excludes data outside of the City of Milwaukee

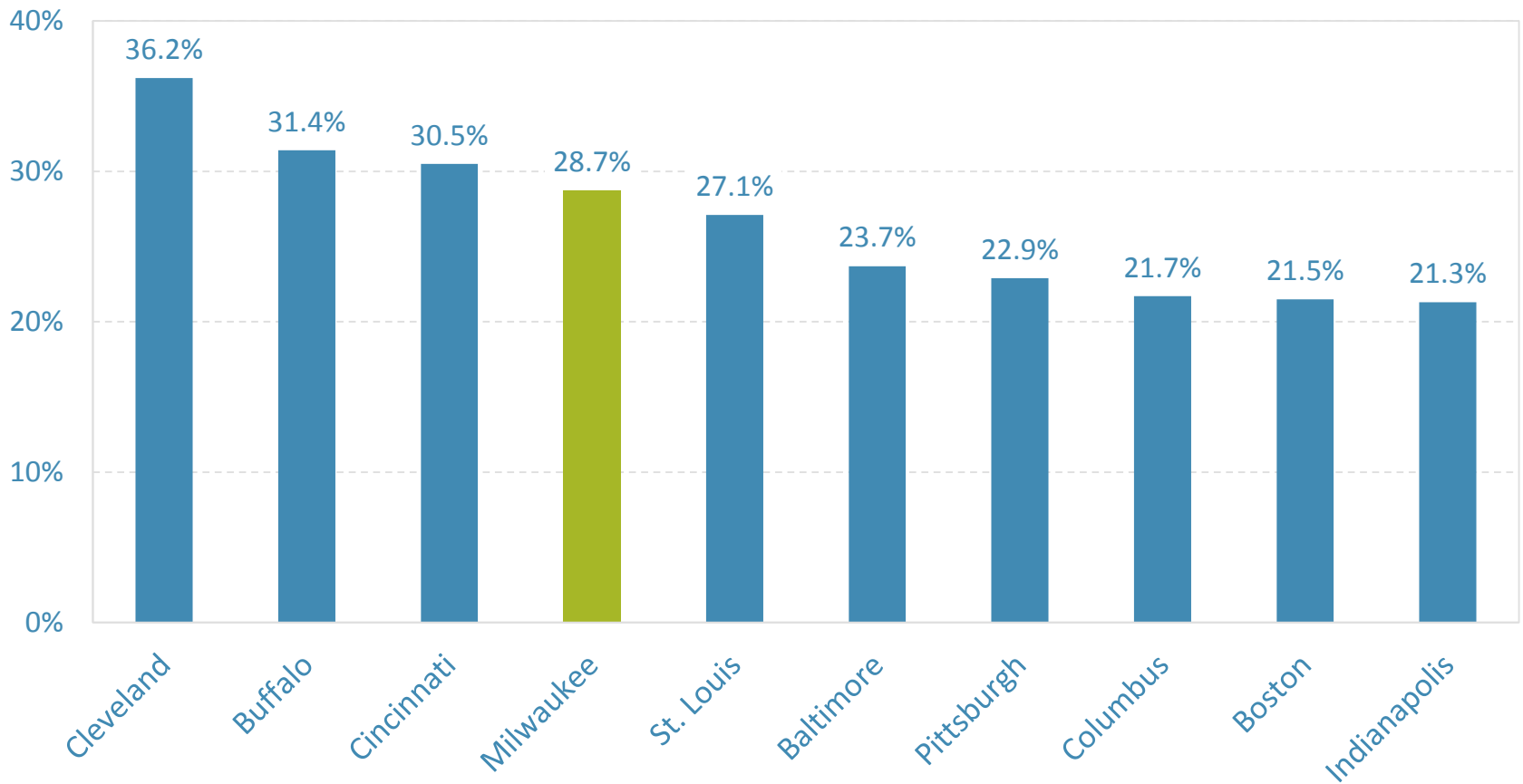
Prepared by City of Milwaukee DOA-BMD-kqp, 05/01/17

# MEDIAN HOUSEHOLD INCOME BY RACE/ETHNICITY IN MILWAUKEE



Source: US Census Bureau, 2006-2010 and 2011-2015 American Community Survey 5-Year Estimates (2015 Inflation-Adjusted Dollars)

