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The Crisis of Black Male Joblessness in Milwaukee:

Trends, Explanations, and Policy Options

by:

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ABOUT THIS REPORT

Since the late 1990s, issues surrounding race and employment have been a central research focus at the University of Wisconsin-Milwaukee Center for Economic Development (UWMCED). In a series of reports, the Center has analyzed racial disparities in employment in the Milwaukee region, and the Center has been instrumental in calling public attention to Milwaukee's continuing lag, compared to other Northeast-Midwest metropolises, in generating employment growth in the African American community. This study, focusing on the crisis of joblessness among working-age black males, is the Center's most exhaustive study yet on Milwaukee's central economic development challenge: closing the racial gap in employment that plagues this region.

The author of this report is Dr. Marc V. Levine, Professor of History and Urban Studies, and Director of the UWMCED. Lauren McHargue, a policy analyst at the Center, provided important research and production assistance.

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Table of Contents

List of Tables

Executive Summary

There is no greater economic challenge facing Milwaukee than the crisis of joblessness among black males in the city. This study presents the most up-to-date analysis available of recent trends, examining racial disparities in the city and regional labor markets, and placing Milwaukee's record in comparative and historical context. Our chief finding is that Milwaukee's 30-year trend of near-linear growth in black male joblessness peaked in the city in 2003 at 51.3 percent and declined to 44.1 percent by 2005. In addition, by 2005, racial disparities narrowed somewhat in the city and region, and Milwaukee's black-white employment gap moved closer to the average of other Northeast-Midwest cities and metropolitan areas. Nevertheless, the black male jobless rate remains unacceptably high in Milwaukee, with black male joblessness here ranking second highest among comparable Northeast-Midwest metropolitan areas in 2005. Civic leadership in Milwaukee, we contend, continues to lack the vision, policies, and institutions to comprehensively attack and meaningfully alleviate the crisis of race and jobs in the city and region.

This report contains three main sections. First, we present the most current data on trends in black male joblessness and racial disparities in employment, for Milwaukee as well as a pool of "benchmark" cities and regions. Second, we analyze how the confluence of three key factors – suburbanization, hyper-segregation, and deindustrialization-- has shaped the particularly sharp racial disparities in the Milwaukee labor market. Finally, we examine the shortcomings of existing policies and strategies and identify some promising alternative policy options.

Our key findings:

I. *Race and Male Joblessness in Milwaukee: 2005*

The jobless rate for working-age black males (ages 16-64) in metropolitan Milwaukee region stood at 43.1 percent in 2005, a small decline from 46.5 percent in 2002. White male joblessness increased slightly between 2002-2005 in metro Milwaukee and thus, combined with the decline in black male joblessness during this period, the region's racial gap in joblessness shrank by almost five percentage points.

A huge racial gap in male joblessness exists in all age categories in metro Milwaukee, from teenage workers to prime working-age adults. Black male joblessness not only exceeds the white rate by at least 20 percentage points in all age groupings, but the jobless rate among black males also is significantly higher than for Hispanic males in metro Milwaukee, particularly among younger workers.

Table 1

Male Joblessness in Metropolitan Milwaukee, 2002-2005

(percentage of working-age males unemployed or not in the labor force)

YEAR	BLACK	WHITE	HISPANIC
2002	46.5%	18.7%	25.6%
2005	43.1%	20.1%	29.3%

There is a sharp regional/racial polarization of Milwaukee's male labor market, with the largest gaps in jobless rates separating white suburbanites from black residents of the central city. For example, among prime working-age males (ages 25-54), the jobless rate for white suburbanites in 2005 was 11.8 percent, compared to 34.6 percent black males living in the city of Milwaukee.

II. *Race and Joblessness in Milwaukee: A Comparative Perspective, 2002-2005*

Despite modest improvements between 2002-2005, the rate of black male joblessness in the Milwaukee region remains near the highest of Northeast-Midwest metropolitan areas, and in 2005 the racial gap in male joblessness was, with the exception of metro Pittsburgh, the widest among "Frostbelt" metropolitan areas.

In 2002, Milwaukee registered the highest working-age black male jobless rate among the 15 "Frostbelt" metropolitan areas against which we benchmarked Milwaukee's performance among these regions; in 2005, Milwaukee recorded the second highest black male jobless rate. The gap in Milwaukee separating white and black rates of male joblessness, which was 27.8 percentage points in 2002, the highest in the Frostbelt in 2002, declined to 23.0 points in 2005, which nevertheless placed Milwaukee second worst among our benchmark regions.

Milwaukee's ranking on these indicators is somewhat better when comparisons are at the city level, but city-to-city comparisons are somewhat misleading, because in metro Milwaukee, unlike elsewhere in the Frostbelt, there has been virtually no suburbanization of the working-age black male population.

Table 2:

Black Male Jobless Rates in Selected Metropolitan Areas: 2002-2005

Percentage of working-age (16-64) black males either unemployed or out of the labor force

2002		2005	
Baltimore	N/A	Boston	28.3%
Minneapolis	N/A	Baltimore	31.6%
Cincinnati	N/A	Indianapolis	34.4%
Indianapolis	30.8%	Kansas City	34.9%
Pittsburgh	31.9%	Minneapolis	35.9%
Cleveland	32.3%	Cincinnati	36.3%
Boston	36.4%	Philadelphia	39.7%
Detroit	39.0%	St. Louis	40.1%
Kansas City	39.1%	Buffalo	40.4%
Philadelphia	39.7%	Chicago	42.1%
Chicago	41.1%	Detroit	42.7%
St. Louis	42.8%	Cleveland	42.7%
Buffalo	45.7%	Milwaukee	43.1%
Milwaukee	46.5%	Pittsburgh	48.3%
Average	38.7%	Average	39.1%

III. *Black Male Joblessness in Milwaukee, 1970-2005: Historical Development and Explanatory Factors*

The rise in joblessness among working-age black males in Milwaukee during the past 35 years has been relentless, increasing substantially at each census measurement until reaching a staggering 51.5 percent in 2003 (before improving to 44.1 percent by 2005).

Perhaps even more striking has been the growth in joblessness among prime working-age black males in Milwaukee since 1970. Joblessness among males between the ages of 25-54 is particularly revealing of the state of the local labor market; we're much less likely to see, in this age group, potential workers voluntarily absent from the labor market because of schooling, retirement, or homemaking.

The jobless rate for prime working-age black males was 15.2 percent in 1970, relatively modest by historical standards, albeit double the rate for white city residents and almost quadruple the rate for white suburbanites. However, as has been the case for *all* working-age black males, joblessness among prime-working age black males has grown ceaselessly in Milwaukee since 1970, peaking at an astonishing 40.8 percent in 2003, before improving to 34.6 percent by 2005.

Three key factors underlie the crisis of black male joblessness in Milwaukee:

- *Deindustrialization*: Manufacturing was a critical source of jobs for Milwaukee's black males through the 1970s, and, to a greater degree than almost anywhere else in the Frostbelt, industrial decline fundamentally diminished black male employment opportunities in the city;
- *Suburbanization of Jobs*: Since 1980, all of the net job growth in metro Milwaukee has been in the suburbs, with the largest increases in the exurban counties (up 81 percent). The city of Milwaukee has lost almost 18 percent of its job base since 1980.
- *Racial Segregation*: The suburbanization of jobs in metropolitan Milwaukee, especially in manufacturing, has combined with the region's entrenched residential segregation to produce a "spatial mismatch" in the regional labor market. This mismatch has severely limited employment possibilities for the region's black males. The overwhelming majority (92%) of the region's working-age black males live in a city with an eroding employment base, while all of the net job growth in the region is occurring in exurban areas where few blacks live and to which city-based minority workers have minimal transportation access. Through 2000, just over 8,500 black workers in metropolitan Milwaukee –only 11 percent of all black workers in the region—had secured employment in the exurban counties, representing a tiny fraction of the exurban workforce. By contrast, 43.1 percent of the region's white workers were employed in the exurban counties in 2000.

Two other factors –disparities in educational attainment as well as the age structure of Milwaukee's black male community-- also help explain both racial differences in male joblessness in Milwaukee, as well as why the employment picture for black males is especially dismal here compared to other cities and regions.

There is a substantial racial gap in male educational attainment in Milwaukee; in the metropolitan area, for example, white males are almost *three times* as likely as black males to hold college, professional, or advanced degrees, a disparity that mirrors the racial disparity in male joblessness.

Milwaukee's working-age black male population is, on average, younger and less educated than counterparts elsewhere in the Frostbelt; since joblessness rates are higher among the young and less educated, this demographic factor also helps explain Milwaukee's high rate of black male joblessness.

IV. *Local Policy and the Crisis of Black Male Joblessness in Milwaukee*

Milwaukee Mayor Tom Barrett and the region's corporate leadership in the GMC and MMAC appear to have settled into a three-pronged "jobs strategy" to combat predominantly minority inner city joblessness: workforce development, minority entrepreneurship, and regionalism. All are worthy policy objectives and, in principle, can contribute to improving the local labor market. All, however, are deeply flawed as cornerstones of a local jobs strategy; in particular, without other more direct job creation policies ("demand-side"), these ('supply side") approaches are unlikely to have a significant impact on the crisis of black male joblessness in Milwaukee.

- Milwaukee's recent history, as is the case nationwide, is littered with disappointing results from job training programs. Workforce development is predicated on the fallacious assumptions that enough jobs exist for properly trained workers, or that with adequate training enough private-sector jobs will materialize for all workers. In fact, in 2005, by *conservative* estimate, there were 88,294 more jobless than available jobs in metro Milwaukee; there were six jobless Milwaukeeans for every available job in 2005; there were an astounding *nine* jobless for every available *full-time* job. The primary need in Milwaukee is not improved job training, but rather policies that increase the *demand* for low- to moderate-skilled labor and attack the critical shortage of available jobs in the region.
- Minority entrepreneurship offers little prospect of improving the employment picture for working-age black males. In the 50 largest metro areas in the country, there is no

evidence that high rates of black business ownership produce low rates of black joblessness. Black-owned businesses employ a tiny fraction of workers (less than one percent in Milwaukee), so even huge growth in black-owned businesses would have a trivial impact on the black jobless rate.

- M-7 "regionalism" could contribute significantly to alleviating the crisis of black male joblessness. But, so far, the M-7 seems focused on branding and marketing Milwaukee and pursuing what one researcher has dubbed the "job training charade," rather than the kinds of meaningful regional "equity" polices in transportation, public finance and housing that could make a difference in combating minority joblessness.

V. *Policy Options: New Directions to Combat Black Male Joblessness in Milwaukee*

This study has identified three strategies that offer far greater likelihood of reducing black male joblessness in Milwaukee than current approaches:

- Public infrastructure investment, which will not only meet pressing needs in a community with aging infrastructure, but could also play a critical role in boosting, Keynesian-style, local demand for low- to moderate-skilled labor. Particularly if accompanied by explicit minority-hiring goals or low-income resident preferential hiring programs, public investments could be a central element in a real Milwaukee "jobs strategy." The examples of the Marquette Interchange project and the city of Milwaukee's "Residents Preference Program" (RPP) show the promise of this "demand-side" approach to the labor market.

  In particular, this study recommends that Milwaukee leaders vigorously pursue development of a jobs-producing, competitiveness-enhancing regional light rail transit system. In its political resistance to light rail, Milwaukee is increasingly isolated among U.S. cities; and, the more Milwaukee remains immobilized on this issue, the more the region risks falling further behind our competitors economically, and the more we lose the opportunity for a "big bang" investment that could ameliorate the labor market for low- to moderate-skilled workers.

- The RPP and Marquette Interchange projects show that targeted hiring standards attached to local investments can improve the employment prospects for minorities and the disadvantaged. Milwaukee should follow the example of a growing number of cities around the country and attach "community benefits agreements" (CBAs) to major redevelopment projects, to give preferential hiring to inner city residents and minorities, and to require developers receiving public subsidies to meet job creation and wage standards. Moreover, all developers doing business in Milwaukee should be encouraged to meet these standards.
- A critical element of a jobs strategy in Milwaukee must involve opening up the suburban labor markets of the region to racial diversity. "Opening up the suburbs" might include several policy options, but the two most important are transportation and housing. Regional transportation policies must be realigned to facilitate the access of central city workers to suburban employment centers; and building affordable housing in the suburbs is essential, so that low- to –moderate-skilled workers, with limited incomes, can live in greater proximity to the location of 90 percent of the region's entry-level job openings.

The Crisis of Black Male Joblessness in Milwaukee:

Trends, Explanations, and Policy Options

I. Introduction

There is no greater economic challenge facing Milwaukee than the crisis of joblessness among black males in the city. Indeed, as we have documented in earlier reports, black males have increasingly faced a "stealth depression" in Milwaukee, with jobless rates exceeding 50 percent by the early 2000s.[1] In the past year, several studies have brought attention nationally to the crisis of "black males left behind"[2] in cities across the country, noting in particular the growing "disconnect" between young black males and the worlds of school and work.[3]

But while the problem of black male joblessness is national in scope and pervasive in urban America, the crisis is especially acute in Milwaukee. By the early 1990s, Milwaukee had already begun to register the highest rates of black male joblessness among all comparable-sized cities and metropolitan areas in the Northeast-Midwest "industrial belt,"[4] a trend that continued through the early 2000s. Moreover, over the past two decades, the gap separating employment rates among white and black working age males in Milwaukee has consistently been the widest among these "Rustbelt" cities and regions.

This report presents the most up-to-date analysis available of recent trends in black male joblessness in Milwaukee, examining racial disparities in the city and regional labor markets, and placing Milwaukee's record in comparative and historical context. Our chief finding is that Milwaukee's 30-year trend of near-linear growth in black male joblessness peaked in the city in 2003 at 51.3 percent and declined by 2005 to 44.1 percent. In addition, by 2005, racial disparities had narrowed somewhat in the city and region, and Milwaukee's black-white employment gap had moved closer to the average of other Northeast-Midwest cities and metropolitan areas. Nevertheless, the black male jobless rate remains unacceptably high in Milwaukee, with black male joblessness here ranking second highest among comparable Northeast-Midwest metropolitan areas in 2005. Civic leadership in Milwaukee, we contend, continues to lack the vision, policies, and institutions to comprehensively attack and meaningfully alleviate the crisis of race and jobs in the city and region.

This report contains three main sections. First, we present the most current data on trends in black male joblessness and racial disparities in employment, for Milwaukee as well as a pool of "benchmark" cities and regions. Second, we analyze how the confluence of three key factors –

suburbanization, hyper-segregation, and deindustrialization-- has shaped the particularly sharp racial disparities in the Milwaukee labor market. Finally, we examine the shortcomings of existing policies and strategies and identify some promising alternative policy options. Some observers have recently called for nothing less than a Milwaukee "Marshall Plan" to attack the city's job crisis;[5] in the conclusion of this report we sketch the broad outlines of what such a "Marshall Plan" might look like.

II. Measuring Joblessness

The level of joblessness in a labor market is most often conveyed in one universally recognized and widely reported number: the unemployment rate. This statistic measures the percentage of people over the age of 16 in an area's civilian labor force, actively looking for work, who do not have a job.

However, the official unemployment rate is an imperfect and sometimes misleading indicator of the true extent of joblessness. As calculated by the federal Bureau of Labor Statistics (BLS), the officially unemployed do not include working-age people who are not working but, for various reasons, are not in the labor force. Some of these potential workers, such as most students and homemakers, as well as the voluntarily self-employed or voluntarily retired, have chosen not to be in the labor force; thus, it makes sense to exclude them from measures of unemployment.

