Milwaukee Downtown

Business Improvement District #21

Market Analysis

2007

A Cooperative Effort of:

MILWAUKEE DOWN TOWN

UW Extension

Downtown Milwaukee

Business Improvement District #21
Market Analysis

2007

Created in partnership with Milwaukee Downtown BID 21, University of Wisconsin-Extension Center for Community and Economic Development, and University of Wisconsin -Extension Milwaukee County

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Data Disclaimer

The market analysis of Downtown Milwaukee relies on data purchased from private sources, secondary sources, and from public data sets. University of Wisconsin -Extension cannot be held responsible for the accuracy of this data or for decisions made resulting from the use of the data in this report.

Introduction

Downtown Milwaukee is the geographic, cultural, and economic center of the thirty-seventh largest metropolitan area in the nation. Rebounding from decades of disinvestment, Downtown Milwaukee has experienced a renaissance over the last fifteen years. One of the contributing factors to this revitalization is the completion of numerous high-profile public projects. The constructions of the Midwest Airlines Convention Center, the Milwaukee Art Museum Calatrava addition, Pier Wisconsin, the Humphrey IMAX Dome Theater, the Milwaukee Public Market, and the Riverwalk have created new traffic generators for Downtown Milwaukee. Complementing these large-scale public projects is a growing amount of private investment in Downtown Milwaukee's dynamic housing market, and other on-going revitalization efforts such as the redevelopment of the Park East Corridor. The renewed public and private attention placed on Downtown Milwaukee has positioned it to maintain and expand its prominence in the regional, national, and international economy.

The Milwaukee Art Museum Calatrava addition opened in 2001 and is one of the cornerstones in the revitalization of Downtown Milwaukee. *(Photo Source: Milwaukee Department of City Development – Marketing)*

Despite its recent levels of reinvestment, Downtown Milwaukee still faces a number of economic development challenges. A competitive regional retail environment, office space vacancies, and varying public perceptions about Downtown Milwaukee are several remaining obstacles that need to be addressed. Overcoming these obstacles will require a strong partnership among downtown business operators, property owners, and other downtown organizations. Recognizing a need to connect the interests of these various downtown stakeholders, Downtown Milwaukee Business Improvement District 21 (BID 21) has developed an initiative to enhance downtown business retention, expansion and recruitment efforts. To support these efforts, the following market analysis was conducted as an *educational process* in cooperation with University of Wisconsin-Extension's Center for Community and Economic Development between Autumn 2005 and Spring 2007.

Study Purposes

Downtown development and re-development is a continuous process involving a large number of potential stakeholders. Successful revitalization efforts require meeting the economic restructuring needs and interests of business operators, property owners, residents, elected officials, and economic development organizations. To meet the needs of these different stakeholders, the Downtown Milwaukee Market Analysis is designed to serve several purposes. Specifically, the market analysis process seeks to:

- *Create a clearinghouse of market data on Downtown Milwaukee* – The data clearinghouse resulting from the market analysis contains information on downtown customer segments and market trends. The data clearinghouse will assist Downtown Milwaukee BID 21 in business retention and expansion activities by providing information to existing businesses seeking to better serve various consumer segments. The clearinghouse will also assist in recruiting new businesses and entrepreneurs by providing data that demonstrates the value of a downtown location. Ultimately, the clearinghouse will allow Downtown Milwaukee BID 21 to become a central source for downtown market information.

- *Develop the capacity of Milwaukee Downtown BID 21 to update and enhance market research on an ongoing basis* – The Downtown Milwaukee Market Analysis is largely an effort to educate downtown stakeholders and build the capacity of Milwaukee Downtown BID 21. While the market analysis examines current information on downtown consumer segments, the evolving nature of Downtown Milwaukee may require business mix adjustments in response to new regional competition or changing consumer preferences. The design of the market analysis process and data clearinghouse will allow BID 21 to update market information and perform additional research as necessary.

- *Supplement existing downtown marketing and redevelopment activities* – The market analysis seeks to build upon previous studies performed for Milwaukee Downtown BID 21, such as the *2005 Survey of the Six-County Area* performed by Monalco Inc. The market analysis also supplements several objectives identified by the *Milwaukee Downtown Plan* created by the Milwaukee Department of City Development, including expanding the number and variety of destination entertainment venues; maintaining Downtown Milwaukee's office prominence; and building upon the Downtown's unique assets (Figure i.1)[1].

- *Explore specific business opportunities for Downtown Milwaukee* – The analysis provides a framework for examining expansion and recruitment opportunities by specific business category. Using the data assembled in the analysis, a systematic method is provided to help Milwaukee Downtown BID 21 identify opportunities that could serve downtown consumer segments and/or enhance the Downtown Milwaukee business mix.

- *Examine Downtown Milwaukee's Position in the Regional Economy* – Downtown Milwaukee operates in a regional economy that presents both challenges and opportunities to economic development efforts. Specifically, the market analysis examines prospects for Downtown Milwaukee to capitalize on its geographic and economic position in the regional economy.

- *Assess the physical layout of Downtown Milwaukee and its corresponding impact on future development opportunities* – The economic success of a downtown is inherently linked to its physical design. The Downtown Milwaukee Market Analysis examines several opportunities and challenges to developing business clusters and to creating linkages among downtown districts and traffic generators.

Figure i.1 – Downtown Milwaukee Plan Objectives

1. *Residential Development:* To increase the amount and variety of Downtown housing
2. *Destination Entertainment:* To expand the number and variety of destination entertainment venues in Downtown
3. *Balanced Transportation:* To provide attractive options for travel within Downtown
4. *Office Prominence:* To maintain Downtown as the metropolitan area's single largest concentration of office development
5. *Quality of the Pedestrian Realm:* To make walking attractive, easier, and convenient
6. *Downtown's Unique Assets:* To take maximum advantage of the special features found downtown
7. *Catalytic Projects:* To achieve maximum benefit from major private and public investments

Source: City of Milwaukee, Department of City Development

[1] The Milwaukee Downtown Plan is available at: http://www.mkedcd.org/planning/plans/downtown/index.html

Downtown Milwaukee Study Area

The Downtown Milwaukee Study Area is a 2.4 square mile region containing a diverse mix of commercial, residential, governmental and cultural uses (Map i.1). While the Study Area encompasses the boundaries of Business Improvement District 21, the Study Area also recognizes that Downtown Milwaukee extends beyond the area served by the BID. Specifically, the Downtown Study Area boundaries are based on the input of BID 21 staff, the presence of physical features and travel barriers, the location of Census Bureau enumeration units, and the geographic definitions of downtown used by many Milwaukee area residents. The Study Area used in this market analysis also reflects description of the downtown used in the Downtown Milwaukee Plan drafted by the Milwaukee Department of City Development.

The following narrative provides a brief description of the Study Area and several of its key features. Specific features and uses found in Milwaukee are further detailed throughout the market analysis.

- *Central Study Area* – The Central Study Area contains the core of the central business district and is bisected by the Milwaukee River. Navigable by boat and buffered by the Riverwalk, the river provides an important recreational amenity and transportation linkage for downtown workers, visitors and residents. The Central Study Area also contains a number of large entertainment and visitor traffic generators such as the Bradley Center, the Midwest Airlines Convention Center, and several live performance theaters. Other key attractions and features of the Central Study Area include the Milwaukee School of Engineering (MSOE), the Water Street entertainment and dining district, and the 250,000 square foot Shops of Grand Avenue.

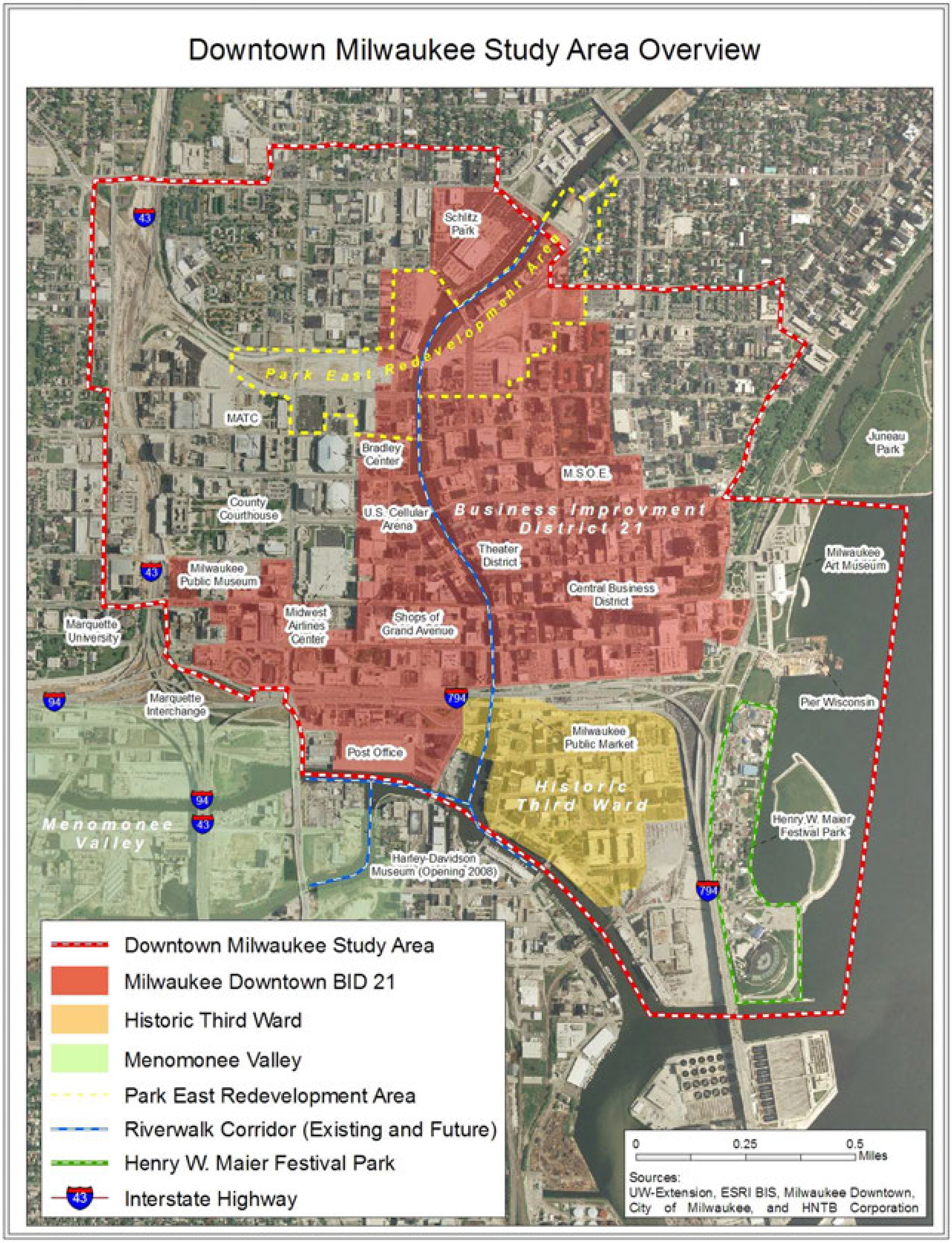
The Riverwalk provides a pedestrian-friendly transit corridor through Downtown Milwaukee *(Photo Source: Milwaukee Department of City Development – Marketing)*

- *Western Study Area* - The Downtown Study Area is bounded to the west by Interstate 43 (I-43). With average daily traffic counts of approximately 150,000 vehicles, I-43 is a primary travel corridor for workers living to the north and south of Downtown Milwaukee[2]. At the Study Area's southwest corner, Interstate 43 is also linked to the State of Wisconsin's busiest traffic hub, the Marquette Interchange. The Marquette Interchange carries 300,000 vehicles per day and is currently undergoing an $810 million renovation that will be completed in 2008[3]. The reconstruction of the Marquette Interchange will improve access to Downtown Milwaukee and will serve as an important gateway to the Study Area. The Western Study Area also contains many Milwaukee County Government facilities, the Milwaukee Area Technical College (MATC), the Milwaukee Public Museum, the Pabst Brewery redevelopment site, and access to Marquette University.

Marquette University and its 11,000 students are located at the western edge of the Downtown Milwaukee Study Area. *(Photo Source: Milwaukee Department of City Development – Marketing)*

[2] Wisconsin Department of Transportation, District 2
[3] Marquette Interchange Project Guide, Wisconsin Department of Transportatio

Map i.1 – Downtown Milwaukee Study Area



- *Southern Study Area* - The southern portion of the Downtown Study Area is dominated by the Historic Third Ward Business Improvement District. With a critical mass of historic building stock, many former warehouses and industrial buildings have been transformed into commercial space and condominium units (over 1,000 units existed in 2006)[4]. The newly opened Milwaukee Public Market, a concentration of unique shopping and dining establishments, and a distinctively built environment has made the Third Ward a regional destination. The southern portion of the Downtown Study Area is also in proximity to the site of the Harley-Davidson Museum, which will open in 2008.

Located in the Third Ward, the newly-opened Milwaukee Public Market is home to twenty specialty food vendors. *(Photo Source: Matt Kures* – University of Wisconsin *Extension)*

- *Eastern Study Area* - Lake Michigan and three important cultural features comprise the eastern boundary of the Downtown Milwaukee Study Area. These features include the Milwaukee Art Museum, the 75-acre Henry W. Maier Festival Park, and Pier Wisconsin. Since the 2001 opening of Milwaukee Art Museum's Calatrava addition, its Brise Soleil has become a landmark with growing national recognition. The 75-acre Henry W. Maier Festival Park is also located on the eastern portion of the Study Area. The park is home to Summerfest and a variety of ethnic festivals held throughout the year. Furthermore, the eastern portion of the Study Area is home to one of Milwaukee's newest attractions, Pier Wisconsin. Opened in the fall of 2006, Pier Wisconsin will be the new home of the Discovery World museum and the Great Lakes Aquatarium. Finally, two high profile luxury condo projects are located in this area: the 33-story Kilbourn Tower and the 34-story University Club Tower.

Pier Wisconsin is the new home of the Discovery World technology and science museum and the Great Lakes Aquatarium (Photo Source: Matt Kures – University of Wisconsin Extension)

- *Northern Study Area* - The Northern Study Area is home to a variety of residential and commercial areas, including the Park East Redevelopment Area. Formerly occupied by an elevated freeway, the 64-acre Park East Redevelopment Area is being reconnected to the existing neighborhood fabric and eventually will be the site of numerous office, retail, and residential developments. One notable project slated for construction in the Park East Redevelopment Area is the new $87 million Manpower Inc. headquarters. The Manpower project will house 900 employees and serve as an additional catalyst for the area's redevelopment. As the northern portion of the Study Area also serves as a transition area to a number of residential neighborhoods, the Park East Redevelopment Area will create greater connectivity to areas north of the Study Area and provide a new gateway to Downtown Milwaukee.

[4] Number of condo units listed by Historic Third Ward Business Improvement District

Study Components

To achieve the study's goals and purposes, the Downtown Milwaukee Market Analysis is segmented into three parts, nine sections, and a series of supplements. Part I examines the regional economy, Downtown Milwaukee's trade areas, and the demographics of trade area residents. Part II examines background information on and perceptions of key downtown consumer segments. Part III builds upon the information collected in Parts I and II and provides a framework for business expansion, retention and recruitment efforts. Each part of the market analysis is briefly described below.

Part I – Characteristics of the Downtown Milwaukee Trade Area and Regional Economy

Section 1: Size and Shape of Trade Area – Section 1 examines existing customer shopping patterns, regional competition, and other market factors that impact the consumer drawing power of the Downtown Milwaukee Study Area. The trade areas defined in this section will serve as one basis for further study of market conditions.

Section 2: Demographic and Lifestyle Characteristics – Section 2 provides an overview of the demographic and psychographic characteristics of the consumers living in the Downtown Study Area and the Downtown Milwaukee trade areas identified in Section 1.

Section 3: Regional Economic Position – The analysis of Downtown Milwaukee's position in the regional economy provides background economic and industry data on the broader Milwaukee 7 Region. This section provides key economic trends on the region's income, population, wages, employment and entrepreneurial activity. Section 3 also examines the region's industry structure for opportunities to capitalize on key driver industries and clusters.

Part II – Overview of Key Market Segments in Downtown Milwaukee

Part II of this analysis focuses on five market segments identified by the Milwaukee Downtown Business Improvement District 21 as keys to future economic vitality. While these are not the only consumer groups important to Downtown Milwaukee, they do provide an important cross-section of groups that value the importance of enhancing Downtown Milwaukee as a quality place for people to live, work and play.

The analysis relies on both quantitative and qualitative data to assess the size and character of these five market segments. Quantitative data includes comparisons of Milwaukee to nine other peer cities with similar metropolitan area population and a central U.S. (non-coastal) location. Specifically, data describing their downtown areas were compared with the Downtown Milwaukee Study Area. Qualitative data includes focus group findings from three sessions conducted for each of the market segments.

Section 4: Analysis of the Downtown Resident Market Segment – Approximately 15,000 people reside in the Downtown Milwaukee Study Area. Section 4 examines national trends influencing downtown residents, explores characteristics of residents living in the Downtown Study Area, and researches how Downtown Milwaukee might improve its residential environment.

Section 5: Analysis of the Downtown Employee Market Segment – The 78,000 employees working in the Downtown Study Area provide considerable spending power. Section 5 examines characteristics of these employees and opportunities to better serve this sizeable market segment.

Section 6: Analysis of the Young Professional Market Segment – Young professionals increasingly use Downtown Milwaukee as a place to live, work, and play. Section 6 examines the regional distribution of young professionals, explores important local and national trends in this market segment, and summarizes opportunities for Downtown Milwaukee businesses seeking young professionals as customers, residents, or employees.

Section 7: Analysis of the College Student Market Segment – Many of the Milwaukee area's 63,000 college students are located in Downtown Milwaukee or live nearby. While college students often have large amounts of disposable income, the college student consumer segment is often overlooked by downtown businesses. Section 7 examines consumer characteristics of Milwaukee's college students as well as their perceptions about Downtown Milwaukee.

Section 8: Analysis of the Visitor Market Segment – Downtown Milwaukee hotels generate over 700,000 room nights per year (over a million guest nights). In addition, many other visitors stay with friends, relatives, or make day-trips to the city. Consequently, visitors provide important spending potential for many businesses in the Downtown Study Area. Furthermore, visitors provide information about their experience in Downtown Milwaukee to employers and colleagues that may be considering Milwaukee as a place to conduct business. Section 8 examines trends in Milwaukee's visitor market segment, and considers opportunities to improve the experience of business, convention, and leisure travelers in the Downtown Study Area.

Part III – Assessment of Market Opportunities

Section 9: Opportunities to increase Downtown Milwaukee's Competitive Advantages – When compared to other regional commercial districts and neighborhoods, Downtown Milwaukee possesses a range of potential competitive advantages. Building on these advantages provides opportunities for strengthening the downtown commercial environment and enhancing Downtown Milwaukee as a place to live, work, and play. Section 9 also examines a number of key challenges facing Downtown Milwaukee.

Supplement A: Methods for Analyzing Business Opportunities – *O*ne of the goals of this market analysis is to build the capacity of Milwaukee Downtown BID 21. To aid in this goal, Section 10 provides a series of methods for analyzing downtown business opportunities. These methods will help Milwaukee Downtown BID 21 to examine business opportunities on an as needed basis and put the market analysis information to use. Ultimately, the methods in Section 10 will help BID 21 staff to engage in business retention, expansion, and recruitment activities.

Supplement B: Creating *an Entrepreneurial Environment in Downtown Milwaukee (pending)*

Supplement C: Developing a Business Retention and Expansion Plan, and *Developing a Business Recruitment Plan* (pending)

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- The focus group participants and facilitators who donated their time and insight;
- The faculty and staff of the University of Wisconsin-Extension including but not limited to the Milwaukee County office and the Center for Community and Economic Development.
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- The Milwaukee Downtown Business Improvement District 21 Board of Directors[5]:

Chair **Thomas G. Bernacchi** Towne Realty, Inc.	**Paul E. Borawski** American Society For Quality	**Herb Rackliff** Hyatt Regency Milwaukee
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Bill Ryan and Matt Kures
University of Wisconsin-Extension Center for Community and Economic Development
2007

[5] Board of Directors at the onset of the market analysis process

Size and Shape of Downtown Milwaukee's Destination Trade Areas

Section 1

Section 1 analyzes the extent and shape of Downtown Milwaukee's destination trade areas. The trade area boundaries defined here will serve as the basis for additional analyses throughout this report.

A trade area is the geographic region that generates the majority of customers for a given business or business district. Depending on the business category, Downtown Milwaukee has a variety of trade areas that depend on a variety of factors including its critical mass and mix of existing businesses, commuting patterns of downtown employees, convenience and accessibility, and its proximity to competition. Examining these factors provides insight into the size and shape of potential trade areas for the Downtown Study Area.

Each individual retail and service business in Downtown Milwaukee has a unique trade area. The unique trade area for an establishment will depend on factors ranging from the type of business, to the variety of products and services sold. However, several general categories of businesses have different relative levels of consumer drawing power. Certain business types will not attract customers from a great distance, while other categories have the potential to draw customers from throughout a region:

- *Convenience Businesses* – These businesses sell goods and services that consumers purchase with minimal effort and often at the most accessible store. Convenience goods are characterized by relatively low costs and frequent purchases; gasoline and groceries are the most obvious examples. The size of the Downtown Study Area and the nature of convenience shopping patterns will greatly influence the number and variety of potential convenience trade areas for downtown businesses. For example, the trade area for a convenience business located in the Third Ward will differ significantly from that of a convenience business located near Schlitz Park. *Given the number of potential convenience trade areas for downtown businesses, this analysis does not attempt to create an overall convenience trade area for Downtown Milwaukee*. *Businesses focusing on convenience goods and services should consider their potential trade area on a case-by-case basis.*

- *Destination Businesses* – Destination businesses offer goods and services that consumers typically purchase after comparing price, quality, and brands. Automobiles, furniture, and appliances are examples of destination goods. *Destination-type businesses are the primary focus of this trade area analysis.*

- *Intermediate Businesses* – Intermediate businesses sell goods and services having characteristics of both destination and convenience purchases. While consumers will spend some time comparison-shopping, the amount of time doing so is typically minimal and the purchase is usually made close to home. Examples of intermediate goods and services are drugs, hardware items, banking, and dry cleaning. *Given the potential drawing power of these businesses, intermediate-type establishments are considered in the trade area analysis, but to a lesser extent than destination businesses.*

In recognizing the drawing power of different business types, the following factors are considered when defining the size and shape of Downtown Milwaukee's destination trade areas:

- *Current drawing power of businesses and attractions in the Downtown Study Area* – The drawing power of downtown businesses and other traffic generators (i.e. cultural facilities) provides insight into the distance that local and regional residents will travel.

- *Commuting patterns and residences of employees working in the Downtown Study Area* – Downtown employees represent a captive consumer segment for large portions of each workday. However, research suggests that the spending impact from downtown employees is limited for many retail categories if these employees reside adjacent to superior shopping opportunities[1].

- *Location and size of competing commercial centers* – Other shopping opportunities surrounding Downtown Milwaukee impact the shopping habits of local and regional residents.

Drawing Power of Existing Businesses

As part of the trade area analysis, actual customer street addresses from a sample of representative Downtown Study Area businesses were used to examine the potential drawing power of the Study Area. While the individual businesses are not identified to maintain their confidentiality, these businesses focus primarily on destination-type goods. However, several of the sample establishments are considered intermediate-type businesses. Information from each business was mapped and analyzed using Geographic Information Systems (GIS). Map 1.1 shows a sample map of customer origins.

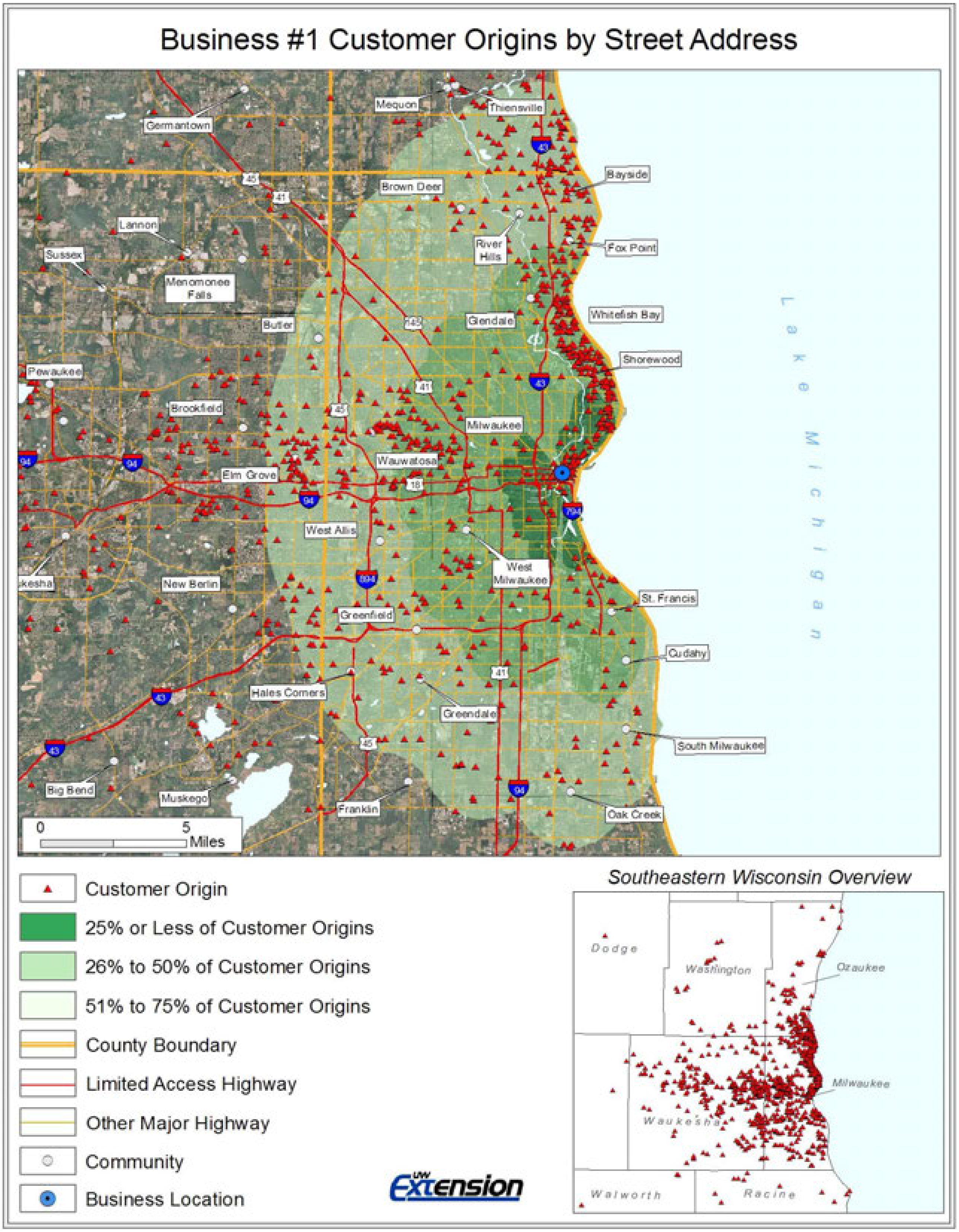
While each business has a unique trade area, two general patterns emerged as a result of the analysis:

- Most businesses tended to generate 50 percent of their customers within a five-mile distance of their location in the Downtown Milwaukee Study Area;

- Most businesses generated a sizeable amount of customers from more affluent areas such as Wauwatosa, Milwaukee's Eastside, and the North Shore. In contrast, a limited number of customers originated from the less affluent Northwest portion of Milwaukee. The contrasting distribution of customers may be driven by a variety of factors. First, many of the destination retailers currently located in Downtown Milwaukee are targeted towards more affluent consumers. Furthermore, the Northwest portion of Milwaukee has a large relative concentration of households without a car (see Map 2.3). While these residents have access to public transportation, increased travel friction may be a limiting factor to residents considering downtown as a shopping destination. *As more diverse retail options develop in Downtown Milwaukee, opportunities for reaching consumers in Northwest Milwaukee could increase. Other marketing efforts could also aid in expanding customer penetration into these areas.*

[1] International Council of Shopping Centers. *Office Worker Retail Spending Patterns*. ICSC, 2004.

Map 1.1 – Sample Customer Origin Map

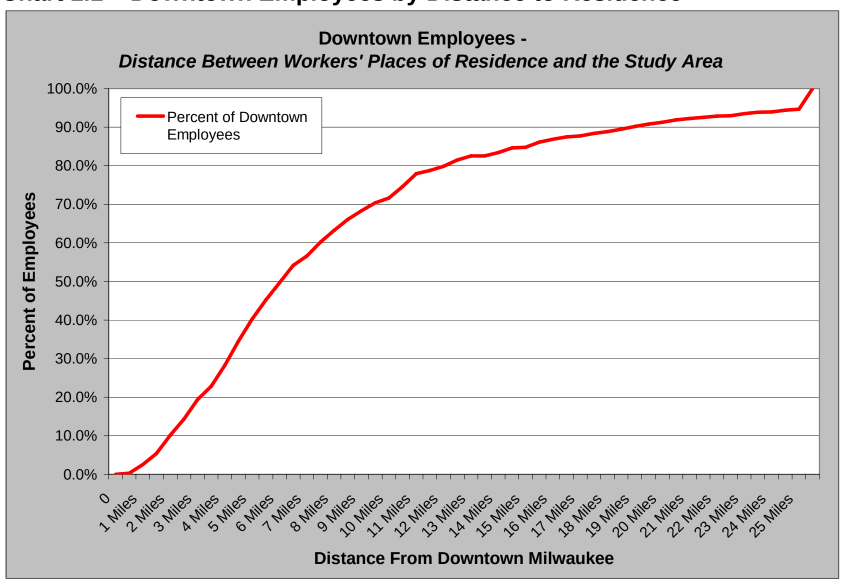


Employee Origins

In the year 2000, U.S. Census Bureau estimates showed that 78,000 employees worked in the Downtown Study Area[2]. Examining where these employees reside provides insight into the Downtown Study Area's geographic influence on the regional labor market and potential shopping patterns of this consumer segment. Map 1.2 depicts the places of residences for Downtown workers throughout the Milwaukee metro area. Many of these workers live in the City of Milwaukee and other nearby communities such as Shorewood, Whitefish Bay, and Wauwatosa. Concentrations of Study Area employees are also located around Brookfield, Mequon, Glendale, and Franklin. Aggregating employee residences by county shows that approximately 73 percent of Study Area workers live in Milwaukee County, while an additional 20 percent reside in Waukesha, Ozaukee, Washington, or Racine counties.