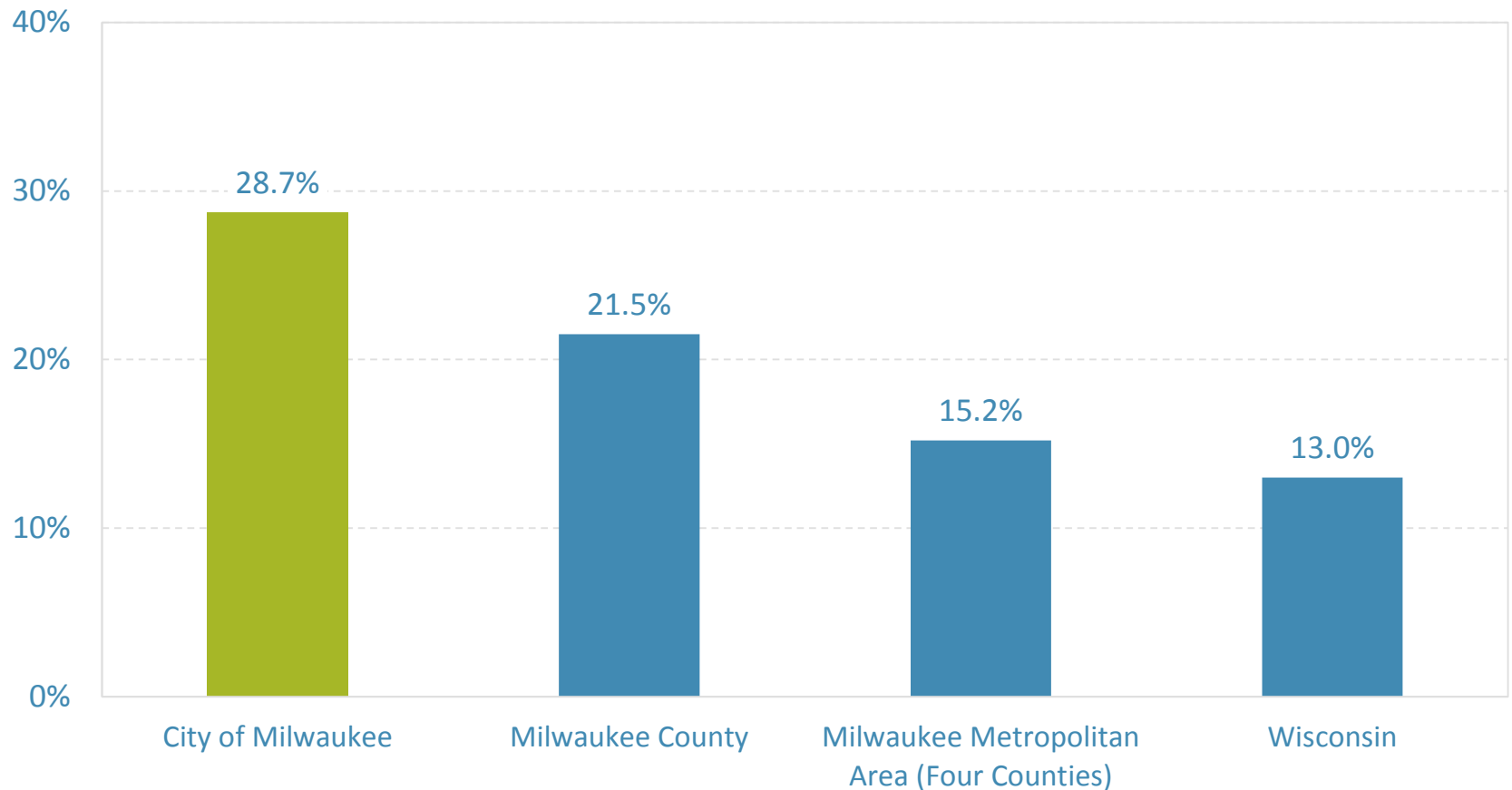
# POVERTY RATE ESTIMATES FOR SELECT CITIES (2011-2015)