However, many other potential workers are not included in the official unemployment rate even though they are not necessarily among the *voluntarily* jobless. Some are "discouraged workers," who have given up looking for elusive employment. Others may simply not enter the labor market, convinced that appropriate jobs are not available. These individuals do not show up in the official unemployment statistics, although they are clearly part of the jobless population in a community.

Thus, because the official unemployment rate ignores those who are not seeking jobs, it understates the full scope of joblessness. A different way, therefore, to gauge joblessness –and the one we will use in this report—is to look at the percentage of the *total* working age not employed: *everyone* between the ages of 16-64, not just those actively in the civilian labor force. Obviously, this "jobless rate" will never be zero: aside from "frictional unemployment" (people between jobs), there are always working-age full-time students, homemakers, early retirees, or

the self-employed who are *voluntarily* not in the labor force.[6] But clearly, the more robust the labor market, the lower the jobless rate for the entire working-age population. Finally, to eliminate the effects of gender differences in labor market participation over time –as well as to focus on the particular crisis of black *male* joblessness—this study reports on trends, by race, in the rate of male joblessness in Milwaukee and other cities and regions.[7]

III. Race and Male Joblessness in Milwaukee: 2005

The most recent data on race and employment in cities and metropolitan areas comes from the *American Community Survey* (ACS), a relatively new annual nationwide survey, conducted by the U.S. Bureau of the Census since 2001. Care must be taken in using this data to analyze urban trends (see the Appendix to this report); among other issues, the ACS samples, when broken down by race and ethnicity, are small enough to contain a rather substantial margin of error. Although this error margin is not larger than the "statistical range" contained in the local "race and unemployment" data historically provided by the Bureau of Labor Statistics, it does mean that we should be cautious in interpreting changes from one year to the next or differences between cities or metro areas, all of which might merely reflect measurement "noise." Context and longer time series are important in sorting out genuine trends as opposed to measurement variation. Notwithstanding these important caveats, the ACS nevertheless offers us the most up-to-date statistics on race and employment in U.S. cities and metropolitan areas (as well as a host of other social, demographic, economic, and housing characteristics).

As Table 1 reveals, the jobless rate for working-age black males in the four-county metropolitan Milwaukee region[8] stood at 43.1 percent in 2005, a small decline from 46.5 percent in 2002 (the first year for which data is available for most cities and metropolitan areas in the ACS).[9] White male joblessness increased slightly between 2002-2005 in metro Milwaukee and thus, combined with the decline in black male joblessness during this period, the region's racial gap in joblessness shrank by almost five percentage points. Nevertheless, the region's racial disparity in joblessness remains imposing: in 2005, the jobless rate for black males was more than *double* the white rate and, as we shall see, Milwaukee's racial gap in joblessness remains among the widest in large Northeast-Midwest metropolitan areas.

Table 1:

Male Joblessness in Metropolitan Milwaukee, 2002-2005

(percentage of working-age* males unemployed or not in the labor force)

YEAR	BLACK	WHITE	HISPANIC
2002	46.5%	18.7%	25.6%
2005	43.1%	20.1%	29.3%

Source: U.S. Bureau of the Census, *American Community Survey, 2002, 2005*
*Working-age = between ages of 16-64

Tables 2 and 3 provide more detail on male joblessness in metro Milwaukee in 2005, breaking down jobless rates by race, age, and place of residence. Three observations stand out. First, jobless rates are high in all age categories for black males in metro Milwaukee. Even in the prime working-age category --between the ages of 25 and 54 when retirement or schooling are not significant factors removing potential workers from the labor market-- one-third of Milwaukee's black males are either unemployed or not in the labor market. In all other working-age categories, the black male jobless rate was near 50 percent (and a staggering 76.3 percent for black male teenagers).

Table 2:

Metropolitan Milwaukee Male Jobless Rates: 2005

By Race, Ethnicity, and Age

AGE CATEGORY	BLACK	WHITE	HISPANIC
16-19	76.3%	52.6%	48.5%
20-24	48.2%	21.1%	33.0%
25-54	33.4%	13.4%	24.5%
55-64	49.1%	29.6%	44.0%
All Working-Age	43.1%	20.1%	29.3%

Source: Same as Table 1

Table 3:

City-Suburb Disparities in Male Jobless Rates in Metropolitan Milwaukee: 2005

By Race, Ethnicity, Age, and Place of Residence

AGE	BLACK CITY	BLACK SUBURBS	WHITE CITY	WHITE SUBURBS	HISPANIC CITY	HISPANIC SUBURBS
16-19	76.6%	52.4%	53.8%	52.4%	54.9%	36.0%
20-24	50.4%	33.2%	32.8%	17.4%	34.7%	33.0%
25-54	34.6%	28.3%	18.7%	11.8%	21.1%	27.9%
55-64	51.9%	22.2%	43.3%	26.3%	46.8%	40.1%
All 16-64	44.1%	28.6%	25.5%	18.3%	27.6%	25.3%

Source: Same as Table 1

Second, a huge racial gap in male joblessness exists in all age categories in metro Milwaukee, from teenage workers to prime working-age adults. Black male joblessness not only exceeds the white rate by at least 20 percentage points in all age groupings, but the jobless rate among black males also is significantly higher than for Hispanic males in metro Milwaukee, particularly among younger workers.

Table 4:

Racial Segmentation in the Metropolitan Milwaukee Labor Market

The Percentage of Region's Working-Age Males, By Age Category,
Living In the City of Milwaukee: 2005

AGE CATEGORY	BLACK	WHITE	HISPANIC
16-19	98.7%	15.4%	66.2%
20-24	95.6%	25.3%	67.0%
25-54	89.6%	23.0%	69.2%
55-64	93.4%	23.0%	57.6%
All Working-Age	92.0%	21.9%	67.8%

Source: Same as Table 1

Finally, as Table 3 shows, for both black and white males in metro Milwaukee, there is a substantial disparity between the jobless rates in the city of Milwaukee as opposed to the suburbs. Among prime working-age white males, for example, the jobless rate in the city is almost 60 percent higher than it is in the suburbs. However, since the vast majority (78 percent)

of working-age white males in the region live in the suburbs, the impact of this city-suburban disparity on overall rates of metropolitan area white male joblessness is mitigated. On the other hand, this city-suburban disparity overlaps with the racial segregation of metro Milwaukee's labor market: over 90 percent of the region's black male workers live in the city of Milwaukee (Table 4) where, as we will examine later, there has been no net job growth since the late 1970s. Consequently, as Table 3 clearly shows, today there is a sharp racial polarization of the region's male labor market, with the largest gaps in jobless rates separating white suburbanites from black residents of the central city. For example, among prime working-age males (25-54), the jobless rate for white suburbanites in 2005 was 11.8 percent, compared to 34.6 percent black males living in the city of Milwaukee. We shall return in detail later in this study to the devastating consequences of suburbanization and segregation in shaping the crisis of joblessness among Milwaukee's working-age black males.

IV. Race and Joblessness in Milwaukee: A Comparative Perspective, 2002-2005

The crisis of black male joblessness pervades urban America. But, as the following tables make clear, the employment situation for black males in Milwaukee, despite modest improvements between 2002-2005, remains near the bleakest among the largest cities and metropolitan areas in the Northeast and Midwest. We have compared race and male joblessness in Milwaukee to other "benchmark" cities and regions along the following dimensions: joblessness for all working-age black males (ages 16-64); joblessness for prime working-age black males (ages 25-54); and the disparity in jobless rates between black and white males.

As Tables 5-8 illustrate, the rate of black male joblessness in the Milwaukee region remains near the highest of Northeast-Midwest metropolitan areas, and in 2005 the racial gap in male joblessness was, with the exception of metro Pittsburgh, the widest among "Frostbelt" metropolitan areas. On all our indicators of black male joblessness or racial disparity, metro

Milwaukee's rate –in both 2002 and 2005—was substantially above the Frostbelt average. On the other hand, between 2002-2005 about half of the Frostbelt metropolitan areas, including Milwaukee, experienced declines in the black male jobless rate and shrinking racial disparities (Tables 5 and 7). However, although *any* decline in metro Milwaukee's rate of black male joblessness is encouraging, the black employment gains since 2002 have been quite modest and metro Milwaukee's black male jobless rate remains high by comparative and historical standards.[10]

Table 5:

Black Male Jobless Rates in Selected Metropolitan Areas: 2002-2005

Percentage of working-age (16-64) black males either unemployed or out of the labor force

2002		2005	
Baltimore	N/A	Boston	28.3%
Minneapolis	N/A	Baltimore	31.6%
Cincinnati	N/A	Indianapolis	34.4%
Indianapolis	30.8%	Kansas City	34.9%
Pittsburgh	31.9%	Minneapolis	35.9%
Cleveland	32.3%	Cincinnati	36.3%
Boston	36.4%	Philadelphia	39.7%
Detroit	39.0%	St. Louis	40.1%
Kansas City	39.1%	Buffalo	40.4%
Philadelphia	39.7%	Chicago	42.1%
Chicago	41.1%	Detroit	42.7%
St. Louis	42.8%	Cleveland	42.7%
Buffalo	45.7%	Milwaukee	43.1%
Milwaukee	46.5%	Pittsburgh	48.3%
Average	**38.7%**	**Average**	**39.1%**

Source: U.S. Bureau of the Census, *American Community Survey*, 2002 and 2005.

Table 6:

Jobless Rates for Prime Working-Age Black Males in Metropolitan Areas: 2002-2005

Percentage of prime working-age (25-54) black males either unemployed or out of the labor force

2002		2005	
Baltimore	N/A	Boston	19.7%
Minneapolis	N/A	Baltimore	21.5%
Cincinnati	N/A	Indianapolis	22.8%
Indianapolis	21.0%	Kansas City	25.2%
Cleveland	21.1%	Minneapolis	25.8%
Boston	23.0%	Cincinnati	26.4%
Pittsburgh	24.0%	Philadelphia	29.2%
Kansas City	28.3%	St. Louis	30.6%
Detroit	31.2%	Chicago	31.6%
Philadelphia	31.4%	Detroit	32.0%
Buffalo	32.0%	Cleveland	33.2%
Chicago	33.0%	Buffalo	33.7%
Milwaukee	33.5%	Milwaukee	33.9%
St. Louis	34.2%	Pittsburgh	37.3%
Average	**28.4%**	**Average**	**28.8%**

Source: U.S. Bureau of the Census, *American Community Survey*, 2002 and 2005.

Table 7:

Racial Disparity in Jobless Rates Among Working-Age Males in Selected Metropolitan Areas: 2002-2005

Percentage difference by which the jobless rate for black working-age males (16-64) exceeded white rate

2002		2005	
Baltimore	N/A	Boston	8.9
Minneapolis	N/A	Baltimore	13.6
Cincinnati	N/A	Cincinnati	15.0
Cleveland	8.7	Buffalo	15.2
Pittsburgh	10.3	Indianapolis	15.5
Indianapolis	12.4	Kansas City	16.5
Detroit	15.0	Minneapolis	19.2
Boston	16.1	Philadelphia	19.2
Philadelphia	19.7	Detroit	19.9
Kansas City	19.9	St. Louis	20.1
Chicago	20.8	Cleveland	21.8
St. Louis	21.9	Chicago	22.7
Buffalo	22.7	Milwaukee	23.0
Milwaukee	27.8	Pittsburgh	24.2
Average	**17.8**	**Average**	**18.2**

Source: U.S. Bureau of the Census, *American Community Survey*, 2002 and 2005.

Table 8:

Racial Disparity in Jobless Rates Among Prime Working-Age Males in Selected Metropolitan Areas: 2002-2005

Percentage difference by which the jobless rate for black prime working-age males (25-54) exceeded white rate

2002		2005	
Baltimore	N/A	Boston	7.5
Minneapolis	N/A	Indianapolis	10.7
Cincinnati	N/A	Baltimore	11.0
Cleveland	5.7	Cincinnati	13.1
Boston	8.7	Kansas City	13.7
Pittsburgh	10.5	Philadelphia	15.6
Indianapolis	10.8	Minneapolis	16.0
Detroit	13.9	Buffalo	16.4
Kansas City	16.5	St. Louis	17.1
Buffalo	17.3	Detroit	17.2
Philadelphia	17.9	Cleveland	20.0
St. Louis	19.2	Milwaukee	20.2
Chicago	20.0	Chicago	20.3
Milwaukee	21.7	Pittsburgh	21.4
Average	**14.7**	**Average**	**15.7**

Source: U.S. Bureau of the Census, *American Community Survey*, 2002 and 2005.

The story between 2002 and 2005 is slightly different when we look at male jobless rates in cities (Tables 9-12) as opposed to metropolitan areas. The black male jobless rate in the city of Milwaukee declined slightly between 2002-2005, from 48.4 percent to 44.4 percent, while white male joblessness in the city increased (from 20.6 percent to 25.5 percent); as a result, the racial disparity in male joblessness in the city shrank markedly between 2002-2005 (see Table 11).[11]

At the same time, as black male joblessness was declining in Milwaukee between 2002-2005, it rose in 9 of the 14 Northeast-Midwest big cities against which we have "benchmarked" Milwaukee. Thus, the city's relative ranking improved: in 2002, Milwaukee had the 14th highest rate of black male joblessness of the 15 large Frostbelt cities; in 2005, Milwaukee ranked 7th, right in the middle of the pack and around the Frostbelt average. In 2002, Milwaukee had the widest racial disparity in male jobless rates of this pool of Northeast-Midwest big cities; in 2005, Milwaukee had the 10th widest racial disparity among the 15 cities.[12]

The city-to-city comparisons, however, are somewhat misleading, because in metro Milwaukee, unlike elsewhere in the Frostbelt, there has been virtually no suburbanization of the working-age black male population. As Table 13 shows, 92 percent of metro Milwaukee's working-age black males live in the city of Milwaukee, a substantially higher proportion than the Frostbelt average of 51.1 percent of metro area working-age black males living in central cities. Thus, when we examine black male employment in cities, we're effectively comparing virtually Milwaukee's *entire* metro area black male workforce to the *half* of the black male workforce living in the central city in other metropolitan areas; the "half," we should underscore, who are generally among the region's least-advantaged population. This is why the black male jobless situation in Milwaukee, although hardly roseate, looks marginally better in city-to-city comparisons than in comparisons at the metropolitan area level. For example, when we look at just the central city, in 2005 the black male jobless rate in Milwaukee was actually 1.8 percentage points lower than in Minneapolis; however, when we compare the two metropolitan areas, the black male jobless rate in Milwaukee was 7.2 points higher than in Minneapolis. This is because in Minneapolis unlike Milwaukee, the majority of the region's working-age black males live in suburbs, where job growth is more rapid than in the city and where black male jobless rates are much lower.[13] Indeed, as we shall examine shortly, Milwaukee's low rate of black suburbanization is a critical factor explaining the severity of the crisis of black male joblessness here compared to other Frostbelt regions.[14]

Thus, when comparing the employment situation of black males in Milwaukee to elsewhere in the Frostbelt, the more meaningful comparisons are at the metropolitan area level. However, the bottom line is that no matter whether we look at the city or metro Milwaukee as a whole, the crisis of black male joblessness remains stark and persistent here. Notwithstanding indications of modest improvement between 2002 and 2005, the jobless rate for black males in the city remains high at 44.1 percent, and, as a region, Milwaukee still registers among the highest black male jobless rates in the Frostbelt. In the next section of this study, we explore the structural and historical factors that underpin the crisis of black male joblessness in Milwaukee.

