CHAPTER 2

Economic Conditions

2.1 Introduction

In order to chart a path forward for the City of Milwaukee, an analysis of where the city currently stands is needed. This chapter outlines the national and global trends affecting the city and region, describes the local conditions the city faces today, and defines the five asset industry clusters identified by the Milwaukee 7, as well as other large employment sectors in the Milwaukee region, upon which strategies for the city must be built.

2.2 Global & National Trends

The City of Milwaukee and the region exist in a global economy, and both must respond and adapt to global trends. While the city's main competition for businesses and residents may appear primarily to be the suburbs (and there is still some validity to this), increasingly competition comes from other regions in the U.S. and around the world. Over the past few years, the national economy has undergone fundamental transformations in manufacturing and technology. Increasingly, U.S. based manufacturing is advanced manufacturing, utilizing progressively more sophisticated technologies. These and other global trends may be leading to a resurgence of manufacturing in the U.S.; in fact, some evidence indicates that China no longer has clear economic advantages for manufacturing.[1]

Changing demographics are transforming the labor market, making it more challenging for employers to find the workers they need to expand their businesses. From 1940 until 2000, the U.S. labor market grew rapidly as women entered the workforce in large numbers. In 2000 this trend peaked. The combination of an aging population and stricter policies on immigration has led to slower growth in the labor force and a difficult environment for businesses to meet their employment needs. Milwaukee's underskilled workers must seek out (and be able to afford) the additional training they need to match the job-specific skills needed by employers. Additionally, Milwaukee's unskilled workers need to acquire the basic math and literacy skills required to undertake technical training programs.

These shifts in human capital create a paradox, where unemployment remains elevated even as employers report difficulty filling job openings.[2] Although the official national unemployment rate has improved since 2008, standing at 6.3% as of April 2014, this figure does not reflect the full working-age population. Adding discouraged and marginalized workers to the figure (i.e., those wishing to work but no longer seeking employment) increases unemployment to 8.2 percent. Additionally, 7.5 million people reported themselves to be underemployed: working part-time but still seeking full-time work.[3] Often, available labor exists, but a mismatch occurs when individuals do not have the skills or experience needed, or the ability to relocate, for the jobs employers are looking to fill.

In the wake of the Great Recession and mortgage foreclosure crisis, a number of factors have made it difficult for new and existing businesses to access capital: financial institutions have become more conservative about lending, and large companies that are capital rich have refocused on internal capitalization and growing shareholder dividends. Stock markets have been aggressive as ever (posting record highs), but those benefits have not trickled down to main street.

Even after attempts by the Federal Reserve to loosen up credit markets, loans to small businesses remain scarce: in 2012, the number of U.S. small business loans declined 2.7% from the previous year and the dollar amount of those loans declined by 3.1 percent.[4] In many cases the dollar amount awarded to loan applicants falls well below the amount requested: according to a poll conducted by the New York Federal Reserve in spring 2012, only 13% of small business loan applicants received the full amount they had sought. Between 2008 and 2010, more than 170,000 small businesses shut down, in many cases due to an inability to secure sufficient capital.[5]

Several factors are boosting the much-touted global reshoring of manufacturing jobs. Fuel prices have increased 50% in the past 10 years, and are likely to remain high or even increase in the future.[6] Rising fuel prices, combined with changing foreign labor costs, are causing many companies to reconsider where to locate and expand operations. The cost savings that incentivized large-scale outsourcing of manufacturing jobs to developing nations have diminished significantly as their transportation costs and wages increase—particularly in China—potentially making domestic production more attractive.

Moreover, social unrest and political instability have increased the cost of doing business in some overseas markets. For high-skilled, higher wage manufacturing companies, the U.S. may once again be the preferred place to locate, and due to uncertainty in fuel prices, those regions that have a competitive infrastructure advantage—comprehensive systems for trucking, rail and shipping—may be better positioned to reap the benefits of this shift.[7]

Between 2012 and 2013 U.S. metropolitan areas grew by 2.3 million people: nearly 85% of the U.S. population now lives in cities and their surrounding suburbs.[8] Milwaukee is poised to reap considerable benefits from this demographic shift, including an in-migration of young households, empty nesters, childless couples and single-member households, and their amenity preferences for a broad range of cultural and entertainment options, adult learning opportunities, social hotspots and leisure pursuits. For the preferences of these groups, the suburbs fall short, with the notable exception of suburbs that are "embedded' in Milwaukee or nestled in the city's borders.