Source: US Census Bureau, 2011-2015 American Community Survey 5-Year Estimates



# POVERTY RATE ESTIMATES FOR THE MILWAUKEE AREA (2011-2015)

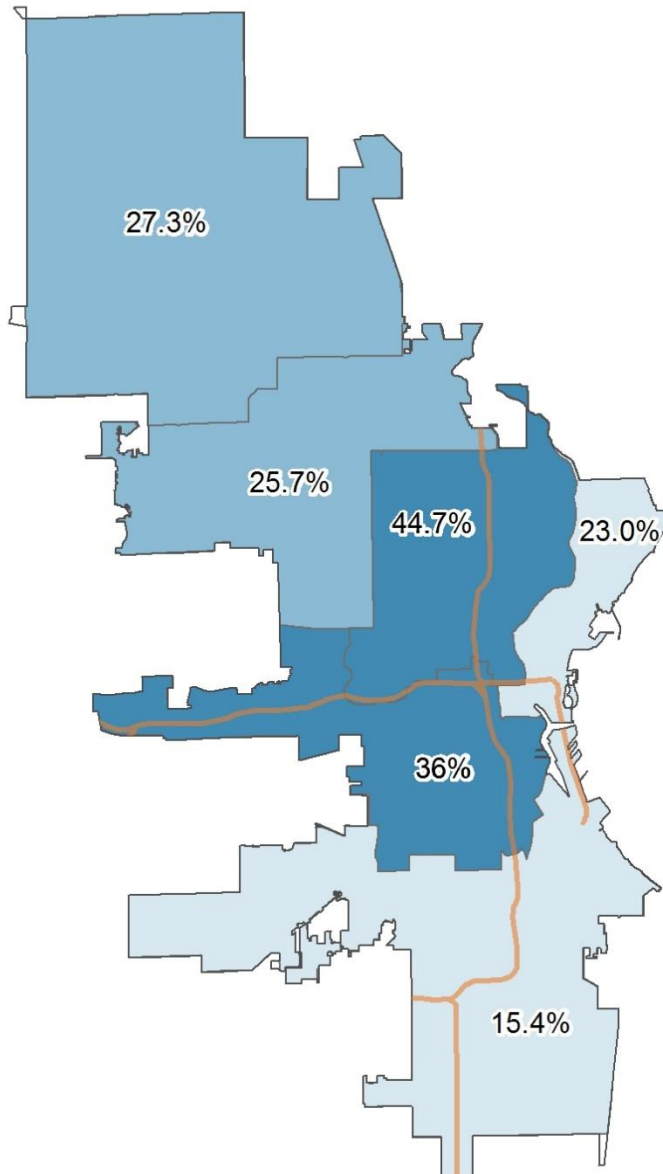


Source: US Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

# CITY OF MILWAUKEE

## Poverty Rate

(2011-2015 Estimates)