To further illustrate the geographic influence of Downtown Milwaukee, Chart 1.1 summarizes the distances between the Study Area and downtown workers' places of residence. Almost 60 percent of downtown workers live more than five miles from the Downtown Study Area. Approximately 30 percent live more than ten miles away. These travel distances show the influence of Downtown Milwaukee on the regional economy. *However, these commuting distances and the employee origins shown on Map 1.2 suggest that many employees have a range of shopping opportunities near their residences.*

Chart 1.1 – Downtown Employees by Distance to Residence

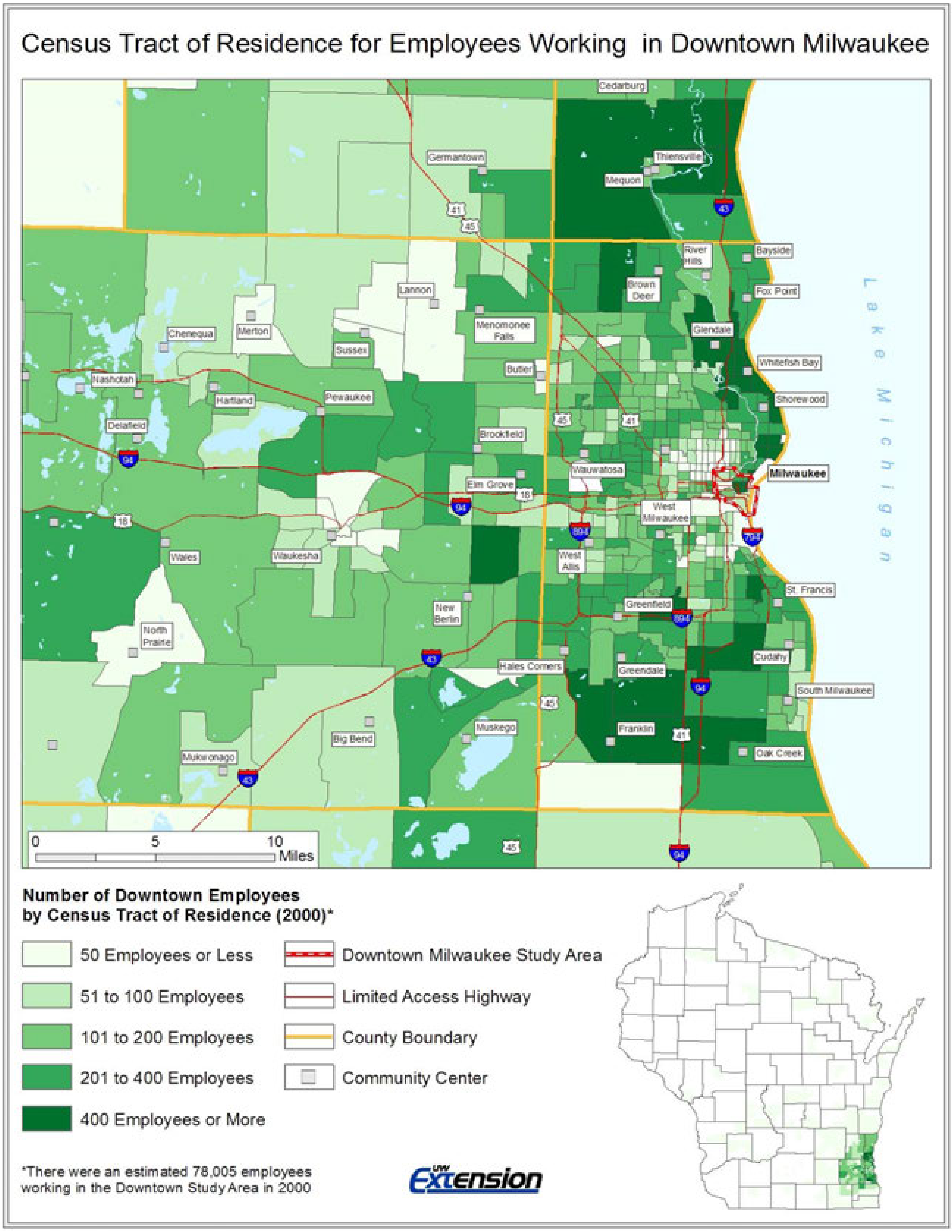


Source: Census Transportation Planning Package and University of Wisconsin-Extension

Specifically, many of these employees reside near large commercial districts such as Blue Mound Road in Brookfield, Mayfair Mall and Mayfair Road in Wauwatosa, Bayshore Town Center in Glendale, and the Southridge Shopping Center commercial district along South 76th Street in Greendale. More distant employees also reside adjacent to growing retail concentrations in Delafield and Grafton. Accordingly, employees living at greater distances will likely have a more limited influence on the destination trade areas. *However, targeted strategies that accommodate the needs of downtown workers could aid in capturing the large spending potential represented by these more distant Study Area employees.* The Study Area employee consumer segment will be examined further in Section 5 of this analysis.

[2] Study area employee figures are examined in Section 5

Map 1.2 – Place of Residence for Downtown Study Area Employees

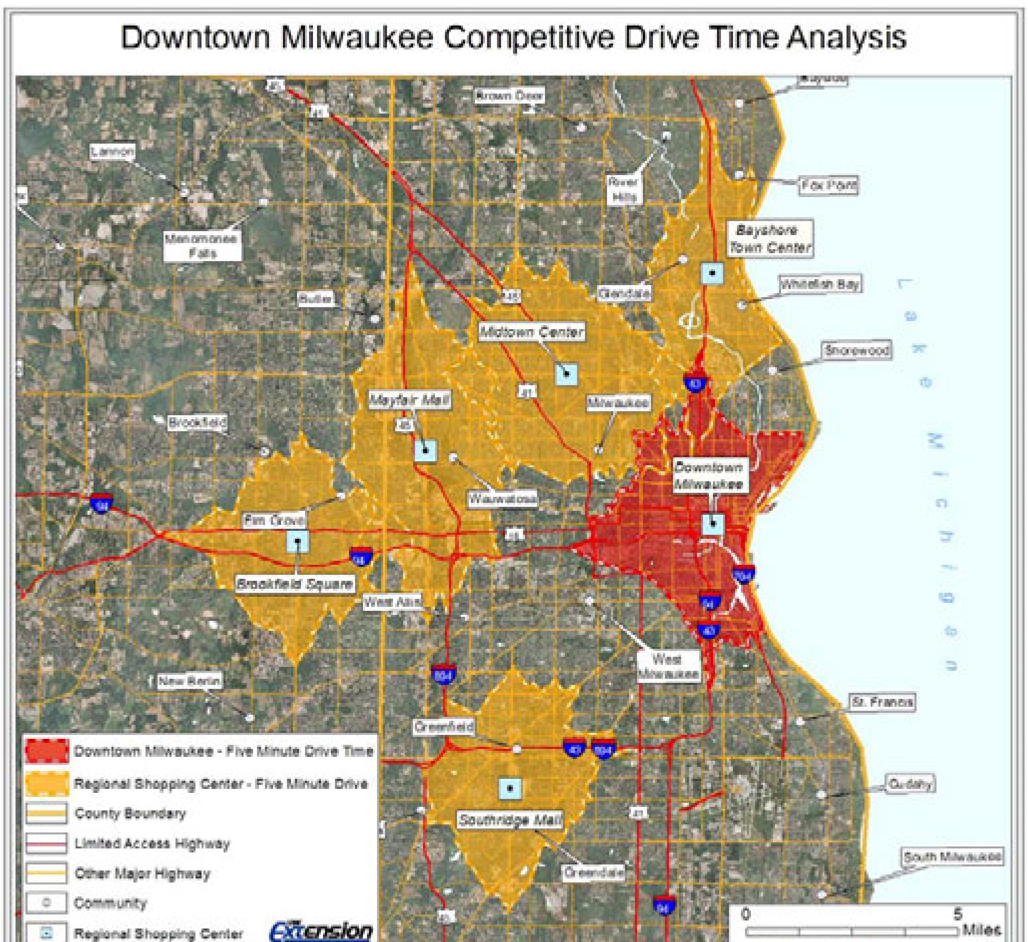


Drive Time Analysis

Drive time analysis is used to analyze Downtown Milwaukee's geographic separation from surrounding regional and super-regional shopping opportunities. These regional and super-regional shopping centers include Mayfair Mall, Brookfield Square/Blue Mound Road, Southridge Mall, and Bayshore Town Center. *While not a regional shopping center, Midtown Center is also used in the analysis due to its geographic proximity, its size (485,000 sq ft) and the relative absence of another concentrated retail center to the northwest of the Study Area.*

While each shopping center's drawing power will vary by its size and tenant mix, five-minute drive times were constructed to determine the geographic separation of these malls from Downtown Milwaukee. Within a five-minute drive time, the Downtown Study Area is somewhat distanced from these regional shopping opportunities (Map 1.3). However, Mayfair Mall has an upscale tenant mix that includes a growing number of "first-in-Wisconsin" retailers such as Crate and Barrel and Restoration Hardware. Furthermore, Bayshore Town Center has recently been renovated to upgrade its tenant mix and improve its regional appeal. These two malls, along with the large competition presented by the Brookfield Square/Blue Mound Road commercial district, provide sizeable competition for shoppers residing in northern and western Milwaukee County, southern Ozaukee County, and eastern Waukesha County. While the Downtown Study Area is more isolated from regional shopping centers to the south, a wide variety of small-to-medium shopping destinations are located throughout communities to the south and southwest of Downtown Milwaukee. Many of these centers are aging, but they still present competition for a number of destination/intermediate goods and services.

Map 1.3 – Regional Drive Time Analysis

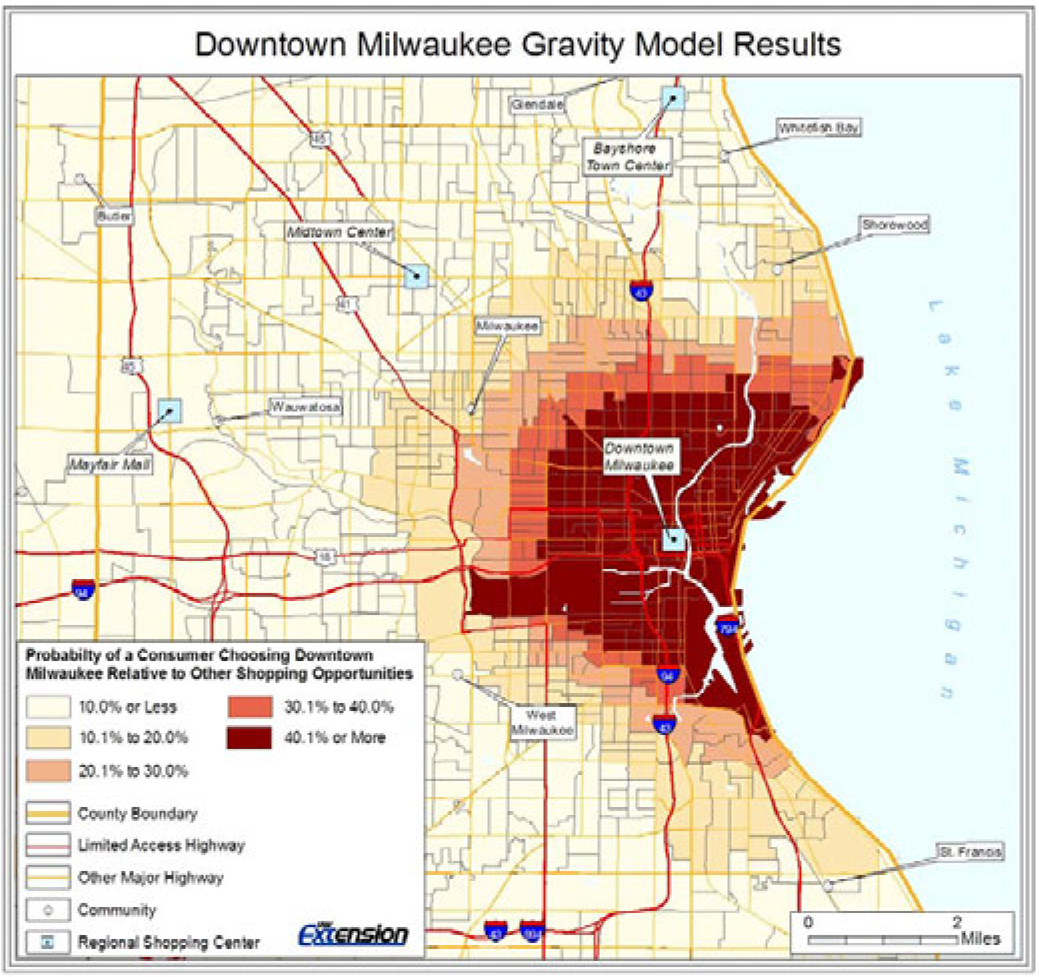


Gravity Modeling

Gravity modeling provides an additional method for examining competition and potential shopping patterns around the Downtown Study Area. While a detailed discussion of gravity modeling is beyond the scope of this analysis, a gravity model attempts to predict the probability that a consumer will shop at a given commercial center. The model accounts for the distribution and attractiveness of competing shopping districts, along with distance a consumer will have to travel to each commercial area. *For this analysis, estimates of retail sales for existing retail concentrations are used as a proxy for a shopping district's attractiveness*[3].

Map 1.4 shows the results of the Downtown Milwaukee gravity analysis. Specifically, the map shows the probability (i.e. percent chance) that a consumer living in a given area will choose Downtown Milwaukee over another competing shopping district. As one would expect, residents living in areas closest to Downtown Milwaukee have the highest probability of shopping in the Study Area. *Note that a high probability does not necessarily mean that a shopper will choose Downtown Milwaukee over another shopping district. Conversely, a low probability does not restrict people from shopping in the Downtown Study Area. In fact, when combining the large number of areas suggesting low shopping probabilities, these areas will still contribute a notable number of customers to the Study Area.*

Map 1.4 – Downtown Milwaukee Gravity Model Results



[3] Shopping districts have many attributes that make them attractive to consumers. Common measures of attraction include retail sales, retail floor space, number of parking spaces, product pricing, tenant mix, etc.

Conclusions

The preceding analyses present a wide range of factors that affect Downtown Milwaukee's trade areas and reiterate the complex task of defining an overall business district trade area. Using the analyses of existing customer origins, employee residences, drive times, and distribution of competing shopping districts, primary and secondary destination trade areas were constructed for Downtown Milwaukee. These trade areas are shown on Map 1.5 (following page) and will be used throughout the remainder of this study. Again, these trade areas reflect the drawing power of the overall Downtown Study Area; not the trade areas of individual businesses. *Furthermore, the boundaries of these trade areas are not rigid. Customers within these trade areas will travel to other commercial centers, while customers from outside the trade areas may patronize Downtown Milwaukee businesses. Prospective businesses that may have a unique draw may want to consider constructing their own individual trade area.*

While no individual data set was used to construct Downtown Milwaukee's destination trade areas, the size and shape of these trade areas were informed by the results of the preceding analyses:

- The primary destination trade area partially considers those geographic areas that tended to generate 50 percent of the customers for existing Study Area businesses. The secondary destination trade area partly reflects the areas that produced an additional 25 percent of business patrons.

- As previously suggested, the primary destination trade area's extent to the northwest is somewhat limited as a result of the customer address analyses and the drive time analysis. Furthermore, the other analyses used in the trade area definition did not provide overwhelming evidence for extending the current boundary. *Consequently, the primary destination trade area boundary does not attempt to exclude lower income consumers, but rather reflects current market conditions. Future opportunities do exist to better serve customers living in neighborhoods northwest of the Downtown Study Area and to eventually extend the current primary destination trade area boundaries into this region.*

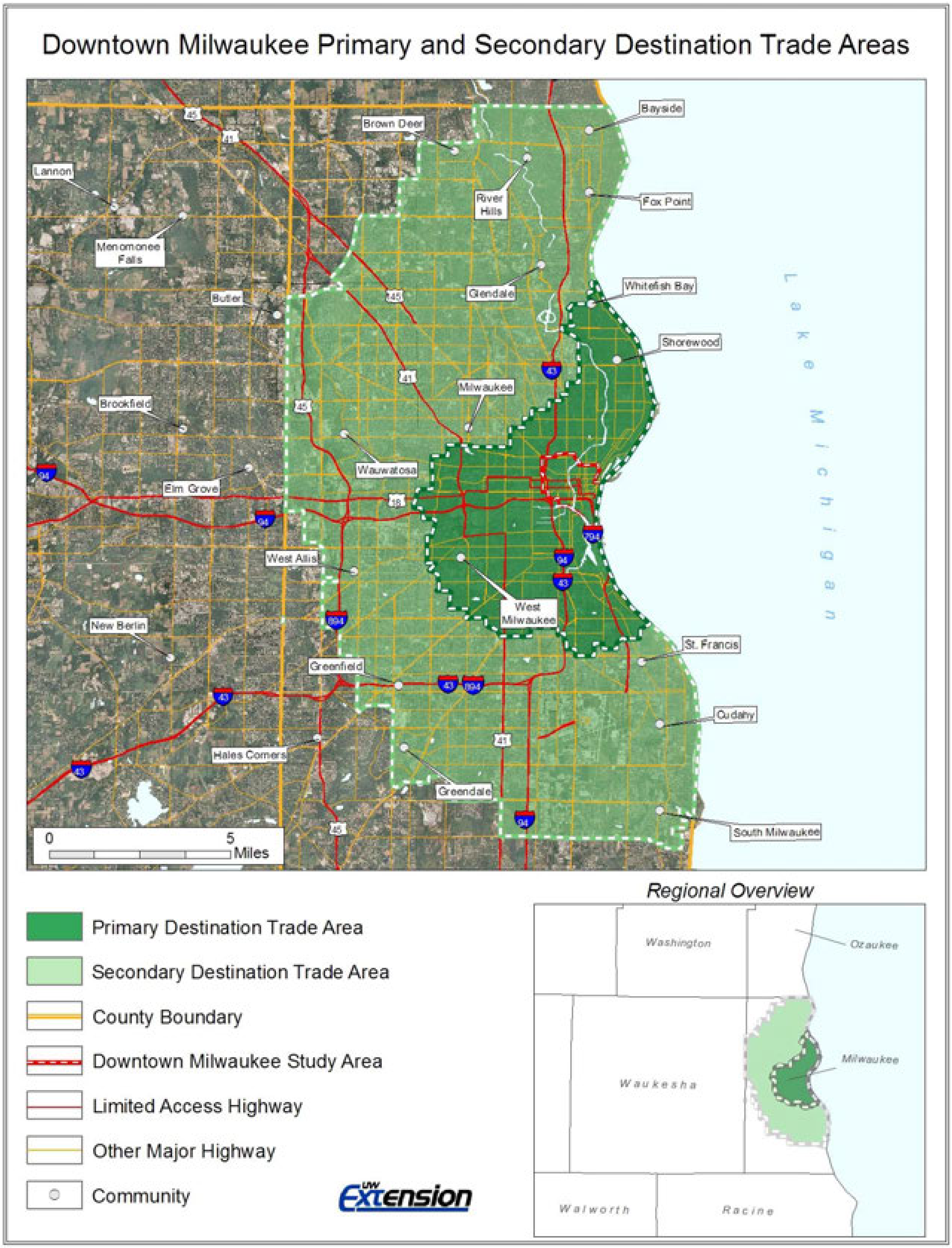
- The primary and secondary destination trade areas are partially based on the distribution of regional shopping destinations, and those areas that best segment Downtown Milwaukee from these competing commercial centers.

- The primary destination trade area includes those areas with a greater than 40 percent probability of generating customers for the Downtown Study Area.

- The primary and secondary destination trade areas are based on conservative estimates of the Downtown Study Area's drawing power. However, continued marketing efforts and the growing number of strong non-retail anchors present in Downtown Milwaukee, such as the Milwaukee Art Museum's Calatrava addition and Pier Wisconsin, should have a positive impact on the Study Area's ability to attract shoppers.

- The primary and secondary destination trade area boundaries recognize the regional shopping options available to more distant commuters who work in the Downtown Study Area.

Map 1.5 – Primary and Secondary Destination Trade Area Boundaries



Section 2

Demographic and Lifestyle Characteristics

Consumer demographic and lifestyle characteristics provide valuable information on resident spending potential and purchasing preferences. Demographic information is also an important component to developing effective promotional and marketing strategies. Accordingly, Section 2 examines a number of key demographic and lifestyle categories within the Downtown Study Area and the primary and secondary destination trade areas.

Downtown Milwaukee is surrounded by a diverse population with varying incomes, ages, races, and occupations. To assist in understanding the tastes and preferences of these consumers, the following tables compare demographic characteristics for the Downtown Study Area, the primary and secondary destination trade areas, and the State of Wisconsin. Comparing the demographics within each of these areas aids in differentiating local consumer preferences and determining potential demographic niches. Demographic and lifestyle characteristics are derived from a variety of public and private datasets, including ESRI Business Information Solutions (ESRI BIS) and the 2000 Decennial Census. While the most current demographic information is used whenever possible, the figures produced by these sources may differ from other published estimates. Comprehensive demographic tables are also included in Appendix 2A. *Note that the demographics for each geographic area are not mutually exclusive. That is, demographic figures for the primary destination trade area include the numbers for the Downtown Study Area. Similarly, figures for the secondary destination trade area include the figures from the Downtown Study Area and the primary destination trade area.*

Population Trends

Population is defined as all persons living in a geographic area and is an important consideration for determining consumer demand. The population trends from ESRI (Table 2.1) suggest that the Downtown Study Area's population has increased by more than 1,000 residents since 2000, with an annual growth rate of 1.3%. However, the number of households in Downtown Study Area grew 2.0% per year, faster than the rate of population growth. The difference between these growth rates is explained by a number of local and national downtown housing trends. *Specifically, as Downtown Milwaukee's housing stock increasingly caters towards singles, young couples without children, and empty nesters, the average household size in the Downtown Study Area has decreased since 1990*[1]. Declines in average household size have resulted in the number of households growing faster than the overall population in Downtown Milwaukee and many other large downtowns throughout the nation.

Table 2.1 – Population and Household Trends 1990 to 2006

Population and Households	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
1990 Population (Census)	12,701	300,190	921,803	4,891,769
2000 Population (Census)	13,829	285,097	888,854	5,363,675
2006 Population (Estimate)	14,898	283,169	878,203	5,667,706
2000 – 2006 Annual Change	1.3%	-0.1%	-0.2%	0.9%
1990 Households (Census)	5,887	117,823	359,691	1,822,118
2000 Households (Census)	6,429	113,389	358,828	2,084,544
2006 Households (Estimate)	7,201	113,352	357,678	2,248,740
2000 – 2006 Annual Change	2.0%	0.0%	-0.1%	1.3%

Source: ESRI Business Information Solutions and U.S. Census Bureau Percentages may not total 100.0% due to rounding

[1] Declining household sizes are also driven by the national trend of families having fewer children.

Despite the estimated increase of over 1,000 residents since 2000, the 2006 Study Area population figures appear to be somewhat underestimated given the number of condominium and rental units recently developed in Downtown Milwaukee. The dynamic nature of the downtown housing market could suggest that private data providers (such as ESRI BIS used in this analysis), may not be able to keep pace with the number of new housing units and residents. *Furthermore, many of the housing units recently added to Downtown Milwaukee have been developed directly north or south of the Downtown Study Area boundaries (Map 2.1). While local stakeholders may consider these units to be located "downtown", the residents living in these housing complexes are not included in Table 2.1. More information is available in the examination of the Downtown residential market in Section 4.*

To determine the impact of new housing projects on the Downtown Study Area population, Table 2.2 and Map 2.1 examine the number of housing units developed between 2000 and 2006 (the 2000 Census figure is used as a baseline). Housing figures are based on estimates of new construction and converted units from the City of Milwaukee Assessor's Office and Department of City Development. *Note that only those units ready for occupancy at the time of this analysis were included in the calculations. Several large developments under construction at the time of this analysis, such as University Club Tower and Union Point Condos, are not included in these estimates.* Again, Map 2.1 shows the large number of new housing developments built just to the north and south of the Downtown Study Area. While the residents of these units are not included in the preceding population estimates, these housing developments still have an impact on Downtown businesses. Accordingly, Table 2.2 also examines the number of new housing units developed within a half-mile distance of the Downtown Study Area.

Using the Study Area's 2006 average household size of 1.47, and its 2006 90% average occupancy rate (Table 2.3), the housing units developed between 2000 and 2006 would have contributed an estimated 1,981 residents to the Downtown Study Area (Table 2.2). Moreover, the new housing units developed within a half-mile of the Study Area contributed an additional 1,800 new residents. Note that the actual number of new residents may be lower or higher due to a different average occupancy rate, varying household sizes, or a large number of existing units removed from the market due to redevelopment projects or their conversion to other uses. *However, if the market assumptions stated above are true, then the estimated Downtown Study Area population figure in Table 2.2 is 900 residents greater than the estimate in Table 2.1. As many developers and retailers rely on private data estimates similar to those used in this analysis, Downtown Milwaukee should work with prospective businesses to help them understand possible discrepancies in population figures.*

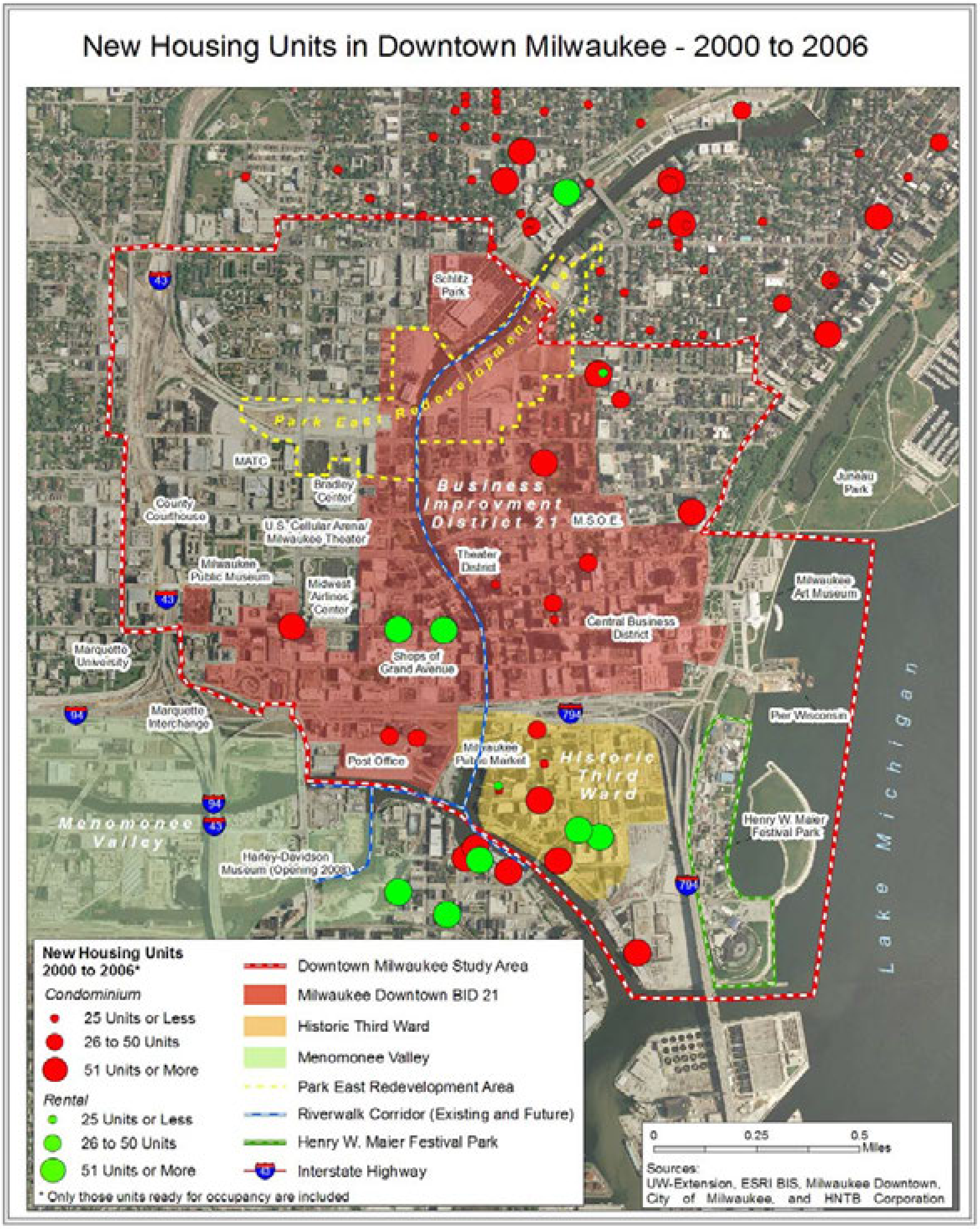
Table 2.2 – New Housing Units Developed Between 2000 and 2006

Downtown Housing Changes Between 2000 and 2006	Housing Units in Downtown Study Area	Housing Units in Half-Mile Buffer of Downtown Study Area	Total Units in Downtown Study Area and Half-Mile Buffer
Estimated New Condo Units	900	1,020	1,920
Estimated New Rental Units	597	368	965
Estimated Total New Units	1,497	1,388	2,885
Estimated New Population	1,981	1,836	3,817

Source: City of Milwaukee Assessor's Office and Department of City Development, U.S. Census Bureau, and UWEX.

In addition to the Downtown Study Area, Downtown Milwaukee's primary and secondary destination trade areas contain a sizeable population base. Current estimates show a combined primary and secondary trade area population of over 878,000. In contrast to the Downtown Study Area and the State of Wisconsin, the two trade areas' populations show estimated declines between 1990 and 2000 and again between 2000 and 2006. As the destination trade areas contain a large portion of Milwaukee County, these declines are not surprising given the county's population loss during the past few decades. *Note that the Census Bureau has undercounted Milwaukee's population in the past, and actual population figures and trends may be somewhat different.* Nonetheless, new and existing establishments should not rely on increases in the trade area population for additional sales and opportunities. *Instead, expanded business opportunities in the Downtown Study Area must focus on finding new niches, better serving current market segments (such as downtown employees, visitors, and residents), and meeting the needs of underserved populations within the current market.*

Map 2.1 – Downtown Housing Units Developed Between 2000 and 2006



Housing Tenure and Occupancy Rate

Occupancy rate relates the percentage of housing units that were occupied during a given year. Housing tenure refers to the difference between the number of owner-occupied and renter-occupied housing units. These statistics are valuable in analyzing the potential for a variety of different home-related products and services. Note that the number of housing units reported in Table 2.3 is likely several hundred lower than the actual inventory given the previous figures on new housing developments (Table 2.2),

While a large number of recently developed housing units are owner-occupied condominiums, renter-occupied units remain as the Study Area's dominant housing type. Nationally, renters tend to spend a higher proportion of their income on dining out, alcoholic beverages, and apparel. However, as the number and percent of owner-occupied units steadily increases in Downtown Milwaukee, the demand for goods and services typically purchased by home owners should also grow. Specifically, homeownership directly correlates with increased expenditures on home furnishings, home improvement, and appliances.

Table 2.3 – Housing Tenure and Occupancy Rates (2006)

Geographic Area	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
Total Housing Units	7,947	125,190	384,279	2,516,288
Vacant Housing Units	9.4%	9.5%	6.9%	10.6%
Owner Occupied Housing Units	11.7%	33.6%	50.4%	62.7%
Renter Occupied Housing Units	78.9%	57.0%	42.6%	26.7%

Source: ESRI Business Information Systems (ESRI BIS) Percentages may not total 100.0% due to rounding

Mobility Rates

Mobility rates examine the frequency of resident turnover or churn. The high mobility of our society (especially in urban areas) often poses a challenge for small businesses trying to build name recognition and customer relationships. *Subsequently, mobility rates will affect both the need for and frequency of marketing activities.* As shown in Table 2.4, mobility rates are classified by the type and relative distance of population movements. The category "Same house in 1995" includes all residents who did not move between 1995 and 2000. In contrast, the category "Different house in 1995" reports those people who moved during the same period. This category is subdivided into people who moved within the same county, people who moved from different counties in Wisconsin, and people who moved from a different state.