2.3 City Economic Conditions

Location-Based Opportunities

The city has much on which to build. As shown in Figure 2.1, Milwaukee is strategically located in the center of the Great Lakes region, and is within 500 miles of nearly 75 million Americans. Revitalization of the Menomonee Valley has attracted 35 manufacturing companies and more than 4,700 family-supporting jobs back to the city and business there is thriving;[9] the former 74-acre A. O. Smith-Tower Automotive site on the city's near north side has been remediated and prepared for new industrial investment; and in the Walker's Point neighborhood the former Reed Street rail yards are poised for new water technology investment, in concert with The Water Council and new Global Freshwater Seed Accelerator as they expand operations.

Milwaukee has a long history of manufacturing. It is one of the leading regions in the U.S. for manufacturing, with the second largest percentage of its workforce employed in manufacturing, and has concentrations in advanced manufacturing, power, energy and controls, food and beverage production, and water technology.[10] The region also has more affordable industrial real estate than other regions, strong infrastructure, and moderately priced utilities, all of which are attractive to industry. Manufacturing is vitally important to Milwaukee because manufacturing jobs have high employment multipliers: that is, each manufacturing job helps to support two to three additional jobs in the economy. Though manufacturing jobs used to provide those with limited formal education the opportunity to earn better wages, today's positions often require both formal education and technical training.[11]

For the last 25 to 30 years, many manufacturing firms have found cost advantages in moving production offshore. However, according to a Boston Consulting Group study, by 2015 it may be more economical for some companies to remain or expand in the U.S. instead of offshoring.[12] Higher worker productivity, low transit and utility costs, and short time to market hubs make Milwaukee an attractive place for manufacturing. In fact, according to a recent analysis, the industrial real estate market in the city and region continues to strengthen, with impressive absorption rates and low levels of vacancy.[13]

Milwaukee is seeing a considerable benefit from demographic shifts (young households, empty nesters, childless couples and single-member households) and their amenity preferences for a broad range of cultural and entertainment options, adult learning opportunities, social hotspots and leisure pursuits. The city has a strong and growing downtown: bars and restaurants are thriving on Water, Milwaukee, and Old World Third Streets; the Grand Avenue Mall is seeing new life in creative workers and arts-oriented groups; cutting-edge developments like the Moderne and the Pabst Brewery redevelopment are revitalizing blocks west of the river; and over the next few years a new Northwestern Mutual headquarters, a redesigned I-794 interchange, and other developments will change the face of the city's lakefront.

Milwaukee still has many old-style, walkable neighborhoods that cluster everything one wants and needs in one desirable package: grocery, hardware store, pharmacy, bakery, theater, bookshop, bike shop, tavern, cleaners, mom-and-pop businesses of all flavors and colors, plus parks, schools and libraries.

Figure 2.1: Cities within 500 Miles of Milwaukee

Source: Department of City Development / Planning

Human Capital Development

The face of Milwaukee's population has changed dramatically in the past three decades, as shown in Figure 2.2. In 2000, Milwaukee became a majority-minority city, with the white population making up less than 50% of the total city population.[14] The African American, Asian and Latino populations have continued to grow in the first decade of the 21st Century.[15]

Moreover, as Figure 2.3 shows, households in Milwaukee, particularly the city's non-white and Latino households are, on average, younger than residents of the region as a whole, and more likely to be of prime working age. The City of Milwaukee has a younger population with higher rate of entry into the workforce than the region, which means that city residents have the potential to supply the region's future workforce needs.[16]

Although the region's unemployment rate is below the national average, unemployment in the city is higher and jobless numbers overall remain elevated since the Great Recession. At its peak in 2010, the unemployment rate in Milwaukee was 15.8%; as of December 2012, it had dropped to 13.1 percent. This is higher than the regional rate of 8.0% and puts Milwaukee squarely in the middle compared to other traditional manufacturing cities as shown in Figure 2.4.[17] When the city's unemployed are removed from the regional data, the regional unemployment rate drops to 5.4%, suggesting that unemployment in the city makes up a significant portion of the regional jobless numbers. The March 2014 unemployment rate for the region stands at 6.9 percent.[18]