### LEGEND

Percent of people whose income in the past 12 months is below the poverty level

- 25% or less
- 25.1 to 35%
- Greater than 35%
- City Limit
- Interstate

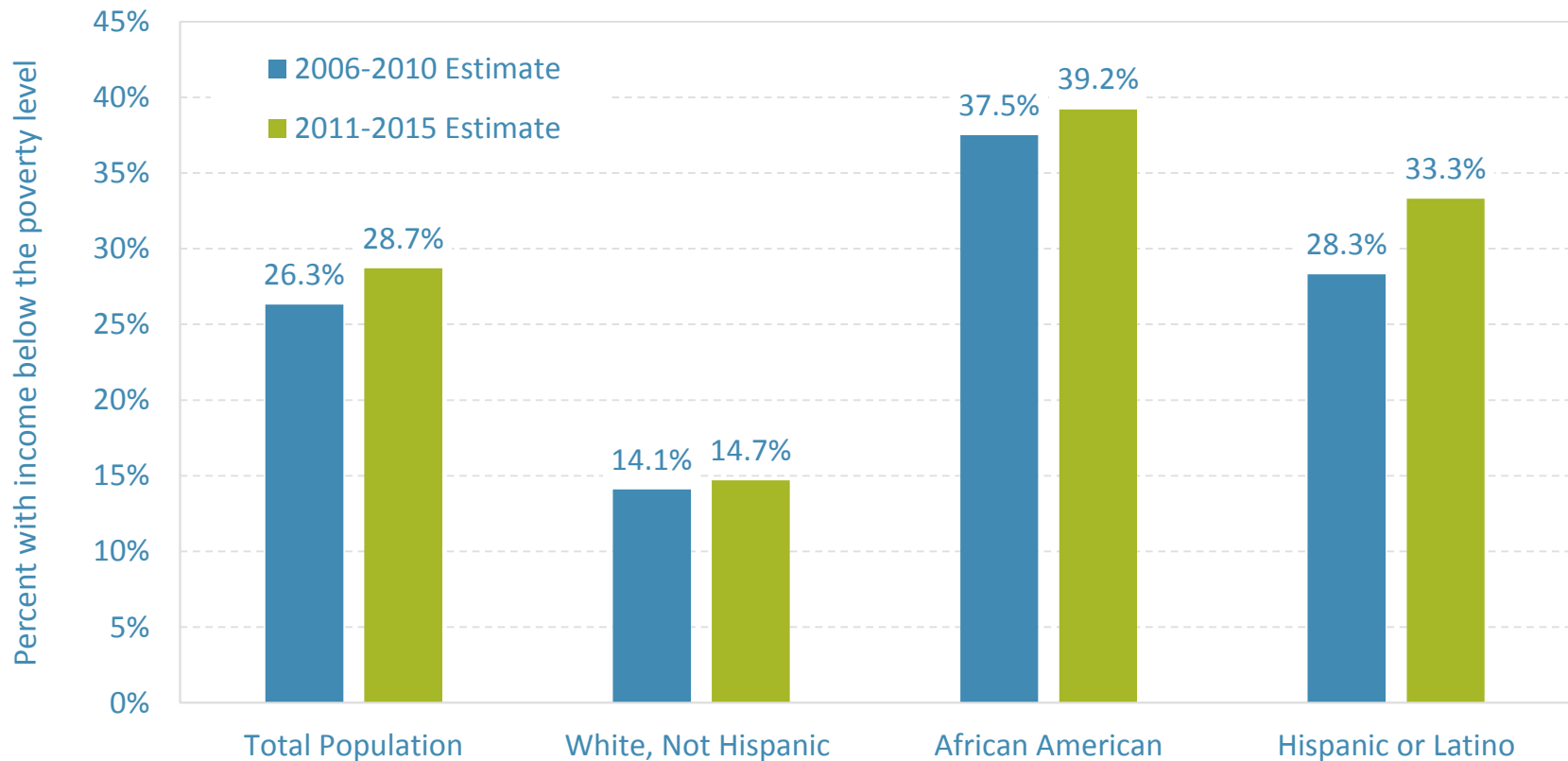


Source: US Census Bureau, 2011-2015 American Community Survey 5-Year Estimates, Public Use Microdata Areas (PUMA)

\*Derived estimate for PUMA 40101 (Downtown and East Side) excludes data outside of the City of Milwaukee

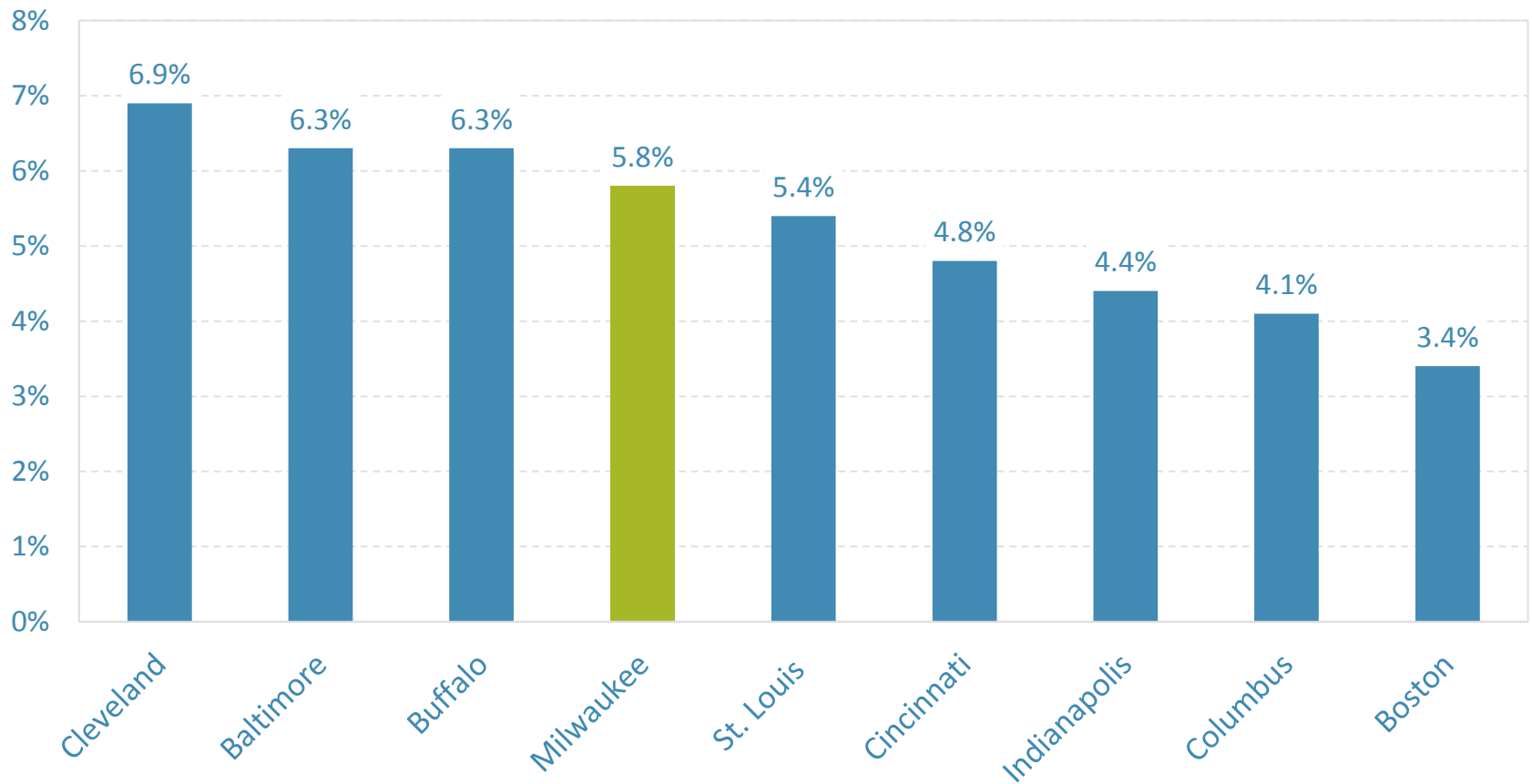
Prepared by City of Milwaukee DOA-BMD-kqp, 05/01/17