Table 9:

Black Male Jobless Rates in Selected Cities: 2002-2005

Percentage of working-age (16-64) black males either unemployed or out of the labor force

2002		2005	
Minneapolis	31.4%	Boston	33.6%
Indianapolis	31.5%	Kansas City	35.4%
Columbus	35.5%	Indianapolis	37.1%
Cleveland	36.5%	Columbus	37.4%
Pittsburgh	38.5%	Cincinnati	39.0%
Baltimore	39.4%	Baltimore	39.8%
Kansas City	40.7%	Milwaukee	44.4%
Detroit	41.2%	Buffalo	45.4%
Boston	41.3%	Philadelphia	45.9%
Cincinnati	44.1%	Minneapolis	46.2%
Philadelphia	44.7%	Chicago	48.3%
Buffalo	46.9%	Detroit	48.9%
Chicago	47.7%	St. Louis	49.2%
Milwaukee	48.2%	Cleveland	49.6%
St. Louis	50.1%	Pittsburgh	55.9%
Average	**41.2%**	**Average**	**43.7%**

Source: U.S. Bureau of the Census, *American Community Survey*, 2002 and 2005

Table 10:

Jobless Rates for Prime Working-Age Black Males in Selected Cities: 2002-2005

Percentage of prime working-age (25-54) black males either unemployed or out of the labor force

2002		2005	
Indianapolis	22.2%	Boston	24.9%
Cleveland	25.7%	Indianapolis	24.9%
Columbus	26.6%	Cincinnati	28.6%
Boston	26.6%	Kansas City	26.4%
Minneapolis	27.1%	Columbus	28.7%
Cincinnati	28.1%	Baltimore	31.3%
Baltimore	28.9%	Minneapolis	32.6%
Kansas City	33.5%	Philadelphia	33.3%
Buffalo	33.7%	Milwaukee	34.6%
Milwaukee	34.2%	Buffalo	36.5%
Detroit	34.6%	Chicago	37.7%
Pittsburgh	36.1%	Detroit	37.9%
Philadelphia	39.4%	St. Louis	40.1%
Chicago	41.3%	Cleveland	41.3%
St. Louis	46.7%	Pittsburgh	49.0%
Average	**32.3%**	**Average**	**33.9%**

Source: U.S. Bureau of the Census, *American Community Survey*, 2002 and 2005

Table 11:

Racial Disparity in Jobless Rates Among Working-Age Males in Selected Cities: 2002-2005

Percentage difference by which the jobless rate for black working-age males (16-64) exceeded white rate

2002		2005	
Detroit	(-3.2)	Detroit	7.4
Cleveland	6.0	Boston	10.2
Columbus	14.9	Columbus	13.7
Pittsburgh	15.1	Buffalo	15.4
Indianapolis	15.6	Indianapolis	15.6
Minneapolis	16.0	Kansas City	16.0
Boston	16.2	Cincinnati	16.6
Philadelphia	16.5	Baltimore	18.4
Cincinnati	16.5	Philadelphia	16.9
Baltimore	16.6	Milwaukee	18.9
Kansas City	21.6	Cleveland	19.4
Buffalo	23.8	St. Louis	24.6
Chicago	25.6	Minneapolis	27.3
St. Louis	25.9	Chicago	29.6
Milwaukee	27.8	Pittsburgh	30.8
Average	**17.0**	**Average**	**18.7**

Source: U.S. Bureau of the Census, *American Community Survey*, 2002 and 2005.

Table 12:

Racial Disparity in Jobless Rates Among Prime Working-Age Males in Selected Cities: 2002-2005

Percentage difference by which the jobless rate for black prime working-age males (25-54) exceeded white rate

2002		2005	
Detroit	(-7.2)	Detroit	4.0
Cleveland	1.8	Boston	6.5
Boston	9.6	Indianapolis	8.6
Cincinnati	10.1	Cincinnati	10.8
Baltimore	11.3	Columbus	10.9
Columbus	11.7	Buffalo	12.4
Indianapolis	11.7	Philadelphia	12.4
Buffalo	14.3	Kansas City	13.6
Kansas City	16.6	Baltimore	15.6
Minneapolis	16.7	Milwaukee	15.9
Pittsburgh	17.1	Cleveland	17.3
Philadelphia	18.4	Minneapolis	19.0
Milwaukee	18.6	St. Louis	21.6
Chicago	24.3	Chicago	25.6
St. Louis	33.3	Pittsburgh	32.9
Average	**13.9**	**Average**	**15.1**

Source: U.S. Bureau of the Census, *American Community Survey*, 2002 and 2005.

Table 13:

Percentage of Metropolitan Area Working-Age Males Living In Central City, By Race, in Selected Regions: 2005

METRO AREA	BLACK	WHITE	RACIAL DISPARITY
Milwaukee	92.0%	21.9%	70.1
Detroit	65.8%	2.7%	63.1
Buffalo	76.1%	13.5%	62.6
Cincinnati	52.1%	8.7%	43.4
Cleveland	52.9%	10.1%	42.8
Baltimore	52.0%	11.0%	41.0
Philadelphia	52.9%	13.9%	39.0
Kansas City	56.0%	18.1%	37.9
Chicago	53.7%	17.2%	36.5
Pittsburgh	45.2%	9.9%	35.3
Boston	43.0%	8.9%	34.1
St. Louis	32.9%	7.4%	25.5
Minneapolis	30.6%	10.3%	20.3
Average –All Metro Areas	**51.1%**	**11.8%**	**39.3**

Source: U.S. Bureau of the Census, *American Community Survey*, 2005.

V. *Black Male Joblessness in Milwaukee, 1970-2005: Historical Development and Explanatory Factors*

The crisis of black male joblessness in Milwaukee has been in the making for over three decades and has coincided with profound changes in the racial composition of the city's labor force and the geographic distribution of metropolitan Milwaukee's working-age population. Since 1970, the number of working-age black males in Milwaukee has more than doubled (from 25,267 to 57,916) while the number of working-age white males in the city has fallen by more than 55 percent (from 174,350 to 77,751). In 1970, whites constituted 85.6 percent of Milwaukee's male working-age population; by 2005, as a result of three decades of white flight combined with the growth of black and Hispanic populations, the working-age male population in the city of Milwaukee had become majority-minority.

Table 14:

Racial Change in the City of Milwaukee Male Labor Market: 1970-2005

(racial composition of working-age male population)

YEAR	BLACK	WHITE	HISPANIC	% WHITE
1970	25,267	174,350	4,129	85.6%
1980	38,124	154,564	7,627	77.2%
1990	48,464	123,077	11,254	67.3%
2000	55,216	92,489	23,969	53.9%
2005	57,916	77,751	26,319	48.0%

Source: U.S. Bureau of the Census, *Census of Population: Characteristics of the Population, Wisconsin* (1970-2000); U.S. Bureau the Census, *American Community Survey*, 2005.

In addition to the changing racial composition of the city's workforce, Milwaukee also witnessed between 1970 and 2005 the emergence of the Frostbelt's most racially segmented regional labor market (with the possible exception of Detroit). White flight from the city (especially after 1980), the settlement in the suburbs of the vast majority of white in-migrants to the region, and Milwaukee's extraordinarily low rate of black suburbanization all combined to produce a distinct and growing geographic-racial divide in the metropolitan area's male workforce. As Table 15 shows, in 1970 nearly one-half of metro Milwaukee's working-age white male population lived in the city of Milwaukee; by 2005, the city share had fallen to barely more than a fifth. Conversely, as we have already discussed, virtually all of metro Milwaukee's working-age black male population lives in the city of Milwaukee, a concentration that has barely attenuated since 1970. Although the region's Hispanic male workers are less concentrated in the city than is the black workforce, the vast majority of working-age Hispanic males in metro Milwaukee also reside in the city. In racial terms, then, metro Milwaukee has evolved since 1970 into two, highly segmented labor markets: one in suburbia, which is almost exclusively white; the other, in the city, with a rapidly shrinking number of white workers and where "minorities" now constitute a majority of the working-age male residents. As we will examine shortly, this segmentation –an element of Milwaukee's hyper-segregated residential patterns—plays a critical role in shaping Milwaukee's pattern of black male joblessness.

Table 15:

Percentage of Metropolitan Milwaukee's Working-Age Males Living in the City of Milwaukee, By Race: 1970-2005

YEAR	BLACK	WHITE	HISPANIC
1970	97.7%	47.5%	71.7%
1980	96.4%	37.3%	74.4%
1990	95.5%	33.1%	77.0%
2000	91.8%	25.4%	76.3%
2005	92.0%	21.9%	67.8%

Source: Same as Table 14

It has been in this context of racial change that the crisis of black male joblessness has unfolded in Milwaukee since 1970. The rise in black male joblessness in Milwaukee during the past 35 years has been relentless, increasing substantially at each census measurement until reaching a staggering 51.5 percent in 2003 (before improving to 44.1 percent by 2005). Although black joblessness climbed sharply in Milwaukee during the 1970s, the real turning point came during the brutal 1982 recession when the city hemorrhaged thousands of manufacturing jobs[15] and, according to the Bureau of Labor Statistics, the rate of black male joblessness first passed 50 percent in the city.[16] Ever since then, Milwaukee's black male jobless rate has never dipped below 40 percent. White male joblessness has also climbed in Milwaukee since the 1970s –a reflection of the general economic stagnation of the city over the past 30 years—but at a much slower rate than black male joblessness.

Consequently, Milwaukee's racial gap in male joblessness, while not insignificant in 1970, grew to giant proportions as early as 1980. As Table 16 shows, ever since 1980 black male joblessness in Milwaukee has exceeded joblessness among white males living in the suburbs by between 26 and 33 percentage points. Even in the city itself, the racial gap in joblessness widened considerably over the past 30 years, from 10 points in 1970, to 29 points in 2004, before falling back to 20 points according to the 2005 census figures.

Perhaps even more striking has been the growth in joblessness among prime working-age black males in Milwaukee since 1970. As noted earlier, joblessness among males between the ages of 25-54 is particularly revealing of the state of the local labor market; we're much less likely to see, in this age group, potential workers voluntarily absent from the labor market because of schooling, retirement, or homemaking. In a percolating, full employment economy,

Table 16
Jobless Rates for Working-Age Males in Milwaukee: 1970-2005

% of working-age males unemployed or not in the labor force, by race, ethnicity, and place of residence

YEAR	BLACK-CITY	WHITE-CITY	WHITE-SUBURBS	HISPANIC CITY
1970	26.3	16.0	13.1	19.6
1980	38.4	22.3	12.3	29.1
1990	43.5	20.4	12.3	32.2
2000	47.3	21.4	14.2	37.3
2002	48.2	20.4	18.1	30.2
2003	51.5	24.7	20.4	20.3[17]
2004	49.8	20.7	17.4	26.1
2005	44.1	25.5	18.3	27.4

Source: Same as Table 14

we would expect to find very low rates of joblessness among prime working-age males; effectively, in a healthy labor market, joblessness among these males would be frictional unemployment (a relatively small number of workers, jobless for a short period – the proverbial "workers between jobs").

The jobless rate for prime working-age black males was 15.2 percent in 1970, relatively modest by historical standards, albeit double the rate for white city residents and almost quadruple the rate for suburbanites.[18] However, as was the case when we considered *all* working-age black males, joblessness among prime-working age black males has grown ceaselessly in Milwaukee since 1970, peaking at an astonishing 40.8 percent in 2003, before improving to 34.6 percent by 2005. Consider, for a moment, what this signified: in 2003, four out of every 10 black males in Milwaukee, in their prime working years, were either unemployed or not even in the labor force seeking employment.

Concomitantly, Milwaukee's racial gap in joblessness among prime working-age males has widened consistently and considerably over the past 30 years. In 1970, as Table 17 shows, black male joblessness in Milwaukee exceeded joblessness among white males living in the suburbs by 11 percentage points. By 1980, that gap had enlarged to 20 percentage points, and it has oscillated between 22 and 31 percentage points ever since.

Table 17

Jobless Rates for Prime Working-Age Males in Milwaukee: 1970-2005

% of working-age males unemployed or not in the labor force, by race, ethnicity, and place of residence

YEAR	BLACK-CITY	WHITE-CITY	WHITE-SUBURBS	HISPANIC CITY
1970	15.2	7.4	4.1	9.8
1980	24.5	9.8	3.9	9.6
1990	34.6	12.2	8.8	24.9
2000	38.7	16.2	8.4	32.8
2002	34.2	15.6	10.4	27.0
2003	40.8	17.9	9.6	14.3[19]
2004	34.5	17.9	10.4	22.5
2005	34.6	18.7	11.8	21.2

Source: Same as Table 14

Even if we limit the comparison to black and white prime working-age males living in the city of Milwaukee, the racial gap in joblessness has widened considerably over the past 30 years, from 8 points in 1970, to 22 points in 2004, before falling back to 16 points according to the 2005 census figures.

How did Milwaukee reach this disastrous state of affairs? What factors transformed Milwaukee from a city that in 1970 boasted the lowest jobless rates for black males in the Frostbelt, to a city that today struggles with black male jobless rates above 40 percent and racial disparities in employment that are among the widest in the Frostbelt? Understanding why black male joblessness has become so pervasive and entrenched in Milwaukee is an essential step to identifying promising policies to alleviate the situation.

Three key factors present in all Frostbelt metropolises –deindustrialization, suburbanization, and racial segregation—have come together in a particularly virulent combination in Milwaukee to produce one of urban America's most acute crises of black male joblessness. First, as is now well established, deindustrialization has been a fundamental element in Milwaukee's general economic decline since the 1970s, and it has been especially devastating for working-age black males in the city. In 1970, 55.4 percent of Milwaukee's black male workers were employed in manufacturing, compared to 42.2 percent of the city's white male workers; thus, when Milwaukee began shedding factory jobs in the 1970s, black workers were more "at risk."[20] As we have previously argued: "[W]ith a disproportionate segment of its labor force employed in

manufacturing, black Milwaukee experienced disproportionate economic distress while the city deindustrialized in the 1970s and 1980s."[21] Moreover, this racial disparity in manufacturing employment was greater in Milwaukee than in any other Frostbelt city in 1970, which helps explain how, when deindustrialization hit, Milwaukee fell from having among the lowest rates of black male joblessness in the Frostbelt in 1970 to among the highest by 1990 and thereafter. As Table 18 shows, the number of black males employed in manufacturing declined by almost 3,000 between 1970-2000 (even as Milwaukee's working-age black male population was growing by almost 30,000 during this period). Manufacturing was a critical source of jobs for Milwaukee's black males through the 1970s, and, to a greater degree than anywhere else in the Frostbelt, industrial decline fundamentally diminished black male employment opportunities in the city.[22]

Table 18:

Race and Manufacturing Employment in Milwaukee: 1970-2000

(number of males employed in manufacturing,
by race and place of residence)

	Black		White		Hispanic	
PLACE	**1970**	**2000**	**1970**	**2000**	**1970**	**2000**
City	10,970	7,527	70,112	17,583	1,764	5,631
Suburbs	93	629	69,725	70,496	756	2,103
Metro Milwaukee	11,063	8,156	139,837	88,079	2,420	7,734

Source: U.S. Bureau of the Census, *Census of Population: Characteristics of the Population, Wisconsin*, 1970*;* U.S. Bureau of the Census, *American Factfinder, Census 2000* (Table PCT 85)

Second, although Milwaukee's deindustrialization is often carelessly and simplistically attributed to the challenges of "globalization," it has been the *suburbanization* of jobs in metro Milwaukee –including manufacturing-- that has contributed mightily to the region's crisis of black male joblessness. Contrary to the image of a deindustrializing region, the number of males employed in manufacturing and living in Milwaukee's suburbs, regardless of race or ethnicity, has actually increased since 1970; but, of course, the overwhelming majority (96.3 percent) of these suburban-based manufacturing workers are white. In fact, as Table 19 shows, the number of manufacturing jobs located in Milwaukee's "exurban" suburbs of Ozaukee, Washington, and Waukesha Counties has tripled since the early 1960s.[23] On the other hand, the city of Milwaukee –where, as we have seen, over 90 percent of the region's black male working-age population lives—has lost over 70 percent of its manufacturing jobs since the 1960s. By 2002, in

fact, there were *twice* as many manufacturing jobs in the exurban counties of metro Milwaukee than in the city, the putative industrial center of the region.