Both the Downtown Study Area and the primary destination trade area show high mobility rates. Within the Downtown Study Area, 73.7% of the population and 74.3% of the households moved between 1995 and 2000. A large portion of these households moved to the Study Area from outside of Milwaukee County and the State of Wisconsin. Additionally, 56.9% of the primary destination trade area's population moved during this period. While these mobility rates are based on year 2000 figures, both the Downtown Study Area and the primary destination trade area have large numbers of renters, college students, and young workers. *These residents tend to be among the most mobile demographic segments.* Accordingly, the study area and primary destination trade area should continue to experience high mobility rates as long as these demographic categories are present. *Downtown businesses seeking to serve these* *consumer segments likely will require consistent marketing and outreach efforts. Downtown Milwaukee BID 21 should also consider the mobility of these segments when marketing the overall Downtown Study Area.*

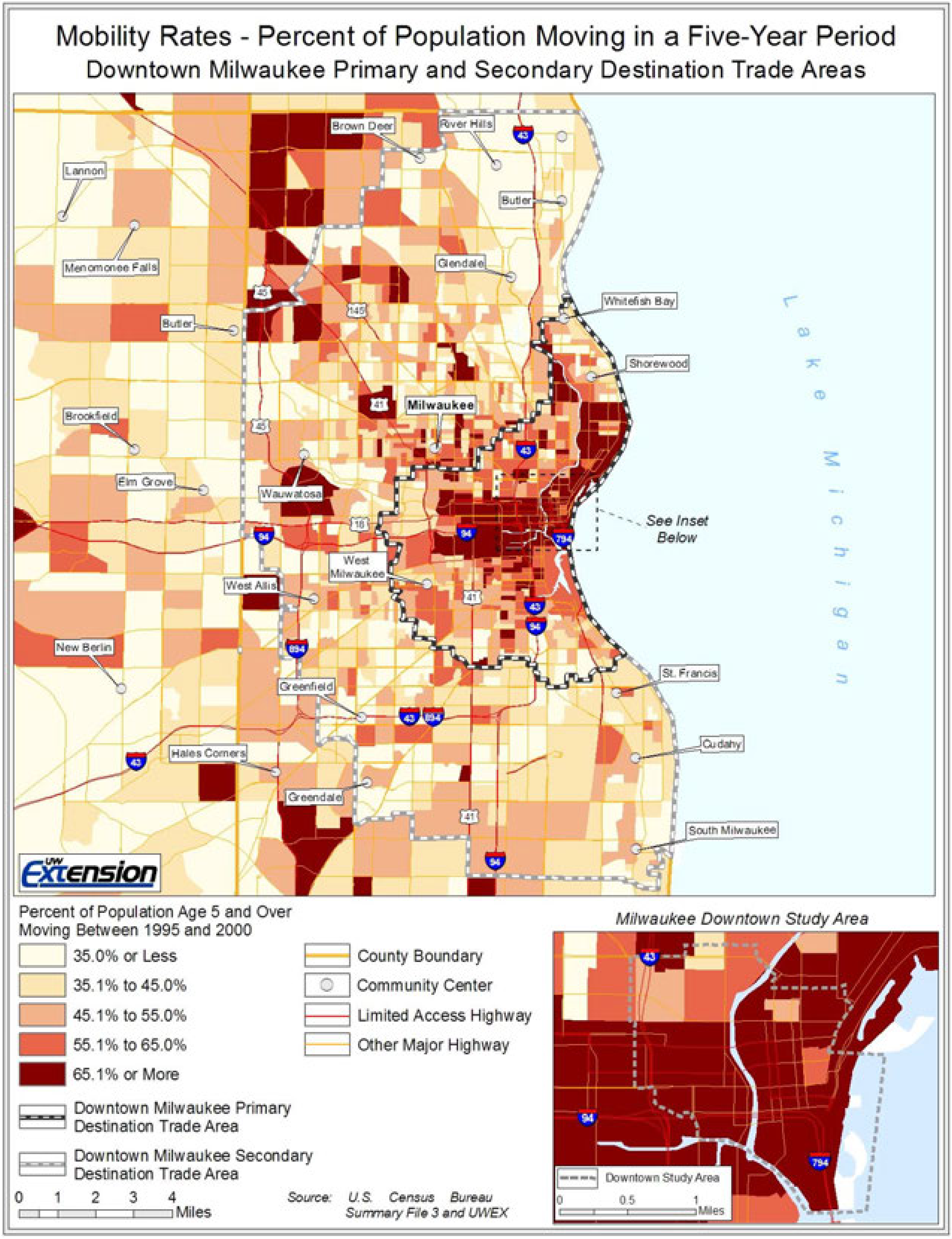
Table 2.4 – Mobility Rates (1995 to 2000)

Geographic Area	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
Population Age 5 and over (2000)	13,469	263,715	826,634	5,022,073
Same house in 1995	26.3%	43.1%	52.4%	56.5%
Different house in 1995	73.7%	56.9%	47.6%	43.5%
Same county	32.7%	35.7%	33.9%	24.6%
Different County in Wisconsin	20.8%	7.3%	5.3%	11.0%
Different County, different state	16.5%	8.7%	5.9%	6.7%
Elsewhere in 1995	3.6%	5.3%	2.5%	1.3%
Households Moving in Between 1995 and 2000	74.3%	59.7%	50.6%	46.2%

Source: U.S. Census Bureau – Summary File 3 Percentages may not total 100.0% due to rounding

To further examine resident turnover, Map 2.2 shows mobility rates in Milwaukee region between 1995 and 2000. Driving the overall high mobility rates in the Downtown Study Area and the primary destination trade area, many Census Block Groups show that more than 65% of the population moved during a five-year period. These high mobility areas are particularly apparent throughout the Downtown Study Area and along the North Shore of Lake Michigan. Above average mobility rates are also found to the south of Downtown Milwaukee and near Wauwatosa.

Map 2.2 – Five-Year Mobility Rates (1995 to 2000)



Household Composition

Households can be composed of people living alone, families with or without children, single parent households, or a number of unrelated people living together. The differences in these household structures are primary indicators for identifying several retail and restaurant opportunities. Households with children point to opportunities for fast-food, toys, children's apparel, and other goods and services desirable to kids. In contrast, households without children typically have more discretionary income available for home furnishings, dining out, and travel.

Non-family households are the dominant household type in the Downtown Study Area (Table 2.5). While non-family and family households are split equally in the primary destination trade area, the primary trade area still has a larger proportion of non-family households than either the State or the secondary destination trade area. The dominance of non-family households is re-iterated by the high percentages of single-person households in both the Downtown Study Area and the primary destination trade area. *While the characteristics of these single-person households will vary, these households on average tend to have higher levels of discretionary income available for many goods and services such as food away from home.*

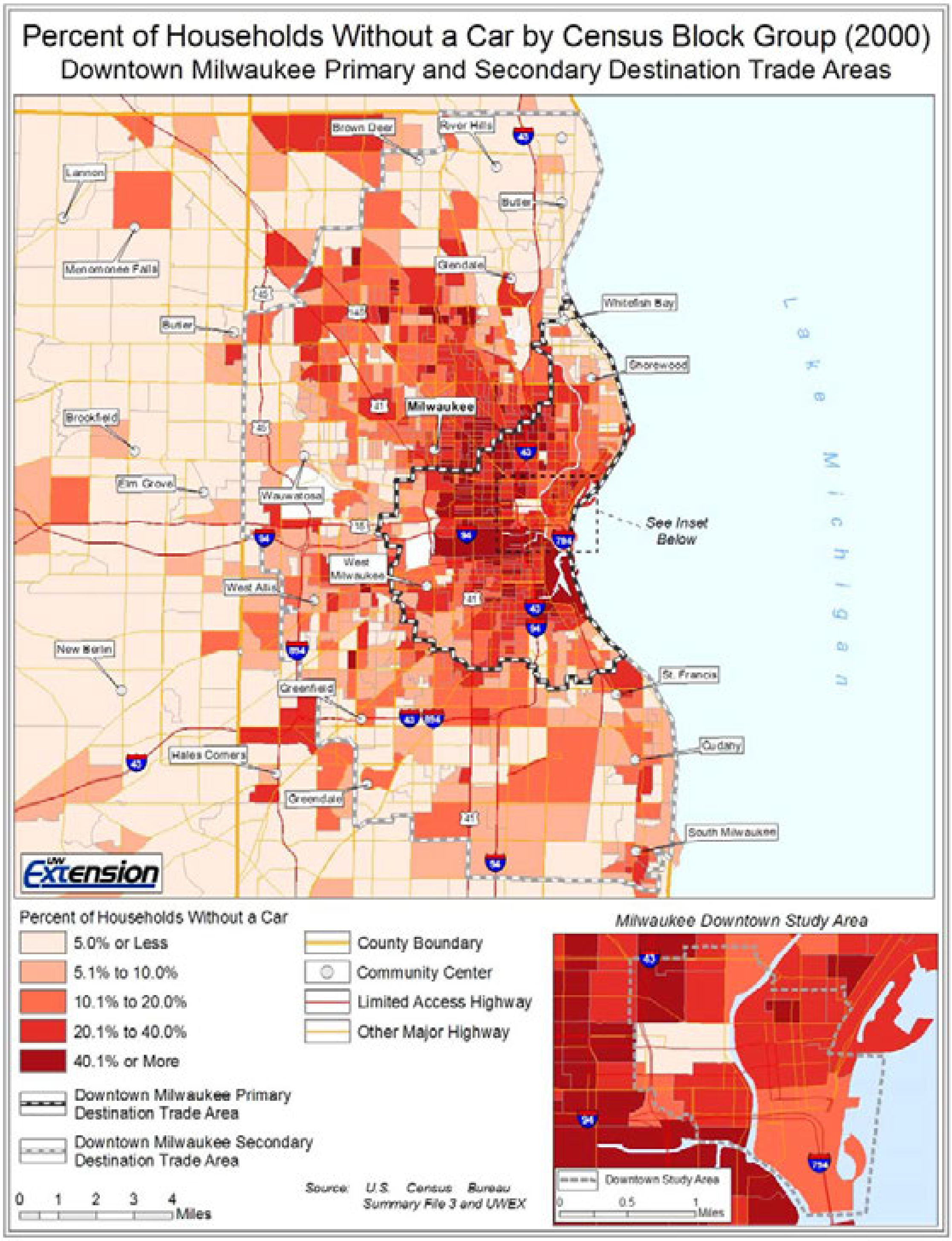
Table 2.5 – Household Characteristics (2000)

Households by Type and Size	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
Total	6,429	113,370	358,828	2,084,544
Family Households	20.0%	49.9%	59.2%	66.5%
Married-couple Family	11.10%	28.9%	38.4%	53.2%
With Related Children	1.50%	14.8%	17.4%	24.3%
Other Family (No Spouse)	9.1%	21.0%	20.8%	13.3%
With Related Children	6.6%	14.8%	14.3%	9.0%
Non-family Households	80.0%	50.1%	40.8%	33.5%
Householder Living Alone	67.4%	38.9%	33.4%	26.8%
Householder Not Living Alone	12.6%	11.2%	7.4%	6.7%
Households with Related Children	8.1%	29.6%	31.8%	33.3%
Households with Persons 65+	15.2%	17.8%	23.4%	23.0%
1 Person Household	67.4%	38.9%	33.4%	26.8%
2 Person Household	23.9%	26.9%	30.6%	34.6%
3 Person Household	5.5%	13.2%	14.8%	15.4%
4 Person Household	1.9%	9.7%	11.5%	13.9%
5 or More Person Household	1.3%	11.4%	9.8%	9.2%
2000 Average Household Size	1.47	2.40	2.42	2.50
Vehicle Availability by Household				
No Vehicles	31.2%	25.1%	16.8%	7.9%
1	52.4%	43.7%	41.9%	32.5%
2	14.0%	24.2%	31.9%	41.5%
More than 2	2.4%	7.0%	9.5%	18.0%
Avg. Number of Vehicles Available	0.9	1.2	1.4	1.8

Source: U.S. Census Bureau and ESRI BIS Percentages may not total 100.0% due to rounding

An additional characteristic of the Downtown Study Area and the primary destination trade area is the large percentage of households without automobiles. In 2000, 31.2% of Study Area households and 25.1% of primary destination trade area households did not own an automobile. In contrast, only 7.9% of Wisconsin households did not have an automobile. *Accordingly, these* *non-automobile households provide a captive consumer market for Downtown Milwaukee establishments.* However, effectively capturing demand from this market segment requires that basic goods and services be easily accessible. Businesses such as grocery stores, pharmacies and hardware stores not only need to be present, but within a reasonable walking distance for Study Area residents. Conversely, households without cars living at greater distances from Downtown Milwaukee will likely provide somewhat limited demand (Map 2.3). Effective public transportation may help to overcome some of the travel limitations facing these households.

Map 2.3 – Distribution of Households without a Car



Age Distribution

Age is an important predictor of consumer spending patterns. Table 2.6 and Chart 2.1 depict the age distribution in the Downtown Study Area and the primary and secondary destination trade areas. Within the Downtown Study Area and primary destination trade area, the two largest age cohorts are those residents ages 15 to 24 and ages 25 to 34. These age groups encompass 54.5% of Downtown Study Area residents and 37.1% of primary destination trade area's population (compared to 27.1% of the State's population). These residents ages 15 to 34 include college students, young singles, and young couples. Given the occupation distribution shown in Table 2.10, it is likely that many of the younger workers not in college are employed in white-collar occupations (especially in the Downtown Study Area). *Residents age 55 and over are also a growing segment of the Downtown Study Area.*

While some younger residents have children, many of these individuals are single or live in two income households without children. Consequently, many of these young workers have relatively high levels of discretionary income. A number of these young residents are also college students, with increasing levels of disposable income (see Section 7). These young workers and college students typically exhibit above average spending patterns on personal services, alcoholic beverages, entertainment, home electronics, apparel, footwear, telephone services, and food away from home. Most members of this age group either rent or have purchased their first home. Furthermore, many residents in these age cohorts have either active educational expenses or are repaying student loans. *Given the spending potential represented by young professionals and college students, these two consumer segments are further analyzed in Section 6 and Section 7 of this market analysis.*

Chart 2.1 – Age Distribution in 2006

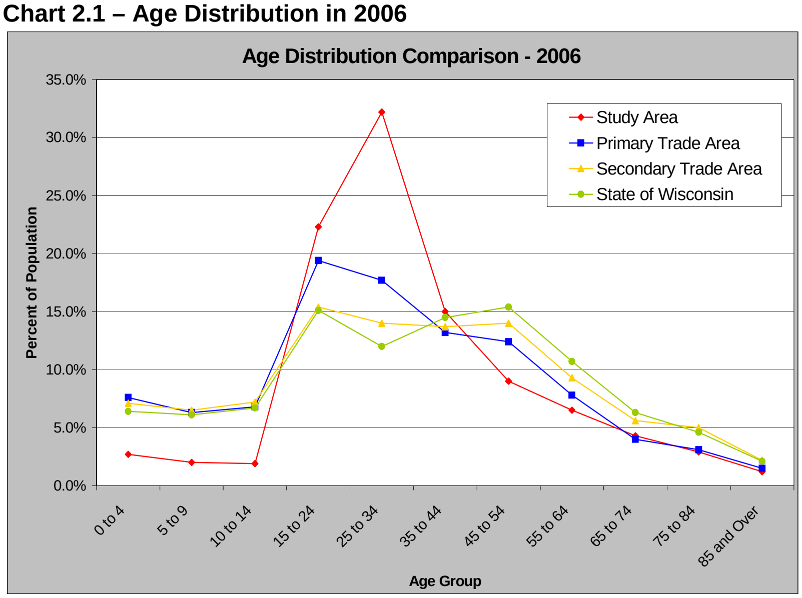


Table 2.6 – Age Distribution (2006)

Age Category	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
Total Population	14,898	283,169	878,203	5,667,706
Ages 0 - 4	2.7%	7.6%	7.1%	6.4%
Ages 5 - 9	2.0%	6.3%	6.5%	6.1%
Ages 10 - 14	1.9%	6.8%	7.2%	6.7%
Ages 15 - 24	22.3%	19.4%	15.4%	15.1%
Ages 25 - 34	32.2%	17.7%	14.0%	12.0%
Ages 35 - 44	15.0%	13.2%	13.7%	14.5%
Ages 45 - 54	9.0%	12.4%	14.0%	15.4%
Ages 55 - 64	6.5%	7.8%	9.3%	10.7%
Ages 65 - 74	4.3%	4.0%	5.6%	6.3%
Ages 75 - 84	2.9%	3.1%	5.0%	4.6%
Ages 85+	1.2%	1.5%	2.2%	2.1%

Source: ESRI Business Information Systems (ESRI BIS) Percentages may not total 100.0% due to rounding

Race and Ethnicity

Race and ethnicity are commonly misunderstood demographic categories. Race, as noted by the U.S. Census Bureau, reflects self-identification by people according to the race or races with which they most closely identify. Accordingly, racial categories are socio-political in nature and reflect both racial *and* national-origin groups. While most racial categories are straightforward in description, Hispanic or Latino origin often causes confusion with its Census definition. Hispanic or Latino origin can be viewed as the heritage, nationality group, lineage, or country of birth for the person or the person's parents or ancestors before their arrival in the United States. Therefore, people who identify their origin as Spanish, Hispanic or Latino, may be of any race.

The "Diversity Index" provides one method for examining ethnic diversity and measures the probability that two people from the same area will be from different race/ethnic groups. Compared to the State of Wisconsin, the Downtown Study Area and destination trade areas are considerably more diverse (Table 2.7). Residents of the Downtown Study Area are twice as likely to be from different race/ethnic groups as the State of Wisconsin's overall population. Furthermore, residents of the primary destination trade area are three times as likely to be in a different race or ethnic group. African Americans (23.0% of the population) and residents self-identifying as Hispanic or Latino (23.9% of the population) largely contribute to the diversity found in the primary destination trade area.

Many commercial districts with access to diverse populations have built niches around ethnic-focused retail and service establishments. As many of these niches center on convenience goods and services, ethnic-based business districts typically draw from a smaller geographic area. Downtown Milwaukee is surrounded by several of these districts, including businesses on National Avenue serving local Latino consumers. *The established nature of these existing neighborhood-serving ethnic commercial districts somewhat limits opportunities for downtown convenience businesses seeking to serve geographically distant ethnic niches. However, destination-based retailers and services focusing on ethnic niches could provide greater potential for the Downtown Study Area. These niches may also help to extend the primary trade area as noted in Section 1 of this market analysis.*

Table 2.7 –Race and Ethnicity Distribution (2006)

Population by Race/Ethnicity	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
Total	14,899	283,168	878,203	5,667,706
White Alone	59.0%	54.9%	60.5%	87.5%
African American Alone	32.5%	23.0%	27.9%	6.1%
American Indian Alone	0.4%	1.2%	0.7%	0.9%
Asian or Pacific Islander Alone	5.5%	4.5%	3.3%	2.2%
Some Other Race Alone	1.0%	13.0%	5.2%	1.9%
Two or More Races	1.7%	3.3%	2.4%	1.3%
Hispanic or Latino Origin	3.2%	23.9%	10.6%	4.3%
Diversity Index	57.2	77.3	63.9	29.3

Source: ESRI BIS and U.S. Census Bureau Percentages may not total 100.0% due to rounding

Income

As income is positively correlated with expenditures on many product categories, an area's income distribution is one indicator of spending power. Income levels also suggest appropriate price points for businesses focusing on the local market. *However, income should not be used as the only indicator for the market's purchasing power and spending preferences. Other demographic characteristics, the area's high population density, and the lifestyle segmentation data presented later* *in this section, also provide insight into resident purchasing preferences.* Both the Downtown Study Area and the primary destination trade area have a higher percentage of households with incomes under $25,000 when compared to either the secondary trade area or the state of Wisconsin (Table 2.8 and Chart 2.2*). As suggested earlier, many of these lower income households contain college students with higher levels of disposable income. Accordingly, the spending potential of these individuals is not properly described by their income levels.* Not surprisingly, the Downtown Study Area also has a higher percentage (4.4%) of upper income households ($200,000 or more) when compared to the State or the two destination trade area, as well as a higher per capita income.

Historical and projected income figures from ESRI BIS (Appendix 2A) show that the percentage of lower income households in the Downtown Study Area and primary destination trade area has declined since 2000. Projections also suggest that this trend will continue as the percentage of low-income continues to decline through 2011. The shift away from lower income households is likely driven by the Downtown Study Area's growing number of owner-occupied housing units, young professionals and empty nesters. Similarly, projections from ESRI BIS also suggest an increase in the number of upper income households between 2006 and 2011 (See Appendix 2A).

Chart 2.2 – Income Distribution in 2006

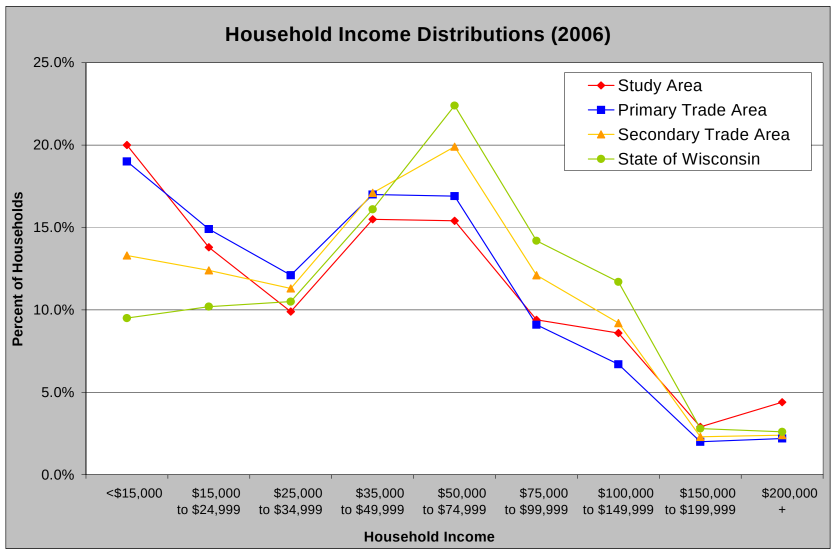


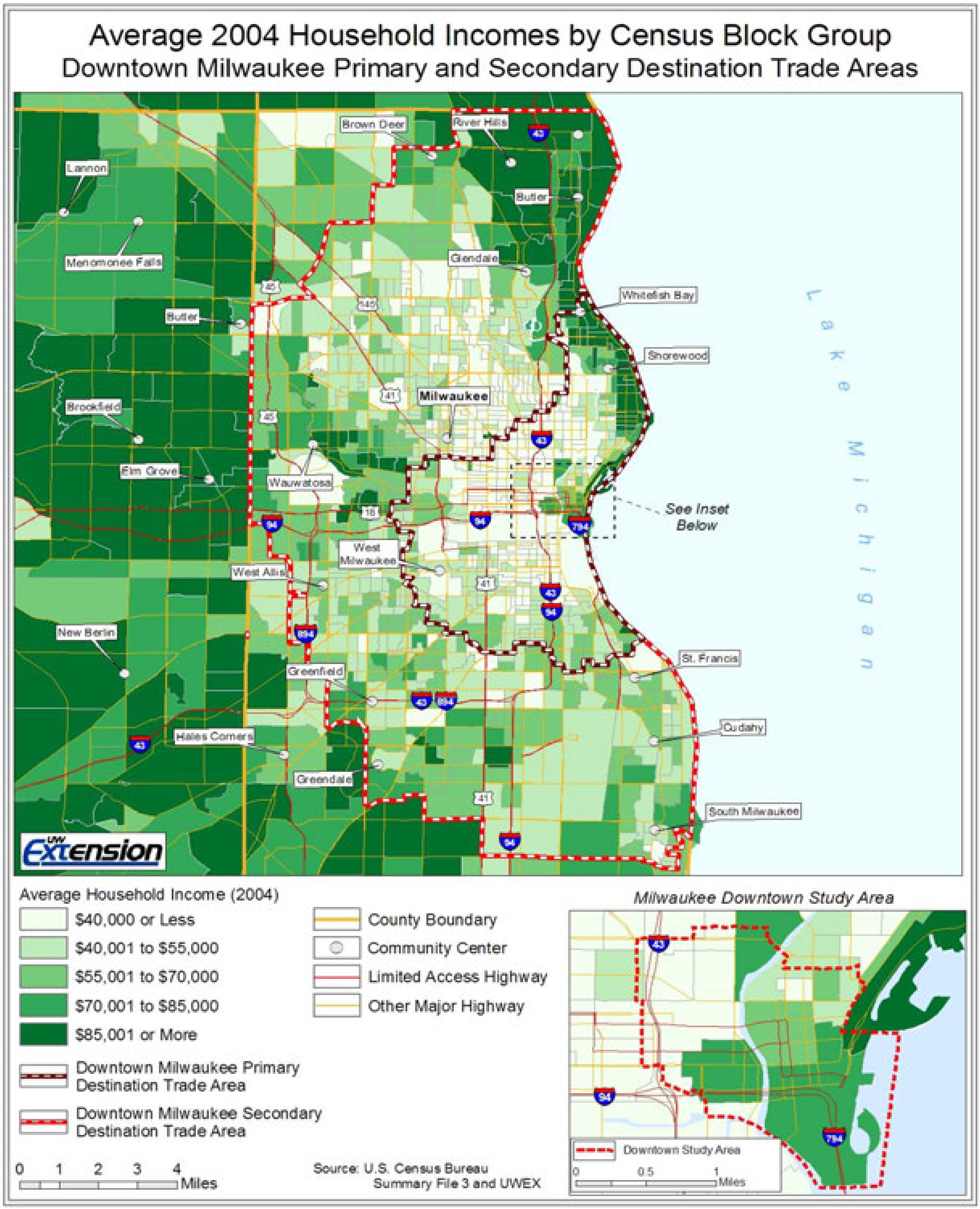
Table 2.8 – Income Characteristics in 2006

Geographic Area	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
Number of Households	7,195	113,346	357,669	2,248,731
<$15,000	20.0%	19.0%	13.3%	9.5%
$15,000 - $24,999	13.8%	14.9%	12.4%	10.2%
$25,000 - $34,999	9.9%	12.1%	11.3%	10.5%
$35,000 - $49,999	15.5%	17.0%	17.1%	16.1%
$50,000 - $74,999	15.4%	16.9%	19.9%	22.4%
$75,000 - $99,999	9.4%	9.1%	12.1%	14.2%
$100,000 - $149,999	8.6%	6.7%	9.2%	11.7%
$150,000 - $199,999	2.9%	2.0%	2.3%	2.8%
$200,000 +	4.4%	2.2%	2.4%	2.6%
Average Household Income	$62,140	$52,736	$60,364	$66,730
Per Capita Income	$34,035	$21,692	$24,902	$26,829

Source: ESRI Business Information Systems (ESRI BIS) Percentages may not total 100.0% due to rounding

Geographically, household incomes vary throughout the Downtown Study Area and the two destination trade areas (Map 2.4). High-income households are located within the Third Ward, in the Central Business District and along Lake Michigan's North Shore. Also, note the high-income households located outside of the secondary destination trade area in Ozaukee and Waukesha counties. The large number of downtown employees living in these high income areas (see Section 1) are an important consumer segment that will be examined in Section 5 of this market analysis. *While other areas within the destination trade areas show lower household incomes, many of these areas have high population densities. Subsequently, these areas represent large demand sources for certain goods and services. The impact of population density on spending potential will be examined further in Part III of this study.*

Map 2.4 – Average Household Incomes by Census Block Group



Educational Attainment and Occupation

Examining educational attainment levels and occupations provides an alternative method for determining the socio-economic status of an area. As income usually increases with advancing educational attainment or white-collar employment, many businesses focus on income levels rather than education. Exceptions include bookstores, various restaurants, certain apparel stores, and computer and software stores. Many of these store types assess the number of college-educated individuals or white-collar employees in the trade area.

The Downtown Study Area has an exceptionally high percentage of residents with a college degree. *In the year 2000, 45.1% of Study Area residents had obtained either a bachelor's or advanced degree, compared to 22.5% of Wisconsin residents (Table 2.9).* When compared to the State, the primary destination trade area primary trade area has also has a higher percentage of college educated residents (26.1% compared to 22.5%). However, the primary destination trade area also has an equally high percentage of residents without a high school degree. Greater efforts to increase the educational attainment of these residents could result in greater household income levels, improve these individuals' quality of life, and create a larger number of skilled workers available to local businesses. *Downtown employees, businesses, residents and community leaders represent a large amount of human, social, and financial capital that could be directed toward increasing educational attainment in and around the downtown trade areas.* Coalescing these sources of capital around long-term community development efforts to further educational attainment could greatly enhance the economic well-being of both Downtown Milwaukee and the overall region.

Table 2.9 – Educational Attainment for the Population Age 25 and Over (2000)

Geographic Area	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
Total Population Age 25 and Over	8,802	166,722	519,950	3,475,878
Less than 9th Grade	4.0%	10.4%	6.3%	5.4%
9th - 12th Grade, No Diploma	11.7%	16.5%	14.4%	9.6%
High School Graduate	15.8%	24.7%	29.4%	34.6%
Some College, No Degree	17.8%	17.4%	20.8%	20.6%
Associate Degree	5.6%	4.8%	5.9%	7.5%
Bachelor's Degree	28.6%	16.4%	15.3%	15.3%
Master's/Prof/Doctorate Degree	16.5%	9.7%	7.9%	7.2%

Source: U.S. Census Bureau – Summary File 3 Percentages may not total 100.0% due to rounding

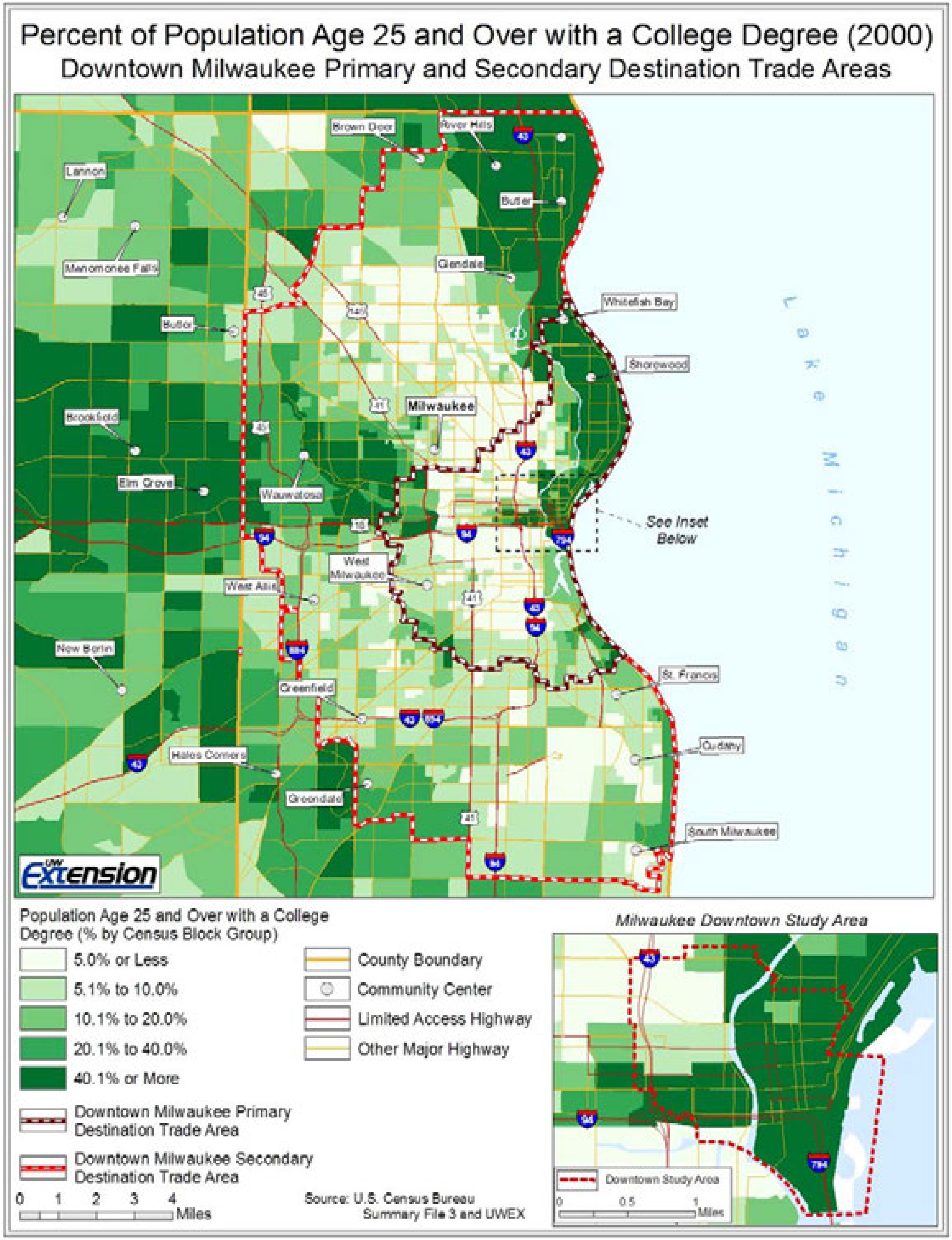
Table 2.10 – Occupation for the Employed Population Age 16 and Over (2006)

Geographic Area	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
Total	7,864	125,311	391,818	2,843,048
White Collar	76.9%	58.4%	60.3%	57.9%
Management/Business/Financial	18.6%	11.3%	12.1%	13.4%
Professional	31.8%	23.4%	22.0%	19.9%
Sales	11.6%	10.2%	10.9%	11.0%
Administrative Support	15.0%	13.5%	15.4%	13.5%
Services	14.1%	18.8%	17.3%	15.3%
Blue Collar	9.0%	22.7%	22.4%	26.9%
Farming/Forestry/Fishing	0.1%	0.2%	0.1%	0.7%
Construction/Extraction	1.8%	3.7%	3.7%	5.5%
Installation/Maintenance/Repair	1.3%	2.5%	3.0%	3.8%
Production	2.7%	9.4%	9.0%	10.0%
Transportation/Material Moving	3.1%	6.9%	6.7%	6.8%

Source: ESRI Business Information Systems (ESRI BIS) Percentages may not total 100.0% due to rounding

Map 2.5 examines the distribution of college-educated residents around the Downtown Study Area. High concentrations of residents with college degrees are located throughout Downtown Milwaukee, near Wauwatosa, along Milwaukee's East Side, and in communities located on Michigan's North Shore. Lower levels of educational attainment are found to the northeast of Downtown and to the southwest of the Study Area.