Unemployment has disproportionately affected minorities and lower skilled workers. Among African American and Latino populations, jobless rates are markedly higher than the aggregate.[19] These trends are exacerbated by the concentration of poverty within the city limits. According to the Brookings Institution, 71% of those living in poverty in the Milwaukee area were in the City of Milwaukee.[20] In fact, the city is the 9th most impoverished big city in the U.S., with nearly 30% of all residents living below the poverty line.[21]

American Community Survey estimates put the city's official poverty rate at 28.3% for the period 2008-2012, which is nearly 16 points higher than the state rate and 17 points higher than the rate for the seven-county region for the same period. Among minority populations, poverty rates are even higher: 28.8% of Latinos and 37.8% of African Americans in the city lived below the poverty rate. This means that nearly twice as many Latinos and nearly three times as many African Americans are in poverty compared to the white population. However, these race-based disparities are a national trend, as shown in Figure 2.5, particularly in the nation's legacy manufacturing cities.

Figure 2.2: Racial and Ethnic Composition

Race/Ethnicity	City of Milwaukee 1990	City of Milwaukee 2000	City of Milwaukee 2010	Wisconsin 2010	U.S. 2010
White, non-Hispanic	60.8%	45.4%	37.0%	83.3%	63.4%
African American	30.2%	36.9%	40.0%	6.3%	13.1%
Hispanic or Latino	6.3%	12.0%	17.3%	5.9%	16.7%
Asian	1.8%	2.9%	3.5%	2.3%	5.0%
Other	0.9%	2.8%	2.2%	2.2%	1.8%

Source: U.S. Census Bureau, 1990-2010

Figure 2.3: Median Age by Race/Ethnicity

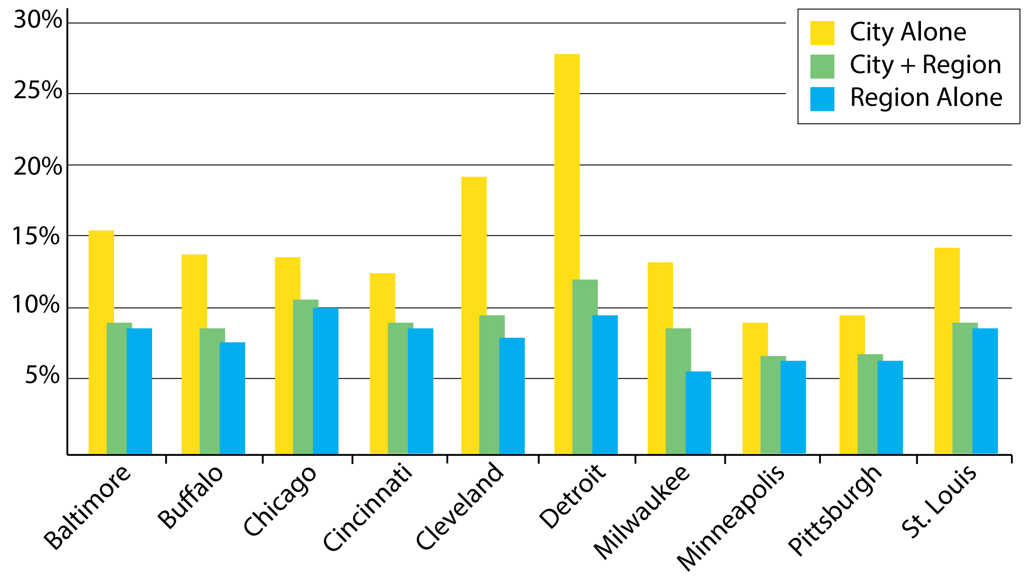
	Average	White	African American	Asian	Hispanic or Latino
City of Milwaukee	31.0	35.3	28.3	26.5	25.1
Milwaukee Region	37.0	40.9	28.4	29.0	24.5

Source: U.S. Census Bureau, 2010

Not surprisingly, median household income also varies along racial and ethnic lines. In 2012, statewide household incomes closely aligned with national averages. On the other hand, the region was divided, with the more affluent suburban counties like Waukesha and Ozaukee having markedly higher median household incomes ($72,364 and $75,170, respectively) as compared to $34,042 for the city.

