

Why I'm bullish on Milwaukee

By Paul Brophy
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Policy-makers, business leaders and community representatives have undertaken important work over the past two years to position the region and city of Milwaukee so that they thrive in the emerging 21st-century economy. Two interwoven efforts have identified strategies for improving the local economy, creating more jobs and improving the city's neighborhoods, an often-neglected critical element in improving the overall regional economy.

Milwaukee 7, a federation of public and private leadership from the seven counties that constitute the Milwaukee region, has developed a plan based on growing three promising regional business clusters: food and beverage; energy, power and controls; and water technology. The plan also supports development of the region's innovation and entrepreneurship infrastructure and promotes exports. City government has augmented this work with a plan called "[Growing Prosperity](#)," which connects city economic growth strategies with the regional plan.

This city plan, now being reviewed by the Common Council, identifies vacant land available to accommodate a portion of future regional job growth, boosts the city's role in providing attractive neighborhoods for residents and business, calls for improvements in workforce training and placement to help unemployed and underemployed city workers add value to their lives and to the regional economy and spurs entrepreneurship and new business creation.

I've spent 45 years working in older industrial cities such as Milwaukee, cities that are challenged to modify their economies to changing global conditions, and to improve neighborhoods to make them attractive enough to hold a middle-class population and welcome newcomers. I was in charge of redevelopment and economic development in Pittsburgh in the 1980s when the steel industry collapsed and was faced with figuring out what the "next economy" would be for that city.

For the past two years, I've been working with city government, M-7, the Greater Milwaukee Foundation and other foundations, banks and neighborhood groups to fashion a future for the region, city and neighborhoods. As a result of this work, I'm bullish on Milwaukee's future. Here's why.

The region's and the city's population numbers are holding their own. The population of the region grew slightly between 2006 and 2011, at about the same rate as Chicagoland, and much better than Pittsburgh, Cleveland and Detroit, all of which lost population in their metropolitan areas. Equally important, the region is doing quite well in "brain gain"—the percentage of newcomers over age 25 who have a bachelor's degree. In the Milwaukee region, this growth was 46%, ranking the area third among 15 comparable regions.

The City of Milwaukee and the surrounding metro area have a strong economic base. The M-7, city and business sectors are developing economic growth strategies that build from the area's historic strengths in

water, food, energy controls, health care and tourism clusters. To increase the ability of Milwaukee businesses to compete in a global marketplace, M- 7, with the assistance of the [Brookings Institution](#), is helping companies develop export strategies to sell more to the world, which will create more jobs in the region.

The M-7 plan recognizes that "regions that exhibit the least inequity do best, because they more effectively deploy their economic assets and do not bear the costs of concentrated poverty." It's especially significant that the regional leaders acknowledge that concentrated poverty is a detriment to economic success. And there needs to be a particular level of urgency on this issue. A Brookings Institution report issued three weeks ago states that the number of poor living in concentrated poverty in Milwaukee more than doubled in the period 2000-2012, which is movement in exactly the wrong direction to grow the economy.

The region is holding its manufacturing base better than other regions. In 2011, the percentage of manufacturing employment in the Milwaukee area was 14.4%, compared to 8.9% for the nation. The city of Milwaukee has identified sites that can support manufacturing, potentially creating more jobs for blue-collar workers. Of special note is the 84-acre Century City Business Park in the 30th Street Industrial Corridor, which, when built out, has the potential to house more than 1,000 new jobs on the site, with hundreds more in the surrounding area. As a former redevelopment official, this site has me drooling. It's the next Menomonee Valley.

As architects say, the city's neighborhoods have "good bones." Milwaukee has well-built housing, low vacancies compared to other Great Lakes cities and neighborhoods full of city lovers who are working to make neighborhoods stronger. For all of the appropriate attention to the problem of vacant properties in the city, it's important to recognize that the vacant housing problem is far less pronounced than in similar cities. Compared to 10 other older industrial cities, Milwaukee ranks ninth in the percentage of vacant homes.

The Reinvestment Fund, a national leader in understanding neighborhood conditions, conducted its "Market Value Analysis" of Milwaukee's neighborhoods, and found that the city's neighborhoods are surprisingly robust: 49% of the city's households live in strong markets (compared to 37% in Pittsburgh, 30% in St. Louis and 22% in Philadelphia); 25% are in a middle neighborhood — could get stronger, but could decline; and 22% are living in distressed areas (Pittsburgh was 30%, St. Louis, 30%, and Philadelphia, 40%). This encouraging ranking, surprising to many in the region, indicates that there is a strong base to build from in improving neighborhoods.

A consortium of city-oriented leaders — Mayor Tom Barrett, Police Chief Edward Flynn, state officials, foundation leaders and neighborhood-supporting groups such as LISC — are working closely with neighborhood leadership to implement neighborhood improvement strategies based on the market conditions in neighborhoods. The Zilber Family Foundation and Northwestern Mutual Foundation have customized programs under way in some of the city's distressed neighborhoods. The Greater Milwaukee Foundation is strengthening some of the middle neighborhoods. The state is deeply involved in improving a group of distressed neighborhoods through its Transform Milwaukee program. City government is involved with improvement strategies in all types of neighborhoods.

Of course there are challenges — crime is too high, and many city residents meet the definition of "hard to employ" due to criminal records and the lack of a high school diploma. And there is an aspiration gap that needs to be remedied. The city's plan identifies additional actions needed to cope with these long-standing problems.

So, while optimistic about the region's future, I have some concerns — not about the conditions in the city

and region, nor in agreement on action plans. Rather, the challenge is getting the job done, and using good metrics to measure progress.

As I learned firsthand in Pittsburgh, improving an economy is very hard work. Gone are the days of autocratic leaders — be they mayors or CEOs — pushing an agenda forward from a position of power. Also gone are the large federal funds for redevelopment and economic development — although Milwaukee's recent designation as one of 12 cities in the federal "Investing in Manufacturing Communities Partnership" will make the area more competitive for what is available. Instead, to succeed, economic improvement requires relentless orchestration among community and business and civic leaders and government officials. The M-7 and the city have plans that dovetail nicely, and now there needs to be an all-hands-on-deck approach to successfully implement these plans.

Working closely together, Milwaukee can succeed in adapting the regional and local economy. The bottom-line good news is that the base is so good that it's an adaptation, not the reinvention of an economy, the much harder work that was needed in Pittsburgh 30 years ago, and which is still the challenge in many other Great Lakes cities.

Paul Brophy is a principal in Brophy & Reilly LLC in Ellicott City, Md. He assisted Milwaukee in writing its new economic development plan.

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