The suburbanization of manufacturing, of course, reflects the larger decentralization of the Milwaukee region's overall employment base that has been underway for over 30 years. Since 1980, all of the net job growth in metro Milwaukee has been in the suburbs, with the largest increases in the exurban counties (see Table 20). The city of Milwaukee has lost almost 18 percent of its job base since 1980. Although the job location data presented here run only through 2002, data on the employment of residents suggests that economic decentralization continues unchecked in the Milwaukee region. According to the federal Bureau of Labor Statistics, metro Milwaukee as a whole has experienced employment decline since 2000, but it has been in the city of Milwaukee where the decline in the number of employed residents has been the greatest (7.2 percent between 2000-2005). Despite boosterish talk of a Milwaukee "renaissance" in recent years, the hollowing out of the city's employment base has continued unabated.

Table 19

The Suburbanization of Manufacturing in Metro Milwaukee: 1963-2002

Number of manufacturing jobs located in various jurisdictions

YEAR	CITY OF MILWAUKEE	MILWAUKEE COUNTY SUBURBS	EXURBAN COUNTIES*	% OF REGION INDUSTRIAL JOBS IN CITY
1963	119,284	56,051	24,858	59.6%
1967	118,600	62,500	35,400	54.8%
1977	91,400	62,200	50,500	44.8%
1982	77,900	51,400	51,100	43.2%
1987	63,900	43,100	57,000	40.0%
1997	46,467	40,466	78,210	28.1%
2002	34,957	32,654	71,386	25.1%
% change, 1963-2002	-70.7%	-41.7%	+187.1%	
% change 1982-2002	-55.1%	-36.5%	+39.7%	

*Ozaukee, Washington, and Waukesha Counties

Source: U.S. Bureau of the Census, *County and City Data Book* (various years);
U.S. Bureau of the Census, *Economic Census: Geographic Area Series* (various years).

Table 20:

Where Milwaukeeans Work: The Decentralization of Jobs in Metropolitan Milwaukee, 1980-2000

Number of jobs located in various jurisdictions

YEAR	CITY OF MILWAUKEE	MILWAUKEE COUNTY SUBURBS	EXURBAN COUNTIES	% OF REGION'S JOBS IN CITY
1980	331,982	161,282	165,966	50.2%
1990	314,960	168,634	227,457	44.3%
2000	285,260	178,654	296,676	37.5%
2002	273,014	185,380	301,321	35.9%
% change 1980-2002	-17.8%	+14.9%	+81.6%	

Sources: U.S. Bureau of the Census, *Journey To Work* (1980, 1990, 2000); U.S. Department of Housing and Urban Development, *State of the Cities Data System: County Business Patterns Special Extract* (2002); U.S. Bureau of the Census, *County Business Patterns* (2002)

Table 21:

Where Workers Live: Employed Residents in Metro Milwaukee, 2000-2005

Number of employed working-age residents, by place of residence

YEAR	CITY OF MILWAUKEE	MILW. CO. SUBURBS	EXURBAN COS.
2000	268,473	189,617	320,352
2001	262,951	187,676	319,294
2002	255,879	183,287	315,810
2003	252,032	180,987	316,858
2004	249,622	180,888	318,386
2005	249,095	180,506	317,715
% change 2000-2005	-7.2%	-4.8%	-0.8%

Source: U.S. Department of Labor, Bureau of Labor Statistics, *Local Area Unemployment Statistics* (2000-2005). Annual employment averages.

Finally, the suburbanization of jobs in metropolitan Milwaukee, especially in manufacturing, has combined with the region's entrenched residential segregation to produce a "spatial mismatch" in the regional labor market. This mismatch has severely limited employment possibilities for the region's black males. To put it bluntly: the overwhelming majority of the region's working-age black males live in a city with an eroding employment base, while all of the net job growth in the region is occurring in exurban areas where few blacks live and to which

city-based minority workers have minimal transportation access.[24] Table 22 shows the degree to which the suburban labor market is *terra incognita* for black workers in Milwaukee.[25] Through 2000, just over 8,500 black workers in metropolitan Milwaukee –only 11 percent of all black workers in the region—had secured employment in the exurban counties, representing a tiny fraction of the exurban workforce. By contrast, 43.1 percent of the region's white workers were employed in the exurban counties in 2000. This racial disparity is equally apparent when we take into account *all* suburban employment (i.e. the exurban counties and the Milwaukee County suburbs). While 29.7 percent of metro Milwaukee's black workers were employed in the suburbs in 2000, 67.1 percent of the region's white workforce held a job in suburbia. These data run through 2000, but given the stagnant job growth *throughout* the regional labor market over the past five years, there is no reason to believe that Milwaukee's spatial mismatch has improved since then.[26]

Table 22:

Where Do Blacks Hold Jobs in Metro Milwaukee?

LOCATION	TOTAL WORKFORCE	BLACK WORKFORCE	BLACK % OF TOTAL
City of Milwaukee (excluding downtown)	222,674	41,432	18.6%
Downtown Milwaukee	62,645	8,345	13.3%
Milwaukee County Suburbs	178,605	14,649	8.2%
Waukesha County	208,470	6,553	3.1%
Washington County	48,400	1,250	3.2%
Ozaukee County	39,130	1,250	2.7%
Metro Milwaukee (total)	760,014	72,960	9.6%

Source: CED analysis of U.S. Census Transportation Planning Package (CTPP) data on place of work, based on 2000 census.

Although all of metro Milwaukee's net job growth has occurred in exurbia in recent years, downtown Milwaukee has been one of the few bright spots in an otherwise dismal city labor market since the early 1990s. Downtown Milwaukee gained 3,442 jobs between 1994 and 2004, according to the U.S. Census Bureau.[27] However, as Table 22 shows, blacks made up only 13.3 percent of the downtown workforce, according to the 2000 census. What's more, over three-fifths (61.2 percent) of these workers earned under $25,000 a year.[28] In short, not only has job growth in downtown Milwaukee provided few employment opportunities for black workers, but, in addition, the bulk of downtown jobs secured by blacks do not pay a family-supporting wage.[29]

In sum, a convergence of trends --deindustrialization, suburbanization, and racial segregation-- has systematically diminished the employment prospects for black males in Milwaukee since the 1970s. These developments are common, of course, to all Frostbelt metropolises; but, Milwaukee's uniquely low rate of black suburbanization, combined with a historically high reliance of Milwaukee's black male workers on now-vanishing manufacturing jobs, has produced a particularly acute employment crisis for black males in the city. Milwaukee's especially pronounced mismatch between the geography of race and the geography of job growth has helped generate persistent, high rates of black male joblessness in the region.

Two other factors –intra- and inter-regional disparities in educational attainment as well as the age structure of Milwaukee's black male community-- also help explain both racial differences in male joblessness in Milwaukee, as well as why the employment picture for black males is especially dismal here compared to other cities and regions. First, as is well established, educational attainment is a critical variable shaping employment prospects in increasingly post-industrial, knowledge-based economies. There is a substantial racial gap in male educational attainment in Milwaukee; in the metropolitan area, for example, white males are almost *three times* as likely as black males to hold college, professional, or advanced degrees, a disparity that mirrors the racial disparity in male joblessness.

Table 23:

Milwaukee's Racial Gap in Educational Attainment

% of males, 25 and older, with high school, college or advanced degrees, by race

	% High School grad (includes some college)		% college, professional/ or advanced degree	
PLACE	**BLACK**	**WHITE**	**BLACK**	**WHITE**
City of Milwaukee	58.9%	58.9%	8.4%	18.5%
Metropolitan Milwaukee	58.1%	57.4%	9.9%	28.5%

Source: U.S. Bureau of the Census, *American Factfinder*, Census 2000 Summary File 4

The elevated rate of black male joblessness in Milwaukee compared to other Frostbelt cities and regions also appears to be attributable, to some extent, to inter-regional disparities in educational attainment among black males. High school graduation rates among black males are similar in Milwaukee and other Frostbelt cities and regions. However, Milwaukee lags considerably behind most other Frostbelt metropolises in the percentage of black males holding college, professional, or advanced degrees (see Tables 24 and 25).

Table 24:

Comparative Educational Attainment of Black Males In Frostbelt Cities

% of black males, 25 and older, with high school, college or advanced degrees

CITY	% HIGH SCHOOL GRADUATE*	% COLLEGE, PROFESSIONAL, OR ADVANCED DEGREE
Baltimore	54.4%	8.7%
Boston	56.2%	16.0%
Buffalo	60.8%	9.1%
Cincinnati	57.3%	9.9%
Chicago	56.6%	12.2%
Cleveland	59.2%	5.5%
Columbus	62.6%	14.5%
Detroit	60.0%	8.2%
Indianapolis	61.4%	13.3%
Kansas City	61.7%	10.7%
Milwaukee	58.9%	8.4%
Minneapolis	60.7%	15.3%
Philadelphia	57.2%	9.6%
Pittsburgh	60.2%	11.7%
St. Louis	56.0%	8.0%
AVERAGE-15 cities	**58.9%**	**10.7%**

Source: Same as Table 23 *includes some college work and associate degrees

Second, the age structure of Milwaukee's working-age black male population also contributes partially to explaining racial disparities in male joblessness in the city and region, as well as differences in black male joblessness between Milwaukee and other Frostbelt metropolises. Younger workers –those between the ages of 16 and 24—are more likely to be jobless in all cities and regions; as Tables 2 and 3 showed, Milwaukee is no exception. But, in

Milwaukee, a much higher proportion (28.0 percent) of working-age black males than white males (13.7 percent) fall into the 16 to 24 year-old age category; thus, as a younger community, working-age black males in the aggregate in Milwaukee are more likely to be jobless than white males.[30]

Table 25:

Comparative Educational Attainment of Black Males In Frostbelt Metropolitan Areas

% of black males, 25 and older, with high school, college or advanced degrees

METROPOLITAN AREA	% HIGH SCHOOL GRADUATE*	% COLLEGE, PROFESSIONAL, OR ADVANCED DEGREE
Baltimore	56.6%	14.4%
Boston	54.9%	21.5%
Buffalo	57.9%	9.9%
Cincinnati	59.4%	12.3%
Chicago	58.1%	14.3%
Cleveland	61.0%	9.8%
Columbus	61.7%	15.5%
Detroit	59.9%	11.1%
Indianapolis	61.4%	14.0%
Kansas City	62.1%	13.8%
Milwaukee	58.1%	9.9%
Minneapolis	59.4%	20.9%
Philadelphia	58.3%	12.2%
Pittsburgh	63.4%	13.0%
St. Louis	59.9%	11.9%
AVERAGE-15 cities	**59.5%**	**13.6%**

Source: Same as Table 23 *includes some college work and associate degrees

In the same vein, the "youth" component of Milwaukee's working-age black male population is higher than in every other large Frostbelt city. Moreover, as Tables 26 and 27 show, Milwaukee's younger black male population is also significantly less likely than black male counterparts in other Frostbelt cities and metro areas to have attended college or secured

bachelor's or more advanced degrees. Only 16.1 percent of metropolitan Milwaukee's black males between the ages 18 to 24 reported various levels of post high-school education in 2000, compared to an average of 27.7 percent in the "benchmark" Frostbelt regions (see Table 27). This combination of comparative youth and limited educational attainment among Milwaukee's working-age black males clearly is a factor shaping the region's labor market.

Table 26:

Comparative Educational Attainment of Young Black Males In Frostbelt Cities

% of black males, ages 18-24, with high school degree and at least some college attendance

CITY	% HIGH SCHOOL GRADUATE	% POST HIGH SCHOOL EDUCATION*
Baltimore	35.7%	25.3%
Boston	31.6%	34.2%
Buffalo	34.2%	28.2%
Cincinnati	28.6%	24.0%
Chicago	32.7%	27.0%
Cleveland	30.3%	18.5%
Columbus	34.0%	33.2%
Detroit	35.7%	24.1%
Indianapolis	30.9%	27.1%
Kansas City	36.4%	23.3%
Milwaukee	36.4%	15.3%
Minneapolis	30.8%	25.7%
Philadelphia	36.8%	25.8%
Pittsburgh	36.3%	33.9%
St. Louis	35.7%	18.3%
AVERAGE-15 cities	**33.7%**	**25.6%**

*Includes: some college attendance, associate degree, bachelor's degree, advanced and professional degrees.
Source: U.S. Bureau of the Census, *American Factfinder*. Census 2000 Summary File 4. Table PCT 65

Table 27:

Comparative Educational Attainment of Young Black Males In Frostbelt Metropolitan Areas

% of black males, ages 18-24, with high school degree and at least some college attendance

METROPOLITAN AREA	% HIGH SCHOOL GRADUATE	% POST-HIGH SCHOOL EDUCATION*
Baltimore	34.9%	29.9%
Boston	31.6%	37.0%
Buffalo	30.5%	30.2%
Cincinnati	30.2%	26.3%
Chicago	33.6%	29.6%
Cleveland	32.3%	21.7%
Columbus	32.8%	31.4%
Detroit	35.0%	26.8%
Indianapolis	31.9%	26.1%
Kansas City	38.9%	25.6%
Milwaukee	36.6%	16.1%
Minneapolis	31.9%	29.2%
Philadelphia	34.7%	28.4%
Pittsburgh	38.4%	33.2%
St. Louis	35.4%	23.5%
AVERAGE-15 cities	**33.9%**	**27.7%**

*Includes: some college, associate degree, bachelor's degree, advanced and professional degrees
Source: U.S. Bureau of the Census, *American Factfinder*. Census 2000 Summary File 4. Table PCT 65

However, although clearly part of the picture, these educational and demographic issues are hardly determinative in explaining Milwaukee's black male joblessness. Chicago, Cleveland and Buffalo, for example, with lower "youth components" of their black male working-age populations than Milwaukee,[31] nevertheless had comparable rates of black male joblessness in 2005. Pittsburgh recorded a black male jobless rate in the city of 55.9 percent in 2005, despite a rate of post-high school education among young black males more than twice as high as Milwaukee's. Clearly, in many settings, macroeconomic and other socio-economic factors trump education and demography in shaping labor market outcomes.

Nevertheless, these educational and demographic factors –added to the issues of deindustrialization, suburbanization, and segregation analyzed earlier—underscore the complicated forces shaping Milwaukee's crisis of black male joblessness. These are daunting structural challenges requiring bold and comprehensive policies; however, Milwaukee's policy response to this jobs crisis has been anything but "bold and comprehensive." Moreover, as we shall see, the main strategies currently pursued in Milwaukee are unlikely to make much of a dent in the city's soaring rate of black joblessness.