The breakdown is even more pronounced within the city: Latino and African American households have median incomes that are

Figure 2.4: Unemployment Rates in Peer Cities and Regions, 2012



Source: American Community Survey, 2012

30% and 45% lower than white households, respectively.[22] Figures 2.6 and 2.7 show that the city lags behind both the nation and the region in poverty and median household income. They also show greater disparity by race and ethnicity.

Entrepreneurship & Innovation

Milwaukee has one of the lowest rates of entrepreneurship among America's largest metro areas. With only 7.9% of the region's adult population self-employed, the Milwaukee region is tied for last place with Buffalo, New York, and is 2.3% below the national average for self-employment.[23] In fact, in 2013, just 170 businesses were created for every 100,000 adults in Wisconsin, ranking it 45th in entrepreneurship in the U.S. Venture capital generation was similarly lackluster: Wisconsin businesses raised just under $36 million in 2013; neighboring states Michigan and Minnesota raised three and seven times as much, respectively, in the same period.[24]

The Milwaukee region also struggles to retain talent. IRS data on income migration indicates that while personal incomes are growing in Southeastern Wisconsin, those with higher incomes are leaving. From 2005 to 2006, for example, households leaving the M7 region earned $400.2 million more in personal income than those moving to the region.[25] This suggests that workers who earn higher incomes—and presumably hold higher education credentials—are leaving the city and region faster than they are moving in. This income, however, is not migrating far: the largest income flows out of the metro Milwaukee area are going to counties just outside of the M7 region, and elsewhere in Wisconsin.[26] Stemming these flows and keeping income and talent in the city are vitally important to fostering the Milwaukee's entrepreneurial culture.

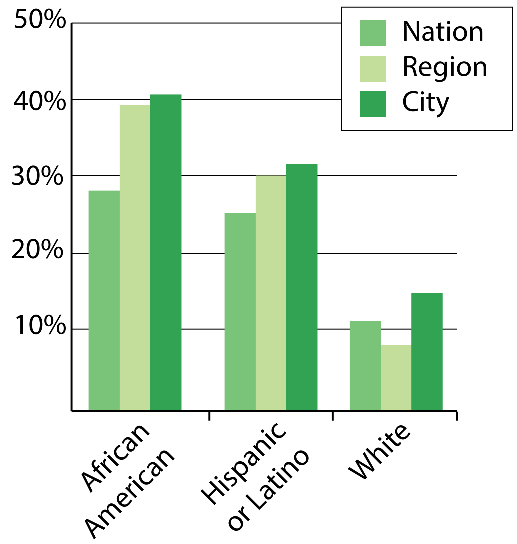
Figure 2.5: 2012 Unemployment by Race/Ethnicity

Race/Ethnicity	Unempl. Rate
United States	
White, non-Hispanic	7.6%
African American	16.8%
Hispanic or Latino	11.4%
Milwaukee MSA*	
White, non-Hispanic	5.6%
African American	20.2%
Hispanic or Latino	10.5%
Milwaukee City	
White, non-Hispanic	7.7%
African American	21.2%
Hispanic or Latino	11.0%

**Metropolitan Statistical Area (MSA) is not equivalent to M7 Region*

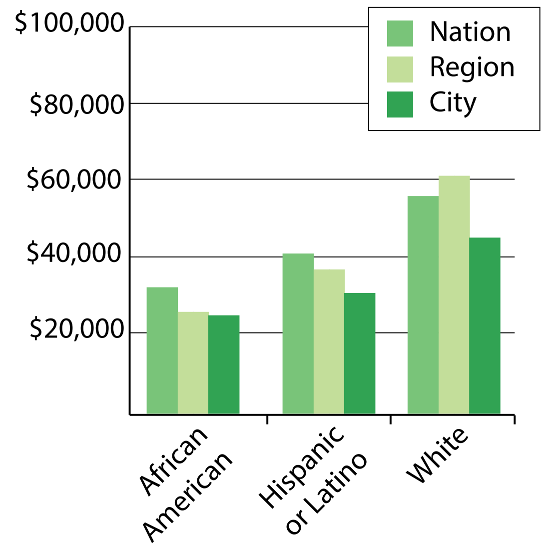
Source: American Community Survey, 2012

Figure 2.6: 2012 Poverty Rates for U.S., Region and City by Race/Ethnicity



Source: American Community Survey, 2012

Figure 2.7: 2012 Median Household Income for U.S., Region and City by Race/Ethnicity