Map 2.5 – College Educated Population by Census Block Group



Consumer Classification and Lifestyle Segmentation

While demographics provide basic information about local consumers, lifestyle segmentation information can provide additional insight into trade area residents. Lifestyle segmentation systems examine the buying habits and preferences of consumers in the Downtown Study Area and the primary and secondary destination trade areas. One specific lifestyle segmentation system, Community Tapestry™, was purchased from ESRI Business Information Solutions to provide useful information about local households. Tapestry data is available for individual neighborhoods for the entire country. Consumers are classified into 65 demographic and behaviorally distinct segments. The segments are based on types of neighborhoods (urban, suburban, rural); the residents' socio-economic status (age, income, occupation, type and value of residence); and their buying behaviors and preferences. Tapestry data is updated regularly using various national and local data sources. Tables 2.11a, 2.11b, and 2.11c report the top five Community Tapestry segments found in the Downtown Study Area, primary destination trade area, and secondary destination trade area respectively. The complete Community Tapestry segment distribution is listed in Appendix 2B.

Table 2.11a – Community Tapestry Segments in the Downtown Study Area (2006)

Tapestry Number and Category	Downtown Study Area*		Primary Trade Area		Secondary Trade Area		State of Wisconsin	
Population (2006)	14,898	N/A	283,169	N/A	878,203	N/A	5,667,706	N/A
27 Metro Renters	8,378	56.2%	25,925	9.2%	25,925	3.0%	38,485	0.7%
64 City Commons	1,567	10.5%	31,177	11.0%	74,945	8.5%	78,792	1.4%
63 Dorms to Diplomas	1,375	9.2%	8,391	3.0%	8,391	1.0%	67,971	1.2%
65 Social Security Set	1,112	7.5%	7,572	2.7%	9,368	1.1%	24,381	0.4%
55 College Towns	410	2.8%	11,428	4.0%	11,428	1.3%	71,211	1.3%

*The Downtown Study Area has 2,056 residents unclassified in a Tapestry Segment

Table 2.11b – Top 5 Community Tapestry Segments in the Primary Destination Trade Area (2006)

Tapestry Number and Category	Primary Trade Area		Downtown Study Area		Secondary Trade Area*		State of Wisconsin	
Population (2006)	283,169	N/A	14,898	N/A	878,203	N/A	5,667,706	N/A
60 City Dimensions	66,339	23.4%	0	0.0%	71,181	8.1%	119,997	2.1%
48 Great Expectations	31,539	11.1%	0	0.0%	72,110	8.2%	232,275	4.1%
64 City Commons	31,177	11.0%	1,567	10.5%	74,945	8.5%	78,792	1.4%
27 Metro Renters	25,925	9.2%	8,378	56.2%	25,925	3.0%	38,485	0.7%
22 Metropolitans	20,620	7.3%	0	0.0%	36,374	4.1%	80,481	1.4%

Table 2.11c – Top 5 Community Tapestry Segments in the Secondary Destination Trade Area (2006)

Tapestry Number and Category	Secondary Trade Area*		Downtown Study Area		Primary Trade Area		State of Wisconsin	
Population (2006)	878,203	N/A	14,898	N/A	283,169	N/A	5,667,706	N/A
51 Metro City Edge	82,866	9.4%	0	0.0%	2,352	0.8%	89,053	1.6%
64 City Commons	74,945	8.5%	1,567	10.5%	31,177	11.0%	78,792	1.4%
48 Great Expectations	72,110	8.2%	0	0.0%	31,539	11.1%	232,275	4.1%
60 City Dimensions	71,181	8.1%	0	0.0%	66,339	23.4%	119,997	2.1%
32 Rustbelt Traditions	68,961	7.9%	0	0.0%	9,213	3.3%	428,841	7.6%

Source: ESRI Business Information Solutions — Percentages may not total 100.0% due to rounding

The Downtown Study Area's predominant lifestyle segment is *Metro Renters,* which comprises 56.2% of the Study Area's population (the *Metro Renters* lifestyle segment is described further in Section 4 of this market analysis). The Downtown Study Area's second and third largest lifestyle segments are *City Commons* and *Dorms to Diplomas* respectively. When combined, the three largest lifestyle segments comprise 76% of the Study Area's population. In contrast, the primary and secondary destination trade areas have a large number of lifestyle segments with each one comprising a relatively small percentage of the population. The primary destination trade area contains 33 different Community Tapestry segments, with the largest segment accounting for only 23.4% of the area's population. Similarly, the secondary destination trade area includes 43 distinct Community Tapestry categories, with the largest one encompassing just 9.4% of the secondary trade area's population. Given the number and diversity of lifestyle segments present, detailed descriptions of each segment are not listed in this analysis. However, information on the Tapestry Segments within the primary and secondary destination trade areas is available at www.esribis.com, or on the accompanying Community Tapestry CD. Furthermore, the largest Tapestry categories within the Study Area are described in Section 4. *Note that the descriptions of each Tapestry segment (as written by ESRI Business Information Systems) reflect the typical national household in each category. Local consumer characteristics will likely vary somewhat from these descriptions.*

In addition to the broad category descriptions available from ESRI BIS, a database describing detailed consumer purchasing patterns is available on the Community Tapestry CD that accompanies this report. Spending patterns on the CD are expressed using a market potential index (MPI). The MPI's examine a wide range of retail, service, entertainment and psychographic categories to determine a household's propensity for purchasing products or participating in activities. A market potential index is based on a U.S. average of 100. For each consumer category a value above 100 shows that a Tapestry segment is more likely than the national average to purchase a product or service. Conversely, a value below 100 suggests that a Tapestry segment is less likely than average to purchase a product. The MPI information may be useful to existing businesses interested in examining new product line opportunities, or other information related to their customers. *Given the depth of the MPI information, Milwaukee Downtown BID #21 may want to consider making the Community Tapestry data information available to existing and prospective businesses in the Downtown Study Area.*

While the Community Tapestry information provides a wide range of consumer insights, caution should be used in placing too much emphasis on lifestyle segmentation data. While lifestyle segmentation systems are a useful tool, research shows that they often misrepresent urban and inner city areas. *Studies from the Brookings Institution and the Helen Bader Foundation have found these systems to portray some urban residents in a negative manner and underestimate spending potential[2]. These generalizations are especially relevant to several lifestyle categories in the primary and secondary destination trade areas. Therefore, the lifestyle segmentation data should not be used as the sole indicator of future business potential.*

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[2] Quinn, Lois M. and Jon Pasasarat. "Confronting Anti-Urban Marketing Stereotypes: A Milwaukee Economic Development Challenge". UW-Milwaukee Employment and Training Institute, June 2001.

Quinn, Lois M. and Jon Pasasarat. "Exposing Urban Legends: The Real Purchasing Power of Central City Neighborhoods". Brookings Institution Center on Urban and Metropolitan Policy, June 2001.

Conclusions

The resident characteristics of the Downtown Study Area and destination trade areas depict a population diverse in both demographics and lifestyles. As the some of the demographics represent the broader destination trade areas, not all of these demographic characteristics will be of interest to every individual business. Businesses targeting specific consumer segments may want to explore the more detailed demographics in Appendix 2A, along with the maps provided throughout this section. However, the preceding discussion of the overall consumer market suggests a number of conclusions important to a variety of businesses and downtown stakeholders:

- The historical and current estimates of residents and households living in the Downtown Study Area are impacted by several trends. Specifically, the number of Downtown households is increasing faster than the population. Declining average household sizes, and a downtown housing stock that caters toward singles, young couples without children, and empty nesters are the primary reasons driving the different growth rates in households and population.

- While the Downtown Study Area is growing in both population and the number of households, these growth rates may be underestimated. Many of the housing units being added to Downtown Milwaukee are not located within the Study Area boundaries, but are still within a reasonable walking distance to many Study Area businesses. Furthermore, private data providers may not be able to accurately track the number of housing units being added to the Study Area. Accordingly, the Downtown Study Area population numbers and trends shown in Table 2.1 should be supplemented with the local population estimates in Table 2.2.

- Downtown Milwaukee businesses should not rely on large population increases in the primary and secondary destination trade areas as a source of growing consumer demand. Instead, new and expanding business opportunities in the Downtown Study Area should focus on finding new niches, better serving current market segments (such as employees, visitors, and Study Area residents) and meeting the needs of underserved populations within the current market.

- While renter-occupied housing units remain dominate as a downtown housing type, the number and percent of owner-occupied units has been increasing steadily as more condominium units are developed (See Appendix 2A). As homeownership directly correlates with expenditures for home furnishings, home improvement, and appliances, the demand for these goods may also increase along with the number of homeowners.

- Driven by the mobility of college students, young workers, and renters, both the Downtown Study Area and the primary destination trade area have high overall mobility rates. Furthermore, a large percentage of new residents to the Downtown Study Area previously lived outside Milwaukee County or the State of Wisconsin. Downtown businesses seeking to serve these consumer segments likely will require consistent marketing and outreach efforts. Resident mobility rates should also be considered when marketing the overall Downtown Milwaukee Study Area.

- In 2000, 31.2% of Downtown Study Area households and 25.1% of primary destination trade area households did not own an automobile (compared to 7.9% of households in the State of Wisconsin). The limited day-to-day mobility of these households provides opportunities for those businesses within a reasonable walking distance of these households. Conversely, the limited mobility of households without cars at greater distances from the Downtown Study Area may hinder their access to Downtown businesses.

- Individuals between the ages of 15 and 34 account for 54.5% of the Downtown Study Area's residents and 37.1% of primary destination trade area's population (compared to 27.1% of the State's population). Residents in these age groups include college students, young singles, and young couples. Many of these residents have high levels of disposable or discretionary income and tend to have above average spending on personal services, apparel, alcoholic beverages, entertainment, footwear, home electronics, telephone services, and food away from home.

- Both the Downtown Study Area and the primary destination trade area have a higher percentage of households with incomes under $25,000. As previously suggested, many of the Study Area's lower income households contain college students with higher levels of disposable income. Accordingly, the spending potential of these individuals may not be properly captured by their income levels.

- The percentage of lower income households in the Downtown Study Area has declined since 2000, and should continue to decrease through 2011. The gradual trend towards middle and upper income households likely is driven by the area's increasing number of owner-occupied housing units and a growing number of young professionals and empty nesters living in Downtown Milwaukee.

- Compared to the State of Wisconsin, the Downtown Study Area and destination trade areas have considerably higher levels of ethnic and racial diversity. Destination-based retailers and services focusing on ethnic niches may provide potential opportunities for the Downtown Study Area.

- The Downtown Study Area has an exceptionally high percentage of residents with a college degree. In the year 2000, 45.1% of Study Area residents had obtained either a bachelor's or advanced degree, compared to 22.5% of Wisconsin residents (Table 2.9). When compared to the State, the primary destination trade area primary trade area has also has a higher percentage college educated residents (26.1% compared to 22.5%). These residents may have tastes and preferences that differ from other portions of the trade area population.

- In addition to a higher level of college-educated residents, the primary destination trade area also has a notable percentage of residents without a high school degree. Furthering the educational attainment of these residents could present an opportunity for downtown-driven leadership and community development initiatives. Coalescing sources of downtown social, human and financial capital around long-term community development efforts could result in greater income levels and larger number of skilled workers available to local businesses.

- The Community Tapestry lifestyle segmentation data shows a diverse range of consumer segments. While this information may be useful to some businesses, caution should be used in placing too much emphasis on lifestyle segmentation data. Research suggests that lifestyle segmentation data often underestimates the true spending potential of urban markets. *Consequently, the lifestyle segmentation data should not be used as the sole indicator of future business potential*.

Appendix 2A – Downtown Milwaukee Demographic Profile

Demographic Category	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
1990 Total Population	12,701	300,190	921,803	4,891,769
2000 Total Population	13,829	285,058	888,854	5,363,675
2000 Group Quarters	4,200	12,999	21,871	155,958
2006 Total Population*	14,898	283,169	878,203	5,667,706
2000 - 2006 Annual Rate	1.3%	-0.1%	-0.2%	0.9%
2011 Total Population*	14,902	283,070	877,422	5,922,828
1990 Households	5,887	117,823	359,691	1,822,118
2000 Households	6,429	113,370	358,828	2,084,544
2000 Average Household Size	1.50	2.40	2.42	2.50
2006 Households*	7,201	113,352	357,678	2,248,740
2006 Average Household Size	1.47	2.38	2.39	2.45
2000 - 2006 Annual Rate	2.0%	0.0%	-0.1%	1.3%
2011 Households*	7,244	113,693	359,125	2,373,426
2011 Average Household Size	1.47	2.37	2.38	2.43
2000 Families	1,285	56,613	212,261	1,386,815
2000 Average Family Size	2.56	3.34	3.13	3.05
2006 Families	1,421	54,770	206,609	1,471,555
2006 Average Family Size	2.49	3.34	3.12	3.00
2011 Families	1,373	53,430	202,464	1,524,172
2011 Average Family Size	2.47	3.35	3.12	2.99
2000 Housing Units	7,006	123,039	380,173	2,321,144
Owner Occupied Housing Units	8.8%	32.9%	49.5%	61.5%
Renter Occupied Housing Units	82.4%	59.3%	44.9%	28.4%
Vacant Housing Units	8.8%	7.9%	5.6%	10.2%
2006 Housing Units*	7,947	125,190	384,279	2,516,288
Owner Occupied Housing Units	11.7%	33.6%	50.4%	62.7%
Renter Occupied Housing Units	78.9%	57.0%	42.6%	26.7%
Vacant Housing Units	9.4%	9.5%	6.9%	10.6%
2011 Housing Units*	8,100	127,172	389,274	2,665,810
Owner Occupied Housing Units	11.5%	33.1%	50.0%	62.7%
Renter Occupied Housing Units	77.9%	56.3%	42.3%	26.4%
Vacant Housing Units	10.6%	10.6%	7.7%	11.0%
Per Capita Income				
2000	$23,310	$17,294	$20,115	$21,271
2006	$34,035	$21,692	$24,902	$26,829
2011	$42,769	$26,418	$30,152	$32,668

Source: ESRI Business Information Solutions Percentages may not total 100.0% due to rounding

*Note that the 2006 and 2011 population, housing and household estimates likely underestimate the actual values. See Table 2.2

Appendix 2A – Downtown Milwaukee Demographic Profile

Demographic Category	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
2000 Household by Income				
Household Income Base	6,441	113,612	359,135	2,086,304
<$15,000	26.7%	24.9%	17.8%	13.0%
$15,000 - $24,999	16.3%	16.6%	14.5%	12.7%
$25,000 - $34,999	13.6%	15.0%	14.3%	13.2%
$35,000 - $49,999	15.2%	16.1%	17.6%	18.1%
$50,000 - $74,999	12.5%	14.7%	18.9%	22.7%
$75,000 - $99,999	7.5%	6.4%	9.0%	10.9%
$100,000 - $149,999	4.0%	3.9%	5.1%	6.4%
$150,000 - $199,999	1.7%	1.0%	1.2%	1.5%
$200,000 +	2.5%	1.5%	1.6%	1.5%
Average Household Income	$45,699	$42,319	$49,057	$53,863
2006 Household by Income				
Household Income Base	7,195	113,346	357,669	2,248,731
<$15,000	20.0%	19.0%	13.3%	9.5%
$15,000 - $24,999	13.8%	14.9%	12.4%	10.2%
$25,000 - $34,999	9.9%	12.1%	11.3%	10.5%
$35,000 - $49,999	15.5%	17.0%	17.1%	16.1%
$50,000 - $74,999	15.4%	16.9%	19.9%	22.4%
$75,000 - $99,999	9.4%	9.1%	12.1%	14.2%
$100,000 - $149,999	8.6%	6.7%	9.2%	11.7%
$150,000 - $199,999	2.9%	2.0%	2.3%	2.8%
$200,000 +	4.4%	2.2%	2.4%	2.6%
Average Household Income	$62,140	$52,736	$60,364	$66,730
2011 Household by Income				
Household Income Base	7,236	113,686	359,116	2,373,417
<$15,000	17.0%	16.2%	11.3%	8.0%
$15,000 - $24,999	11.2%	12.6%	10.2%	8.3%
$25,000 - $34,999	9.2%	11.2%	10.0%	8.7%
$35,000 - $49,999	11.8%	14.4%	14.1%	13.2%
$50,000 - $74,999	17.5%	18.8%	20.8%	21.6%
$75,000 - $99,999	9.8%	10.0%	12.3%	14.7%
$100,000 - $149,999	11.9%	10.3%	13.7%	16.6%
$150,000 - $199,999	5.0%	3.1%	3.8%	4.7%
$200,000 +	6.5%	3.4%	3.8%	4.2%
Average Household Income	$78,838	$64,178	$72,813	$80,592
2000 Specified Renter Occupied Housing Units by Contract Rent				
Total	5,803	73,034	170,463	641,672
With Cash Rent	98.9%	98.2%	97.9%	96.3%
No Cash Rent	1.1%	1.8%	2.1%	3.7%
Average Rent	$535	$436	$478	$473

Source: ESRI Business Information Solutions Percentages may not total 100.0% due to rounding

Appendix 2A – Downtown Milwaukee Demographic Profile

Demographic Category	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
2000 Owner Occupied Housing Units by Value				
Total	628	40,279	188,147	1,426,660
< $50,000	8.6%	20.2%	12.1%	10.0%
$50,000 - $99,999	15.9%	41.7%	39.2%	33.8%
$100,000 - $149,999	17.5%	19.0%	29.9%	28.8%
$150,000 - $199,999	18.3%	8.7%	10.5%	14.8%
$200,000 - $299,999	21.7%	6.2%	5.2%	8.7%
$300,000 - $499,999	8.0%	2.8%	2.0%	3.0%
$500,000 - $999,999	8.0%	1.1%	0.8%	0.8%
$1,000,000+	2.1%	0.2%	0.2%	0.2%
Average Home Value	$226,815	$113,564	$118,279	$131,105
2000 Population by Age				
Total	13,829	285,056	888,854	5,363,675
0 - 4	2.6%	7.5%	7.10%	6.4%
5 - 9	2.3%	7.5%	7.60%	7.1%
10 - 14	1.7%	7.0%	7.40%	7.5%
15 - 24	30.2%	19.6%	14.7%	14.3%
25 - 34	25.4%	17.4%	14.9%	13.2%
35 - 44	13.6%	14.2%	15.1%	16.3%
45 - 54	9.3%	11.1%	12.50%	13.7%
55 - 64	5.8%	6.0%	7.50%	8.5%
65 - 74	4.8%	4.7%	6.50%	6.6%
75 - 84	3.0%	3.5%	5.00%	4.7%
85+	1.2%	1.4%	1.80%	1.8%
18+	92.0%	73.9%	73.60%	74.5%
2006 Population by Age				
Total	14,898	283,170	878,203	5,667,706
0 - 4	2.7%	7.6%	7.1%	6.4%
5 - 9	2.0%	6.3%	6.5%	6.1%
10 - 14	1.9%	6.8%	7.2%	6.7%
15 - 24	22.3%	19.4%	15.4%	15.1%
25 - 34	32.2%	17.7%	14.0%	12.0%
35 - 44	15.0%	13.2%	13.7%	14.5%
45 - 54	9.0%	12.4%	14.0%	15.4%
55 - 64	6.5%	7.8%	9.3%	10.7%
65 - 74	4.3%	4.0%	5.6%	6.3%
75 - 84	2.9%	3.1%	5.0%	4.6%
85+	1.2%	1.5%	2.2%	2.1%
18+	92.1%	75.2%	74.9%	76.6%

Source: ESRI Business Information Solutions Percentages may not total 100.0% due to rounding

Appendix 2A – Downtown Milwaukee Demographic Profile

Demographic Category	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
2011 Population by Age				
Total	14,902	283,069	877,422	5,922,828
0 - 4	2.7%	7.8%	7.3%	6.4%
5 - 9	2.3%	6.5%	6.4%	6.0%
10 - 14	1.7%	5.9%	6.4%	6.3%
15 - 24	21.8%	19.4%	15.5%	14.3%
25 - 34	25.1%	16.9%	13.7%	12.7%
35 - 44	18.9%	12.8%	12.7%	12.7%
45 - 54	10.1%	12.1%	13.8%	15.7%
55 - 64	7.8%	9.8%	11.5%	12.8%
65 - 74	4.9%	4.2%	5.6%	6.5%
75 - 84	3.3%	2.9%	4.5%	4.4%
85+	1.5%	1.7%	2.5%	2.2%
18+	92.1%	76.2%	75.9%	77.3%
2000 Population by Sex				
Males	55.8%	49.9%	47.8%	49.4%
Females	44.2%	50.1%	52.2%	50.6%
2006 Population by Sex				
Males	56.2%	50.2%	47.9%	49.5%
Females	43.8%	49.8%	52.1%	50.5%
2011 Population by Sex	57.0%	50.3%	48.0%	49.5%
Males	43.0%	49.7%	52.0%	50.5%
Females				
2000 Population by Race/Ethnicity				
Total	13,829	285,058	888,854	5,363,675
White Alone	65.4%	59.9%	64.9%	88.9%
Black Alone	27.8%	20.6%	25.1%	5.7%
American Indian Alone	0.4%	1.3%	0.7%	0.9%
Asian or Pacific Islander Alone	4.0%	3.8%	2.6%	1.7%
Some Other Race Alone	0.8%	11.3%	4.4%	1.6%
Two or More Races	1.5%	3.2%	2.2%	1.2%
Hispanic Origin	2.5%	21.1%	9.0%	3.6%
Diversity Index	51.8	73.2	59.5	26.1
2006 Population by Race/Ethnicity				
Total	14,898	283,168	878,203	5,667,706
White Alone	59.0%	54.9%	60.5%	87.5%
Black Alone	32.5%	23.0%	27.9%	6.1%
American Indian Alone	0.4%	1.2%	0.7%	0.9%
Asian or Pacific Islander Alone	5.5%	4.5%	3.3%	2.2%
Some Other Race Alone	1.0%	13.0%	5.2%	1.9%
Two or More Races	1.7%	3.3%	2.4%	1.3%
Hispanic Origin	3.2%	23.9%	10.6%	4.3%
Diversity Index	57.2	77.3	63.9	29.3

Source: ESRI Business Information Solutions Percentages may not total 100.0% due to rounding

Appendix 2A – Downtown Milwaukee Demographic Profile

Demographic Category	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
2011 Population by Race/Ethnicity				
Total	14,902	283,070	877,422	5,922,828
White Alone	53.4%	51.0%	57.1%	86.3%
Black Alone	36.4%	24.9%	30.0%	6.5%
American Indian Alone	0.4%	1.2%	0.7%	0.9%
Asian or Pacific Islander Alone	6.8%	5.1%	3.8%	2.7%
Some Other Race Alone	1.2%	14.4%	5.9%	2.1%
Two or More Races	1.8%	3.4%	2.4%	1.4%
Hispanic Origin	3.8%	26.0%	11.9%	4.9%
Diversity Index	60.8	80.0	66.9	32.0
2000 Population 3+ by School Enrollment				
Total	13,620	272,057	849,919	5,160,081
Enrolled in Nursery/Preschool	0.6%	1.3%	1.4%	1.6%
Enrolled in Kindergarten	1.0%	2.2%	2.3%	1.6%
Enrolled in Grade 1-8	2.9%	12.6%	12.8%	12.4%
Enrolled in Grade 9-12	4.1%	5.8%	6.1%	6.4%
Enrolled in College	22.6%	9.1%	5.9%	5.4%
Enrolled in Grad/Prof School	4.2%	2.1%	1.4%	1.0%
Not Enrolled in School	64.6%	66.9%	70.1%	71.6%
2000 Population 25+ by Educational Attainment				
Total				
Less than 9th Grade	8,803	166,692	561,993	3,475,878
9th - 12th Grade, No Diploma	4.0%	10.4%	6.1%	5.4%
High School Graduate	11.7%	16.5%	14.0%	9.6%
Some College, No Degree	15.8%	24.7%	29.1%	34.6%
Associate Degree	17.8%	17.4%	20.9%	20.6%
Bachelor's Degree	5.6%	4.8%	5.9%	7.5%
Master's/Prof/Doctorate Degree	28.6%	16.4%	15.8%	15.3%
2000 Population 15+ by Sex and Marital Status				
Total	12,964	222,200	692,130	4,239,561
Females	43.3%	50.6%	53.2%	51.1%
Never Married	23.3%	21.2%	17.8%	12.4%
Married, not Separated	10.6%	17.6%	22.0%	27.9%
Married, Separated	1.3%	1.5%	1.3%	0.7%
Widowed	3.1%	4.4%	5.9%	5.2%
Divorced	5.0%	6.0%	6.2%	4.9%
Males	56.7%	49.4%	46.8%	48.9%
Never Married	29.6%	24.2%	18.1%	14.8%
Married, not Separated	19.5%	18.3%	22.1%	28.3%
Married, Separated	0.9%	1.1%	0.8%	0.5%
Widowed	1.2%	1.1%	1.3%	1.2%
Divorced	5.4%	4.7%	4.4%	4.1%

Source: ESRI Business Information Solutions Percentages may not total 100.0% due to rounding

Appendix 2A – Downtown Milwaukee Demographic Profile

Demographic Category	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
2000 Population 16+ by Emp. Status				
Total	12,896	218,248	679,214	4,157,030
In Labor Force	61.2%	64.3%	64.9%	69.1%
Civilian Employed	55.1%	58.3%	60.2%	65.8%
Civilian Unemployed	6.1%	6.0%	4.6%	3.2%
In Armed Forces	0.0%	0.0%	0.0%	0.1%
Not in Labor Force	38.8%	35.7%	35.1%	30.9%
2006 Population 16+ in Labor Force				
Civilian Employed	90.5%	89.2%	91.0%	94.3%
Civilian Unemployed	9.5%	10.8%	9.0%	5.7%
2011 Population 16+ in Labor Force				
Civilian Employed	90.8%	89.5%	91.3%	94.5%
Civilian Unemployed	9.2%	10.5%	8.7%	5.5%
2000 Females 16+ by Employment Status and Age of Children				
Total	5,581	110,549	362,096	2,127,011
Own Children < 6 Only	2.8%	7.7%	7.3%	7.1%
Employed/in Armed Forces	1.6%	4.0%	4.5%	5.0%
Unemployed	0.3%	0.7%	0.5%	0.2%
Not in Labor Force	0.8%	3.0%	2.4%	1.9%
Own Children <6 and 6-17 Only	1.4%	6.5%	6.1%	6.0%
Employed/in Armed Forces	1.0%	3.4%	3.6%	4.0%
Unemployed	0.1%	0.6%	0.4%	0.2%
Not in Labor Force	0.3%	2.5%	2.1%	1.8%
Own Children 6-17 Only	4.1%	14.0%	15.5%	17.5%
Employed/in Armed Forces	3.0%	9.1%	11.3%	14.3%
Unemployed	0.4%	0.8%	0.7%	0.4%
Not in Labor Force	0.6%	4.2%	3.5%	2.8%
No Own Children <18	91.8%	71.8%	71.1%	69.4%
Employed/in Armed Forces	53.9%	38.3%	36.8%	38.1%
Unemployed	4.8%	3.7%	2.6%	1.8%
Not in Labor Force	33.1%	29.8%	31.8%	29.4%
2006 Employed Pop. 16+ by Industry				
Total	7,867	125,310	391,818	2,843,048
Agriculture/Mining	0.1%	0.3%	0.3%	2.5%
Construction	2.6%	4.2%	4.3%	6.6%
Manufacturing	8.0%	13.0%	13.8%	17.1%
Wholesale Trade	3.6%	3.1%	3.6%	3.6%
Retail Trade	7.8%	9.8%	11.0%	12.5%
Transportation/Utilities	2.6%	3.9%	4.9%	4.4%
Information	2.7%	2.4%	2.3%	1.7%
Finance/Insurance/Real Estate	10.8%	6.5%	7.2%	5.8%
Services	59.1%	53.5%	48.6%	42.0%
Public Administration	2.7%	3.3%	4.1%	3.9%

Source: ESRI Business Information Solutions Percentages may not total 100.0% due to rounding

Appendix 2A – Downtown Milwaukee Demographic Profile

Demographic Category	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
2006 Employed Population 16+ by Occupation				
Total	7,864	125,311	391,818	2,843,048
White Collar	76.9%	58.4%	60.3%	57.9%
Management/Business/Financial	18.6%	11.3%	12.1%	13.4%
Professional	31.8%	23.4%	22.0%	19.9%
Sales	11.6%	10.2%	10.9%	11.0%
Administrative Support	15.0%	13.5%	15.4%	13.5%
Services	14.1%	18.8%	17.3%	15.3%
Blue Collar	9.0%	22.7%	22.4%	26.9%
Farming/Forestry/Fishing	0.1%	0.2%	0.1%	0.7%
Construction/Extraction	1.8%	3.7%	3.7%	5.5%
Installation/Maintenance/Repair	1.3%	2.5%	3.0%	3.8%
Production	2.7%	9.4%	9.0%	10.0%
Transportation/Material Moving	3.1%	6.9%	6.7%	6.8%
2000 Workers 16+ by Means of Transportation to Work				
Total	6,960	124,202	400,013	2,690,704
Drove Alone - Car, Truck, or Van	55.2%	63.7%	74.3%	79.5%
Carpooled - Car, Truck, or Van	6.0%	13.8%	11.6%	9.9%
Public Transportation	10.9%	11.2%	7.2%	2.0%
Walked	23.4%	7.9%	3.9%	3.7%
Other Means	1.5%	1.3%	0.8%	0.9%
Worked at Home	3.0%	2.1%	2.1%	3.9%
2000 Workers 16+ by Travel Time to Work				
Total	6,958	124,201	400,013	2,690,704
Did not Work at Home	97.0%	97.9%	97.9%	96.1%
Less than 5 minutes	5.1%	2.6%	2.3%	5.0%
5 to 9 minutes	17.4%	10.6%	9.9%	14.8%
10 to 19 minutes	35.8%	36.0%	35.8%	34.1%
20 to 24 minutes	14.7%	17.7%	18.8%	13.8%
25 to 34 minutes	14.3%	18.8%	19.7%	15.2%
35 to 44 minutes	2.0%	3.6%	3.7%	4.5%
45 to 59 minutes	3.9%	4.1%	3.7%	4.5%
60 to 89 minutes	2.0%	2.7%	2.4%	2.5%
90 or more minutes	1.8%	1.6%	1.5%	1.7%
Worked at Home	3.0%	2.1%	2.1%	3.9%
Average Travel Time to Work (in min)	18.9	21.7	21.7	20.8
2000 Households by Vehicles				
Total	6,435	113,401	358,880	2,084,544
None	31.2%	25.1%	16.8%	7.9%
1	52.4%	43.7%	41.9%	32.5%
2	14.0%	24.2%	31.9%	41.5%
3	1.7%	5.3%	7.2%	13.2%
4	0.5%	1.2%	1.7%	3.5%
5+	0.2%	0.5%	0.6%	1.3%
Average Number of Vehicles Available	0.9	1.2	1.4	1.8