VI. *Local Policy and the Crisis of Black Male Joblessness in Milwaukee*

Although Milwaukee's black male jobless rate first climbed over 50 percent by the early 1980s, Milwaukee's civic leadership hardly attacked the problem with urgency or aggressiveness. Henry Maier was Milwaukee's mayor for 28 years, between 1960-1988, and the problems of inner city poverty and joblessness in the city's burgeoning black community were not, to put it mildly, policy priorities during his tenure. Therefore, notwithstanding the surge in black joblessness during Maier's tenure, it is not surprising that little attention was paid to the issue as city leaders adopted, in the words of one analyst, a "see-no-evil-hear-no-evil tendency."[32]

Maier's successor as mayor, John O. Norquist, also saw little need for energetic government action, despite black male jobless rates that never dipped below 40 percent during his tenure. The city, in Norquist's view, was an "efficient marketplace," and activist government –which Norquist likened to "building a city on pity"-- was likely to create more economic problems than it solved, he believed.[33] Indeed, Norquist adopted the curious stance that predominantly black inner city neighborhoods in Milwaukee, despite pervasive and increasing poverty, actually contained higher purchasing power –and hence presumably more "market-based" economic development potential—than the seemingly more prosperous and rapidly growing suburbs ringing the city. Thus, one of his main responses to the crisis of black joblessness in the city was to publicize "purchasing power profiles" that would encourage heretofore-reticent developers to recognize Milwaukee's "efficient" yet untapped markets, invest in the central city and presumably create jobs.[34] The job-creation efficacy of Norquist's market fundamentalism was unimpressive: during his tenure as mayor, the number of employed

residents in the city of Milwaukee declined by nearly 10 percent, and among the nation's 50 largest cities, Milwaukee ranked 47th in employment growth –hardly propitious "market" conditions to alleviate the crisis of black male joblessness.[35] Unsurprisingly, over Norquist's four terms as mayor the city's black male jobless rate jumped substantially, by more than17 percent.[36]

In the early 1990s, the issue of black joblessness did briefly move to the forefront of Milwaukee's political agenda. The catalyst was the vociferous political theatre of Alderman Michael McGee (Sr.), who threatened violence if the city's crisis of black joblessness and inner city poverty were not alleviated by 1995. McGee's heated rhetoric generated embarrassing national publicity for Milwaukee, including coverage by *The New York Times* and CBS' *60 Minutes*, and prompted the city's business elite to establish an "Minority Employment Task Force." Co-chaired by the quintessential political odd couple --McGee and Hal Kuehl, head of Greater Milwaukee Committee (GMC) and CEO of the First Wisconsin bank-- the chief policy outcome of this task force was the creation in 1992 of the GMC's "Employer Accords Program." A voluntary program in which participating companies agreed to a goal that at least 10 percent of their new hires would be minorities, the accords generated about 8,500 new minority hires by 2000, according to the GMC.[37] The Employer Accords, however, were more a symbolic policy response than a real jobs program. Whatever increased minority hiring occurred through the accords was inadequate to keep pace with growth in the city's black working-age population and effectively combat joblessness; in fact, between 1990 and 2000, the black male jobless rate in Milwaukee *rose* from 43.5 to 47.3 percent (see Table 16).

Today, Milwaukee Mayor Tom Barrett and the region's corporate leadership in the GMC and MMAC appear to have settled into a three-pronged "jobs strategy" to combat predominantly minority inner city joblessness: workforce development, minority entrepreneurship, and regionalism.[38] All are worthy policy objectives and, in principle, can contribute to improving the local labor market. All, however, are deeply flawed as cornerstones of a local jobs strategy; in particular, without other more direct job creation policies, these approaches are unlikely to have a significant impact on the crisis of black male joblessness in Milwaukee.

First, let's consider workforce development and job training, which have become the mantras of virtually every "jobs" strategy in Milwaukee since the mid-1990s. The list of training-centered jobs initiatives in Milwaukee is long and growing: the Wisconsin Regional Training Partnership (1992); the Milwaukee Jobs Initiative (1997); the Initiative for a Competitive

Milwaukee (2002); the "GROW" initiative (2005); and the Regional Workforce Alliance (2006) – to say nothing of the substantial, ongoing training operations of area technical colleges and private industry councils. In February 2007, Mayor Barrett proposed yet another training program: a "Mayor's Office of Workforce Development," which would be an "employer-demand driven system," coordinating existing services and eliminating duplication.[39] Barrett squarely placed his proposal in the context of the need to attack the crisis of black male joblessness in Milwaukee: "In a city where in some neighborhoods, 58% of African-American men are not employed, I am not going to take a passive role," said the mayor.[40]

Yet, on the face of it, Barrett's workforce development plan appears no different than the "training-is-the-answer" initiatives that have preceded it. All have promised to be "employer-driven," streamlined, and coordinated; thus, these intentions hardly mark the Barrett plan as a new departure. Yet, the earlier training initiatives have all fallen short in alleviating Milwaukee's employment crisis. For example, the Milwaukee Jobs Initiative (MJI), sponsored by the Greater Milwaukee Committee, was touted as a "new" kind of training program, one that would "build well-marked routes from the neighborhoods to jobs with career potential," providing "transition to work" support, and involving employers to design" special orientation and training programs in collaboration with trade associations, educators, union officials, and community leaders."[41] "This is a new jobs initiative that actually is working," said Robert H. Milbourne, then-executive director of the GMC. "It is employer-linked," said Milbourne. "We go to the employer first, and therefore, when people are trained, they receive training, not just for the hope of getting a job, but for real jobs that exist before the training begins."[42] However, seven years after the MJI was launched, foundation funding[43] ran out and it was abandoned, having self-reported the placement of a paltry 2,100 workers in jobs over the life of the initiative.

Closely linked to MJI was the Wisconsin Regional Training Partnership (WRTP). Created in 1992 and still operating today, WRTP is a self-described labor market "intermediary," pulling together a consortium of manufacturers, unions and public sector partners "to support the creation of high-performance workplaces and quality jobs in the Milwaukee region." The WRTP claims to have assembled almost 100 member firms in the consortium, with combined employment of 65,000 in metro Milwaukee manufacturing.[44] The "value-added" to the regional labor market by WRTP is described as follows:

> At the core of the partnership are a series of channels for active communication and planning between employers and unions…Most of the employers either have or will have an on-site training center that provides continuous training and skill upgrading. A key component is the development of industry-specific skill standards, by employers, unions, and technical colleges in the region…. In addition, the partnership has embarked on two major initiatives to systematize access to entry-level jobs (a youth apprenticeship program and a training program for inner-city residents).[45]

WRTP has garnered national attention as a "model" regional training network, and the president of the Greater Milwaukee Committee, representing the city's business elite, says: "The workforce development programs of WRTP have become an important economic development asset for economic growth and prosperity in our region."[46] But, the praise seems extravagant -- as do claims of the partnership's impact on the Milwaukee labor market.[47] According to the program's architects: "The aggregate results of the WRTP are impressive. Taken together, WRTP members have stabilized manufacturing employment in the Milwaukee metro area, and indeed contributed about 6,000 additional industrial jobs to it…Direct training reaches some 6,000 workers (one-quarter of whom are people of color)…"[48]

In fact, since WRTP began operating in 1992, manufacturing employment –the target of the partnership—has not "stabilized": it has declined by an astonishing 37 percent in the city of Milwaukee, the epicenter of partnership activity, and by 14 percent for metropolitan Milwaukee as a whole.[49] Moreover, several companies listed as WRTP members –Tower Automotive, Master Lock, and Johnson Controls—were responsible for significant layoffs and plant closings in Milwaukee's inner city during the 1990s (and beyond) when WRTP was allegedly "reforming" labor relations at member companies.[50] Hyperbolic claims about the impact of WRTP may have generated substantial foundation grants and consulting contracts for the partnership, but there is very little evidence that this workforce development program has had a significant impact on local job creation or the functioning of the Milwaukee regional labor market.

Why have these past workforce development efforts failed to reduce Milwaukee's black male jobless rate – and why is the Barrett administration's new plan, as well as other new training programs in the region, equally unlikely to succeed? The answer is simple: workforce development policy in Milwaukee and elsewhere is based on the fallacious assumptions that enough jobs exist for properly trained workers, or that with adequate training enough private-sector jobs will materialize for all workers. As Louis Uchitelle has written in his important book,

The Disposable American: Layoffs and their Consequences: "The myth –promoted by economists, educators, business executives, and nearly all of the nation's political leaders, Democrats and Republicans alike—holds that in America's vibrant and flexible economy there is work, at good pay, for the educated and skilled. The unemployed need only to get themselves educated and skilled and the work will materialize. Education and training create jobs, according to this way of thinking."[51]

This is a "supply-side" approach to the labor market: train the unemployed and they will be prepared for skilled jobs that currently go unfilled in metropolitan areas, or new jobs will be created by private employers to take advantage of increasing skills in the workforce.[52] However, as Timothy Bartik of the Upjohn Institute has pointed out, "a key limitation of labor supply programs is that…they do nothing to create additional jobs for the poor."[53] Thus, Bartik argues, when we "train low-education persons and then push them into the labor market, the private labor market will not create a sufficient number of jobs to employ all these labor market entrants. One possibility is that one-third to two-thirds of the labor market entrants will fail to obtain jobs. Alternatively, if more of the new entrants obtain jobs, their success will come at the expense of other low-education workers who will lose jobs, displaced because fewer job vacancies will be available." Moreover, without policies to increase the *demand* for labor, increasing the supply of new workers (regardless of their "customized" job training) will exert downward pressure on the wages of all low- to moderate-skill workers. In other words, particularly in stagnant labor markets like Milwaukee's, what labor economist Gordon Lafer has called the "job training charade" will fail to significantly improve employment prospects for the jobless; moreover, absent job creation policies to increase the demand for low- and moderate-skilled labor, "supply side" policies like job training can have the perverse impact of depressing wages and increasing

the number of the working poor.[54] Thus, concludes Lafer:

> Whatever the problem, it seems, job training is the answer. The only trouble is, it doesn't work, and the government knows it. The most comprehensive evaluation of training programs, conducted by the Department of Labor, followed 20,000 people over four years. For the vast majority, the government concluded that training made no difference at all.
>
> It is tempting to think that these meager results are due to mismanagement in one program. However, every training program reports similar anemic outcomes, whether publicly or privately run, for welfare recipients, high school dropouts or laid-off union workers. Indeed, in studying more than 40 years of job training policy, I have not seen one program that, on average, enabled its participants to earn their way out of poverty.[55]

Unfortunately, civic leadership in Milwaukee –from Mayor Barrett to the presidents of the MMAC and GMC to the editorial board of the *Milwaukee Journal Sentinel*-- has apparently adopted the myth that there enough jobs paying a living wage in metropolitan Milwaukee for all able-bodied jobless; that the core of Milwaukee's employment problem is that it suffers from a shortage of skilled workers (a "jobs-skills mismatch") rather than a shortage of jobs; and that therefore job training should be the centerpiece of a local "jobs strategy." As the *Journal Sentinel* recently editorialized on Barrett's workforce development plan: "Too many people, especially those in the city, go without work while blue-collar jobs in area companies with good wages and benefits go unfilled."[56] And this from Julia Taylor and Tim Sheehy, presidents of the GMC and MMAC, respectively: "Our call to action as a community is to meet the need for a skilled work force and to link our inner city residents to jobs. *The jobs are already here*. Daily, calls come from employers looking for a prepared work force (emphasis added)."[57]

The jobs are already here? This is quite a statement in a region that has experienced a four percent employment decline since 2000 (with a seven percent drop in the city of Milwaukee alone).[58] In fact, much more than a *skills* shortage, metro Milwaukee faces an imposing *jobs* shortage. As Table 28 shows, there is a huge gap in the Milwaukee region between the number of jobless, and the number of available jobs, a gap that has increased significantly since 2000 as the region's job creation machinery has sputtered. Put another way, there simply are not enough jobs available in the region to provide full-employment to the working-age population –a sobering reality that is further complicated, as we examined earlier, by racial segregation and a spatial mismatch between the inner city jobless and the location of available jobs in the region.

Data on job vacancies in metropolitan Milwaukee are available from an annual survey of employers conducted for the Milwaukee County Private Industry Council by the University of Wisconsin-Milwaukee Employment and Training Institute. To calculate whether "the jobs are already here" or whether Milwaukee suffers from a jobs shortage, we have compared these job availability numbers, in 2000 and 2005, with the number of working-age jobless during those years, by race and sex, in Milwaukee. For the purposes of this analysis, we have excluded from the tabulation of the jobless: 1) teenagers (many of whom are students or otherwise voluntarily not in the labor force); and 2) working-age females not in labor force, many of whom are out of the labor force for voluntary reasons (such as "stay-at-home" mothers). We know, however, that at least some teenagers and working-age females are clearly *involuntarily* out of the labor force; thus, the large gap we have calculated between "available workers" and "available jobs" is a *conservative* estimate that actually *understates* the extent to which there is a job shortage in metro Milwaukee for the working-age population.

In 2000, as Table 28 shows, metro Milwaukee had 91,676 potential job-seekers (working-age residents between the ages of 20-64 who were unemployed or out of the labor force), but employers reported only 38,314 job vacancies; thus, metro Milwaukee faced a shortage of 53,362 jobs. By 2005, this job gap had grown to 88,294. There were six jobless Milwaukeeans for every available job in 2005; there were an astounding *nine* jobless for every available *full-time* job.[59] *In fact, in 2005 there were more jobless working-age black males alone (20,768) than there were total job vacancies (18,772) in metropolitan Milwaukee.*

Table 28:

Metro Milwaukee's Job Gap: 2000-2005
The Gap Between Available Jobs and the Jobless in the Region

number of residents, ages 20-64, by race and sex, either
officially unemployed or not in the labor force; and
number of job vacancies reported in employer survey

2000

GROUP	UNEMPLOYED	OUT OF LABOR FORCE	TOTAL JOBLESS
White Males	9,160	36,809	45,969
Black Males	5,801	16,572	22,373
Hispanic Males	1,837	6,704	8,541
All Females	14,793	N/C	14,793
Total (A)	31,591	60,085	91,676

Job Vacancies	Full-Time	Part-Time	Total Vacancies
Total (B)	24,242	14,072	38,314

Shortage of Available Jobs (A minus B)	53,362

2005

GROUP	UNEMPLOYED	OUT OF LABOR FORCE	TOTAL JOBLESS
White Males	15,159	41,378	56,537
Black Males	6,004	14,764	20,768
Hispanic Males	4,510	5,119	9,629
All Females	20,132	N/C	20,132
Total (A)	45,805	61,261	107,132

Job Vacancies	Full-Time	Part-Time	Total Vacancies
Total (B)	12,381	6,391	18,772

Shortage of Available Jobs (A minus B)	88,294

N/C = not calculated

Sources: U.S. Bureau of the Census, *Census 2000, Summary File 4*; U.S. Bureau of the Census, *American Community Survey, 2005;* and University of Wisconsin-Milwaukee, Employment and Training Institute, *Milwaukee Area Job Openings Survey, May 2006*, p. 14; and University of Wisconsin-Milwaukee Employment and Training Institute, *Survey of Job Openings in the Milwaukee Metropolitan Area: Week of May 15, 2000*, p. 1.

These job gap calculations make abundantly clear just how misguided is the diagnosis of the local labor market by Mayor Barrett and the leaders of the GMC and MMAC. Given Milwaukee's gap between available jobs and available workers, public policy predicated on the belief that "the jobs are already here" and that a new office of workforce development constitutes

a "jobs strategy" is a recipe for failure and will do little to bring down Milwaukee's staggeringly high rate of black male joblessness. To repeat: it is a *jobs* shortage, much more than a *skills* shortage that plagues the Milwaukee economy.