Source: American Community Survey, 2012

Quality of Life & Place

Milwaukee has a great quality of life, especially attractive to millennials and empty nesters. The greatest recent threat to that quality of life has been the foreclosures that resulted from the banking crisis of 2008. The City has taken ownership of nearly 1,300 foreclosed structures and more than 2,200 vacant lots. The City is working on innovative strategies to reduce its inventory of vacant and foreclosed properties and more efficiently manage the ones it continues to hold, but these properties lower area property values, drain city resources and depress the city's tax base. Moreover, these properties negatively affect the perception of neighborhoods: blocks with significant vacancy due to foreclosure present as unstable and unsafe, discouraging business and visitors, and driving current residents to leave.

Although the challenges of foreclosed and vacant property cannot be ignored, when compared to other older industrial cities, Milwaukee is faring quite well: Figure 2.8 shows that cities like Cleveland, Pittsburgh and Buffalo have proportionally more abandoned buildings and vacant lots, and some relatively strong cities like Chicago and Miami are contending with higher levels of foreclosure.[26]

Moreover, many of Milwaukee's neighborhoods remain strong. A Market Value Analysis conducted by The Reinvestment Fund in 2013 showed that nearly half of Milwaukee neighborhoods (measured at the Census block group level) had stable or strong residential market conditions.[27] There are also signs of improvement: although 13 of the city's 15 Aldermanic districts saw property values continue to fall in 2013, the magnitude of the drop has been shrinking, suggesting that values are stabilizing. Commercial values were up nearly 3 percent.[28] As shown in Figure 2.9, compared to other similar regions, metropolitan Milwaukee falls in the middle: home values were up 4.6% year-over-year (2013 over 2012) compared to a national average increase of 7.1 percent.[29]

Milwaukee continues to be one of the nation's most racially segregated[30] regions, as shown in Figure 2.10. According to a 2011 analysis, metro Milwaukee ranked number one as the nation's most segregated region over population 500,000, with a dissimilarity index score of 81.52. The dissimilarity index is a measure used by social scientists to gauge residential segregation based on various demographic data from the U.S. Census Bureau.[31] The Milwaukee region's very low rate of minority suburbanization (particularly African American suburbanization), the lowest in the nation, is a key factor in these patterns.[32]

Figure 2.8: Vacant Housing Units, Vacant Land, and Foreclosure Rates in Peer Cities, 2013

City	Percent Vacant Housing Units	Rank	Percent Vacant Land	Rank	Foreclosure Rate	Rank
Baltimore	17.5%	6	1.9%	7	5.4%	9
Buffalo	17.8%	5	10.0%	3	5.7%	8
Chicago	13.2%	8	5.0%	5	10.6%	3
Cincinnati	18.4%	4	1.0%	9	7.1%	5
Cleveland	22.8%	2	6.0%	4	12.7%	2
Detroit	31.0%	1	17.3%	2	16.0%	1
Milwaukee	*10.2%*	*9*	*1.8%*	*8*	*9.9%*	*4*
Minneapolis	7.4%	10	2.0%	6	5.9%	7
Pittsburgh	13.7%	7	-	-	4.7%	10
St. Louis	20.1%	3	20.0%	1	6.0%	6

Source: American Community Survey, 2012; Brookings Institution; U.S. Dept. of Housing and Urban Development

These demographic disparities create significant barriers to the economic success of the city and the region, and any strategies developed for city or regional economic growth will need to address and at least attempt to mitigate these race-based disparities.

2.4 Industry Asset Clusters

Economic development is often viewed as the practice of attracting new companies away from other cities and regions, but growing research shows that supporting existing local businesses is a much more cost-effective way of fostering and maintaining economic growth. Moreover, economic growth typically occurs in particular clusters—groups of businesses that thrive together because of their concentration in a given location and its related competitive advantages. Clusters succeed through the development of specialized suppliers, skilled workforce, good transportation, and interlocking networks of buyers and sellers who mutually support each other's businesses.