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 2A – Downtown Milwaukee Demographic Profile

Demographic Category	Downtown Study Area	Primary Destination Trade Area	Secondary Destination Trade Area	State of Wisconsin
2000 Households by Type				
Total	6,429	113,389	333,973	2,084,544
Family Households	20.00%	49.9%	58.8%	66.5%
Married-couple Family	11.10%	28.9%	37.3%	53.2%
With Related Children	1.50%	14.8%	17.1%	24.3%
Other Family (No Spouse)	9.1%	21.0%	21.5%	13.3%
With Related Children	6.6%	14.8%	14.9%	9.0%
Nonfamily Households	80.0%	50.1%	41.2%	33.5%
Householder Living Alone	67.4%	38.9%	33.7%	26.8%
Householder Not Living Alone	12.6%	11.2%	7.6%	6.7%
Households with Related Children	8.1%	29.6%	31.8%	33.3%
Households with Persons 65+	15.2%	17.8%	23.4%	23.0%
2000 Households by Size				
Total	6,429	113,370	358,828	2,084,544
1 Person Household	67.4%	38.9%	33.4%	26.8%
2 Person Household	23.9%	26.9%	30.6%	34.6%
3 Person Household	5.5%	13.2%	14.8%	15.4%
4 Person Household	1.9%	9.7%	11.5%	13.9%
5 Person Household	0.7%	5.7%	5.6%	6.1%
6 Person Household	0.4%	2.8%	2.3%	2.0%
7+ Person Household	0.2%	2.9%	1.9%	1.1%
2000 Households by Year Householder Moved In				
Total	6,434	113,401	358,880	2,084,544
Moved in 1999 to March 2000	37.6%	28.3%	21.4%	18.4%
Moved in 1995 to 1998	36.7%	31.4%	29.1%	27.8%
Moved in 1990 to 1994	10.8%	13.5%	15.2%	16.7%
Moved in 1980 to 1989	10.0%	11.6%	13.4%	15.5%
Moved in 1970 to 1979	3.7%	6.6%	9.0%	10.7%
Moved in 1969 or Earlier	1.1%	8.5%	11.8%	11.0%
2000 Housing Units by Units in Structure				
Total	7,087	123,096	380,245	2,321,144
1, Detached	1.3%	30.0%	45.5%	66.0%
1, Attached	2.9%	4.8%	5.2%	3.4%
2	1.3%	26.1%	19.0%	8.2%
3 or 4	7.2%	8.4%	6.8%	3.9%
5 to 9	4.0%	4.7%	5.8%	4.6%
10 to 19	6.3%	5.0%	4.2%	3.3%
20+	76.8%	20.8%	12.9%	6.2%
Mobile Home	0.0%	0.1%	0.5%	4.4%
Other	0.0%	0.0%	0.0%	0.1%

Source: ESRI Business Information Solutions

Percentages may not total 100.0% due to rounding

Appendix 2B – Downtown Milwaukee Lifestyle Segmentation Profile

Community Tapestry™ Category	Downtown Study Area		Primary Destination Trade Area		Secondary Destination Trade Area		State of Wisconsin	
	Number	*Percent*	*Number*	*Percent*	*Number*	*Percent*	*Number*	*Percent*
Total Population (2006)	14,898	N/A	283,169		878,203	N/A	5,667,706	N/A
L1. High Society	0	0.0%	6,714	2.4%	43,730	5.0%	561,040	9.9%
01 Top Rung	0	0.0%	770	0.3%	8,101	0.9%	8,101	0.1%
02 Suburban Splendor	0	0.0%	2,725	1.0%	4,973	0.6%	57,915	1.0%
03 Connoisseurs	0	0.0%	2,004	0.7%	7,872	0.9%	21,364	0.4%
04 Boomburbs	0	0.0%	0	0.0%	0	0.0%	45,724	0.8%
05 Wealthy Seaboard Suburbs	0	0.0%	627	0.2%	7,253	0.8%	9,246	0.2%
06 Sophisticated Squires	0	0.0%	0	0.0%	10,469	1.2%	280,963	5.0%
07 Exurbanites	0	0.0%	588	0.2%	5,062	0.6%	137,727	2.4%
L2. Upscale Avenues	0	0.0%	3,163	1.1%	78,008	8.9%	1,081,425	19.1%
09 Urban Chic	0	0.0%	1,508	0.5%	3,011	0.3%	8,389	0.1%
10 Pleasant-Ville	0	0.0%	1,123	0.4%	5,148	0.6%	5,850	0.1%
11 Pacific Heights	0	0.0%	0	0.0%	0	0.0%	0	0.0%
13 In Style	0	0.0%	532	0.2%	14,447	1.6%	179,673	3.2%
16 Enterprising Professionals	0	0.0%	0	0.0%	2,481	0.3%	66,000	1.2%
17 Green Acres	0	0.0%	0	0.0%	4,908	0.6%	600,249	10.6%
18 Cozy and Comfortable	0	0.0%	0	0.0%	48,013	5.5%	221,264	3.9%
L3. Metropolis	0	0.0%	27,984	9.9%	139,439	15.9%	191,760	3.4%
20 City Lights	0	0.0%	0	0.0%	0	0.0%	0	0.0%
22 Metropolitans	0	0.0%	20,620	7.3%	36,374	4.1%	80,481	1.4%
45 City Strivers	0	0.0%	638	0.2%	638	0.1%	638	0.0%
51 Metro City Edge	0	0.0%	2,352	0.8%	82,866	9.4%	89,053	1.6%
54 Urban Rows	0	0.0%	0	0.0%	0	0.0%	0	0.0%
62 Modest Income Homes	0	0.0%	4,374	1.5%	19,561	2.2%	21,588	0.4%
L4. Solo Acts	8,378	56.2%	34,171	12.1%	68,545	7.8%	203,406	3.6%
08 Laptops and Lattes	0	0.0%	1,985	0.7%	1,985	0.2%	2,957	0.1%
23 Trendsetters	0	0.0%	1,942	0.7%	1,942	0.2%	1,942	0.0%
27 Metro Renters	8,378	56.2%	25,925	9.2%	25,925	3.0%	38,485	0.7%
36 Old and Newcomers	0	0.0%	3,235	1.1%	37,609	4.3%	123,048	2.2%
39 Young and Restless	0	0.0%	1,084	0.4%	1,084	0.1%	36,974	0.7%
L5. Senior Styles	1,112	7.5%	12,621	4.5%	116,820	13.3%	579,705	10.2%
14 Prosperous Empty Nesters	0	0.0%	0	0.0%	19,923	2.3%	88,916	1.6%
15 Silver and Gold	0	0.0%	0	0.0%	1,554	0.2%	3,939	0.1%
29 Rustbelt Retirees	0	0.0%	1,538	0.5%	34,236	3.9%	132,882	2.3%
30 Retirement Communities	0	0.0%	1,366	0.5%	33,479	3.8%	68,979	1.2%
43 The Elders	0	0.0%	0	0.0%	0	0.0%	1,207	0.0%
49 Senior Sun Seekers	0	0.0%	0	0.0%	701	0.1%	27,306	0.5%
50 Heartland Communities	0	0.0%	0	0.0%	0	0.0%	137,702	2.4%
57 Simple Living	0	0.0%	2,145	0.8%	17,559	2.0%	94,393	1.7%
65 Social Security Set	1,112	7.5%	7,572	2.7%	9,368	1.1%	24,381	0.4%

Source: ESRI Business Information Solutions Percentages may not total 100.0% due to rounding

Appendix 2B – Downtown Milwaukee Lifestyle Segmentation Profile

Community Tapestry™ Category	Downtown Study Area		Primary Destination Trade Area		Secondary Destination Trade Area		State of Wisconsin	
	Number	*Percent*	*Number*	*Percent*	*Number*	*Percent*	*Number*	*Percent*
L6. Scholars & Patriots	1,785	12.0%	19,819	7.0%	19,819	2.3%	139,182	2.5%
40 Military Proximity	0	0.0%	0	0.0%	0	0.0%	0	0.0%
55 College Towns	410	2.8%	11,428	4.0%	11,428	1.3%	71,211	1.3%
63 Dorms to Diplomas	1,375	9.2%	8,391	3.0%	8,391	1.0%	67,971	1.2%
L7. High Hopes	0	0.0%	31,539	11.1%	81,001	9.2%	376,522	6.6%
28 Aspiring Young Families	0	0.0%	0	0.0%	8,891	1.0%	144,247	2.5%
48 Great Expectations	0	0.0%	31,539	11.1%	72,110	8.2%	232,275	4.1%
L8. Global Roots	0	0.0%	96,680	34.1%	107,655	12.3%	194,440	3.4%
35 International Marketplace	0	0.0%	0	0.0%	0	0.0%	499	0.0%
38 Industrious Urban Fringe	0	0.0%	9,079	3.2%	9,079	1.0%	11,420	0.2%
44 Urban Melting Pot	0	0.0%	0	0.0%	0	0.0%	0	0.0%
47 Las Casas	0	0.0%	4,591	1.6%	4,591	0.5%	4,591	0.1%
52 Inner City Tenants	0	0.0%	3,812	1.3%	9,945	1.1%	45,074	0.8%
58 NeWest Residents	0	0.0%	12,859	4.5%	12,859	1.5%	12,859	0.2%
60 City Dimensions	0	0.0%	66,339	23.4%	71,181	8.1%	119,997	2.1%
61 High Rise Renters	0	0.0%	0	0.0%	0	0.0%	0	0.0%
L9. Family Portrait	1,567	10.5%	31,945	11.3%	80,515	9.2%	307,534	5.4%
12 Up and Coming Families	0	0.0%	0	0.0%	807	0.1%	170,766	3.0%
19 Milk and Cookies	0	0.0%	768	0.3%	4,763	0.5%	57,976	1.0%
21 Urban Villages	0	0.0%	0	0.0%	0	0.0%	0	0.0%
59 Southwestern Families	0	0.0%	0	0.0%	0	0.0%	0	0.0%
64 City Commons	1,567	10.5%	31,177	11.0%	74,945	8.5%	78,792	1.4%
L10. Traditional Living	0	0.0%	16,044	5.7%	139,272	15.9%	932,571	16.5%
24 Main Street, USA	0	0.0%	5,321	1.9%	50,076	5.7%	295,443	5.2%
32 Rustbelt Traditions	0	0.0%	9,213	3.3%	68,961	7.9%	428,841	7.6%
33 Midlife Junction	0	0.0%	1,510	0.5%	14,138	1.6%	202,190	3.6%
34 Family Foundations	0	0.0%	0	0.0%	6,097	0.7%	6,097	0.1%
L11. Factories & Farms	0	0.0%	0	0.0%	565	0.1%	694,059	12.2%
25 Salt of the Earth	0	0.0%	0	0.0%	0	0.0%	449,891	7.9%
37 Prairie Living	0	0.0%	0	0.0%	0	0.0%	189,536	3.3%
42 Southern Satellites	0	0.0%	0	0.0%	0	0.0%	35,263	0.6%
53 Home Town	0	0.0%	0	0.0%	565	0.1%	18,834	0.3%
56 Rural Bypasses	0	0.0%	0	0.0%	0	0.0%	535	0.0%
L12. American Quilt	0	0.0%	0	0.0%	0	0.0%	400,651	7.1%
26 Midland Crowd	0	0.0%	0	0.0%	0	0.0%	98,369	1.7%
31 Rural Resort Dwellers	0	0.0%	0	0.0%	0	0.0%	169,124	3.0%
41 Crossroads	0	0.0%	0	0.0%	0	0.0%	30,297	0.5%
46 Rooted Rural	0	0.0%	0	0.0%	0	0.0%	102,861	1.8%
66 Unclassified	2,056	13.8%	2,489	0.9%	2,834	0.3%	5,411	0.1%

Source: ESRI Business Information Solutions Percentages may not total 100.0% due to rounding

Regional Economic Position of Downtown Milwaukee

Section 3

Opportunities and challenges facing Downtown Milwaukee are influenced by broader regional economic conditions. Understanding regional trends in population, income, entrepreneurial activity, employment, industry structure, and human capital provides context and background for the Downtown Milwaukee market analysis. Examining regional economic conditions also provides insight into possible economic development strategies that could be employed in the Downtown Study Area.

Downtown Milwaukee has a significant role in the regional economy. Residents of the Downtown Study Area work in businesses throughout the region, while Downtown Milwaukee establishments employ a significant number of workers from surrounding communities and counties. Downtown Milwaukee businesses also purchase goods and services both in and outside of the Study Area, while exporting products and services to regional, national and international markets. Furthermore, Downtown Milwaukee has a prominent regional role as a center for interaction, entertainment, shopping, education, and culture. Consequently, the economic health of Downtown Milwaukee contributes significantly to the prosperity of the broader regional economy.

While Milwaukee's regional economy extends throughout Southeast Wisconsin, the precise geographic boundaries used to define the region will likely differ from person to person. Recognizing that successful regional development efforts are based on self-defined areas, the analyses in this section are based primarily on the seven counties included in the Milwaukee 7 economic development initiative (Map 3.1). For comparison purposes, a number of analyses in Section 3 examine conditions in the Milwaukee 7 Region relative to those of the State of Wisconsin, the nation, and Milwaukee County. Several analyses also compare the Milwaukee 7 Region to nine comparable metropolitan statistical areas (MSAs) for additional context [1]:

- Charlotte-Gastonia-Concord, NC-SC;
- Cincinnati-Middletown, OH-KY-IN;
- Cleveland-Elyria-Mentor, OH;
- Columbus, OH;
- Indianapolis-Carmel, IN;
- Kansas City, MO-KS;
- Memphis, TN-MS-AR;
- Nashville-Davidson-Murfreesboro, TN;
- Pittsburgh, PA.

Map 3.1 – The Milwaukee 7 Region

[1] The rationale for comparing these metro areas to the Milwaukee 7 Region is outlined in the introduction to this report. The metro areas provide context and are not intended for ranking economic prosperity.

Framework for Understanding Downtown Milwaukee's Position in the Milwaukee 7 Region

Regional economies derive sources of competitive advantage from a variety of human, social, industry and geographic factors. Understanding these potential sources of competitive advantage can help Downtown Milwaukee recognize its position in the regional economy and develop economic and workforce development strategies. Potential sources of competitive advantage in the national and global economy include:

- *Human capital* – The knowledge and skill levels of the region's labor force.
- *Research and educational institutions* – Colleges, universities, research centers, and K-12 school systems that drive innovation, train the labor force, and contribute to the regional quality of life.
- *Natural assets* – Natural assets can include natural resources, agricultural land, recreational amenities, and unique landscapes.
- *Industry Clusters* - Regional industry agglomerations that differentiate a region's economy from other national and international competitors and diversify its economic base. A more detailed definition for an industry cluster is examined later in Section 3.
- *Physical and Information Infrastructure* – Transportation networks and communication infrastructure that facilitate information sharing and decrease travel friction costs.
- *Social capital* – Professional relationships and networks that aid in creating knowledge spillovers, connect employers with employees, and support entrepreneurial development.
- *Quality of Life* – While definitions for quality of life vary by person, the role of quality of life in the knowledge economy has been well documented. Talent and companies are mobile and are attracted to areas with an attractive quality of life.

Using a number of these categories, the following analyses examine the Milwaukee 7 Region's economy to determine how Downtown Milwaukee ties into various sources of regional competitive advantage. Note that the information in this section does not substitute for an in-depth regional economic or labor force analysis. Instead, the information in this section should be used to provide a background for broader economic development efforts in Downtown Milwaukee and make information available to existing and prospective businesses.

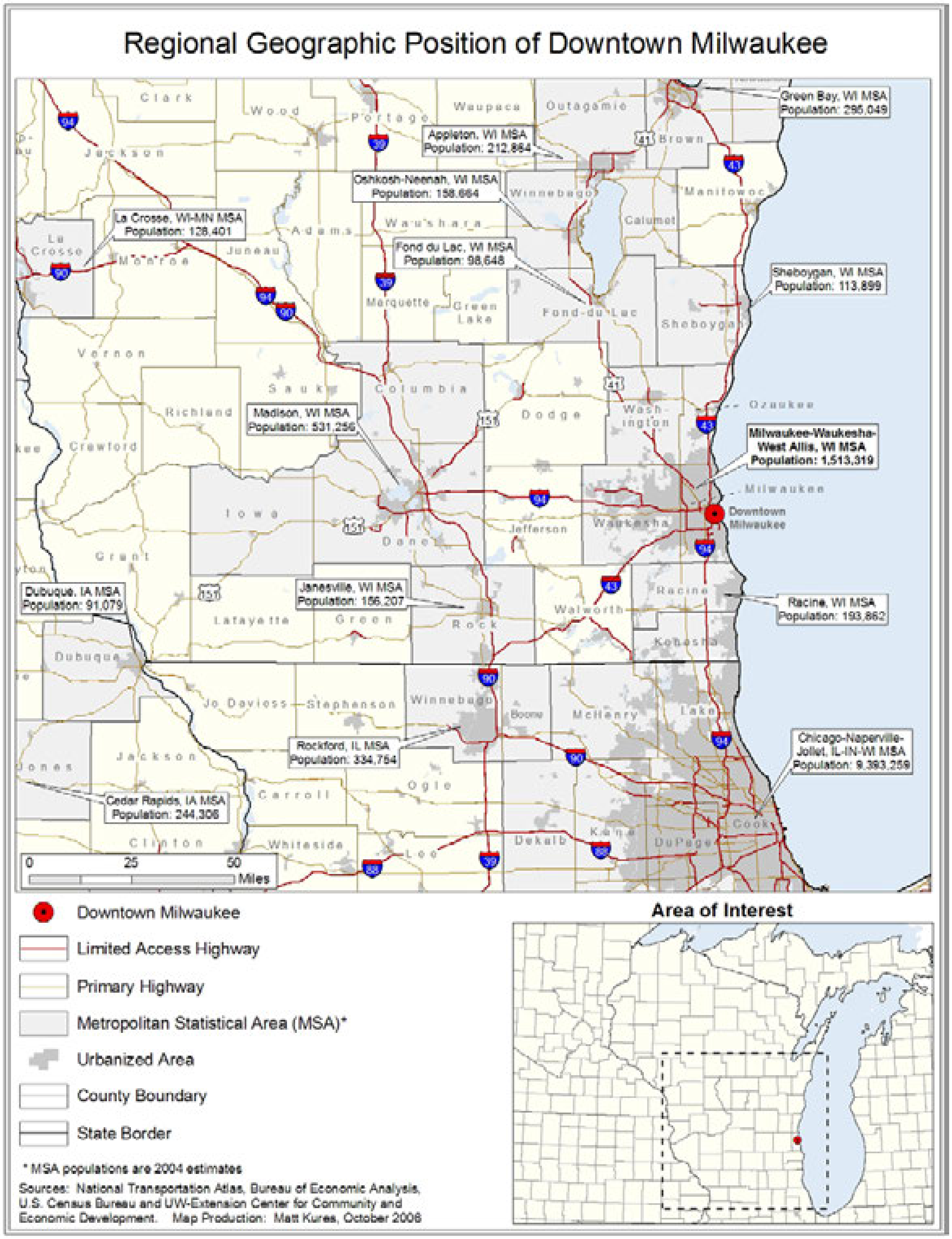
Geographic Position

Downtown Milwaukee's geographic position has the potential to play a key role in its economic growth (Map 3.2). Downtown Milwaukee is located in the center of the Milwaukee 7 Region and is within proximity to a variety of metro and rural areas throughout Eastern and South-Central Wisconsin. These areas provide access to a diverse range of industries, a large population base, and connections to other emerging regional economic development efforts (the New North in Northeast Wisconsin and the Capital Region's REDE in South-Central Wisconsin). Downtown Milwaukee is also located within 75 miles of both Madison and Chicago. Downtown Milwaukee's position relative to these two metro areas provides access to Wisconsin's government center, the nation's third largest metro area, several world class research universities (UW-Madison, Northwestern University, the University of Chicago), almost five percent of the nation's college graduates, and a wide range of cultural and natural amenities.

While Downtown Milwaukee is located in proximity to these areas, more formal efforts to create physical and economic connections among these areas are just beginning. Regional rail expansions among Madison, Milwaukee and Chicago are being considered. The M-2

Collaborative between the mayors of Madison and Milwaukee has been proposed as a way to better connect the two cities. State-led initiatives such as the *Working Lands Initiative* and the *Consortium on Bio-based Industries* have highlighted the potential roles of Milwaukee and Madison in agricultural-related economic development. However, continued efforts to connect these three metro areas will likely be necessary to fully realize the economic opportunities that could exist in the Milwaukee-Madison-Chicago triangle.

Map 3.2 – Downtown Milwaukee's Regional Geographic Position



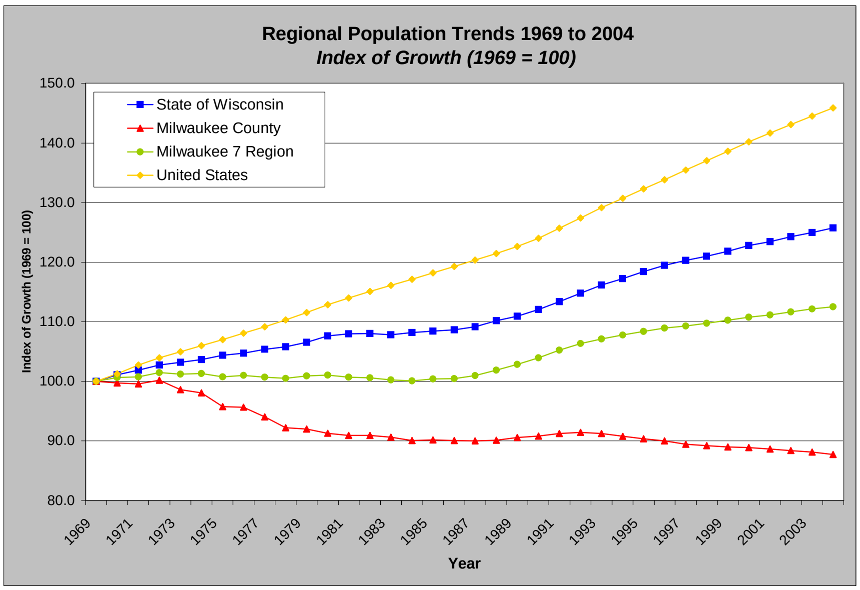
Population, Employment, Income and Wage Trends

Economic opportunities and challenges facing Downtown Milwaukee will be influenced somewhat by economic trends and conditions throughout the broader Milwaukee 7 Region. The following analyses do not necessarily examine sources of regional competitive advantage, but instead provide an overview of the basic economic measures of population, employment, income and earnings. A number of these analyses employ an "index of growth." An index of growth is a cumulative measure of change that calculates the percent difference in an economic variable between a given year and a starting year (1969 in this case)[2]. Additional information on population, employment, and income is available through the *Choose Milwaukee* website at http://www.choosemilwaukee.com/statistics_demographics.aspx

Population Trends

Chart 3.1 depicts population change between 1969 and 2004 in the Milwaukee 7 Region relative to Milwaukee County, the State of Wisconsin and the United States. Between 1969 and 2004, the Milwaukee 7 Region experienced a population growth of 12 percent. While the regional growth rate was slower than the rates of the State (26 percent) and the United States (46 percent), there were wide variations in population trends among individual counties in the Milwaukee 7 Region. Specifically, Waukesha, Ozaukee, Walworth, and Washington counties all experienced population growth rates that exceeded the national average[3]. While Milwaukee County lost almost 130,000 residents (12.3 percent of its population) between 1969 and 2004, this population loss is not unlike other Midwestern metropolitan counties with a changing industrial base. Map 3.3 examines some of the variations in population growth in the region.

Chart 3.1 – Population Growth Trends 1969 to 2004



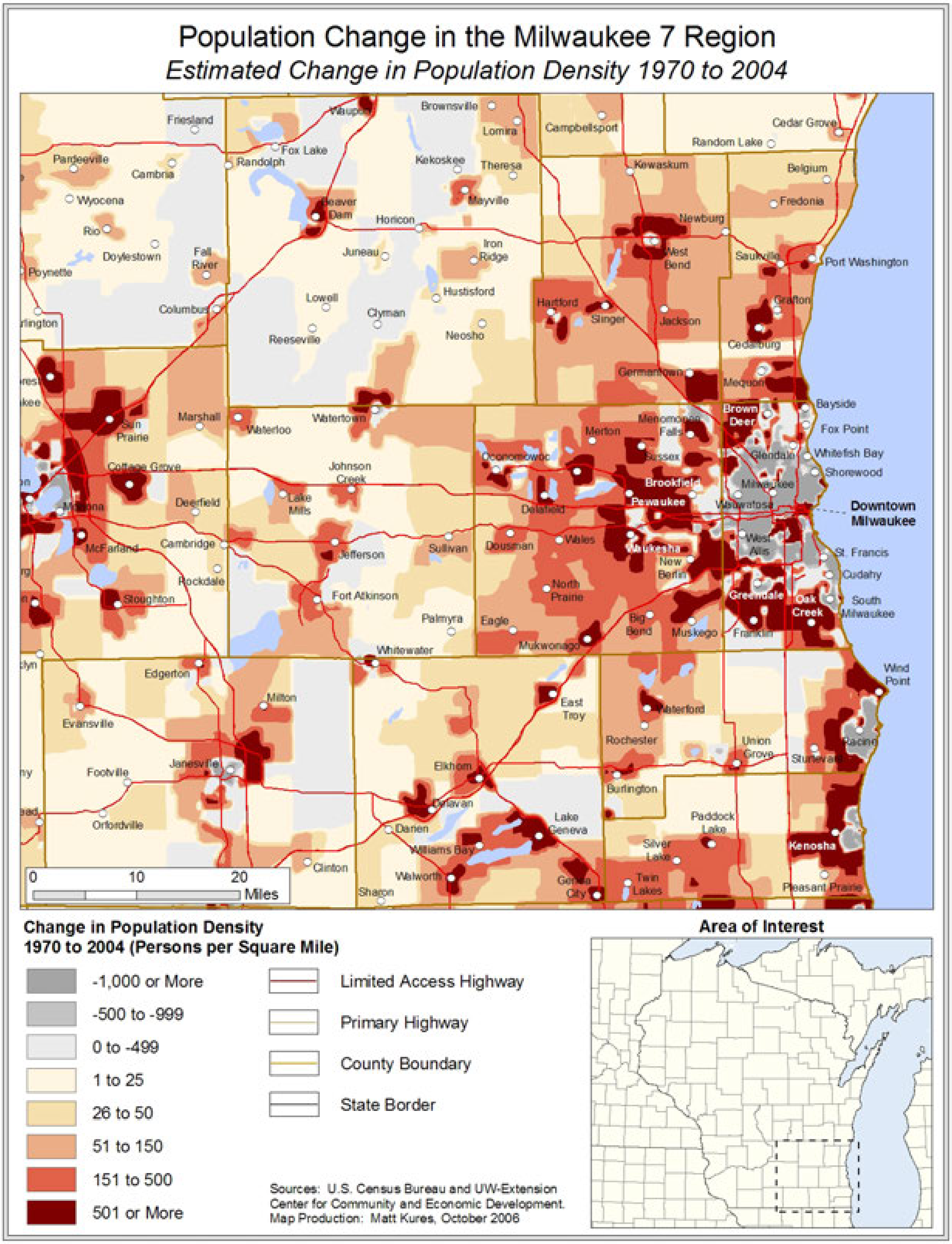
Source: Bureau of Economic Analysis: Regional Economic Information System

Despite the historical population trends for Milwaukee County and the Milwaukee 7 Region, the Wisconsin Department of Administration (DOA) projects positive population increases over the next 25 years. Between 2005 and 2030, the DOA predicts that the Milwaukee 7 Region will add 260,000 residents at a growth rate of 13.1 percent. In comparison, the State of Wisconsin's population is predicted to grow at a rate of 15.3 percent. *Importantly, Milwaukee County is projected to be an important part of this population growth. In contrast to the population trends shown in Chart 3.1, Milwaukee County is projected to add 74,000 residents by 2030. While*

[2] More information on using an index of growth is available at: http://www.uwex.edu/ces/cced/dma/6.html
[3] A portion of the population increases in these counties can be attributed to the out-migration of former Milwaukee County residents.

Milwaukee County did not add residents between 2000 and 2005 (as projected), future regional population growth could provide the area and Downtown Milwaukee with rising consumer demand over the next several decades.

Map 3.3 – Population Density Changes 1970 to 2004



To further examine population trends in the Milwaukee 7 Region, Table 3.1 compares population growth rates in the nine comparable MSAs previously mentioned. Table 3.1 also compares the population growth rates of the so-called core-counties, or central counties, of each metro area to determine whether a metro area's population change is driven by growth in the MSA core or in outlying counties. Table 3.1 reveals some interesting statistics about the Milwaukee 7 Region and Milwaukee County. While the Milwaukee 7 Region experienced positive population growth, it was somewhat slower than the comparable metro areas. Pittsburgh and Cleveland were the only two metro areas to have slower population growth rates and actually experienced population losses. Furthermore, Milwaukee County and Hamilton County (Cincinnati) were the only two core counties showing a population loss and also a positive MSA population growth rate.

The population trends in Table 3.1 and Map 3.3 are important for several reasons. Map 3.1 shows that Downtown Milwaukee has been one of several areas in Milwaukee County experiencing an increase in population between 1970 and 2004 (a trend also depicted in Section 2). While downtown retailers will benefit from this local growth, continued re-investment in Downtown Milwaukee housing could aid in bringing new residents, workers and increased tax base to a county and region that has not experienced the dynamic population growth seen in other comparable metro areas. Furthermore, Downtown Milwaukee's population growth could also suggest impacts on the entire region. A number of studies have shown that suburban growth and city core population growth are strongly correlated. That is, the faster that a metro area's core grew, the faster its suburban areas grew. Conversely, the faster a metro area's city portion lost population, the slower its suburbs tended to grow[4]. Downtown Milwaukee's growth could be part of a broader metro residential development strategy that spurs city core investment and helps to invigorate the broader urban area that is important to the entire region.