This point is further underscored when we look at the skills requirements for occupations that have been identified by the Bureau of Labor Statistics as those likely to exhibit the greatest growth in the next decade. As Table 29 shows, the vast majority of

Table 29:

The 10 Occupations With Largest Projected Job Growth Nationally, 2004-14

Numbers of jobs in thousands

OCCUPATION	2004	2014	#	MOST SIGNIFICANT SOURCE OF POST-SECONDARY EDUCATION OR TRAINING
Retail Salespersons	4,256	4,992	736	Short-term on-the-job training
Registered Nurses	2,394	3,096	702	Associate degree
Postsecondary teachers	1,628	2,153	525	Doctoral degree
Customer service reps	2,063	2,534	471	Moderate-term on-the-job training
Janitors and cleaners	2,374	2,813	439	Short-term on-the-job training
Waiters and waitresses	2,252	2,627	375	Short-term on-the-job training
Food preparation and serving workers	2,150	2,516	366	Short-term on-the-job training
Home health aides	624	974	350	Short-term on-the-job training
Nursing aides, orderlies, attendants	1,455	1,781	326	Postsecondary vocational award
General and operations managers	1,807	2,115	308	Bachelor's or higher degree, plus work experience

Source: Bureau of Labor Statistics, (www.bls.gov/news.release/ecopro.t06.htm)

projected job growth is in occupations requiring short-term, on-the-job training. True, many of these jobs are part-time and do not pay family-supporting wages; but that's an issue that requires changes in labor market rules (i.e. higher minimum wage, easier unionization) rather than more job training. "Any individual may benefit from education," writes Gordon Lafer, but the bottom line is that "most jobs do not require much in the way of sophisticated training. Fully two-thirds of American jobs are in occupations that do not require a college degree."[60] The same situation

exists in metropolitan Milwaukee: according to the survey by the UWM Employment and Training Institute, 69 percent of the available jobs in the region in May 2006 did not require a college degree.[61]

All these data suggest that the primary need in Milwaukee is not improved job training, but rather policies that increase the *demand* for low- to moderate-skilled labor and attack the critical shortage of available jobs in the region. This is not to say, of course, that workforce development does not play an important role in Milwaukee's labor market system; but, there is no evidence that Milwaukee's current array and structure of training programs is inferior to other cities or regions or explains anything about levels of joblessness here. In the last analysis, as Timothy Bartik argues: "The empirical evidence suggests that labor supply policies [such as job training] are limited because they have only modest effects on helping low-income Americans increase their employment…More targeted labor demand policies are also needed…Empirical evidence suggests that public-service employment programs or wage subsidy programs for private employers can be effective in increasing the employment and earnings of low-income Americans."[62] We shall return shortly to what such labor demand policies might look like in Milwaukee and how they can help alleviate the crisis of black male joblessness here.

The second key element in Milwaukee's emerging strategy to combat high rates of minority joblessness is "minority entrepreneurship." A host of programs to boost minority business ownership in the region have been launched in the recent years: MBE and DBE requirements for projects such as Miller Park, the Midwest Airlines Center, the Marquette Interchange project, and the City Hall restoration; the Urban Entrepreneur Partnership; elements of Midcities Venture Management and Johnson Controls' "Metro Markets" initiatives; and the Initiative for a Competitive Milwaukee which, although acknowledged by one of its consultants to be essentially "dissolved," is still touted by GMC president Julia Taylor as "an effort to start and expand minority businesses."[63]

What is the logic behind minority entrepreneurship as a minority employment strategy? Minority-owned firms tend to hire a higher percentage of minorities than other businesses; thus, increasing the number and scale of minority-owned firms will presumably boost minority employment. As former GMC executive director Robert Milbourne put it, helping minority companies grow will "stimulate economic development among the group of businesses that is in the best position to hire those who need employment among central-city residents."[64]

There are many reasons to support minority entrepreneurship in Milwaukee: expanding business opportunities, enhancing wealth creation in minority communities and diversifying the region's business class are chief among them. Milwaukee ranks near the bottom among U.S. metropolitan areas in minority business ownership according to most recent studies, so there is much to be done here.[65] But, there is strong reason to doubt the efficacy of minority entrepreneurship as a strategy for combating black male joblessness in Milwaukee. We have examined whether there is a correlation nationally in metropolitan areas between levels of high black business ownership and low rates of black joblessness; for the 50 largest metropolitan areas in the country, we found a low correlation of +.249, which translates into a very weak positive relationship between the two variables. This lack of a strong relationship between black business ownership and low black joblessness is illustrated in Table 30, which shows very little variation –and certainly no linear relationship-- in black jobless rates in metro areas ranked by their rates of black business ownership.

The reason why minority business ownership correlates poorly with low minority joblessness in a community and why minority entrepreneurship programs are not prodigious job creators is clear. Even in cities with a relatively high ranking in the rate of minority business ownership, minority-owned businesses employ only a tiny fraction of overall employment. Thus, even large increases in the number of minority-owned firms –typically small businesses with few, if any, employees—will predictably have a tiny impact on overall employment or minority jobless rates.

Table 30

Black Business Ownership and Black Joblessness in Metropolitan Areas

Black jobless rates in nation's 50 largest metro areas, ranked by rate of black business ownership

RANK IN BLACK-OWNED FIRMS PER 1,000 BLACK POPULATION (1997)	AVERAGE BLACK JOBLESS RATE (2000)
Top 10 Metropolitan Areas	43.65%
Metro Areas Ranked 11-20	40.07%
Metro Areas Ranked 21-30	46.78%
Metro Areas Ranked 31-40	44.94%
Metro Areas Ranked 41-50	46.56%

Sources: Metropolitan areas ranking in black-owned firms per 1,000 population calculated in Marc V. Levine, *Minority Business Ownership in Metropolitan Milwaukee in the 1990s: Some Statistical Indicators and Comparisons to the Nation's Largest Metropolitan Areas* (Milwaukee: University of Wisconsin-Milwaukee Center for Economic Development, 2001); Jobless data from U.S. Bureau of the Census, *Census 2000, Summary File 4*

Take, for example, metropolitan Atlanta, generally acknowledged to be one of the country's success stories in minority entrepreneurialism and a powerhouse in promoting black business ownership. Black-owned firms account for just 1.5 percent of the Atlanta region's employment, and just three percent of the city of Atlanta's private-sector jobs. There were only 9,300 employees in black-owned firms in the city of Atlanta in 2002; thus, even doubling that total over a decade –a formidable goal—would have a relatively trivial impact on the city's black jobless rate.[66]

Similarly, in Milwaukee, black-owned firms reported only 6,525 employees in 2002 (under one percent of the region's jobs), a small increase of only 205 employees from 6,320 in 1997 – even in the face of MBE and DBE requirements on major public projects, as well as city's growing portfolio of minority entrepreneurship programs.[67] Although it is likely that more concerted efforts to promote black-business ownership in Milwaukee can improve somewhat on these job growth numbers, simple arithmetic makes it implausible that increases in black business ownership will make more than a trivial contribution to reducing the city's rate of black male joblessness.

Finally, the third key element in Mayor Barrett and corporate Milwaukee's emerging economic development strategy is regionalism. The ill-fated Initiative for a Competitive Milwaukee was to have been the centerpiece of a regionally-oriented inner city revitalization program, containing ambitious plans to connect predominantly minority inner city jobless to growth "clusters" in the regional economy. But, after four years of inaction, the ICM and its "clusters" plan have, as we noted earlier, essentially "dissolved."

Milwaukee's major new regional initiative is the so-called "Milwaukee-7" (M-7), in which the seven counties of southeastern Wisconsin[68] join together in a "Regional Economic Council" whose job it will be "to package the many individual strengths of the seven southeastern Wisconsin counties…and market the region as a whole."[69] The core of the M-7 is a five-year, $12 million marketing campaign to "brand" the region, improve its image, and sell it to businesses shopping for new locations. So far, the M-7 has produced a fancy new web site ("ChooseMilwaukee.com"), lots of rhetoric about regional "cooperation," "competitiveness," "positioning," and "marketing," but precious few specifics about what regionalism could mean for Milwaukee's inner city jobless – beyond the boilerplate language du jour about the need for regional workforce development to prepare for the "global economy." Perhaps an explicit strategy for combating the crisis of black male joblessness in Milwaukee will be part of the

M-7's "economic positioning strategy," the delayed unveiling of which is now slated for spring 2007. "This unique plan" promises leaders of the initiative," will lead to a comprehensive identification of our regional assets and economic opportunities, layered against a backdrop of our distinctive geographic resources and global trends."[70] It remains unclear, however, what that bundle of buzzwords will mean concretely for the jobless in Milwaukee's predominantly black inner city neighborhoods.

Mayor Barrett, in explaining the city's support for the M-7, stated: "I need more family-supporting jobs in this community. I recognize that the city needs the suburbs and the suburbs need the city," and that a job gained in the region will be "everyone's" gain.[71] This is an astonishingly naïve view of Milwaukee's recent economic history, and a flawed analysis of the dynamics of regional labor markets here. As we examined earlier, all of the net job growth in metro Milwaukee over the past two decades has been in the exurban counties. Yet, few minorities secured any of these exurban jobs (see Table 22), and there was no discernible "trickle down" effect of exurban job growth to the city of Milwaukee, where jobless rates for working-age black males continued to soar. Incredibly, in the face of this trend, Barrett told a meeting of the Greater Milwaukee Committee on regional cooperation in 2005: "*Our problem is not so much that the city hasn't grown, but that the suburbs haven't grown enough*." (emphasis added).[72]

The new rhetoric about regional cooperation from the mayor and business leaders is encouraging, but if the M-7 "marketing" campaign succeeds in luring employers to Walworth county –or, for that matter, to the exurban communities of metro Milwaukee—there will be few economic benefits for inner city residents (and black male jobless in particular). Indeed, jobless in the entire city of Milwaukee –regardless of race or gender—will benefit from suburban growth only if explicit policies are put into place to spread the benefits of growth throughout the region, such as tax-base sharing and regional transit linkages. In the most recent regional jobs survey, almost 90 percent of the entry-level job openings in metro Milwaukee were in suburban and exurban locations; only 4 percent were located in the inner city neighborhoods where almost all of the region's working-age black males live.[73] Unless the mayor and other M-7 leaders put into place regional policies to address this spatial mismatch, and embrace regional equity policies in transportation and public finance that could truly enhance the economic prospects of the inner city, then Milwaukee's new era of regional cooperation will be irrelevant for the inner city's predominantly black jobless. However, when the mayor of Milwaukee states that the region's big

challenge is that "the suburbs haven't grown enough," that is a troubling sign of cluelessness about the true nature of the jobs crisis in Milwaukee, a crisis that, in any event, goes beyond the ameliorative capacity of "branding strategies" or the new regional image sought by the mayor and the M-7 leadership.[74]

In sum, the three key elements of Milwaukee's emerging strategy to combat inner city joblessness – workforce development, minority entrepreneurship, and M-7-style regionalism—are seriously flawed. They are all based on a series of false assumptions regarding the job creation process in Milwaukee and a misdiagnosis of the nature of the crisis of inner city joblessness. Once again, this is *not* to deny that workforce development and minority entrepreneurship have an important place in Milwaukee's economic development arsenal; but, as cornerstones of a strategy to combat black male joblessness, they have already been found wanting. And M-7-style regionalism, even at this early stage, looks suspiciously devoid of meaningful strategies –such as regional equity policies—that could spur inner city revitalization and reduce joblessness.

The time has come to fundamentally rethink Milwaukee's approach towards reducing inner city joblessness in general (and black male joblessness in particular). Workforce development, minority entrepreneurship, and M-7 regionalism are inadequate, and traditional economic development policy in Milwaukee –consisting mainly of real-estate development and business incentives—has clearly failed to produce consistent, sustained job growth. What, then, are the alternatives?

VII. *Policy Options: New Directions to Combat Black Male Joblessness in Milwaukee*

The modestly good news on black male joblessness in Milwaukee over the past two years may offer some clues towards identifying promising policy options. As reported in Table 16, Milwaukee's black male jobless rate, after peaking at 51.5 percent in 2003, declined to 44.1 percent in 2005, according to the U.S. Census Bureau's *American Community Survey* (ACS). The ACS, as we've noted, has a rather wide margin of error, so this finding must be interpreted with caution (see Appendix). But if the decline reflects real reduction in the rate of black male joblessness and not just "statistical noise," it is obviously a positive development, even if a jobless rate of 44.1 percent remains unacceptably high.

What factors might account for this change? Clearly, reductions in black joblessness cannot be attributed to propitious macroeconomic trends in the city and surrounding communities during this period: according to the Bureau of Labor Statistics, between 2003-2005 the number of employed residents in the city of Milwaukee fell by 2,937, and declined by 481 in the Milwaukee County suburbs. Any decline in black male joblessness during this period, therefore, was not a matter of the proverbial "rising tide lifting all boats." Milwaukee's economy remained stagnant.

However, one of the largest public work projects in Milwaukee's history was launched during this period, the $810 million Marquette Interchange project. This huge project to rebuild a vital part of the region's highway network not only injected a substantial, Keynesian-style stimulus to the Milwaukee economy, but also contained explicit minority-hiring goals. As a result, direct hiring on the project gave an important boost to minority employment in Milwaukee: through mid-2006, according to WisDOT, 954 minority workers had been employed on the Marquette project, 410 of whom were African American.[75]

Similarly, programs such the city of Milwaukee's "Residents Preference Program" (RPP), mandating hiring preferences on city public works and economic development projects to residents of targeted, low-income neighborhoods, also had a salutary effect on the labor market for minorities (and, presumably, the black male jobless population). By the end of 2005, for example, the $70 million City Hall restoration project reported that workers qualified by RPP performed 20.8 percent of the project's "total onsite construction hours," and minorities secured 27.4 percent of the project's work hours.[76] (The two categories overlap, of course). This means that approximately 220 FTE construction jobs have been secured by minorities on the City Hall restoration project, an excellent example of how public works projects, combined with government regulations, can effectively stimulate the demand for labor, even in an otherwise stagnant local labor market. To be sure, supply-side policies have facilitated this process: the job-readiness, training and placement services of the BIG STEP/WRTP "Center of Excellence" have helped prepare and place candidates for jobs in the skilled trades and industries.[77] But, the linchpin for job growth here was not on the supply side; the catalyst was public investment, combined with hiring regulations, which increased the demand for low- to moderate-skilled minority-community workers. This case supports Timothy Bartik's conclusion that "job training and other labor supply policies also are more effective when overall labor demand is strong."[78]

What are the policy implications of the promising impact on minority employment of the Marquette Interchange and City Hall restoration projects? First, these examples underscore the importance of public investment in creating jobs in a stagnant labor market. Increasing the demand for low- and moderate-skilled workers will be essential to reducing the rate of black male joblessness in Milwaukee. Like older U.S. cities, Milwaukee suffers from aging and, in some cases, crumbling infrastructure, which affects not only the economic productivity of the city and the region, but ultimately quality of life. The American Society of Civil Engineers estimates that across the country there is a pressing need for at least $1.6 trillion in public infrastructure investments.[79] The U.S. Conference of Mayors has made "infrastructure investment and jobs" a top priority.[80] Major investments in renewed infrastructure in Milwaukee –schools and roads, for example, badly in need of replacement and renovation—would not only create immediate jobs for inner city jobless, but would also enhance the long-term economic competitiveness and job-creation machinery of the region.

Let's push this even a step further: a perfect example of such a jobs-producing, competitiveness-enhancing infrastructure investment would be a regional light rail system. Anchored in downtown Milwaukee, a rail transit system could knit the region together economically, enhance productivity by improving commuting efficiency, make it easier for central city jobless to access jobs in growth areas of the region, and stimulate station-area redevelopment. Moreover, combined with muscular regionalism –not the "branding" and "marketing" thrust of the M-7, but a serious regional planning framework—a regional rail system could help slow down suburban sprawl, shape regional land use in economically productive and environmentally sound ways, and help encourage private reinvestment in the urban core.

In its political resistance to light rail, Milwaukee is increasingly isolated among U.S. cities. "Peer" cities such as Baltimore, St. Louis, and Minneapolis have invested in rail systems in recent years, and regions such as Denver and Portland have plans for even more extensive, regional rail networks; in 2004, Denver approved a $4.7 billion bond issue for a twenty-year, 119-mile regional rail transit expansion. 58 percent of voters in Denver and six surrounding counties supported the Denver "FasTracks" investment.