A key element of this economic growth plan is to identify ways in which the City and other stakeholders can support particular clusters in the local economy and help them to thrive. The Milwaukee 7 has identified five industry clusters that will drive future economic and job growth in the region. These "asset" clusters or potential growth engines include:

- food and beverage processing
- power, energy, controls and automation
- water technology
- headquarters and business services
- finance and insurance

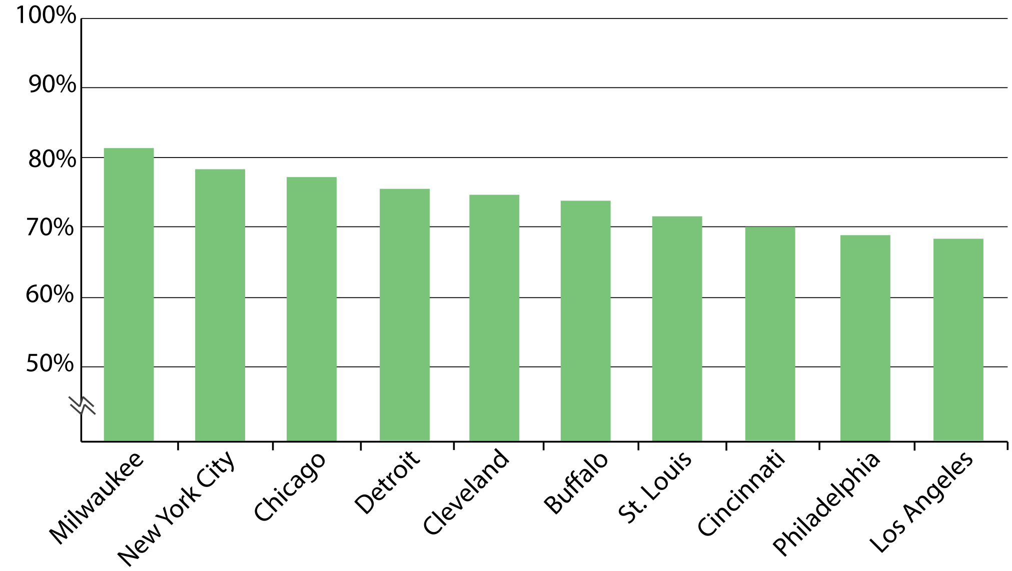
These five asset clusters benefit from strong internal organization and high location quotients. A location quotient (LQ) is a measure of the relative concentration of an industry sector in a region relative to the U.S. as a whole. High LQs for the asset clusters above indicate that the Milwaukee region has a strong competitive advantage in these industry sectors over other regions.[33]

Figure 2.9: Housing Price Trends for Peer Cities, December 2013

City	Month Over Month	Quarter Over Quarter	Year Over Year
Baltimore	0.4%	1.3%	5.7%
Buffalo	0.7%	2.0%	4.3%
Chicago	0.9%	2.9%	9.5%
Cincinnati	0.5%	1.7%	5.4%
Cleveland	-0.1%	-0.1%	2.5%
Detroit	1.7%	6.2%	23.2%
Milwaukee	*0.3%*	*0.6%*	*4.6%*
Minneapolis	0.7%	2.4%	11.1%
Pittsburgh	0.5%	1.4%	5.9%
St. Louis	-0.8%	-1.4%	-1.6%

Source: Zillow Home Value Index, calculated December 19, 2013

Figure 2.10: Top 10 Most Racially Segregated U.S. Regions, by Dissimilarity Index



Source: Brookings Institution; University of Michigan Social Science Data Network

The success of the regional economy and the city's economy at its center will hinge on how well future policies and actions align with the needs of these asset industry clusters and the extent to which strategies support their financial health and development.

Advanced Manufacturing: Energy, Power, Controls and Automation

The U.S. spends more on energy than any other good—more than $1.3 trillion per year. Energy, power and controls (EPC) is a highly developed, export-intensive cluster in the Milwaukee region, with an aggregate location quotient of nearly 3.75. EPC includes jobs and companies that are involved in energy generation, transmission, distribution, storage, research, and management. Regionally, EPC employs nearly 19,000 employees across more than 200 establishments.[34]

Headquartered in Milwaukee, M-WERC, the Midwest Energy Resource Consortium, is one of America's largest EPC clusters and represents and supports local EPC companies by focusing on innovation, market and industry development, public policy, workforce development, and strategic collaboration. Industry sectors that make up the EPC cluster are expected to see strong growth through 2020.