Table 3.1 - Population Growth in Comparable MSAs and Core Counties 1969 to 2004

Metropolitan Statistical Area (MSA) *(Core County)*	**Region/MSA Population**			**Core County Population**		
	1969	**2004**	**% Change**	**1969**	**2004**	**% Change**
Milwaukee 7 Region *(Milwaukee County, WI)*	1,745,675	1,963,775	12.5%	1,056,587	926,764	-12.3%
Charlotte-Gastonia-Concord, NC-SC *(Mecklenburg County, NC)*	722,946	1,474,843	104.0%	341,396	771,573	126.0%
Cincinnati-Middletown, OH-KY-IN *(Hamilton County, OH)*	1,679,291	2,056,843	22.5%	917,955	813,639	-11.4%
Cleveland-Elyria-Mentor, OH *(Cuyahoga County, OH)*	2,304,848	2,133,778	-7.4%	1,707,568	1,349,047	-21.0%
Columbus, OH *(Franklin County, OH)*	1,149,003	1,690,721	47.1%	815,581	1,087,462	33.3%
Indianapolis-Carmel, IN *(Marion County, IN)*	1,128,175	1,617,414	43.4%	782,988	861,847	10.1%
Memphis, TN-MS-AR *(Shelby County, TN)*	903,251	1,248,492	38.2%	714,258	906,287	26.9%
Nashville-Davidson-Murfreesboro, TN *(Davidson County, TN)*	740,317	1,394,960	88.4%	444,253	571,948	28.7%
Pittsburgh, PA *(Allegheny County, PA)*	2,759,303	2,397,767	-13.1%	1,606,592	1,247,512	-22.4%
Kansas City, MO-KS *(Jackson County, MO)*	1,417,780	1,927,240	35.9%	652,604	662,185	1.5%

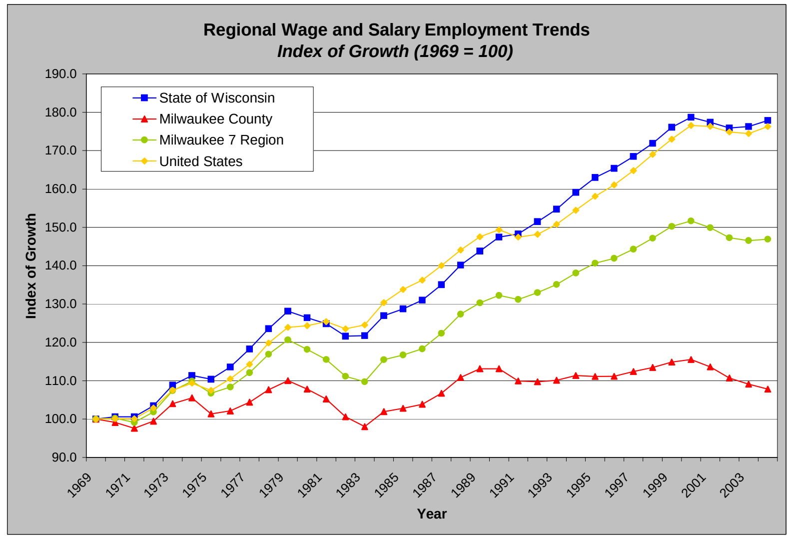
Source: Bureau of Economic Analysis: Regional Economic Information System MSAs are based on 2003 OMB definitions

[4] For a summary of this research see: Rappaport, Jordan. "The Shared Fortunes of Cities and Suburbs". *Federal Reserve Bank of Kansas City Economic Review.* Third Quarter, 2005.

Wage and Salary Employment Trends

Chart 3.2 shows employment indices of growth for the Milwaukee 7 Region relative to Milwaukee County, the State of Wisconsin, and the United States. Similar to the population trends shown in Chart 3.1, the Milwaukee 7 Region's growth rate in wage and salary employment has lagged the employment growth rates of both the state and nation. Furthermore, recessionary periods in 1982 and 2001 have had a notable impact on the employment trends shown in Chart 3.2. While employment levels have stabilized somewhat in the state and nation since the 2001 recession, Milwaukee County has continued to experience employment losses. *As Milwaukee County contains 50 percent of the Milwaukee 7 Region's total employment, the continued losses in Milwaukee County have also influenced the overall employment trends in the region.* Not surprisingly, Milwaukee County's manufacturing sector has accounted for the largest share of these recent employment losses.

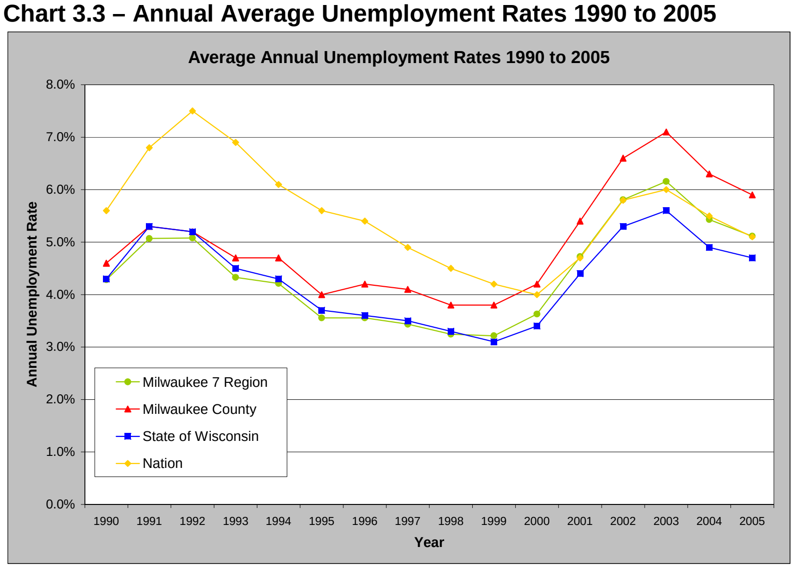
Chart 3.2 – Employment Growth Trends 1969 to 2004



Source: Bureau of Economic Analysis: Regional Economic Information System

Concurrent with the more recent employment trends shown in Chart 3.2 are the unemployment trends depicted in Chart 3.3. Throughout the 1990's, the Milwaukee 7 Region, Milwaukee County, and the state enjoyed low unemployment rates relative to the nation. Again, the onset of the 2001 recession marked a period of increasing unemployment. Unemployment rates have declined recently, but are still above the levels reported throughout the 1990's. Again, the Milwaukee 7 Region's combined unemployment rate is somewhat influenced by Milwaukee County's unemployment figures.

Chart 3.3 – Annual Average Unemployment Rates 1990 to 2005



Source: Wisconsin Department of Workforce Development - not seasonally adjusted

While Milwaukee County has experienced limited employment growth between 1969 and 2004, it could be argued that Milwaukee County's developed nature somewhat limits its growth capacity. That is, Milwaukee County was built-out prior to 1969 and the availability of new commercial and industrial sites has been somewhat limited over the past few decades. Consequently, a large portion of the metro area's employment growth may be naturally directed to outlying counties. To compare the employment growth trends in other comparable MSAs, Table 3.2 examines employment changes in each of the MSAs, as well as each metro area's core or central county. Again, Milwaukee County had a slower employment growth rate relative to the comparable metro areas' core counties. Specifically, most of the core counties in the comparable MSAs experienced employment growth rates of 25 percent or more. *Note that Table 3.2 does not examine the amount of developable land that was available to each of these core counties. Outlying communities located in some of these core counties may have had greater opportunities to annex and develop land between 1969 and 2004. Several of these core counties also face fewer geographic restrictions than Milwaukee County (e.g. water features).*

Similar to population, employment growth in Milwaukee County will have a positive economic impact on the entire region. Commuting patterns for the year 2000 showed that over 107,000 workers traveled from an outlying county in the Milwaukee 7 Region to Milwaukee County for employment[5]. Consequently, wages and income generated in Milwaukee County will likely be distributed throughout the entire region. If the lack of developable land is a constraint, office vacancies in Downtown Milwaukee provide one opportunity for building the county's employment base. Furthermore, large scale development opportunities in Downtown Milwaukee (i.e. the Park East Redevelopment Area) provide a unique opportunity for building smaller scale projects that could meet the flexible needs of small businesses, start-ups, and knowledge-based businesses.

Table 3.2 – Wage and Salary Employment Growth in Comparable MSAs and Core Counties 1969 to 2004

Metropolitan Statistical Area (MSA) *(Core County)*	Region/MSA Employment			Core County Employment		
	1969	2004	Percent Change	1969	2004	Percent Change
Milwaukee 7 Region *(Milwaukee County, WI)*	721,574	1,060,060	46.9%	499,462	538,410	7.8%
Charlotte-Gastonia-Concord, NC-SC *(Mecklenburg County, NC)*	351,222	812,198	131.2%	190,165	540,475	184.2%
Cincinnati-Middletown, OH-KY-IN *(Hamilton County, OH)*	631,524	1,061,291	68.1%	454,703	575,656	26.6%
Cleveland-Elyria-Mentor, OH *(Cuyahoga County, OH)*	1,001,864	1,113,432	11.1%	830,070	803,786	-3.2%
Columbus, OH *(Franklin County, OH)*	460,753	958,037	107.9%	360,112	740,699	105.7%
Indianapolis-Carmel, IN *(Marion County, IN)*	492,031	905,952	84.1%	421,021	630,015	49.6%
Memphis, TN-MS-AR *(Shelby County, TN)*	366,965	650,609	77.3%	320,599	540,839	68.7%
Nashville-Davidson-Murfreesboro, TN *(Davidson County, TN)*	309,225	753,879	143.8%	230,881	441,287	91.1%
Pittsburgh, PA *(Allegheny County, PA)*	1,021,435	1,173,640	14.9%	679,124	743,541	9.5%
Kansas City, MO-KS *(Jackson County, MO)*	598,178	1,024,371	71.2%	363,465	394,256	8.5%

Source: Bureau of Economic Analysis: Regional Economic Information System MSAs are based on 2003 OMB definitions

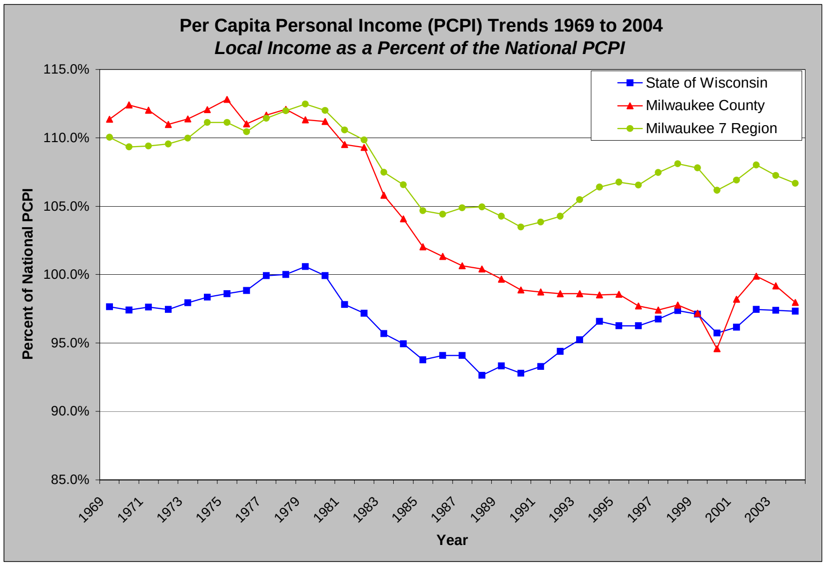
Personal Income and Wage Trends

Personal income trends provide an important measure of regional economic activity over time. Personal income consists of income that is received by persons from earnings and wages, government and business transfer payments, and dividends, rent and interest. When compared to state or national trends, it provides one indication of how well the region's economy is performing.

[5] County-to-County Worker Flow File – U.S. Census Bureau

Chart 3.4 depicts per capita personal incomes for the Milwaukee 7 Region, Milwaukee County and the State of Wisconsin relative to the overall U.S. average between 1969 and 2004. Between 1969 and 1982, per capita personal incomes in Milwaukee County and the Milwaukee 7 Region were 10 percent to 12 percent higher than the national average. However, the onset of the 1982 recession brought a relative decline to per capita incomes in Milwaukee County, the Milwaukee 7 Region, and the State of Wisconsin. While personal income levels have rebounded somewhat in the Milwaukee 7 Region, Milwaukee County's per capita personal income continues to remain below the national average.

Chart 3.4 – Per Capita Personal Income Trends 1969 to 2004



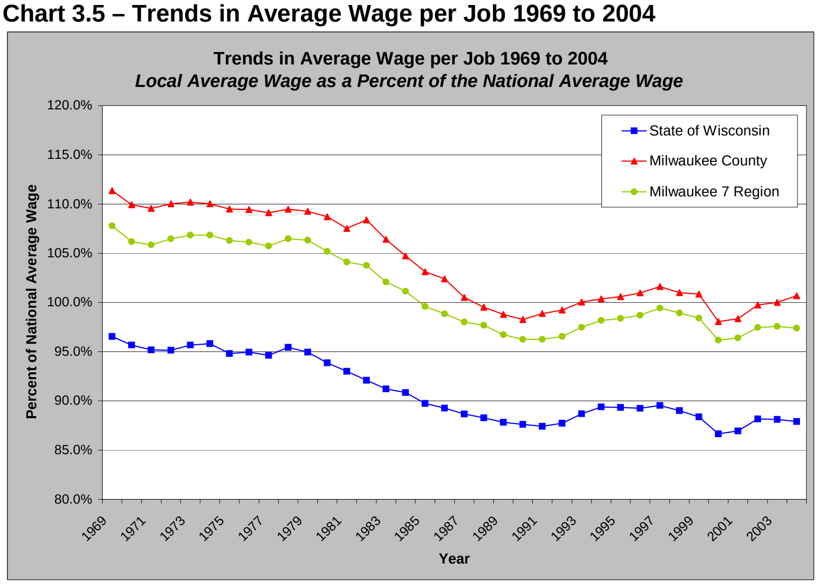
Source: Bureau of Economic Analysis: Regional Economic Information System

While income is derived from a variety of sources, wage and salary income is typically the largest component of a region's income. To depict trends in local wages and salaries, Chart 3.5 shows the average wage per job in the Milwaukee 7 Region, Milwaukee County, and the State of Wisconsin as a percentage of the national average wage per job. Average wages in the region, county, and state have declined relative to the nation since the 1970's. However, average wage trends in the Milwaukee 7 Region differ somewhat from the trends in per capita personal income shown in Chart 3.4. Specifically, the Milwaukee 7 Region's average wage per job continued to decline relative to the nation while the region's per capita personal income stabilized and grew slightly between 1984 and 2004.

The wage trends in Chart 3.5 suggest that the region's per capita incomes could be lower than those exhibited in Chart 3.4. However, several conditions may be offsetting the impact of declining average wages on personal income:

- Commuters are bringing wages from high-paying jobs in Milwaukee County (or the Chicago MSA) to other parts of the Milwaukee 7 Region.
- The Milwaukee 7 Region has shown a gradual increase in its labor participation rate relative to the United States.

Chart 3.5 – Trends in Average Wage per Job 1969 to 2004



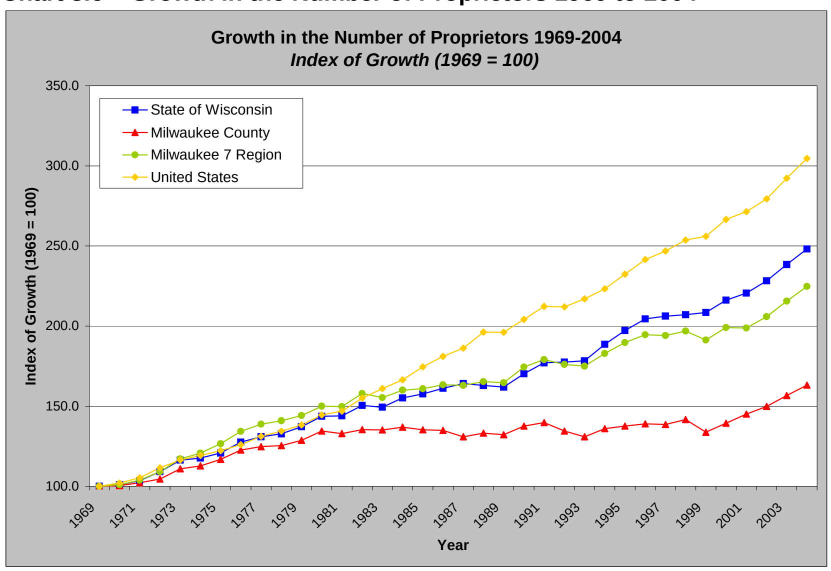
Source: Bureau of Economic Analysis: Regional Economic Information System

Entrepreneurial Activity

Many economic development efforts tend to place a priority on large scale industry attraction strategies. These attraction efforts frequently do not provide a large return on investment and ignore the economic development potential of existing sources of human and social capital. In recognizing the limited potential of industry attraction efforts, many regions are implementing strategies that emphasize business retention and expand the local base of entrepreneurs. Research shows that entrepreneurs tend to start companies in the location where they have formed business networks, have knowledge of the business environment, and have access to resources. Consequently, fostering a local entrepreneurial climate in Downtown Milwaukee and the greater region is necessary to develop these social connections and meet the needs of both current and potential business owners.

Measuring entrepreneurial activity is difficult as the definition of an entrepreneur varies. However, common measures of entrepreneurial activity do exist and several of these are reported below. The number of self-employed people, or business proprietors, is perhaps the most basic measure of entrepreneurial activity. Between 1969 and 2004, the number of proprietors in the Milwaukee 7 Region increased by approximately 125 percent (Chart 3.6). In comparison, wage and salary employment increased by 47 percent (see Chart 3.2).

Chart 3.6 – Growth in the Number of Proprietors 1969 to 2004



Source: Bureau of Economic Analysis (non-farm proprietors only)

Despite an increase in the number of self-employed people, not all of these proprietors are the same. Some proprietors employ a large number of people as part of their businesses, while others operate a business to support a lifestyle or for secondary income. *Nonetheless, these trends suggest an important source of potential new businesses in Downtown Milwaukee and the Milwaukee 7 Region.*

Trends in proprietor's income provide additional perspectives on entrepreneurial activity. Proprietor's income is an important gauge of economic performance because it captures the income contributions of locally-owned businesses. Chart 3.7 shows changes in proprietor's income

Table 3.3 – Average Proprietor's Income in 2004

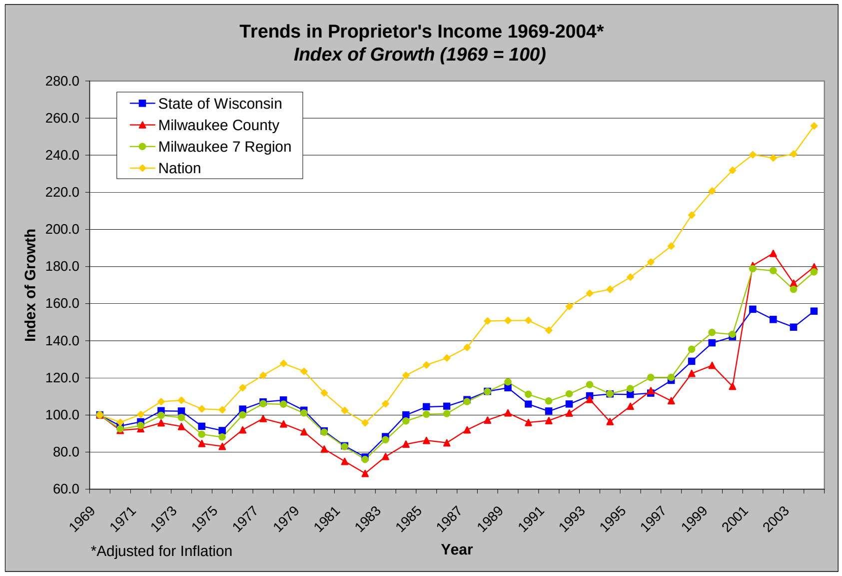
Metropolitan Statistical Area (MSA)	Average Proprietor's Income in 2004
Milwaukee 7 Region	*$28,637*
Charlotte-Gastonia-Concord, NC-SC	$34,123
Cincinnati-Middletown, OH-KY-IN	$24,428
Cleveland-Elyria-Mentor, OH	$31,010
Columbus, OH	$27,472
Indianapolis-Carmel, IN	$33,071
Kansas City, MO-KS	$29,870
Memphis, TN-MS-AR	$42,725
Nashville-Davidson-Murfreesboro, TN	$46,699
Pittsburgh, PA	$40,246
United States	$29,250

Source: Bureau of Economic Analysis (non-farm proprietors only) between 1969 and 2004 adjusted for inflation. Given the trends in the number of proprietors (Chart 3.6), it is not surprising that the Milwaukee 7 Region's growth in proprietor's income has also trailed the United States. Table 3.3 also shows that average proprietor's income in the Milwaukee 7 Region trails the national average and all but two of the comparable metro areas.

The local factors contributing to the limited growth in the number of proprietors and proprietor's income are unknown. Common reasons for these trends in other regions include:

- An historical reliance on employment in large firms. Census data on firm size suggests that the Milwaukee 7 Region has a greater reliance on mid-to-large employers than either the State or the Nation[6];
- A risk adverse culture and negative local attitudes towards failure;
- A lack of appropriate resources and economic development policies promoting entrepreneurial development.

Chart 3.7 – Trends in Proprietor's Income 1969 to 2004



Source: Bureau of Economic Analysis (non-farm proprietors only)

Regardless of the reasons, the Milwaukee 7 Region has an opportunity to further the capacity of potential entrepreneurs in the area. The Milwaukee 7 Region also has over 34,000 micro-enterprises (firms with 1 to 9 employees), and over 14,000 so-called second-stage companies (establishments with 10 to 99 employees) that might benefit from business development resources that target potential entrepreneurs (Table 3.4)

As shown in Table 3.5 (on the following page), the Milwaukee 7 Region also encompassed almost 100,000 non-employers (sole proprietors) in 2004. These non-employers accounted for over $4.5 billion in reported receipts and could represent a pool of potential entrepreneurs. *While not all of these individuals will want to grow their business into larger ventures (nor should they), many of these individuals may be looking for networks and resources to nurture their businesses. Furthermore, many of these non-employers operate business in industries well-suited to a downtown location (retail trade, professional, technical and scientific services, information, etc.).*

Table 3.4 – Establishment Size in the Milwaukee 7 Region

Establishment Size	Number of Establishments	Percent of Establishments	Percent of Employment
1 - 4 employees	24,508	48.9%	4.4%
5 - 9 employees	9,622	19.2%	6.8%
10 - 19 employees	7,403	14.8%	10.6%
20 - 49 employees	5,154	10.3%	16.5%
50 - 99 employees	1,893	3.8%	13.8%
100 - 249 employees	1,139	2.3%	18.1%
250 - 499 employees	280	0.6%	10.1%
500 - 999 employees	103	0.2%	7.4%
1000+ employees	51	0.1%	12.1%
Totals	50,153	100.0%	100.00%

Source: U.S. Census Bureau County Business Patterns

[6] Estimates are calculated from county business pattern data

Table 3.5 – Non-Employers and Receipts by Industry in the Milwaukee 7 Region

NAICS Code	Industry Description	Establishments	Total Receipts (1,000's)	Average Receipts
--	Total for all sectors	99,470	$4,527,446	$45,516
11, 21, 22	Forestry, fishing, agricultural support, mining, & utilities	603	$18,171	$30,134
23	Construction	9,717	$632,184	$65,060
31-33	Manufacturing	1,878	$86,240	$45,921
42	Wholesale trade	2,366	$194,887	$82,370
44-45	Retail trade	12,476	$425,452	$34,102
48-49	Transportation and warehousing	3,351	$222,725	$66,465
51	Information	1,426	$39,454	$27,668
52	Finance and insurance	4,451	$234,504	$52,686
53	Real estate and rental and leasing	13,769	$1,348,481	$97,936
54	Professional, scientific, and technical services	14,819	$512,916	$34,612
56	Admin., support, waste management & remediation svcs.	5,250	$111,897	$21,314
61	Educational services	2,360	$30,039	$12,728
62	Health care and social assistance	7,039	$198,133	$28,148
71	Arts, entertainment, and recreation	5,672	$88,091	$15,531
72	Accommodation and food services	1,304	$73,620	$56,457
81	Other services (except public administration)	12,989	$310,652	$23,917

Source: U.S. Census Bureau Non-employer statistics

Regional Industry Overview

While population, employment and income trends provide important background on the direction of the region's economy, it is also necessary to understand the region's industry structure. Examining the area's key industries is vital to understanding an industry's economic impacts, creating potential industry cluster initiatives, and developing future economic and workforce development strategies. The following analysis provides a basic overview of the regional industry structure using the measures of employment, wages, and industry concentration (location quotients). The industry analyses are based on figures from the Quarterly Census of Employment and Wages (QCEW or ES-202)[7]. *Note that the intent of the following analysis is not to determine those industries that should receive the most attention or resources. Instead, the purpose is to highlight and examine Downtown Milwaukee's potential role in some of the region's key industries. Existing businesses and new business prospects may also desire information on the number of employees and the average wage in a given industry.* Additional information on regional industries is available through the *Choose Milwaukee* website at http://www.choosemilwaukee.com/statistics_demographics.aspx

Employment and Wages

Table 3.6 and Table 3.7 on the following page examine the Milwaukee 7 Region's largest 25 industries based on total employment and total wages. A comprehensive list of employment and wages by industry is included in Appendix 3A. Examining the figures in these tables shows a number of industries that are important to both the overall region and the Downtown Milwaukee Study Area:

- Not unlike many regions, the educational services industry accounts for the largest share of employment and wages in the Milwaukee 7 Region. With almost 71,000 employees, educational services include a variety of public and private educational institutions ranging from local school systems to colleges and universities. *Given Downtown Milwaukee's proximity to several of these higher-education institutions, the education services industry and its employees are a key component of the Downtown Milwaukee economy.*

- The hospitality industry is represented in Table 3.6 and Table 3.7 by food services and drinking places (NAICS 722), and amusement, gambling and recreation services (NAICS 713). As the employment figures in Tables 3.6 and 3.7 include both full and part-time employment, it is not surprising that these two industries are ranked highly in terms of total employment and have low average wages per job. While these industries do not account for the high levels of total wages shown by other industries, these hospitality employees are an important part of the regional and downtown economy.

- With more than 60,000 employees, administrative and support services is a large employment category in the region and in Downtown Milwaukee. Similar to food services and drinking places, the low average earnings in the administrative and support service category reflect the part-time nature of many jobs in this industry. *Again, this industry is a key part of the downtown industry base which will grow with the addition of the Manpower Inc. headquarters.*

[7] The QCEW data represent the number of covered workers who worked during, or received pay for, the pay period that included the 12th day of the month. Covered private industry employment includes most corporate officials, executives, supervisory personnel, professionals, clerical workers, wage earners, piece workers, and part-time workers. The data set excludes proprietors, the self-employed, unpaid family members, and certain farm and domestic workers.

- Several of the region's larger employment sectors with high average earnings have a significant presence in the Downtown Milwaukee Study Area. Professional and technical services, credit intermediation and related activities, insurance carriers and related activities, and management of companies and enterprises account for more than 10 percent of the region's total employment and 16 percent of the region's wages. *Many businesses included in these categories are key tenants in Downtown Milwaukee.*

- Public administration includes local government operations and accounts for 4.2 percent of the region's employment and 4.6 percent of its total wages. Similar to other downtowns, Downtown Milwaukee contains a large number of the county and city government functions that employ these workers.

- The remaining categories in Table 3.6 and Table 3.7 are a mix of health care, retail and wholesale trade, construction, services, and manufacturing industries. While many of these remaining industries do not have a large presence in Downtown Milwaukee, they provide a large amount of income to the region. *Furthermore, many of these industries could be key purchasers of the professional and support services located in Downtown Milwaukee.*

Table 3.6 - Top Twenty-five Industries in the Milwaukee 7 Region Based on Employment (2005)

NAICS and Industry	**Number of Employees**	**Percent of Total**	**Number of Businesses**	**Average Wage Per Job**
611 Educational Services	70,968	7.2%	1,068	$40,700
722 Food Services And Drinking Places	66,283	6.8%	3,564	$10,970
561 Administrative And Support Services	60,470	6.2%	2,796	$21,978
622 Hospitals	43,586	4.4%	38	$39,947
92 Public Administration	41,610	4.2%	399	$42,446
541 Professional And Technical Services	41,566	4.2%	5,266	$56,237
621 Ambulatory Health Care Services	38,443	3.9%	3,097	$57,738
332 Fabricated Metal Product Manufacturing	29,750	3.0%	895	$43,556
238 Specialty Trade Contractors	29,217	3.0%	3,774	$43,487
423 Wholesale, Durable Goods	29,198	3.0%	2,700	$54,066
333 Machinery Manufacturing	27,271	2.8%	637	$56,196
624 Social Assistance	25,241	2.6%	1,177	$18,801
623 Nursing And Residential Care Facilities	24,959	2.5%	545	$23,526
522 Credit Intermediation & Related Activity	22,051	2.2%	1,226	$43,911
524 Insurance Carriers & Related Activities	21,144	2.2%	1,467	$58,705
445 Food And Beverage Stores	20,677	2.1%	719	$16,581
551 Management Of Companies & Enterprises	20,147	2.1%	366	$82,838
452 General Merchandise Stores	19,736	2.0%	219	$16,707
424 Merchant Wholesalers, Nondurable Goods	15,337	1.6%	918	$46,648
335 Electrical Equipment And Appliances	14,985	1.5%	130	$55,592
334 Computer And Electronic Product Mfg	14,415	1.5%	200	$61,149
323 Printing And Related Support Activities	13,950	1.4%	414	$41,960
311 Food Manufacturing	13,727	1.4%	246	$36,158
441 Motor Vehicle And Parts Dealers	12,899	1.3%	634	$35,551
713 Amusement, Gambling & Recreation	11,704	1.2%	486	$16,709
All Industries	*981,658*	*100.0%*	*51,933*	*$39,271*

Source: 2005 Quarterly Census of Employment and Wages (ES-202), WI DWD and UW-Extension

Table 3.7 – Top Twenty-five Industries in the Milwaukee 7 Region Based on Total Wages and Salaries (2005)

NAICS and Industry	Total Wages (in 1000's)	Percent of Total	Number of Employees	Average Wage Per Job
611 Educational Services	$2,888,403	7.5%	70,968	$40,700
541 Professional And Technical Services	$2,337,562	6.1%	41,566	$56,237
621 Ambulatory Health Care Services	$2,219,610	5.8%	38,443	$57,738
92 Public Administration	$1,766,194	4.6%	41,610	$42,446
622 Hospitals	$1,741,130	4.5%	43,586	$39,947
551 Management Of Companies & Enterprises	$1,668,947	4.3%	20,147	$82,838
423 Merchant Wholesalers, Durable Goods	$1,578,614	4.1%	29,198	$54,066
333 Machinery Manufacturing	$1,532,512	4.0%	27,271	$56,196
561 Administrative And Support Services	$1,329,008	3.4%	60,470	$21,978
332 Fabricated Metal Product Manufacturing	$1,295,787	3.4%	29,750	$43,556
238 Specialty Trade Contractors	$1,270,545	3.3%	29,217	$43,487
524 Insurance Carriers & Related Activities	$1,241,266	3.2%	21,144	$58,705
522 Credit Intermediation & Related Activity	$968,286	2.5%	22,051	$43,911
334 Computer And Electronic Product Mfg	$881,458	2.3%	14,415	$61,149
335 Electrical Equipment And Appliances	$833,041	2.2%	14,985	$55,592
336 Transportation Equipment Manufacturing	$756,063	2.0%	10,772	$70,188
722 Food Services And Drinking Places	$727,098	1.9%	66,283	$10,970
424 Wholesale, Nondurable Goods	$715,439	1.9%	15,337	$46,648
523 Financial Investment & Related Activity	$709,007	1.8%	5,831	$121,593
325 Chemical Manufacturing	$671,474	1.7%	8,880	$75,616
623 Nursing And Residential Care Facilities	$587,181	1.5%	24,959	$23,526
323 Printing And Related Support Activities	$585,348	1.5%	13,950	$41,960
311 Food Manufacturing	$496,344	1.3%	13,727	$36,158
484 Truck Transportation	$479,569	1.2%	11,335	$42,309
624 Social Assistance	$474,546	1.2%	25,241	$18,801
All Industries	$38,550,840	100.0%	981,658	$39,271

Source: 2005 Quarterly Census of Employment and Wages (ES-202), WI DWD and UW-Extension

Location Quotients

A location quotient (LQ) provides one measure for analyzing industry concentration and specialization in the Milwaukee 7 Region. A location quotient is calculated by comparing a given industry's share of total employment in the region to the same industry's share of overall national employment:

$$\textit{Location Quotient (LQ) for industry (i) in the Milwaukee 7 Region} = \frac{\dfrac{\text{Industry (i) regional employment}}{\text{Total regional employment}}}{\dfrac{\text{Industry (i) national employment}}{\text{Total national employment}}}$$

The critical value for a location quotient is 1.0. An LQ of 1.0 means a region has the same proportion of local employment in an industry as the nation. An LQ greater than 1.0 means that the region's share of employment in a given industry is greater than the national share.