# POVERTY RATE ESTIMATES BY RACE/ETHNICITY IN MILWAUKEE



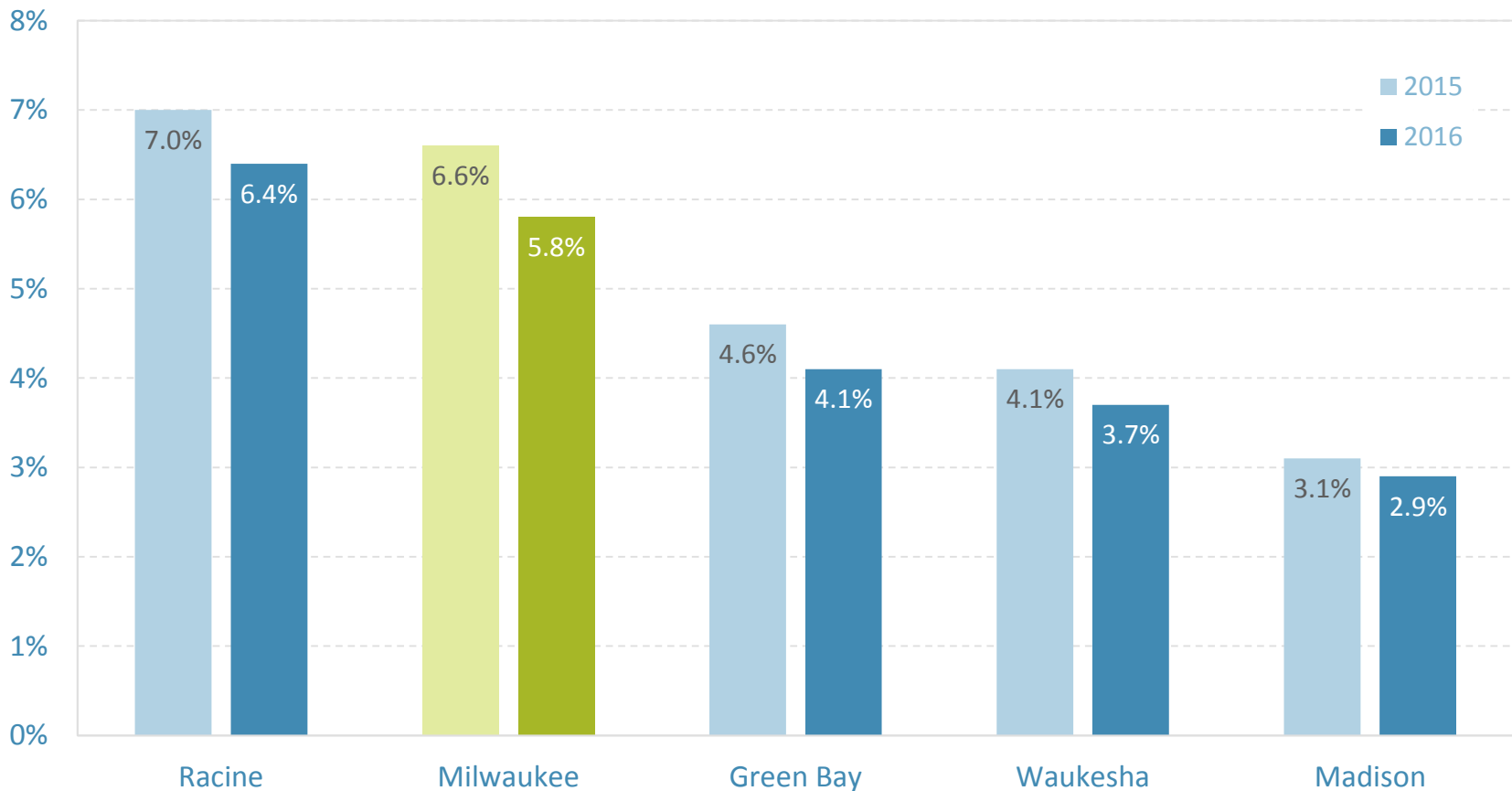
Source: US Census Bureau, 2006-2010 and 2011-2015 American Community Survey 5-Year Estimates