Advanced Manufacturing: Food and Beverage

The Milwaukee region benefits from its geography: located between abundant fresh water and some of the country's most fertile agricultural lands, Milwaukee has a long and successful history of food and beverage production and distribution.

The food and beverage cluster, which includes food production, food ingredients, functional foods, organics and locally grown foods, is increasing both in regional concentration and export activity. The Southeastern Wisconsin region has more than 300 food and beverage manufacturers that employ nearly 14,000 workers. The cluster has a regional location quotient of 1.2, one of the strongest concentrations among U.S. markets, and accounts for nearly 10% of the overall manufacturing sector in the region. Additionally, nearly 6,800 regional

Figure 2.11: Energy, Power and Controls Location Quotients and Projected Growth

Cluster Segment	Regional Location Quotient (2012)	Projected Annual Growth (2010 - 2020)
Electrical Equipment	9.3	2.2%
Instruments & Controls	2.6	3.0%
Other Electrical Equipment	1.6	3.3%

Source: Milwaukee 7

workers are employed in industry segments that support the cluster, including food products machinery (LQ of 3.1) and food and beverage distribution.[35]

FaB Wisconsin—the regional food and beverage industry cluster—is succeeding at promoting and supporting the region's food and beverage industry by developing deeper industry intelligence and improving network connections between firms. Additionally, the FaB Leadership Council is looking at ways to further grow the cluster by improving local talent and innovation, and supporting business development.[36]

Advanced Manufacturing: Water Technology

Water technology includes companies and research that specialize in the study, treatment, storage and movement of water. The cluster includes private businesses, higher education and nongovernmental organizations that focus on these aspects of water as well as applied research. Milwaukee has more than 130 water technology companies, including five of the eleven largest water firms in the world. Also located here are the Great Lakes WATER Institute (WATER stands for Wisconsin Aquatic Technology and Environmental Research), UW-Milwaukee's School of Freshwater Sciences, and over 100 university scientists and researchers who focus on water.

The newly opened Global Water Center in Milwaukee's Walker's Point neighborhood is a hub for water-related innovation. (Source: Kahler-Slater Architects)

Globally, water technology represents a $483 billion market; domestically, the market was estimated at $139 billion in 2012, up 3.8% from 2011.[37] Although water technology does not comprise an easily identifiable industry sector within standard classification systems, some subsectors that are strong within the Milwaukee region include pumps (LQ of 3.3), meters (LQ of 5.2), boilers (LQ of 5.6) and valves (LQ of 1.6).[38]

The main advocate for and developer of the water technology cluster in the region is The Water Council, which helps to organize the region's existing water companies, and develop education programs to train talent in water technology. The Council's new International Water Technology Accelerator will provide new and existing water-related companies and researchers with access to common space, amenities and tools to help them learn, develop and grow.

The Milwaukee Water Council operates the Global Water Center, a 98,000 square-foot facility that houses water-related research facilities, and brings water-related companies together in a collaborative space. It also launched its Global Freshwater Seed Accelerator, which aims to provide a $50,000 grant, workspace, business and technical assistance to six international water technology startups.[39]

Headquarters and Business Services

The headquarters and business services asset cluster is comprised of two sectors. The Milwaukee 7 region is home to seven Fortune 500 companies, making the region one of the top ten U.S. regions for headquarters on a per capita basis. This segment employs nearly 26,000 workers with an LQ of 1.8, and generates $3.5 billion in gross regional product (GRP) annually.

