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CAVALIER JOHNSON
ALDERMAN, 2ND DISTRICT

Residency law change leading to exodus of people, dollars

Statement of Alderman Cavalier “Chevy” Johnson March 6, 2018

A report shared by the city’s Legislative Reference Bureau shows that 20% of city workers now live outside the City of Milwaukee, including approximately three out of every 10 of our sworn police officers and firefighters.

According to the SB Friedman report shared by the Legislative Reference Bureau (LRB), the exodus could get much worse: By 2024, it’s predicted 4,070 city employees will be non-residents, nearly two-thirds of the city’s employees.

The city never asked for the state Legislature to change state law in 2013 and invalidate the city’s then 75-year-old residency requirement (the Wisconsin Supreme Court then enforced the state legislature’s decision in 2016). But that’s what happened and now we are seeing the effects of that action and it’s difficult to fathom.

The loss of city workers to the suburbs and other communities in the region has caused disinvestment and a significant loss of revenue. Those workers are now shopping in suburban stores and eating at restaurants far away from the city neighborhoods where 10 years ago they would be living. City employees typically spend 25% of their income on housing, and now that money is supporting other communities and suburbs.

Each year non-resident employees earn \$92.5 million, and the residency law change translates into reduced consumer expenditures on retail goods and services in the City of Milwaukee up to \$57 million annually.

Additionally, the loss of city workers has caused a reduction in the city’s tax base of approximately \$649 million, \$622 million attributed to land and improvement value and \$27 million to commercial property.

The state Legislature deserves to know the disastrous toll the residency law change has taken – and will continue to take – on the state’s premier urban center and engine/driver of Wisconsin’s economy.

Because of the meddling with Milwaukee’s home rule in 2013, the true economic and social damage to the city may not be known for years.

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