# 2016 ANNUAL UNEMPLOYMENT RATES FOR SELECT CITIES



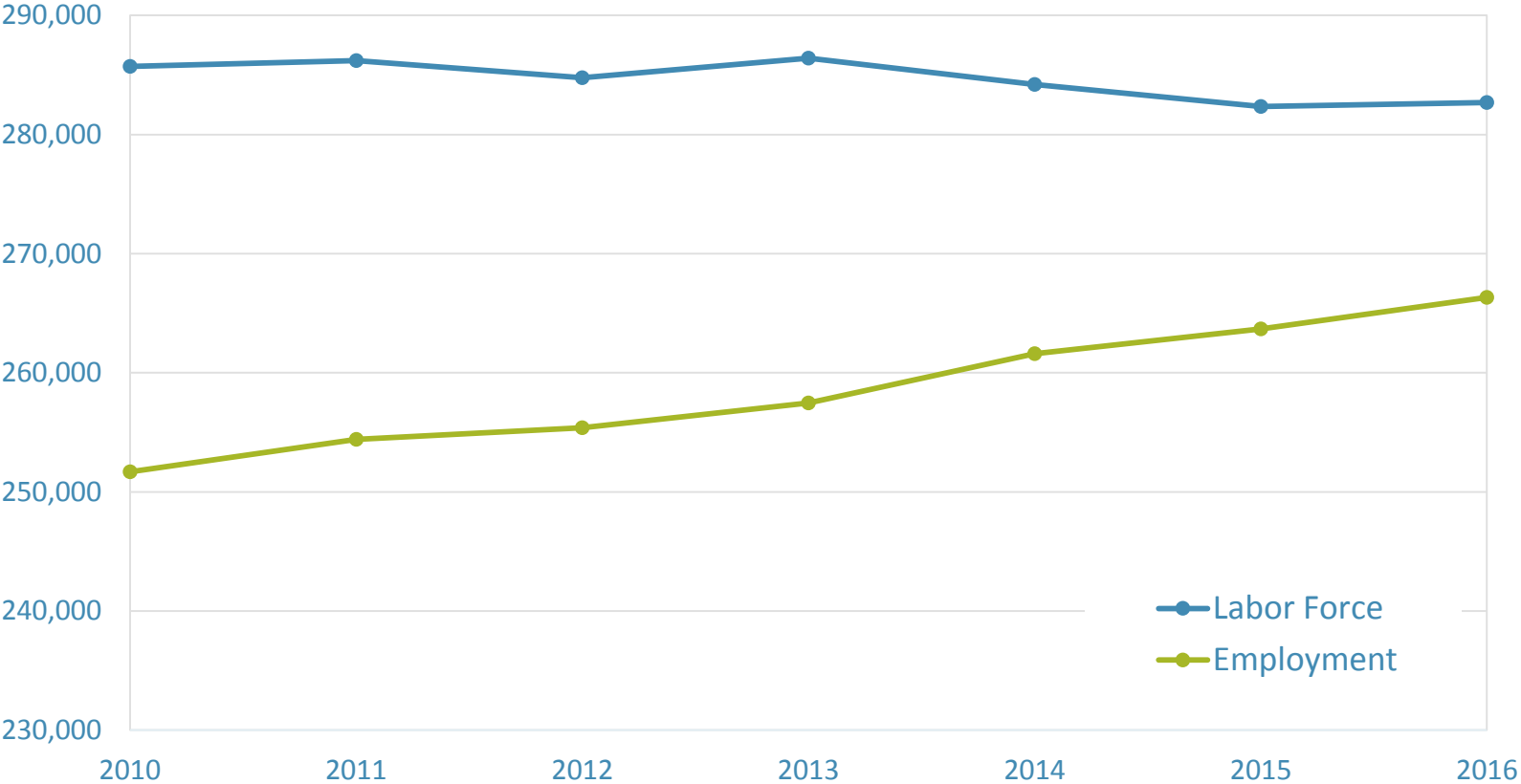
Source: Bureau of Labor Statistics, Local Area Unemployment Statistics