The second sector—business services—primarily comprises data processing and information systems that support a spectrum of companies

View of downtown Milwaukee's financial center, featuring U.S. Bank on the left, and a rendering of Northwestern Mutual's new landmark headquarters at center. (Source: Northwestern Mutual)

regionally, and particularly the finance and insurance cluster, another asset cluster identified for growth potential by M7. This segment employs 5,000 workers with an LQ of 2.7, and employment growth in this sector is expected to exceed national rate of growth—11% versus 7%—through 2020.[40]

Finance and Insurance

The finance and insurance cluster encompasses a broad range of industries including commercial, mortgage and savings investment banks, credit unions, mutual fund and private equity firms, insurance companies, venture capital, and electronic financial transaction processing firms, among others. Within the Milwaukee region, it generates $8.9 billion in GRP annually, and employs nearly 46,000 workers. With an LQ of 1.1, this cluster is slightly more concentrated than the national average. In addition, subsectors of finance and insurance—securities brokerage, investment advice, trust, fiduciary and custody activities, and life insurance carriers—demonstrate even higher location quotients.[41]

Figure 2.12: Finance and Insurance Location Quotients and Projected Growth

Cluster Segment	Regional Location Quotient (2012)	Projected Annual Growth (2010 - 2020)
Securities and financial investment activities	1.1	4.5%
Insurance carriers	1.5	2.2%

Source: Milwaukee 7

Among the companies included in this category are BMO Harris Bank, Chase Bank, Johnson Bank, U.S. Bank and Wells Fargo, all which have major operations in the region. Additionally, Northwestern Mutual, the world's largest supplier of individual life insurance plans, is located in downtown Milwaukee and employs more than 5,000 workers. All told, financial sector companies employ more than 21,000 in the region.[42]

2.5 Other Employment Sectors

In addition to the five asset clusters, the region has a large concentration of jobs in construction, healthcare, retail, hospitality and tourism. These sectors combined employ more than 230,000 workers regionally. Focusing efforts on supporting asset clusters as engines of growth is essential, but leaders and stakeholders must also invest in large employment sectors for stable and incremental growth. Success comes from both fostering growth in the asset clusters and reinforcing the strength of the area's largest employers.

Construction and Green Jobs

Jobs in construction and green industries include carpenters, construction laborers, electricians, painters, construction supervisors and managers, plumbers, pipefitters and steamfitters. In 2010, construction and green industry jobs in the region accounted for nearly 67,000 jobs; by 2020 they are expected to top 78,000.[43]

Healthcare

Healthcare is one of the largest employment sectors in the Milwaukee region, employing more than 68,000 workers in 2010, projected to increase to 83,600 jobs by 2020. Jobs in this sector include nurses, personal care aides, orderlies, attendants, home health aides, physical therapists, childcare workers, medical secretaries, and physicians and surgeons, among other professions.[44]

Retail, Hospitality and Tourism

Jobs in this sector include food preparation and serving, waiters and waitresses, bartenders, cooks, dishwashers, maids and housekeeping cleaners, among others. Currently this sector employs more than 98,000 employees. The greatest gains in the near future are projected to be in combined food preparation and serving, and waiters and waitresses.[45] Tourism has grown 4.7% between 2011 and 2012, and visitors spent more than $10.4 billion in the state. The largest share of this—$1.64 billion—was spent in Milwaukee County.[46]

The next chapter describes the unique position the City of Milwaukee occupies in the regional economy and outlines the vision, goals and principles for action that were discussed and developed by the work group of community leaders and stakeholders convened through 2013.

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27. The Reinvestment Fund, 2012 Market Value Analysis of the City of Milwaukee.

28. City of Milwaukee Assessor's Office, 2013.

29. Zillow Home Value Index, calculated December 19, 2013.

30. Racial segregation as defined as the high likelihood that a person of a given race will live in a neighborhood comprised predominantly of people of the same race.

31. Segregation Indices are Dissimilarity Indices that measure the degree to which the minority group is distributed differently than whites across census tracts. They range from 0 (complete integration) to 100 (complete segregation) where the value indicates the percentage of the minority group that needs to move to be distributed exactly like whites.

32. The neighborhood compositions for average members of a racial group is based on the calculation of exposure indices (each tract's racial composition is weighted by the group's size of each tract) For further information on calculation of these indices see Frey and Myers, 2005. <http://censusscope.org/ACS/Segregation.html> <http://www.salon.com/2011/03/29/most_segregated_cities/>

33. One way of assessing a region's industry concentration is by using a Location Quotient (LQ) – a measure used by economists to assess an industry or occupation concentration of a specific a geographic area. A LQ of "1.00" = the national average. And a LQ of greater that "1.15" is considered to be a significant concentration.

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