Conversely, an LQ less than 1.0 means the region's employment in an industry is below the national percentage*. Due to accuracy issues with employment data, location quotients between 0.75 and 1.25 are generally considered close enough to 1.0 not to be significantly different.*

A location quotient of 1.0 suggests that the local level of demand for that good or service is satisfied by local industries (supply equals demand). Consequently, location quotients greater than 1.0 are important as they suggest that a region has a specialization in a given industry. Given the assumption that local conditions and preferences are the same as those nationally, an LQ greater than 1.0 implies that the industry is producing more goods or services than can be consumed locally. Subsequently, these goods and services are exported out of the region and bring outside dollars into the area (i.e. they have an export-orientation). *Industries with a location quotient greater than 1.0 can also suggest an area of regional specialization.* Conversely, an LQ less than 1.0 suggests that local industries are not satisfying local demand (demand is greater than supply and the good or service must be imported to some degree).

Note that differences in local demand compared to national demand, or the efficiency of an industry within a region have the potential to skew the results of a location quotient analysis. Furthermore, the Milwaukee 7 Region should not seek to satisfy all local demand with local industries. Certain industries are best suited for other locations and are not feasible for the region. Nonetheless, location quotients serve as a basis for examining export industries and determining areas of specialization within the Milwaukee 7 Region.

Table 3.8 on the following page ranks the top 25 Milwaukee 7 Region industries in terms of location quotients. Similar to many counties and economic regions, the Milwaukee 7 Region's top industries by location quotient are a mix of production, retail and services. While these figures are reported for the aggregate region, employment concentrations may vary by county in the region. Variations by county can be viewed on national location quotient maps available on-line through the Center for Community and Economic Development at: http://www.uwex.edu/ces/cced/industryclusterindex.html. An example map for the printing and related support activities (NAICS 3231) industry category is included in Appendix 3B.

Several observations can be drawn from the location quotients shown in Table 3.8:

- Manufacturing accounts for the six largest location quotients in the Milwaukee 7 region. With the exception of leather and allied product manufacturing, these industries employ a large number of workers and pay above average wages. However, many of these manufacturing categories have experienced employment declines over the last several years. *While most of these industries are not located directly in the Downtown Study Area, they are key components of the regional economy and could be the cores of potential industry clusters in the region. An example of the possible connections among businesses in an industry cluster and the potential ties to Downtown Milwaukee will be examined later in this section*

- Several of the industries with large location quotients are smaller industries with lower employment levels (e.g. funds, trusts & other financial vehicles). While these industries are important to the Milwaukee 7 Region, they are not large foundations of the region's economy.

- Management of companies and enterprises; ISP's, search portals, & data processing; performing arts and spectator sports; and insurance carriers have high location quotients and have a large presence in Downtown Milwaukee. These industries have high average wages per job and employ a number of highly-skilled and educated employees. Several of these industries also fit into the state's larger information technology and tourism cluster initiatives.

- Additional manufacturing categories with smaller location quotients are also shown in Table 3.8. Plastics & rubber product manufacturing, computer and electronic product manufacturing, chemical manufacturing, paper manufacturing, and food manufacturing all have location quotients above 1.0 and employ a large number of people. Again, many of these industries have experienced employment losses over the past several years and do not have large presences in Downtown Milwaukee. However, many of these industries remain key components of the regional economy. The plastics, food, and paper manufacturing categories are also part of the state's larger cluster initiatives. Furthermore, several of these industry categories could tie into the state's emerging bio-economy.

- Several knowledge-based industry categories with high concentrations in Downtown Milwaukee do not have location quotients above 1.0 in the Milwaukee 7 Region. *Specifically, professional and technical services (LQ 0.79) and educational services (LQ 0.82) tend to be underrepresented in the region. While more research is needed, several of the industries in these categories may represent sources of sales leakage from region.*

Table 3.8 – Top Twenty-five Industries in the Milwaukee 7 Region Based on Location Quotients (2005)

NAICS Category and Description	Location Quotient	Total Employment	Average Wage per Job
335 Electrical Equipment and Appliances	4.45	14,985	$55,592
333 Machinery Manufacturing	3.16	27,271	$56,196
323 Printing and Related Support Activities	2.77	13,950	$41,960
332 Fabricated Metal Product Manufacturing	2.62	29,750	$43,556
316 Leather and Allied Product Manufacturing	2.50	808	$35,661
331 Primary Metal Manufacturing	2.24	7,943	$43,720
518 ISP's, Search Portals, & Data Processing	1.70	4,986	$71,019
551 Management Of Companies and Enterprises	1.56	20,147	$82,838
326 Plastics & Rubber Products Manufacturing	1.55	9,453	$40,702
624 Social Assistance	1.49	25,241	$18,801
334 Computer and Electronic Product Mfg	1.44	14,415	$61,149
339 Miscellaneous Manufacturing	1.41	7,007	$43,780
711 Performing Arts and Spectator Sports	1.40	4,177	$50,615
485 Transit and Ground Passenger Transport	1.34	6,188	$24,825
325 Chemical Manufacturing	1.33	8,880	$75,616
423 Merchant Wholesalers, Durable Goods	1.31	29,198	$54,066
524 Insurance Carriers & Related Activities	1.30	21,144	$58,705
322 Paper Manufacturing	1.22	4,578	$45,525
311 Food Manufacturing	1.21	13,727	$36,158
525 Funds, Trusts & Other Financial Vehicles	1.14	790	$58,763
484 Truck Transportation	1.10	11,335	$42,309
492 Couriers and Messengers	1.10	4,668	$30,623
812 Personal and Laundry Services	1.09	10,510	$19,003
623 Nursing and Residential Care Facilities	1.09	24,959	$23,526
813 Membership Organizations & Associations	1.07	10,753	$20,310

Source: 2005 Quarterly Census of Employment and Wages (ES-202), WI DWD and UW-Extension

As previously suggested, industry clusters are an important source of regional competitive advantage. That is, the competitive advantage of a location does not usually arise in isolated companies, but in clusters of companies that represent critical masses of labor, information, relationships and infrastructure in a given field. More specifically, an industry cluster is a:

> *"geographic concentration of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (e.g. universities, standards agencies, trade associations) in a particular field that compete but also cooperate"*[8]

While this analysis is *not* a comprehensive industry cluster analysis, a number of industry categories in the Milwaukee 7 Region could provide foundations for regional industry clusters. Furthermore, other industries in the region are part of broader industry cluster initiatives in the State of Wisconsin. Subsequently, there will be many industries and establishments that are important to the region, but are not located in Downtown Milwaukee. However, if efforts are made to upgrade and support regional industry clusters, downtown businesses may also benefit through possible buy-sell linkages and support roles for these industries.

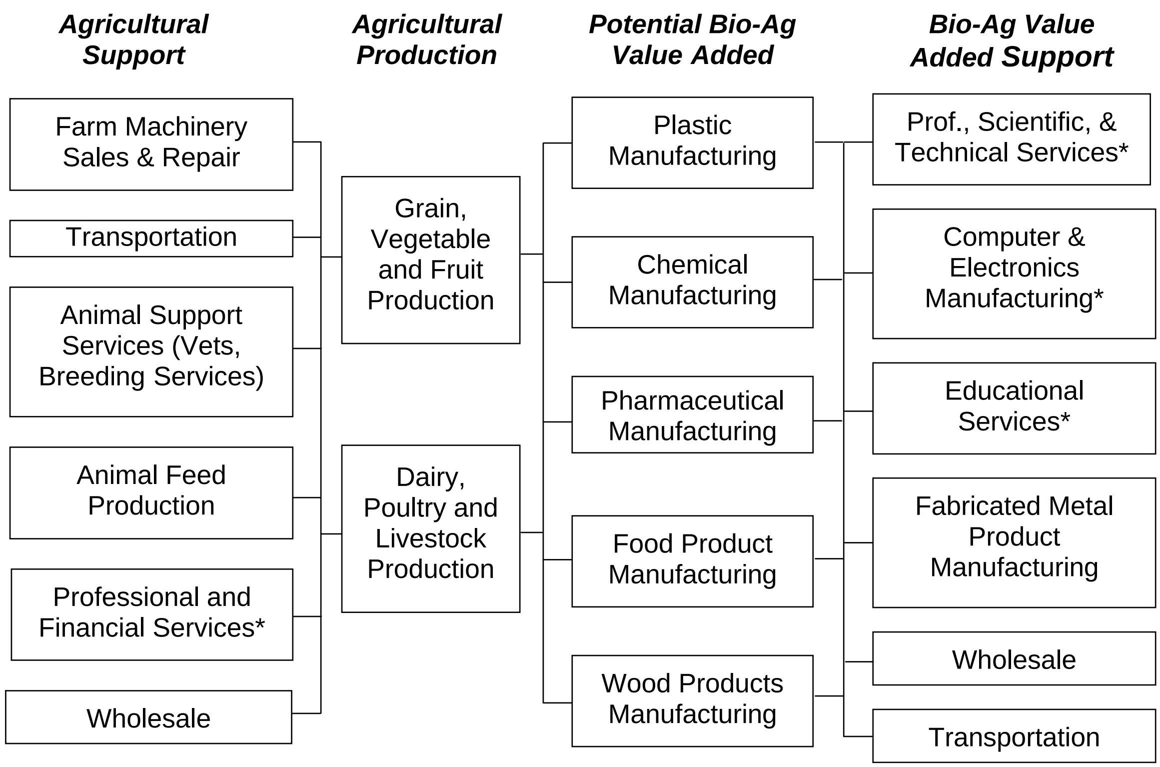
Chart 3.8 (on the following page) provides one example of industry cluster connections and economic spillovers by depicting several of the potential intersections between agriculture and biotechnology, two of the state's cluster initiatives. At first glance, agriculture and other bio-ag industries may not appear to be a large part of the Milwaukee 7 Region's economy. However, these industries could play an important role in the future of several of the region's key manufacturing and service categories.

Agricultural production of grain, vegetables, dairy, and livestock is perhaps the most visible part of the agricultural economy. However, agricultural production is supported by a variety of complementary industries such as farm machinery sales and repair, transportation services (e.g. milk haulers), animal support services, and specialized financial and professional services. *Furthermore, industries such as food product manufacturers depend on agriculture products as inputs to their own products. Food product manufacturers and other manufacturers of plastics, chemicals, wood products, and pharmaceuticals are potential value added users of agricultural products and could become important purchasers of agricultural commodities. Several of these industries have a large presence in the Milwaukee 7 Region.*

The potential bio-ag value added industries shown in Chart 3.8 are also supported by a variety of scientific, research, technical and professional services, educational services, and manufacturing industries. M*any of these professional and technical services are either concentrated in Downtown Milwaukee or could be ideal tenants for a downtown location.* Downtown Milwaukee has available unique spaces, encompasses several higher learning institutions, and has a critical mass of occupational types that could support these industries. Furthermore, many of these connected manufacturing industries are either concentrated in the Milwaukee 7 Region, or could be prospects for sites in the adjacent Menomonee Valley, enhancing the potential connectedness of Downtown Milwaukee. Similar connections and potential ties to Downtown Milwaukee exist for many of the other key industries in the region and show the importance of understanding the regional ties of the Downtown Milwaukee economy.

[8] Porter, Michael E. *On Competition*. Boston: Harvard Business School Press, 1998.

Chart 3.8 – Potential Regional Connections among Agricultural, Manufacturing and Service Industries



** Industries with a potential tie to Downtown Milwaukee*

Potential Gaps and Disconnects

When considering the structure of the regional economy it is important to recognize that it is part of a larger national and international economy. The connection between the local and non-local economy can be examined by analyzing the levels of regional imports and exports. The larger the share of exports compared to industry output, the more open the economy and the more dependent on the larger economy. More specifically, if a large share of industry output is exported out of the region, that industry is more dependent on the performance of the larger economy[9].

Industry exports can also be a reflection of the industry's contribution to the regional economy. As previously mentioned, location quotients are measures of an industry's export orientation. A large location quotient tends to be an indicator of an industry exporting a larger proportion of its production out of the region. Sales of these exported goods are responsible for a flow of dollars back into the local economy and represent economic growth. As previously suggested, those sectors that have large location quotients and large exports (i.e. the export-base of the economy) are vital for their ability to bring money into the regional economy. These exporting sectors represent "injections" of money into the regional economy and injections in turn spur economic growth.[10]

[9] Shaffer, Ron, Deller, S., and Marcouiller, D. *Community Economics: Linking Theory to Practice*. Oxford, UK: Basil Blackwell, 2004.
[10] Ibid

In addition to exports, industries can import goods and services to be used in their own production. For example, local companies may purchase insurance, advertising, or legal services from companies located outside of the region. These imports can be viewed as a "leakage" of economic activity from the region. Accordingly, when examining industry exports, it is important to consider the counteracting imports or leakages. *A comprehensive economic development policy must look at the promotion of exports while also seeking to minimize leakages.*[11]

While location quotients provide some perspective on those industries that may be bringing outside dollars into the Milwaukee 7 Region, an analysis of regional imports and exports can provide perspective on the estimated flow of dollars. An examination of imports and exports will assist in providing additional insights into "gaps" and "disconnects" in the local economy. Gaps and disconnects occur in the local economy where there are products and services with high levels of importation. More specifically:

- A *gap* in supply occurs when certain goods and services are simply not available within the Milwaukee 7 Region and must be purchased elsewhere. There are many reasons for gaps and certain gaps may actually be desirable in those industry categories the region has deemed to have a negative impact on the local economy and the regional quality of life.

- A *disconnect* arises when a good or service is available locally, but consumers and businesses choose to purchase that service outside of the region. *Reasons for a disconnect include a lack of information within the business community, long standing partnerships between firms, unfavorable pricing policies, mistrust, or specialization or expertise of firms in a specific industry*.

To help identify possible gaps and disconnects in the Milwaukee 7 Region's economy, Table 3.9 (on the following page) examines those goods or services with the 50 largest levels of imports. Goods and services may be imported by industries, private households, or public institutions. Many of the goods and services listed in Table 3.9 are primarily imported by private industry (e.g. plastics material and resin manufacturing). Others (such as the purchases of automobiles and trucks and hospital services) are primarily imported by private households. These estimates are derived from the IMPLAN input-output modeling system[12]. Note that the figures in Table 3.9 are from 2003 and represent the most current data at the time of this analysis. The actual import and export figures may have changed somewhat over the past several years.

Once gaps and disconnects have been identified, there may be opportunities for reducing the amount of imports within certain categories through "import substitution." That is, there may be opportunities to reduce imports, by substituting goods and services produced by regional companies. These import substitution opportunities could ultimately suggest prospects for strengthening local businesses or for future business recruitment. ***As the figures reported in Table 3.9 are based on national purchasing patterns, these estimates should be used only to spark discussion and guide future research. If import substitution is pursued as an economic development strategy, opportunities will need to be confirmed with local primary research, such as a business owner survey or other interview methods. Businesses should not rely on the figures in Table 3.9 to make operational decisions.***

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[11] Ibid.

[12] An overview of input-output modeling is available in: Shaffer, Ron, Deller, S., and Marcouiller, D. *Community Economics: Linking Theory to Practice*. Oxford, UK: Basil Blackwell, 2004.

Table 3.9 – Top 50 Imported Goods and Services in the Milwaukee 7 Region (2003)

Commodity	Total Imports	Total Exports
Real estate	$1,771,477,420	$40,134,560
Petroleum refineries	$1,552,355,100	$0
Automobile and light truck manufacturing	$1,468,567,630	$0
Wholesale trade	$1,437,096,310	$2,485,264,950
Telecommunications	$1,348,098,390	$271,946,480
Monetary authorities and depository credit intermediaries	$1,175,205,320	$1,656,746,090
Iron and steel mills	$1,034,677,000	$63,579,630
Semiconductors and related device manufacturing	$905,376,530	$21,824,110
Paper and paperboard mills	$866,247,440	$116,478,340
Power generation and supply	$839,671,450	$3,219,850
Management of companies and enterprises	$826,299,990	$1,853,712,190
Securities, commodity contracts and investments	$813,402,770	$1,075,534,900
Cut and sew apparel manufacturing	$761,576,050	$2,232,110
Insurance carriers	$760,101,380	$1,710,779,390
Pharmaceutical and medicine manufacturing	$758,747,860	$107,248,720
Air transportation	$675,151,120	$627,363,340
Irradiation apparatus manufacturing	$669,823,850	$773,526,860
Plastics material and resin manufacturing	$599,397,340	$106,199,360
Legal services	$547,332,400	$555,397,190
Advertising and related services	$546,854,060	$688,103,990
Custom computer programming services	$495,373,260	$653,188,510
Insurance agencies, brokerages, and related activities	$451,935,880	$0
Cable networks and program distribution	$441,482,910	$0
Scientific research and development services	$402,094,300	$1,137,180
Cattle ranching and farming (dairy)	$397,956,180	$242,350
Electronic computer manufacturing	$374,404,600	$1,384,100
Hospitals	$371,370,120	$831,012,050
Soft drink and ice manufacturing	$370,982,120	$306,778,390
Motor vehicle parts manufacturing	$368,876,590	$1,188,556,120
Other computer peripheral equipment manufacturing	$355,151,920	$49,921,170
Food services and drinking places	$354,440,770	$124,335,820
Paperboard container manufacturing	$352,561,160	$587,448,000
Architectural and engineering services	$352,550,510	$345,414,990
Non-depository credit intermediation and related activities	$352,293,610	$47,373,200
Data processing services	$343,501,280	$929,609,330
Other ambulatory health care services	$339,400,940	$416,838,500
Construction machinery manufacturing	$325,112,580	$648,752,960
Motorcycle, bicycle and parts manufacturing	$323,629,030	$1,565,187,130
Religious organizations	$319,465,580	$0
Aluminum sheet, plate and foil manufacturing	$309,599,370	$0
Ferrous metal foundries	$307,722,200	$597,948,570
Other amusement, gambling, and recreation industries	$302,718,540	$0
Funds, trusts and other financial vehicles	$293,250,920	$287,608,340
All other miscellaneous professional and technical	$292,611,850	$131,663,090
Cigarette manufacturing	$290,742,800	$0
Petrochemical manufacturing	$281,950,040	$0
Natural gas distribution	$278,408,420	$899,100
Automotive equipment rental and leasing	$278,305,210	$9,553,180
Management consulting services	$275,928,250	$188,521,130
Fruit and vegetable canning and drying	$266,381,740	$303,794,970

Source: IMPLAN 2003

Occupational Structure and Educational Attainment

As mentioned in the introduction to Section 3, human capital is increasingly recognized as a source of regional competitive advantage. Human capital measures in the form of occupations and educational attainment provide insight into a region's skills and knowledge. Consequently, a region's occupational structure and levels of educational attainment also impact the types of industries that are suited to a given region. Large numbers of college graduates and concentrations of occupations in engineering, life sciences, computers, and mathematics may be desirable for knowledge-based industries. In contrast, the presence of individuals with associate degrees or those who work in skilled production occupations may be targeted by advanced manufacturing operations.

Given the growing role of human capital in the global economy, it is not surprising that many regions are beginning to target specific occupations rather than specific industries[13]. Targeting occupations recognizes the skills that are necessary in aligning a region's competitive advantage. *For instance, individuals working in computer programming and support occupations can work in a wide variety of industries and may make a region desirable to a range of business types.* Given these trends, the remainder of Section 3 examines the region's occupation structure and its levels of educational attainment. Note that Section 3 does not include a full description of the region's labor force. Individuals interested in labor force data can find information on each county in the Milwaukee 7 Region the *Choose Milwaukee* website at http://www.choosemilwaukee.com/statistics_demographics.aspx.

Occupations

Table 3.10 and 3.11 examine the 2005 occupational structure for the Milwaukee and Racine MSAs. The Milwaukee and Racine MSAs include the counties of Milwaukee, Waukesha, Ozaukee, Washington and Racine, and *do not include figures for Walworth or Kenosha counties*. The reason for these omissions is that the figures in Tables 3.10 and 3.11 are provided by the Bureau of Labor Statistics (BLS) and MSAs are the smallest geographic areas for which the BLS reports occupational information. As Kenosha County is part of the Chicago MSA, and Walworth County is not part of an MSA, 2005 occupational data is not available for these counties.

Each occupational category in Table 3.10 is reported by its share of regional employment, its average wage, and its location quotient. As suggested earlier in Section 3, a location quotient compares the local share of employment in an occupational category to the national share. If an occupational category has a location quotient of 1.0, then the occupation accounts for the same local share of employment as the national average. Location quotients above 1.0 show that an occupation has greater share of employment in the region. Conversely, location quotients below 1.0 show a lower occupational share. *Location quotients above 1.0 suggest a concentration of a given occupation in the region.*

Table 3.11 compares the changes in occupations between 2000 and 2005. Occupational changes in the Milwaukee and Racine MSAs are compared to the changes for the State of Wisconsin and the United States. Examining changes between these two years is useful as this period encompasses the years immediately before and after the 2001 recession[14].

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[13] For an overview of occupational analysis, see: Koo, Jun. "How to Analyze the Regional Economy with Occupation Data." *Economic Development Quarterly*. 19.4. November, 2005 pp 356-372.

[14] More insight to the occupational changes is provided by calculating a shift-share analysis for the occupational change. While a formal shift-share analysis is beyond the scope of this analysis, the occupational shift-share analysis is available to interested individuals.

Table 3.10 – Regional Occupation Structure for May 2005 – Milwaukee and Racine MSAs

Occupation Code	Occupation	Total Employment	Share of Employment	Location Quotient	Average Wage
00-0000	*All Occupations*	*900,780*	*100.0%*	*1.00*	*$38,697*
11-0000	Management	34,550	3.8%	0.84	$94,516
13-0000	Business and financial operations	40,980	4.5%	1.10	$55,755
15-0000	Computer and mathematical	19,240	2.1%	0.94	$61,664
17-0000	Architecture and engineering	18,650	2.1%	1.13	$58,598
19-0000	Life, physical, and social science	6,310	0.7%	0.77	$57,586
21-0000	Community and social services	11,300	1.3%	0.97	$38,482
23-0000	Legal	6,140	0.7%	0.90	$82,369
25-0000	Education, training, and library	48,340	5.4%	0.87	$42,866
27-0000	Arts, design, entertainment, sports, & media	12,470	1.4%	1.07	$41,286
29-0000	Healthcare practitioners and technical	46,950	5.2%	1.04	$65,282
31-0000	Healthcare support	24,360	2.7%	1.05	$24,839
33-0000	Protective service	16,740	1.9%	0.79	$36,971
35-0000	Food preparation and serving related	68,770	7.6%	0.92	$18,070
37-0000	Building and grounds cleaning & maintenance	29,880	3.3%	1.00	$22,356
39-0000	Personal care and service	29,250	3.2%	1.33	$21,114
41-0000	Sales and related	88,900	9.9%	0.92	$38,366
43-0000	Office and administrative support	156,900	17.4%	1.00	$30,058
45-0000	Farming, fishing, and forestry	400	0.0%	0.13	$21,860
47-0000	Construction and extraction	32,080	3.6%	0.73	$45,938
49-0000	Installation, maintenance, and repair	30,720	3.4%	0.84	$40,036
51-0000	Production	109,640	12.2%	1.55	$31,892
53-0000	Transportation and material moving	68,230	7.6%	1.03	$29,206

Source: Bureau of Labor Statistics Occupational Employment Statistics (OES)

Table 3.11 – Change in Occupations 2000 to 2005

Occupation	Occupations in 2005: Milwaukee and Racine MSAs	Change Between 2000 and 2005		
		Milwaukee & Racine MSAs	State of Wisconsin	United States
All Occupations	900,780	-6.1%	-1.3%	0.4%
Management	34,550	-34.3%	-33.1%	-23.4%
Business and financial operations	40,980	31.4%	38.6%	17.1%
Computer and mathematical	19,240	11.0%	6.5%	0.7%
Architecture and engineering	18,650	-10.3%	-0.8%	-7.5%
Life, physical, and social science	6,310	-6.8%	28.0%	14.2%
Community and social services	11,300	0.3%	11.7%	15.2%
Legal	6,140	4.4%	-7.3%	10.8%
Education, training, and library	48,340	-3.5%	0.4%	8.4%
Arts, design, entertainment, sports, & media	12,470	5.4%	7.8%	11.2%
Healthcare practitioners and technical	46,950	5.3%	6.3%	8.4%
Healthcare support	24,360	-4.4%	3.7%	10.7%
Protective service	16,740	-10.9%	2.4%	1.6%
Food preparation and serving related	68,770	15.9%	9.6%	8.5%
Building and grounds cleaning & maintenance	29,880	-8.0%	-0.9%	0.6%
Personal care and service	29,250	31.2%	32.6%	18.1%
Sales and related	88,900	-9.5%	-3.1%	3.1%
Office and administrative support	156,900	-9.9%	-3.8%	-0.7%
Farming, fishing, and forestry	400	-60.0%	-22.4%	-3.8%
Construction and extraction	32,080	-17.1%	-4.5%	3.0%
Installation, maintenance, and repair	30,720	-8.7%	2.2%	-0.2%
Production	109,640	-19.3%	-14.3%	-17.3%
Transportation and material moving	68,230	0.9%	3.5%	0.0%

Source: Bureau of Labor Statistics Occupational Employment Statistics (OES)

Examining the occupational figures in Table 3.10 and Table 3.11 reveal a number of important trends relevant to both the region and Downtown Milwaukee:

- Production occupations have the largest location quotient in the region (1.55) and account for the second largest share of employment (12.2 percent). However, the number of production occupations declined by 19.3 percent since 2000. *The decline in production occupations partially reflects the job losses in the region's manufacturing sector during this period.*

- Management occupations have the highest average wage of any occupation in the region. However, the number of management occupations declined in the region, the state and the nation between 2000 and 2005. More specifically, management occupations declined at a faster rate in the Milwaukee and Racine MSAs than both the State of Wisconsin and the United States. As management occupations are found in a diverse number of industries, the decline in these occupations may have had some impact on employment in Downtown Milwaukee.

- The region's business and financial operations occupations have increased by 31.4 percent between 2000 and 2005, show a location quotient of 1.10, and have a high average annual wage ($55,755). *Many of these occupations are found in the types of industries currently located in Downtown Milwaukee (insurance, financial services, management of companies and enterprises, etc.) and provide a significant labor pool for other businesses well-suited to a downtown location.*

- The Milwaukee and Racine MSAs have experienced changes in a number of knowledge-based occupational categories. Between 2000 and 2005, computer and mathematical occupations grew by 11.0 percent in the region, compared to 6.5 percent in the state and 0.7 percent in the nation. However, the location quotient for this occupation category remains below 1.0 in the region. In contrast, architecture and engineering occupations (LQ 1.13) experienced a decline in the region, the state and nation. Life, physical, and social science occupations also declined in the Milwaukee and Racine MSAs despite the large occupational increases in the state and in the nation. *Efforts such as the Biomedical Technology Alliance may help to grow this occupational category.*

- Food preparation and serving related occupations and personal care and service occupations showed some of the largest increases in the region. *While these occupational categories are part of many downtown hospitality and service businesses, these occupations have the two lowest average wages in the Milwaukee and Racine MSAs.*

- While educational, training and library occupations have one of the largest employment shares in the region, these occupations declined by 3.5 percent between 2000 and 2005. In contrast, these occupational categories grew in both the state (0.4 percent) and the nation (8.4 percent). Occupations in these categories are a vital part of growing the region's labor force and are an important part of the Downtown Milwaukee economy. The recently announced funding for a WIRED (Workforce Innovation in Regional Economic Development) effort in the Milwaukee 7 Region may boost the region's capacity to meet its education needs.

- While the number of arts, design, entertainment, sports and media occupations grew in the region (5.4 percent), the state (7.8 percent) and nation (11.2 percent) showed faster growth rates. These occupations are a key component of the Downtown Milwaukee cultural experience and economy. Efforts to support these occupational categories are explored later in this market analysis.

Educational Attainment

The following tables examine aspects of educational attainment in the Milwaukee 7 Region. Table 3.12 reports the highest level of educational attainment in 2005 for the population age 25 and over. Table 3.13 compares the percentage of the population with either a high school or college degree in the Milwaukee 7 Region relative to the comparable MSAs used throughout Section 3. In 2005, the Milwaukee 7 Region had a higher percentage of college graduates than either the state or United States. Furthermore, the Milwaukee 7 Region trailed only the State in the percent of the population age 25 and over with a high school degree or higher. When compared to the comparable MSAs, the Milwaukee 7 Region ranked sixth in the percent of the population with a college degree and fourth in terms of the population with a high school degree or higher. While the purpose of this analysis is not to rank the Milwaukee 7 Region, the figures in Table 3.12 and Table 3.13 show that the region has a comparable level of educational attainment to many similar metros in the United States.