In the November 2006 elections as well, voters across the country -- in conservative "Red States" as well as more liberal "Blue States" --approved a number of local ballot measures for rail transit. Nearly two-thirds of the voters in Salt Lake and Utah counties approved a proposition raising the sales tax to expand the region's light rail and commuter rail systems. In Kansas City, voters approved financing of a $975 million, 27-mile-long light rail line.[81]

Mystifyingly, Milwaukee remains outside of these trends – even in archconservative, anti-big government Texas, cities such as Dallas and Houston have invested in light rail systems. Of the 15 "Frostbelt" regions against which we have benchmarked employment trends in this study, only Milwaukee and Detroit lack a rail transit system in operation, development, or planning.[82] The more that stubborn politicians and know-nothing talk radio hosts in Milwaukee mobilize resistance to light rail, the more the region risks falling further behind our competitors economically, and the more we lose the opportunity for a "big bang" investment that could ameliorate the labor market for low- to moderate-skilled workers, and have a real impact in reducing the rate of black male joblessness in this community. If the M-7 leadership truly wishes to harness "regional cooperation" to both improve the economic position of the Milwaukee region as well as expand employment opportunities for Milwaukee's jobless, then using the M-7's political capital to promote a regional light rail system should be a top priority.

A second key policy conclusion from Milwaukee's recent history is that targeted hiring standards attached to local investments can improve the employment prospects for minorities and the disadvantaged. The RPP and minority hiring goals on the Marquette project and City Hall restoration helped generate employment for inner city jobless. Such standards should be vigorously pursued (and monitored) on all public works projects in the region; this is a direct way of leveraging existing public investments to meet targeted community employment needs.

But, Milwaukee should go a step further in channeling investment to enhance the employment prospects of those most in need. Historically, one of the central weaknesses of traditional economic development policies has been that business incentives and subsidies have gone to private developers often with little evidence that low-income residents have benefited from these policies. In a growing number of cities around the country, "community benefits agreements" (CBAs) have been attached to major redevelopment projects, to give preferential hiring to inner city residents and minorities, and to require developers receiving public subsidies to meet job creation and wage standards. In Milwaukee, as redevelopment continues, particularly in downtown and surrounding neighborhoods, CBAs offer a way to maximize the likelihood that

working-age black males, as well as all workers living in disadvantaged neighborhoods, will secure living-wage employment as a result of publicly-subsidized redevelopment projects. The Park East corridor CBA, enacted by Milwaukee County, is one example of a local CBA, but the city of Milwaukee should also routinely attach CBAs to agreements with individual developers as well redevelopment zones such as the Park East corridor.

Finally, as we examined earlier in this report, a key element differentiating the situation facing working-age black males in Milwaukee compared to other Frostbelt regions is the degree to which racial segmentation characterizes the metropolitan labor market. In Milwaukee, only 8 percent of working-age black males lived in the suburbs in 2005, compared to an average of 49 percent in the "benchmark" Frostbelt metropolitan areas. This geographic segmentation, we pointed out, dramatically limits employment opportunities for Milwaukee's working-age black males, concentrated in inner city neighborhoods, generally inaccessible to the more dynamic labor markets of suburban and exurban communities.

Tables 31 and 32 show how jobless rates for working-age black males vary by place of residence in a sample of metropolitan areas. In each case, the black male jobless rates are substantially lower in the suburbs than in the city, for both the entire working-age population (Table 31) as well as "prime working-age males," those between 25 and 54 years old (Table 32).

Table 31:

Why opening up the Suburbs Matters: I

Jobless rates for all working-age black males (ages 16-64)
in selected metropolitan areas, 2005
by place of residence

METROPOLITAN AREA	JOBLESS RATE, BLACK MALES LIVING IN CENTRAL CITY	JOBLESS RATE, BLACK MALES LIVING IN SUBURBS
Atlanta	35.8%	27.0%
Baltimore	39.8%	24.3%
Boston	33.6%	24.3%
Chicago	48.3%	34.9%
Cleveland	49.6%	34.9%
Detroit	48.9%	30.7%
St. Louis	49.2%	35.6%

Source: U.S. Bureau of the Census, *American Community Survey, 2005.*

Table 32:

Why opening up the Suburbs Matters: II

Jobless rates for prime working-age black males (ages 25-54)
in selected metropolitan areas, 2005
by place of residence

METROPOLITAN AREA	JOBLESS RATE, BLACK MALES LIVING IN CENTRAL CITY	JOBLESS RATE, BLACK MALES LIVING IN SUBURBS
Atlanta	25.1%	17.6%
Baltimore	31.3%	13.0%
Boston	24.9%	16.2%
Chicago	37.7%	24.7%
Cleveland	41.3%	23.5%
Detroit	37.9%	20.9%
St. Louis	40.1%	24.4%

Source: U.S. Bureau of the Census, *American Community Survey, 2005.*

The policy implications of these data seem clear: a critical element of a jobs strategy in Milwaukee must involve opening up the suburban labor markets of the region to racial diversity. "Opening up the suburbs" might include several policy options, but the two most important are transportation and housing. Regional transportation policies must be realigned to facilitate the access of central city workers to suburban employment centers; and building affordable housing in the suburbs is essential, so that low- to –moderate-skilled workers, with limited incomes, can live in greater proximity to the location of 90 percent of the region's entry-level job openings. David Rusk, for example, has detailed how in affluent Montgomery County, Maryland –a suburb of Washington, D.C. – "aggressive mixed-income housing policies" have diversified the county and reduced economic segregation.[83] If the M-7 leadership is serious about cultivating "regional cooperation," then developing regional transportation and affordable housing strategies would be an excellent point of departure.

In conclusion, three approaches to regional job creation –investment in public infrastructure, community benefits agreements, and opening up the suburbs—offer promise for alleviating the crisis of black male joblessness in Milwaukee. These strategies are not panaceas for the crisis, and clearly they are not politically expedient policies: there is ferocious political opposition in Milwaukee, for example, to light rail, community benefits agreements, and affordable housing in the suburbs. The current array of metro Milwaukee policies –training, entrepreneurship, and regional "branding"—may be politically more feasible, but, as we have

seen, are unlikely to make a dent in Milwaukee's jobs crisis. As Gordon Lafer points out in *The Job Training Charade*: "Training is popular not because it meets a critical need of any constituency, but because it makes minimal demands on those in power and has little effect in reshaping the labor market."[84] Milwaukee desperately needs "demand-side" policies that reshape the regional labor market, if we are to seriously tackle the problem of black male joblessness here. This is the time for bold action, not political expediency.

The crisis of black male joblessness is complicated, and this study—focused on certain structural economic factors-- covers but a part of the issue. In the long run, human capital – education—is critical to improving Milwaukee's labor market. As we saw in Tables 23-27, the schooling deficit among Milwaukee's working-age black males is generally worse than for black males in other cities, racial gaps in education in Milwaukee and across the country are enormous, and "reconnecting disadvantaged young men" to quality school systems remains a Sisyphusean challenge for policymakers.[85] In addition, recent studies in Baltimore and Chicago have documented the degree to which finding work is increasingly problematic for young black males in an era of mass incarceration.[86] In Baltimore, 52 percent of African American males between the ages of 20 and 30 are "under the control of the criminal justice system": in jail or prison, or on probation or parole.[87] Milwaukee's situation is comparable: according to recently released report by John Pawasarat at the University of Wisconsin-Milwaukee, an estimated 40 percent of African American males ages 25 through 29 currently living in Milwaukee County have spent time in the Wisconsin corrections system; 42 percent of 30-34 year olds have likewise been incarcerated.[88] At a minimum, such social realities constitute important "barriers to employment" and complicate the potential impact of the labor market strategies we have explored here.

But, notwithstanding the complexities of improving urban education or grappling with the sociology of inner city life, generating aggregate job growth is *a sine qua non* for alleviating the crisis of black male joblessness. The policy options we have outlined are just a starting point and certainly are not a panacea. But increasing the demand for low- and moderate-skilled labor in Milwaukee can reduce black male joblessness and at least bring Milwaukee's rates more in line with other Frostbelt cities (although, of course, rates elsewhere remain too high as well). As we have seen, current policies are unlikely to seriously attack the city's alarmingly high inner city jobless rate, and it is time to rethink local strategy. We can do better.

APPENDIX

Note on Data

This study uses a variety of data sources from the U.S. Bureau of the Census: the decennial census, the economic census, and county business patterns; as well as data on employment from the U.S. Bureau of Labor Statistics.

For the most recent data on race and employment in cities and metropolitan areas, we have used the *American Community Survey* (ACS). A new annual nationwide survey conducted by the U.S. Bureau of the Census since 2001, the ACS is meant to provide annual information on various social, economic, and demographic characteristics of the population ordinarily available every ten years in the decennial census "long form."

However, nationally, the 2005 ACS surveyed about 3 million households, compared to 17 million in the Census 2000 long form; thus, statistically, the ACS data contain larger sampling error than the census long form. The ACS reports this sampling error as "margin of error" alongside estimated values for specific variables.

ACS samples for urban areas, especially when broken down by race and ethnicity, are small enough in some cases to contain rather substantial error margins. For example, the 2005 ACS estimate for the black male jobless rate in metropolitan Milwaukee was 43.1 percent; however, taking into account the margin of error indicated by ACS, the statistical range of possible values for this variable was from 32.6 percent to 53.6 percent. Although this error margin is substantial, it is no greater than the statistical range contained in the local data historically provided by the Bureau of Labor Statistics (and routinely used by researchers and policymakers) on race, ethnicity, and unemployment in its report, *The Geographical Profile of Employment and Unemployment.* For example, in 2002, the most recent BLS report on race and unemployment estimated a black male unemployment rate (note: *not* jobless rate) in Milwaukee of 19.7 percent, with an "error range of rate" of 12.9 to 26.5 percent.

It goes with the territory of small samples on local employment data that there will be a substantial error range, particularly when the sample is broken down into even smaller components by race, ethnicity, and sex. This means, as we note in the study, that care must be exercised in interpreting changes in jobless rates from one year to the next or differences between cities or metro areas, all of which might merely reflect measurement "noise." For

example, in Tables 16 and 17 in this study, there was a substantial annual variation in the rate of Hispanic male joblessness reported by the ACS in Milwaukee between 2002-2004; these inexplicable fluctuations almost surely reflect measurement noise and not genuine shifts in the Hispanic jobless rate.

Similarly, in comparing trends in black male jobless trends between 2002-2005 in our pool of "benchmark" cities and regions, there are a few anomalies in the ACS data. For example, between 2002-2005, there was a huge surge in the rate of black male joblessness in Cleveland and Pittsburgh; both cities rose from the middle of the rankings of Frostbelt cities to having the highest rates of black male joblessness. Yet, as the table below illustrates, the number of working-age black males fluctuates annually in both cities far too much to be credible. It simply is not plausible that the working-age black male population fell in Cleveland by 20.8% (13,106 men) between 2002-2003, rose the very next year by 34.1% (17,066 men), and then fell again by 12.0% (8,065 men) between 2004-2005. But, that is what the ACS reports. Clearly, the outer limits of sampling error were reached in these cases; but these examples are a warning to draw guarded conclusions on short-term shifts that show up in ACS data. (For the record, the fluctuations in measures of the working-age black male population in Milwaukee in the ACS data were much less volatile than in these cities).

Number of Working-Age Black Males in Cleveland and Pittsburgh, 2002-2005, According to American Community Survey

CITY	2002	2003	2004	2005
Cleveland	63,092	49,986	67,052	58,987
Pittsburgh	17,178	17,358	23,113	21,796

With anomalies such as these, as we note in the study, context and longer time series are important in sorting out genuine trends as opposed to measurement variation; that is precisely what we have provided with the extensive historical data on male joblessness in Milwaukee in part V of this report.

Notwithstanding these caveats, the ACS provides the most up-to-date statistics on race and employment in U.S. cities and metropolitan areas and, used cautiously, can give us some sense of the most recent trends.

ENDNOTES

[1] See Marc V. Levine, *"Stealth Depression": Joblessness in the City of Milwaukee Since 1990* (Milwaukee: UW-Milwaukee Center for Economic Development, 2003), pp. 22-26; and Marc V. Levine, *After the Boom: Joblessness in Milwaukee Since 2000* (Milwaukee: UW-Milwaukee Center for Economic Development), pp. 13-18.

[2] Ronald Mincy (ed), *Black Males Left Behind* (Washington, D.C.: The Urban Institute Press, 2006).

[3] Peter Edelman, Harry J. Holzer, and Paul Offner, *Reconnecting Disadvantaged Young Men* (Washington, D.C.: The Urban Institute Press, 2006). The authors note that nationally "as few as 20 percent of black teens are employed at any time; among young black men age 16 through 24 not enrolled in school, only about half are working; and roughly one-third of all young black men are involved with the criminal justice system at any time (awaiting trial, in prison, or on probation or parole)." (p. 1).

[4] See, for example, Marc V. Levine, *The Economic State of Milwaukee: The City and the Region, 1998* (Milwaukee: UW-Milwaukee Center for Economic Development, 1998), pp. 79-81.

[5] John Schmid, "Economic report stings city leaders," *The Milwaukee Journal Sentinel*, 15 November 2006.

[6] The jobless rate used here is essentially the inverse of a common labor market measure: the employment-population ratio, which calculates the percentage of the working-age population with jobs. Joblessness is calculated by subtracting the employment-population ration from 100 percent. Thus, if the employment-population ratio for a city were 90 percent, the jobless rate by this measure would be 10 percent. For a recent comparison of employment-population ratios in the U.S. and Europe, see Floyd Norris, "A Statistic That Shortens the Distance to Europe," *The New York Times*, 30 September 2006.

[7] Although female labor force participation has increased dramatically since the 1970s, substantial numbers of working-age women remain voluntarily out of the labor force. Since our interest here is in the rate of *involuntary* joblessness, it is prudent to control for this gender effect by focusing on changes in the rate of joblessness among working-age males.

[8] The four counties of metropolitan Milwaukee are Milwaukee, Ozaukee, Washington, and Waukesha counties.

[9] In the city of Milwaukee, the jobless rate for black males declined from 48.2 to 44.1 percent between 2002-2005 (after peaking at 51.3 percent in 2003). See Table 16 below.

[10] See Table 16 below for historical trends of black male joblessness in Milwaukee.

[11] As we have seen (Tables 7-8), racial disparities in male joblessness in Milwaukee shrank between 2002 and 2005 in the metropolitan area as a whole, but not by as much as they diminished in the city, for reasons we discuss below.

[12] Racial disparity in jobless rates is a tricky indicator that must be interpreted with care. For example, take Detroit and Boston, the two cities in 2005 with the narrowest racial disparity in male jobless rates. In the case of Boston, as Tables 9 and 10 show, this was because, among our pool of Frostbelt cities, it had among the lowest black male jobless rates. In the case of Detroit, however, the racial disparity statistic is a misleading indicator of black economic well-being. The low disparity figure of 2005 (and the "negative" figure for 2002—white male joblessness in the city was *higher* than the black rate that year) more reflects the economic difficulties of those whites remaining in the city rather than positive employment conditions for the city's blacks. As Tables 9 and 10 show, Detroit's black male jobless rate ranks among of the worst of Frostbelt cities.