# ANNUAL UNEMPLOYMENT RATES FOR SELECT WI CITIES (2015 & 2016)



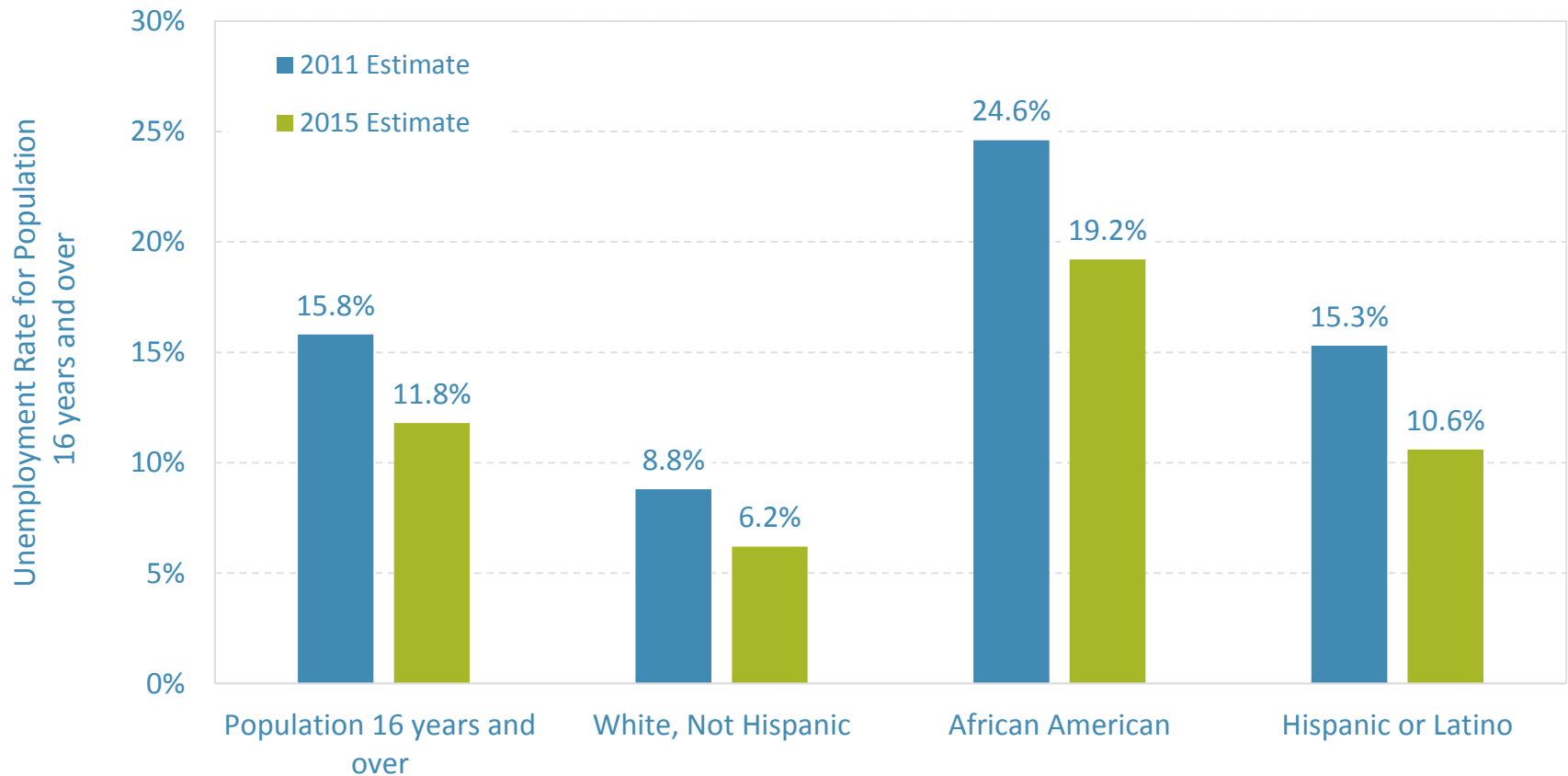
Source: Wisconsin Department of Workforce Development, Local Area Unemployment Statistics

# CITY OF MILWAUKEE LABOR FORCE AND EMPLOYMENT














Source: Wisconsin Department of Workforce Development, Local Area Unemployment Statistics

# UNEMPLOYMENT RATES BY RACE/ETHNICITY IN MILWAUKEE



Source: US Census Bureau, 2011 and 2015 American Community Survey 1-Year Estimates

# EMPLOYMENT BY INDUSTRY: CITY OF MILWAUKEE RESIDENTS

Industry	Number	Percent	
Education and Health Services	71,243	27.1%	
Trade, Transportation, and Utilities	43,605	16.6%	
Manufacturing	37,620	14.3%	
Leisure and Hospitality	30,071	11.4%	
Professional and Business Services	27,272	10.4%	
Financial Activities	15,545	5.9%	
Other Services	11,965	4.6%	
Public Administration	9,973	3.8%	
Construction	9,408	3.6%	
Information	4,863	1.9%	
Natural Resources and Mining	1,162	0.4%	

Source: US Census Bureau, 2011-2015 American Community Survey 5-Year Estimates



# MEDIAN EARNINGS BY INDUSTRY: CITY OF MILWAUKEE RESIDENTS

Industry	Median Earnings
Construction	\$31,499
Education and Health Services	\$28,761
Financial Activities	\$39,841
Information	\$35,340
Leisure and Hospitality	\$13,373
Manufacturing	\$33,166
Natural Resources and Mining	\$24,756
Other Services	\$22,336
Professional and Business Services	\$28,571
Public Administration	\$51,419

*Source: US Census Bureau, 2011-2015 American Community Survey 5-Year Estimates*

# CITY OF MILWAUKEE RESIDENTS IN HEALTH-RELATED OCCUPATIONS

## Healthcare Practitioners and Technical Occupations

Number employed	11,645
Change in employment (2000 to 2011-2015)	17.2% increase
Median earnings	\$47,960

## Healthcare Support Occupations

Number employed	11,044
Change in employment (2000 to 2011-2015)	33.6% increase
Median earnings	\$21,132

*Source: US Census Bureau, 2000 Decennial Census and 2011-2015 American Community Survey 5-Year Estimates*