[13] Table 13 also reveals the extent to which by 2005 central cities in the Frostbelt had become *terra incognita* as a place of residence for working-age white males. In five of the 13 largest Frostbelt metro areas for which we collected data (Columbus and Indianapolis are excluded because of their metro governance structures) less than 10 percent of the region's working-age white males live in the central city; in hyper-segregated Detroit, a tiny fraction (2.7 percent) of the region's working-age white males live in the city. All told, white flight had left an average of only 11.8 percent of working-age white males living in the central cities of Frostbelt metro areas in 2005. In metro Milwaukee, the percentage white males living in the city was higher than the Frostbelt average (21.9 percent of metro Milwaukee working-age white males are city residents). But, because of metro Milwaukee's astonishingly low rate of black suburbanization –much lower than anywhere else in the Frostbelt-- the racial disparity on this indicator is significantly higher here than in any of the large Frostbelt metro areas.

[14] Racial disparities in suburbanization, however, do not account for all differences in city-regional comparisons. St. Louis, Pittsburgh, and Chicago, for example, have much higher rates of black suburbanization than Milwaukee, but roughly comparable central city black male jobless rates.

[15] Between 1977 and 1987, the city lost 30.1 percent of its manufacturing jobs (almost 28,000), a ten-year drop in Milwaukee that rivaled job loss during the Great Depression. See Table 19.

[16] Bureau of Labor Statistics, *Geographic Profile of Employment and Unemployment, 1982* (Washington, D.C.: BLS, 1982). The BLS figure includes everyone over the age of 16; thus, since it includes individuals over age 65 likely to be voluntarily retired and out of the labor force, joblessness in the BLS figure is likely higher than it would be among the "working-age" population, which excludes those over 65.

[17] This is particularly vivid example of why care must be exercised in interpreting data from the ACS. It seems highly improbable that the Hispanic male jobless rate dropped by 10 percentage points (33 percent!) between 2002-2003, especially when jobless rates *increased* for all other racial and ethnic groups in Milwaukee that year. It is possible that the figure reflects a startling continuation of post-2000 improvement in Hispanic male joblessness – the Hispanic jobless figure in 2002, for example, was 7 points less than in 2000. It is more plausible, however --given the ACS' margin of error, small Hispanic sample size, and historical trends—that the 2003 figure (and perhaps 2002 rate, for that matter) represents measurement error. See the Appendix of this study for a fuller discussion of the measurement issues surrounding the ACS.

[18] Moreover, unlike today, Milwaukee's 1970 rate of black male joblessness was the lowest among the largest cities in the "Frostbelt." See John Schmid, "Hit by a global freight train," Milwaukee *Journal Sentinel*, 4 December 2004.

[19] See Note 17.

[20] Data on employment by industry in 1970 from U.S. Bureau of the Census, *Census of Population: Characteristics of the Population, Wisconsin.* By 2000, a higher percentage of metro Milwaukee white males (27.8%) than black males (25.2%) were employed in manufacturing, a stark indicator of how much deindustrialization had disproportionally hit black male workers and reversed historical patterns.

[21] Marc V. Levine and John F. Zipp, "A City at Risk: The Changing Social and Economic Context of Public Schooling in Milwaukee," in John L. Rury and Frank A. Cassell (eds), *Seeds of Crisis: Public Schooling in Milwaukee Since 1920* (Madison: University of Wisconsin Press, 1993), p. 57.

[22] Table 18 also highlights two salient aspects of post-1970 Milwaukee economic history. First, as noted earlier, after 1970 white male workers increasingly abandoned the city of Milwaukee as a place of residence. The number of white male manufacturing workers living in the city fell by an astounding 76 percent between 1970-2000, a consequence of: 1) the shrinking number of factory jobs located in the city; 2) the growth of suburban manufacturing; and 3) white flight. Second, the number of Hispanic males working in manufacturing –both in the city and the region as a whole—more than tripled between 1970-2000. By 2000, despite the fact that there were more than twice as many working-age black males than Hispanic males in Milwaukee, there were roughly equal numbers of black and Hispanic males employed in the region's factories.

[23] The number of manufacturing jobs in Milwaukee's exurban counties has also increased by almost 40 percent since 1982, belying the notion that post-1980s globalization is the all-purpose explanation for the city's deindustrialization. It has only been since the late 1990s that Milwaukee's outlying suburbs have witnessed contraction of their industrial base, perhaps a consequence of liberalized international trade (NAFTA) as well as the rise of China's industrial machine.

[24] On how transportation policy in the region shapes Milwaukee's spatial mismatch, see Joel Rast and Chieko Maene, *Transportation Equity and Access to Jobs in Metro Milwaukee* (Milwaukee: UW-Milwaukee Center for Economic Development, 2004).

[25] The data are for all black workers, not simply males. But, the small numbers make abundantly clear how few black males have secured employment in Milwaukee's suburbs.

[26] Certainly the *American Community Survey* data presented earlier (see Tables 4 and 15) show no evidence of a marked increase in black male workers living in the Milwaukee suburbs between 2000-2005.

[27] U.S. Bureau of the Census, *County Business Patterns* (1994 and 2004). Zip code "drill down" data.

[28] CED analysis of the U.S. Census Transportation Planning Package (CTPP) data on place of work, based on the 2000 census. The data are available in "drill downs" compiled by UWM's Employment and Training Institute (www.uwm.edu/Dept/ETI).

[29] The degree to which downtown redevelopment has failed to deliver economically for minorities in Milwaukee was first documented in an extensive survey reported in Marc V. Levine and John F. Zipp, *Downtown Redevelopment in Milwaukee: Has it Delivered for the City?* (Milwaukee: UWM Center for Economic Development, 1994).

[30] The explanatory importance of the issue of age structure is mitigated, to some extent, by the reality –as illustrated in Tables 2 and 3 above—that, even controlling for age and place of residence, black male jobless rates significantly exceeded white rates in 2005.

[31] 28.0 percent in Milwaukee versus 22.8 percent in Buffalo, 22.4 percent in Chicago, and 21.6 percent in Cleveland.

[32] Jack Norman, "Congenial Milwaukee: A Segregated City," in Gregory Squires (ed), *Unequal Partnerships: The Political Economy of Redevelopment in Postwar America* (New Brunswick: Rutgers University Press, 1989), p.198.

[33] Norquist's market fundamentalist approach to urban governance is conveniently summarized in his book, *The Wealth of Cities: Revitalizing the Center of American Life* (Reading, Mass.: Addison-Wesley, 1998).

[34] For a critique of the purchasing power/untapped markets strategy, see Marc V. Levine, *The Economic State of Milwaukee's Inner City: 1970-2000* (Milwaukee: UWM Center for Economic Development), 2002, pp. 39-43.

[35] Bureau of Labor Statistics, *Local Area Unemployment Statistics* (1990-2003).

[36] In 1987, the year before Norquist became mayor, the Bureau of Labor Statistics reported a black male jobless rate in Milwaukee of 42.9 percent. In 2003, Norquist's final year as mayor, the jobless rate for black males in Milwaukee reached an all-time high of 51.5 percent, according the U.S. Census Bureau's *American Community Survey*.

[37] *The Business Journal of Milwaukee*, 27 September 2000.

[38] These strategies are, of course, in addition to the standard panoply of economic development policies –chiefly real-estate development and business incentives—deployed by the city to encourage employment growth. The unimpressive job-creation efficacy of these policies –for the city as a whole as well as for jobless minorities in particular—has been scrutinized in the Public Policy Forum, *Growing up: Analysis of City of Milwaukee economic development efforts* (Milwaukee: Public Policy Forum, 2006); Marc V. Levine, *Stealth Depression;* Marc V. Levine, *The Economic State of Milwaukee's Inner City: 2006;* and Marc V. Levine, *The PabstCity Redevelopment Project: Inflated Projections and Dubious Assumptions* (Milwaukee: UWM Center for Economic Development, 2005).

[39] See Mayor Barrett's proposal at: www.city.milwaukee.gov/2007StateoftheCity20751.htm

[40] *Milwaukee Journal Sentinel*, "Editorial: Milwaukee in charge?" 12 February 2007.

[41] The Annie E. Casey Foundation, *The Jobs Initiative: Making Connections* (Baltimore: Annie E. Casey Foundation, 1997). Sheet on Milwaukee Jobs Initiative.

[42] Jo Sandin, "Jobs projects find success," *Milwaukee Journal Sentinel*, 14 October 1997.

[43] The Baltimore-based Annie E. Casey Foundation largely funded the initiative.

[44] Annette Bernhardt, Laura Dresser, and Joel Rogers, "Taking the High Road in Milwaukee: The Wisconsin Regional Training Partnership," *WorkingUSA* (Winter 2001-2002), p. 116.

[45] Annette Bernhardt and Thomas Bailey, "Making Careers Out of Jobs: Policies for a New Employment Relationship," cited in Paul Osterman, *Securing Prosperity: The American Labor Market: How It Has Changed and What to Do about It* (Princeton: Princeton University Press, 1999), p.143.

[46] Wisconsin Regional Training Partnership, *2004 Annual Report*, p. 3. The quote is from Julia Taylor of the GMC. National recognition of the WRTP came from the Clinton Administration's Department of Labor (which gave WRTP a sizable grant to develop "replication" strategies around the country) as well as Washington, D.C. think tanks such as the Brookings Institution and the Progressive Policy Institute.

[47] As Paul Osterman, who wrote favorably about WRTP, nevertheless pointed out: "Most of what we know about this network…is based on accounts by the people responsible for creating the program. Until outsiders have had a chance to assess the programs and their impact, and to do so over a period of time that includes downturns as well as the current very strong labor market in which it functions, we will not really know enough." Osterman, *Securing Prosperity*, p. 143.

[48] Bernhardt, Dresser, and Rogers, "Taking the High Road in Milwaukee," p. 117.

[49] Calculated from data in Department of Housing and Urban Development, *State of the Cities Data System: Special Data Extracts from County Business Patterns* (accessed at ww.hud.gov). The jobs data are from 1992-2002.

[50] WRTP architects claimed "general success in shifting the establishment frontier of public policy debate –if not yet all or even most actual policy—toward the promotion of high-road practices and the embrace of sectoral and jointly labor-management approaches to workforce development administration. In Milwaukee, all this has been explicitly embraced, for example, by the business association representing the 200 largest employers in that city." (Bernhardt, Dresser, and Rogers, "Taking the High Road in Milwaukee," p. 118). This "new era" of WRTP-

influenced labor relations will come as quite a surprise to Milwaukee-area workers who experienced "disposable American"-style layoffs or forced concessions by management at WRTP member companies such as Tower Automotive, Delco Electronics, Eaton, Master Lock, Harley-Davidson, Johnson Controls, and Pelton Casteel, to name just a few. The record suggests that WRTP has had little impact in "reforming" Milwaukee's labor market system, and, at best, WRTP is a trivial presence at the companies in the "partnership."

[51] Louis Uchitelle, *The Disposable American: Layoffs and their Consequences* (New York: Alfred A. Knopf, 2006), p. 64.

[52] Critics have also called this the "field of dreams" approach to job creation: "If we train them, jobs will come."

[53] Timothy Bartik, *Jobs for the Poor: Can Labor Demand Policies Help?* (New York: Russell Sage Foundation, 2001), p.111.

[54] See Gordon Lafer, *The Job Training Charade* (Ithaca, N.Y.: Cornell University Press, 2002).

[55] Gordon Lafer, "Training won't create jobs for jobless," *Los Angeles Times*, 28 January 2004.

[56] *Milwaukee Journal Sentinel*, "Editorial: Milwaukee in charge?" 12 February 2007.

[57] Julia Taylor and Tim Sheehy, "Milwaukee's on the job developing a modern work force." *Milwaukee Journal Sentinel*, 17 November 2006.

[58] See Table 21.

[59] It goes without saying that the full-time jobs are much more likely to provide family-supporting income than part-time ones (although not all full-time jobs, of course, are family-supporting).

[60] Lafer, "Training won't create jobs for the jobless."

[61] University of Wisconsin-Milwaukee Employment and Training Institute, *Job Opportunities for Milwaukee Youth Entering the Labor Force: Skill and Training Needs of Employers in the Milwaukee Metro Area* (Milwaukee: UWM Employment and Training Institute, 2006), p. 15.

[62] Bartik, *Jobs for the Poor*, p. 1-2.

[63] Terrence Falk, "The Confidence Man: How Harvard professor Michael Porter soaked Milwaukee and other cities for an inner city plan that went nowhere," *Milwaukee Magazine*, November 2006, p. 21.

[64] Tannette Johnson-Elie, "Mentor program set for minority firms," *The Milwaukee Sentinel*, 26 January 1995.

[65] Marc V. Levine, *Minority Business Ownership in Metropolitan Milwaukee in the 1990s: Some Statistical Indicators and Comparisons to the Nation's Largest Metropolitan Areas* (Milwaukee: University of Wisconsin-Milwaukee Center for Economic Development, 2001).

[66] Data from U.S. Bureau of the Census, *2002 Survey of Business Owners: Final Estimates of Business Ownership by Blacks; Black-Owned Firms: 2002* (www.census.gov/csd/sbo/black2002.htm)

[67] *Ibid.*

[68] The four counties of metropolitan Milwaukee plus Kenosha, Racine, and Walworth Counties

[69] *Milwaukee Journal Sentinel*, "Editorial: Marketing the region," 11 September 2005.

[70] Tom Barrett, Steven J. Smith, and Dennis Kuester, "Milwaukee 7 initiative is zeroing in on jobs – today" *Milwaukee Journal Sentinel*, 16 April 2006.

[71] *Milwaukee Journal Sentinel*, "Editorial: Marketing the region," 11 September 2005.

[72] Avrum D. Lank, "Barrett seeks to tout regional economy," *Milwaukee Journal Sentinel*, 19 April 2005.

[73] University of Wisconsin-Milwaukee, Employment and Training Institute, *Milwaukee Area Job Openings Survey, May 2006*

[74] Symptomatic of this fixation on branding and marketing was Barrett's 2006 pronouncement that Milwaukee was no longer part of the "Rust Belt" but was now part of the "Fresh Coast." John Torinus, "Milwaukee 7 has a lot to offer," *The Milwaukee Journal Sentinel*, 2 December 2006.

[75] Data provided to the author by the State of Wisconsin Department of Transportation.

[76] City of Milwaukee, *Team City Hall: Milwaukee Historic City Hall Restoration Project Participation Performance*, March 2006, p.7.

[77] Center of Excellence, *Annual Report, 2005.*

[78] Bartik, *Jobs for the Poor*, p. 1.

[79] Chuck McCutcheon, "Experts warn U.S. in coming apart at the seams," *Seattle News*, 26 August 2006.

[80] Dave Gatton and Carolyn Merrweather, "Mayors/Business Leaders advocate '04 Metro Agenda on Infrastructure and Jobs," *Usmayors.org*, 17 November 2003.

[81] *The Baltimore Sun*, "Editorial: Victory for commuters," 29 November 2006.

[82] See www.lightrailnow.org. Needless to say, the recently unveiled City of Milwaukee proposal for a tiny trolley route circling downtown Milwaukee does not merit discussion as a rail ***system*** under planning.

[83] David Rusk, *Inside Game/Outside Game: Winning Strategies for Saving Urban America* (Washington, D.C.: Brookings Institution Press, 1999), p.198-199.

[84] Lafer, *The Job Training Charade*, p. 13.

[85] Edelman, Holzer, and Offner, *Reconnecting Disadvantaged Young Men*, pp. 37-66.

[86] Justice Policy Institute, *Tipping Point: Maryland's Overuse of Incarceration and the Impact on Public Safety* (www.justicepolicy.org), March 2005; Jamie Peck and Nik Theodore, "Labor market lockdown," (February13, 2006), www.geography.wisc.edu/faculty/peck/peck-print.htm

[87] Justice Policy Institute, *Tipping Point*, p. 10.

[88] John Pawasarat, *Barriers to Employment: Prison Time* (Milwaukee: University of Wisconsin-Milwaukee Employment and Training Institute, 2007)), pp. 4-5.