# CITY STRATEGIES

1. Land redevelopment/reclamation
  - Limits of TIF as a employment generator
2. City programs are modest in nature and are often linked to other strategies
  - CDBG
  - KIVA
  - RPP
  - Compete Milwaukee
3. EMPLOY Milwaukee sector initiatives partner with employers

# COMPETE MILWAUKEE

## 2015 and 2016 Program Results

- 159 participants
- Over 110,000 hours of work at City worksite locations
- 70% gained unsubsidized employment after finishing their Compete Milwaukee placement

## 2017 Program

- Still recruiting and starting to make placements
- 70 temporary work placements
  - 50 six-month City work placements  
(40 in DPW, 8 in DNS, 1 in Port of Milwaukee, 1 in DOA)
  - 20 Police Ambassadors

# EARN AND LEARN

2016 Placements	Number
<b>Summer Youth Internship Program</b> <ul style="list-style-type: none"><li>Connects youth ages 16–19 to jobs in City government</li></ul>	179
<b>Community Work Experience</b> <ul style="list-style-type: none"><li>Connects youth ages 14–24 to jobs in the non-profit, community- and faith-based sectors</li></ul>	1,130
<b>Private Sector Job Connection</b> <ul style="list-style-type: none"><li>Connects youth ages 18+ to jobs in the private sector</li></ul>	2,085
<b>Total</b>	<b>3,394</b>

# SMALL BUSINESS INITIATIVE: KIVA CITY MILWAUKEE

- Kiva City supports local entrepreneurship by bringing business owners and community lenders together
- Since February 2015, community lenders have provided \$689,900 to support 124 small businesses
- An average Kiva borrower has a household size of 2.44 and income of \$43,855.
- 35% of loans have supported startups, or business in operation one year or less

## Kiva City borrowers are:

48% Caucasian

7% Hispanic

64% Female

30% African American

15% Other

36% Male

# CDBG-FUNDED PROGRAMS

## Job Training and Placement

Strategy: Provide job placement/job training and placement services for low income persons.

	FY 2016 Goal	FY 2016 Actual
Number of low income persons trained and placed into jobs	150	537

## Special Economic Development Initiatives

Strategy: Provide direct financial and other technical assistance to businesses for job creation, job retention and business expansion.

	FY 2016 Benchmark	FY 2016 Actual
Number of jobs created	40	74

# EMPLOY MILWAUKEE: JOB TRAINING AND PLACEMENTS

## Job Training and Placements for July 2016 to May 2017

Sector	Training: # of Participants	Employment: # of Placements	Average Wage
Hospitality	39	1,132	\$8.35
Other	113	549	\$11.56
Manufacturing	43	290	\$12.13
Healthcare	595	177	\$11.44
Transportation/Logistics	86	174	\$12.75
Construction	130	121	\$15.22
Finance	25	67	\$15.73
IT	23	25	\$24.46
<b>TOTAL</b>	<b>1,054</b>	<b>2,537</b>	



# INCOME SUPPORT STRATEGIES

1. ~ 67% of projected growth between 2014-2024 in “highest growth” WI occupations are associated with modest wages.
2. Programs such as the Earned Income Tax Credit (EITC), Child Tax Credit (CTC) health insurance subsidies (Medicaid, CHIP, ACA), housing assistance, and food stamps (SNAP) boost employment rates and reduce poverty rates.
  - EITC and CTC lift family income of a minimum wage head of 4-person household from 61% to 87% of poverty line. The two programs kept 9.4 million people out of poverty in 2011.
  - ✓ The Governor’s proposed 2017-2019 Biennial Budget would increase the State’s EITC maximum credit for one child by \$244 to \$383 in 2018.
  - In 2011 federal benefit programs lifted 8.7 million children out of poverty, most of them from working families.
  - Adult health “uninsured rate” dropped from 17.1% to 11.9% following Affordable Care Act (ACA) implementation
    - ✓ -ACA repeal, as currently proposed, would add ~ 23 million to uninsured count
3. Research has demonstrated positive long-term benefits for children in families receiving assistance.

# EMPLOY MILWAUKEE: TechHire

## **Status**

- First class of participants started in March 2017
- 17 participants enrolled (5 of 17 dropped out)
- Participants will test to obtain two IT certifications

## **Goals**

- Serve 150 young adults (ages 17 to 29) by 2020
- Serve 50 incumbent workers and long-term unemployed by 2020
- Placement wage of \$16 per hour

# SUMMARY

1. World and United States economies drive Milwaukee's experience and those of other cities
2. Changed world of manufacturing has huge impact
  - Increasingly information-based and high-skilled at high end of wages
  - Educational attainment can become a competitive factor
3. Regional economy generates opportunities
  - Migration of regional manufacturing
  - Replacement jobs outnumber "new jobs" 3 and ½ to 1
  - Wide income dispersion within growing occupations
4. Realities of economy point to importance of income support programs for employed as well as unemployed