Table 3.12 also reveals an important statistic on educational attainment in the region. While Milwaukee County contains 45.6 percent of the Milwaukee 7 Region's population age 25 and over, it also contains 59.2 percent of the region's population without a high school degree. *While other metro areas may exhibit similar conditions, efforts to improve this disparity could greatly enhance human capital levels in the entire Milwaukee 7 Region. These increased human capital levels could help to grow the region's income, provide a trained workforce, and increase the quality of life for individuals who currently lack a basic education.*

Table 3.12 – Educational Attainment in the Milwaukee 7 Region - 2005

Highest level of Educational Attainment (Population Age 25+)	Milwaukee 7 Region	Milwaukee County	Wisconsin	United States
Total (Estimate)	1,258,822	574,014	3,579,057	188,950,759
Less than 9th Grade	3.7%	5.1%	3.8%	6.2%
9th to 12th Grade, no diploma	8.0%	10.1%	7.4%	9.5%
High school graduate	31.1%	30.5%	34.5%	29.6%
Some college, no degree	21.4%	21.5%	20.6%	20.1%
Associate's degree	7.7%	6.4%	8.8%	7.4%
Bachelor's degree	19.1%	17.1%	16.8%	17.2%
Master's/Professional/Doctorate degree	9.0%	9.2%	8.1%	10.0%
High School Graduate or Higher	88.3%	84.8%	88.8%	84.2%
College Graduate	28.1%	26.4%	25.0%	27.2%

Source: 2005 American Community Survey – Figures are based on a 90 percent confidence interval

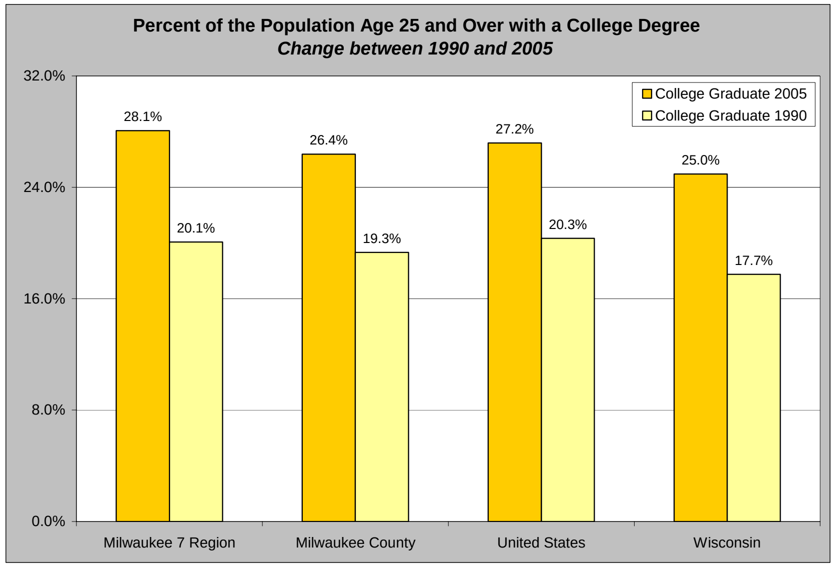
Table 3.13 – Educational Attainment Comparisons

Metropolitan Statistical Area (MSA)	Population Age 25 and Over with a College Degree (%)	Population Age 25 and Over with a High School Degree (%)
Milwaukee 7 Region	*28.1%*	*88.3%*
Charlotte-Gastonia-Concord, NC-SC	30.3%	85.5%
Cincinnati-Middletown, OH-KY-IN	26.3%	86.1%
Cleveland-Elyria-Mentor, OH	26.6%	86.7%
Columbus, OH	32.0%	88.7%
Indianapolis, IN	29.3%	87.5%
Kansas City, MO-KS	32.0%	89.4%
Memphis, TN-MS-AR	23.7%	84.0%
Nashville-Davidson--Murfreesboro, TN	28.3%	84.6%
Pittsburgh, PA Metro Area	27.1%	89.7%

Source: 2005 American Community Survey – Figures are based on a 90 percent confidence interval

In addition to the trends shown in Table 3.11 and 3.12, the percentage of college graduates in the Milwaukee 7 Region has increased from 20.1 percent in 1990 to an estimated 28.1 percent in 2005 (Chart 3.9). The Milwaukee 7 Region's rate of increase was faster than those shown by either the State or the United States. *While manufacturing remains highly concentrated in the Milwaukee 7 Region, the shift in educational attainment suggests that other non-production industry categories are becoming established in the region.*

Chart 3.9 – Change in Educational Attainment 1990 to 2005

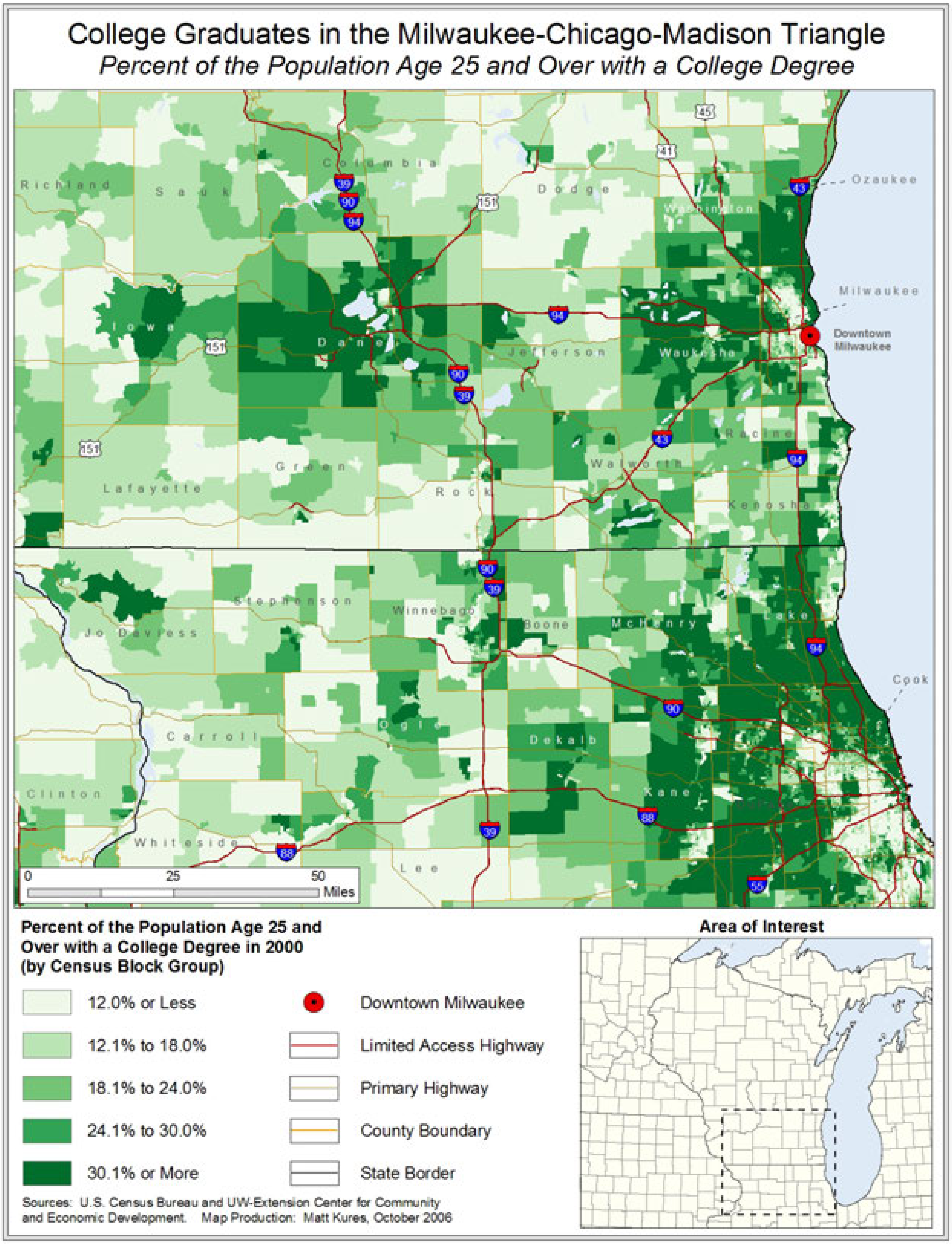


Source: U.S. Census Bureau 1990 Census and 2005 American Community Survey – 2005 figures are based on a 90 percent confidence interval

As previously noted, Downtown Milwaukee and the Milwaukee 7 Region's location relative to Madison and Chicago could provide a variety of synergies. One of these potential opportunities is the educational attainment of the broader region. While this analysis is not suggesting that college graduates are the only driver of economic success, or that a premium should be placed on a college degree, a highly-educated labor pool is a consideration for many companies planning to expand or locate in an area.

Specifically, Dane County has one of the highest levels of educational attainment in the nation, while the Chicago Metropolitan Statistical Area was responsible for over 1 million college graduates in the year 2000. *Combined, the triangular region created by the Chicago MSA, the counties surrounding Madison, and the Milwaukee 7 Region contained more than 2.2 million college graduates in the year 2000 or 4.9 percent of the national total (Map 3.4 on the following page).* The proximity of these individuals provides a highly-educated regional labor pool necessary to many industries and companies. Efforts to improve the physical and business connections among these three regions could have spillover effects for residents and companies of the entire region. Again, improved associations may have particular benefits for Downtown Milwaukee given its transportation connections to these areas, its proximity to educational institutions, and its concentration of businesses.

Map 3.4 – College Graduates in the Milwaukee-Chicago-Madison Triangle



Conclusions

The preceding overview of the Milwaukee 7 Region highlights a variety of economic indicators that are connected to sources of regional opportunity. Specifically, several analyses suggest opportunities for Downtown Milwaukee to complement regional economic development efforts. From a broad perspective, support of existing and emerging regional development efforts through the Milwaukee 7, the GROW grant program, and the WIRED effort could have positive spillover effects on the Downtown Study Area. Other regional opportunities more specific to Downtown Milwaukee also exist and are based upon a partial framework developed by the Alliance for Regional Stewardship. These opportunities build upon Downtown Milwaukee as a place of interaction and Downtown Milwaukee as a place of expertise.[15] These opportunities are outlined below and are further detailed in Section 9.

Downtown Milwaukee as a Place of Interaction

- Downtown Milwaukee's geographic position places in a key location between Madison and Chicago. Several of the key transportation linkages (Interstate 94 and rail service) that connect these three communities either intersect or originate in Downtown Milwaukee. Enhanced connections might help to stimulate interactions among the pool of knowledge, industries, and labor that exists in these three areas.

- As suggested earlier in this section, many of the state's and region's potential industry clusters have both loose and strong ties to the businesses, labor, and institutions that are located in Downtown Milwaukee. Creating knowledge, research and development collaborations is easier when one can interact with colleagues on a personal basis. The application of knowledge occurs faster when industry and universities maintain close working relationships. Furthermore, being close to suppliers and customers promotes faster responses to changes in market demand. The relative proximity of institutions within a metro region allows for (though does not guarantee) close interaction on a consistent basis, and supports the development of strongly linked industry clusters.[16] *Downtown Milwaukee's location, agglomerations of industries and institutions, proximity to manufacturing, and accessibility offers a unique opportunity in the region to facilitate these interactions and provide access to a regional labor pool.*

- A study by the Global Entrepreneurship Monitor (GEM) showed that the extent of social networks is one of the most important factors in encouraging entrepreneurship within any region[17]. Faced with this evidence, policy makers are recognizing the need to create networking opportunities for the businesses, entrepreneurs, financiers, and labor in the region. Consequently, building social networks is a key activity in strengthening the local entrepreneurial environment. Again, the Downtown Study Area's critical mass of businesses and public and private meeting venues could assist in creating these social networks among potential entrepreneurs in the downtown and region. *Developing social and professional development events could develop social networks among occupational groups (i.e. engineers), small business owners, and demographic segments (i.e. FUELMilwaukee members). Research shows that these networks are particularly important for industries that*

[15] A third category developed by the ARS, downtown as a place of diversity, is examined in other sections of this report.
[16] Council on Competitiveness. *Measuring Regional Innovation*. October, 2006
[17] For a summary of this research, see the Hubert H. Humphrey Institute of Public Affairs' *Knowledge Clusters and Entrepreneurship as Keys to Regional Economic Development* at: http://www.hhh.umn.edu/img/assets/9140/knowledge_clusters_final_report.pdf

tend have a high proportion of self-employed individuals (such as the arts). In addition to creating networks, these events would also showcase downtown businesses. Downtown Madison Inc's *What's up Downtown?* breakfast series and its *New Faces, New Places* program provide two examples of how a downtown organization can create networking opportunities while also showcasing downtown businesses (see http://www.downtownmadison.org/programs/).

- While Downtown Milwaukee's accessibility and transportation connections can facilitate interaction on a regional level, the Study Area's dense and compact nature has the potential to directly connect businesses and individuals choosing to locate downtown. Perhaps more than anywhere in the Milwaukee 7 Region, Downtown Milwaukee has an agglomeration of businesses that could connect businesses to clients in a small geographic area. The proximity to a variety of business services may also be desirable to other small businesses and entrepreneurs seeking an amenity-rich location.

Downtown Milwaukee as a Place of Expertise

- The Downtown Milwaukee Study Area either contains or is located adjacent to a number of the region's post-secondary educational institutions. These institutions produce a skilled labor force, have the potential to facilitate research, provide customers for downtown businesses, and contribute to the region's cultural and entertainment base. As previously suggested, Downtown Milwaukee's proximity to these facilities could provide a locational competitive advantage for a variety of knowledge-based industries.

- Section 2 showed that Downtown Milwaukee is home to a growing number of college graduates and people employed in professional and technical occupations. A growing amount of research suggests that highly-educated in many knowledge-based occupations are "consumers of place." That is, these individuals are attracted to places with a high quality of life. Many times, these places tend to offer authentic, aesthetically-pleasing living environments that are rich in amenities[18]. Continued efforts to build Downtown Milwaukee's dining, shopping, entertainment and living environment may strengthen the Study Area's position as a destination for college-educated and skilled individuals in the region.

- Downtown Milwaukee's building stock provides a diversity of size, historic character, and modern amenities. The diversity of building types could meet the flexible space needs of many knowledge-based companies. Downtown Milwaukee also provides immediate access to many of the business and personal services desired by these companies and their workers.

[18] While Richard Florida is perhaps the most well-known in this area of research, the connection between education, occupations, innovation and place has been researched by a variety of authors extending back to Jane Jacobs in 1961. A brief summary of these connections is examined in: Glaeser, et al. "Consumer City." *NBER Working Paper 7790* available at: www.nber.org/papers/w7790

Appendix 3A – Employment by Industry in the Milwaukee 7 Region (2005)

NAICS 111 to NAICS 454

NAICS	Industry	Number of Employees	Percent of Total Employment	Average Wage Per Job
111	Crop Production	778	0.08%	$23,793
112	Animal Production	352	0.04%	$24,866
113	Forestry And Logging	<10	<0.01%	N/A
114	Fishing, Hunting And Trapping	<10	<0.01%	N/A
115	Agriculture & Forestry Support Activity	312	0.03%	$30,531
211	Oil And Gas Extraction	<10	<0.01%	N/A
212	Mining (Except Oil And Gas)	478	0.05%	$47,996
213	Support Activities For Mining	<10	<0.01%	N/A
221	Utilities	3,647	0.37%	$71,380
236	Construction Of Buildings	8,351	0.85%	$49,546
237	Heavy And Civil Engineering Construction	4,218	0.43%	$60,690
238	Specialty Trade Contractors	29,217	2.98%	$43,487
311	Food Manufacturing	13,727	1.40%	$36,158
312	Beverage & Tobacco Product Manufacturing	1,217	0.12%	$59,998
313	Textile Mills	245	0.02%	$39,783
314	Textile Product Mills	948	0.10%	$37,396
315	Apparel Manufacturing	294	0.03%	$32,779
316	Leather And Allied Product Manufacturing	808	0.08%	$35,661
321	Wood Product Manufacturing	1,490	0.15%	$30,338
322	Paper Manufacturing	4,578	0.47%	$45,525
323	Printing And Related Support Activities	13,950	1.42%	$41,960
324	Petroleum & Coal Products Manufacturing	29	<0.01%	$46,968
325	Chemical Manufacturing	8,880	0.90%	$75,616
326	Plastics & Rubber Products Manufacturing	9,453	0.96%	$40,702
327	Nonmetallic Mineral Product Manufacturing	2,930	0.30%	$45,845
331	Primary Metal Manufacturing	7,943	0.81%	$43,720
332	Fabricated Metal Product Manufacturing	29,750	3.03%	$43,556
333	Machinery Manufacturing	27,271	2.78%	$56,196
334	Computer And Electronic Product Mfg	14,415	1.47%	$61,149
335	Electrical Equipment And Appliances	14,985	1.53%	$55,592
336	Transportation Equipment Manufacturing	10,772	1.10%	$70,188
337	Furniture And Related Product Manufacturing	2,269	0.23%	$36,515
339	Miscellaneous Manufacturing	7,007	0.71%	$43,780
423	Merchant Wholesalers, Durable Goods	29,198	2.97%	$54,066
424	Merchant Wholesalers, Nondurable Goods	15,337	1.56%	$46,648
425	Electronic Markets And Agents/Brokers	2,790	0.28%	$63,640
441	Motor Vehicle And Parts Dealers	12,899	1.31%	$35,551
442	Furniture And Home Furnishings Stores	3,887	0.40%	$29,189
443	Electronics And Appliance Stores	3,356	0.34%	$27,760
444	Building Material & Garden Supply Stores	9,424	0.96%	$25,059
445	Food And Beverage Stores	20,677	2.11%	$16,581
446	Health And Personal Care Stores	7,504	0.76%	$28,328
447	Gasoline Stations	4,877	0.50%	$15,243
448	Clothing And Clothing Accessories Stores	8,316	0.85%	$15,214
451	Sporting Goods/Hobby/Book/Music Stores	4,567	0.47%	$15,742
452	General Merchandise Stores	19,736	2.01%	$16,707
453	Miscellaneous Store Retailers	5,464	0.56%	$16,868
454	Non-store Retailers	2,000	0.20%	$33,014

Source: 2005 Quarterly Census of Employment and Wages (ES-202), WI DWD and UW-Extension Some values are estimated. Employment figures are monthly averages

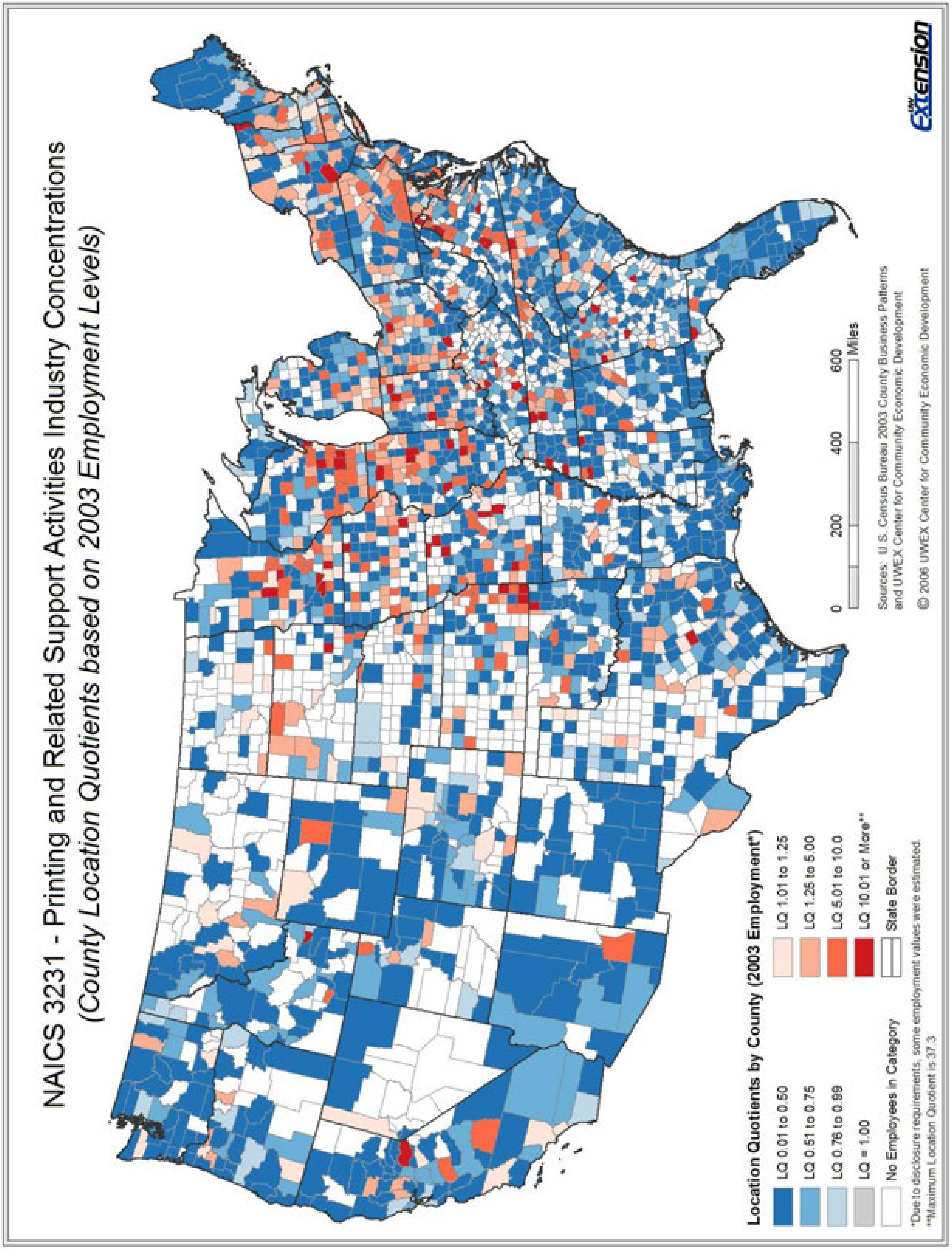
Appendix 3A – Employment by Industry in the Milwaukee 7 Region (2005)

NAICS 481 to NAICS 999

NAICS	Industry	Number of Employees	Percent of Total Employment	Average Wage Per Job
481	Air Transportation	3,638	0.37%	$36,091
482	Rail Transportation	<10	<0.01%	N/A
483	Water Transportation	<10	<0.01%	N/A
484	Truck Transportation	11,335	1.15%	$42,309
485	Transit And Ground Passenger Transport	6,188	0.63%	$24,825
486	Pipeline Transportation	<10	<0.01%	N/A
487	Scenic And Sightseeing Transportation	20	0.00%	$16,058
488	Support Activities For Transportation	2,698	0.27%	$38,347
491	Postal Service	5,842	0.60%	$54,549
492	Couriers And Messengers	4,668	0.48%	$30,623
493	Warehousing And Storage	3,120	0.32%	$31,453
511	Publishing Industries	6,432	0.66%	$40,356
512	Motion Picture & Sound Recording Industries	1,355	0.14%	$32,931
515	Broadcasting (Except Internet)	1,461	0.15%	$53,543
516	Internet Publishing And Broadcasting	46	<0.01%	$37,272
517	Telecommunications	4,941	0.50%	$52,914
518	ISPs, Search Portals, & Data Processing	4,986	0.51%	$71,019
519	Other Information Services	216	0.02%	$25,920
521	Monetary Authorities - Central Bank	<10	<0.01%	N/A
522	Credit Intermediation & Related Activity	22,051	2.25%	$43,911
523	Financial Investment & Related Activity	5,831	0.59%	$121,593
524	Insurance Carriers & Related Activities	21,144	2.15%	$58,705
525	Funds, Trusts & Other Financial Vehicles	790	0.08%	$58,763
531	Real Estate	8,283	0.84%	$35,802
532	Rental And Leasing Services	4,205	0.43%	$29,334
533	Lessors of Non-financial Intangible Assets	96	0.01%	$49,586
541	Professional And Technical Services	41,566	4.23%	$56,237
551	Management Of Companies And Enterprises	20,147	2.05%	$82,838
561	Administrative And Support Services	60,470	6.16%	$21,978
562	Waste Management And Remediation Service	1,008	0.10%	$40,981
611	Educational Services	70,968	7.23%	$40,700
621	Ambulatory Health Care Services	38,443	3.92%	$57,738
622	Hospitals	43,586	4.44%	$39,947
623	Nursing And Residential Care Facilities	24,959	2.54%	$23,526
624	Social Assistance	25,241	2.57%	$18,801
711	Performing Arts And Spectator Sports	4,177	0.43%	$50,615
712	Museums, Parks And Historical Sites	753	0.08%	$24,665
713	Amusement, Gambling & Recreation Industries	11,704	1.19%	$16,709
721	Accommodation	8,666	0.88%	$16,862
722	Food Services And Drinking Places	66,283	6.75%	$10,970
811	Repair And Maintenance	8,122	0.83%	$31,151
812	Personal And Laundry Services	10,510	1.07%	$19,003
813	Membership Organizations & Associations	10,753	1.10%	$20,310
814	Private Households	2,166	0.22%	$11,564
920	Public Administration	41,610	4.24%	$42,446
999	Unclassified	12	<0.01%	$29,988
	All Sectors	**981,658**	**100.00%**	**$39,271**

Source: 2005 Quarterly Census of Employment and Wages (ES-202), WI DWD and UW-Extension Some values are estimated. Employment figures are monthly averages

Appendix 3B – Sample Location Quotient Map



Section 4

Analysis of the Downtown Resident Market Segment

The resident market is an essential component to downtown revitalization. New downtown residents create a captive consumer market, signal investment, and increase safety perceptions. The demographic and lifestyle changes accompanying the resurgence in downtown housing are creating new opportunities for a variety of businesses. Given the growing importance of downtown residents, Section 4 provides an overview of downtown housing trends, examines data on Downtown Milwaukee residents, and reports focus group findings on their living needs and preferences.

National Trends

Over the past twenty years, the number of people moving to downtowns has increased significantly. Downtown attributes driving these changes include architecturally distinct areas, rich cultural histories, and proximity to jobs, shopping, recreation, entertainment centers, and special services.[1] Not surprisingly, the recent growth in downtown residential development has been a key to creating twenty-four hour downtowns and the shopping vibrancies found in many city centers.

According to a 2005 article from the Brookings Institution's *Living Cities Census Series*, "Downtown housing provides visible and tangible evidence of urban vitality that has important psychological and economic impacts. The occupation of vacant, centrally-located buildings, the increased presence of people on formerly empty streets, and investment in supportive commercial activities and amenities help bring market confidence to worn-out downtowns. New residents then follow, creating a virtuous cycle of economic growth and development to the city as a whole."[2] The cycle of downtown housing re-investment has driven a number of national housing trends relevant to Downtown Milwaukee:

- During the 1990s, downtown populations grew by 10 percent. The growth in downtown residents was a striking resurgence following 20 years of decline.
- Corresponding to a large number of downtown condominium projects, Downtown homeownership rates more than doubled between 1970 and 2000.
- Downtowns are more racially and ethnically diverse than 20 years ago.
- Downtowns tend to have a higher percentage of both young adults and college-educated residents than other urban areas, exurbs, and suburbs.
- Downtowns include some of the most and least affluent households of their cities and regions.[3]

Cities that have successfully pursued downtown housing offer a range of housing types that attract several demographic categories. Downtown rental housing often caters to those individuals who are attracted to the amenities of downtown living and unable to afford a home or

[1] Moulton, Jennifer. "Ten Steps to a Living Downtown." The Brookings Institution, Center on Urban and Metropolitan Policy. October, 1999.
[2] Birch, Euginie. L. "Who Lives Downtown". *Living Cities Census Series*. The Brooking Institution. November 2005.
[3] Ibid.

condo. Consequently, downtown renters are often new entrants to the labor pool or students. These young, often-educated individuals increasingly make residential decisions based on a lifestyle and are often drawn to downtowns with vibrant entertainment concentrations and a strong job market.[4] Meeting the housing demands of this demographic requires providing a range of housing at varying levels of affordability and style.[5]

In addition to students and recent graduates, downtowns have also attracted young professional singles and couples, Baby Boomer empty nesters, and retirees. These demographic segments often desire owner-occupied housing types, but are less concerned with large living spaces and the local school districts. These middle and upper-income housing segments create responsible property owners and help to increase the local tax base without placing large demands on municipal services. Additionally, these residents require a different range of goods and services that can spark retail development in downtowns areas.[6]

When considering these national housing trends, the Brookings Institution has classified Milwaukee as a "downtown on the edge of a takeoff". *Downtowns within this classification are characterized by a greater loss in the number of households between 1970 and 1990 than other categories of cities, but that have also made significant comebacks during the 1990s with average household growth rates of 25 percent. Downtowns within this category also have higher levels of educational attainment, higher rates of homeownership, and tend to be more affluent when compared to other types of downtowns.*[7]

Need for Neighborhood-Serving Businesses

Downtown amenities such as dining establishments, entertainment facilities, parks, festivals, sporting events, museums and theaters all add to the attractiveness of downtown living. While these facilities enhance the quality of life for downtown residents, neighborhood-serving retail and services are also necessary to make a neighborhood more livable. Residential development creates a captive customer base for retail businesses such as grocery stores, pharmacies, and hardware stores. Downtown residents also support service businesses such as coffee shops, hair and personal care, fitness and dry cleaners. Other desirable services can include doctors, dentists, lawyers, financial services, veterinarians and other professional services.[8]

Providing neighborhood-serving retail goods and services within close proximity to downtown residents can provide multiple benefits and a higher quality of life to residents by promoting walkable neighborhoods, facilitating opportunities to interact with neighbors, and adding to the area's retail and service offerings. Furthermore, neighborhood-serving retail provides access to basic goods and services for children, the elderly, and households without cars. Access to these basic goods and services is particularly relevant for Downtown Milwaukee given the number of households without cars in the Study Area (Table 2.5). *To effectively provide these goods and services, neighborhood-serving retailers should not be located more than a 5-to-10 minute walk from downtown residents.*

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[4] Leinberger, Christopher B. "Turning Around Downtown: Twelve Steps to Revitalization". Research Brief. The Brookings Institution. March 2005.
[5] "'The young and the restless' are a key demographic to future of downtowns." *Downtown Idea Exchange*. Vol. 53, No. 5. March 1, 2006
[6] Leinberger, Christopher B. "Turning Around Downtown: Twelve Steps to Revitalization". Research Brief. The Brookings Institution. March 2005.
[7] Ibid.
[8] Beyard, Michael D., Michael Pawlukiewicz, and Alex Bond. "Ten Principles for Rebuilding Neighborhood Retail." Washington, D.C.: ULI – the Urban Land Institute, 2003.

Characteristics of Downtown Milwaukee Residents

An unprecedented amount of housing development is happening throughout Downtown Milwaukee in the form of new construction, historic renovation, and adaptive re-use. While housing is located throughout Downtown Milwaukee, residents are found primarily in five neighborhoods within the defined Downtown Study Area: East Town, Westown, the Historic Third Ward, Lakefront and RiverWalk. These neighborhoods provide a mix of housing types, tenures, and price ranges.[9]

East Town

The East Town neighborhood is a rapidly developing area bordered by the Milwaukee River to the west, Lake Michigan on the east, Clybourn Street on the south, and Ogden Street to the north. Amenities include the Milwaukee Art Museum, the Saturday morning Farm Market in Cathedral Park Square, and multiple other festivals and events held throughout the year. To further the neighborhood's current success, there is a strong focus by local community leaders to expand on economic development and revitalization efforts. The growing residential base is attracting retailers to the area and further expanding the diversity and vibrancy of the neighborhood

Westown

Located to the west of the Milwaukee River, the Westown neighborhood offers residents and visitors an eclectic assortment of attractions. Though it has grown at a slower pace than surrounding neighborhoods, Westown has made significant changes that are attracting many people to buy and rent homes in the area. Amenities include Downtown Milwaukee's oldest open-air market, Zeidler Union Square, and the Milwaukee Theater. An effort to improve streetscapes has also been started to improve the aesthetics of the area. The redevelopment of the Boston Lofts, the Majestic building, the 606 Building on West Wisconsin, and the potential of the Pabst Brewery site all add to the residential opportunities in the neighborhood and to its overall vibrancy.

Third Ward

This historic Downtown Milwaukee neighborhood experienced significant changes during the 1990's through drastic redevelopment efforts. Its revitalization resulted in the development of a wide selection of art galleries, retail stores, theaters, salons, and more than 600 residents to the newly-restored neighborhood. Residents and visitors describe the neighborhood as diverse, artsy, and fun due to its eclectic offering of amenities. The development of the Milwaukee Public Market and multiple residential and mixed-use projects (including the Marine Terminal Lofts, The Harbor Front Condominiums, and the Riverview Lofts), all contribute to the growing "live-work-play" atmosphere of the neighborhood.

Lakefront

As recognition is given to Lake Michigan as one of Downtown Milwaukee's most dramatic physical features, large amounts development have been taking place in this area of downtown. The construction of residential units, the expansion of the Milwaukee Art Museum, and the development of Pier Wisconsin is bringing activity to this part of downtown. The Lakefront is in proximity to many of Downtown Milwaukee's dining, cultural, and entertainment attractions.

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[9] The descriptions of the Downtown Milwaukee neighborhoods are based on "Downtown Living" *The Business Journal*. Section Two. September 10, 2004.

RiverWalk

Downtown Milwaukee's RiverWalk District runs along the Milwaukee River. A significant amount of residential, office, and retail development is taking place in this area of the downtown due to its proximity to art, dining, and recreation opportunities. The Milwaukee RiverWalk, which currently extends from the Water Street Bridge in the Historic Third Ward district to the Schlitz Business Park, includes art displays called RiverSculpture!, the RiverSplash! Festival, water taxis, and dining venues including cafes and brewpubs. As the walkway continues to extend, it could provide opportunities for more urban parks and mixed use developments along the river.

Recent Downtown Housing Development

As previously noted, Downtown Milwaukee has experienced a significant resurgence in housing projects over the last decade. While not all of these new housing projects have been located in the Downtown Study Area boundaries, many of these units and their residents are in proximity to downtown businesses. Downtown Milwaukee's new housing projects have included both new construction and adaptive re-use projects, creating a wide variety of housing types at a range of price points.

To quantify the recent housing developments in and around the Downtown Study Area, Table 4.1 examines housing units developed between 1996 and 2006. Furthermore, Map 4.1 shows the locations of these new condo and rental units. The figures in Table 4.1 examine only those condo and rental units ready for occupancy at the time of this analysis. There are other prominent projects under construction including City Green (rental and condo), the University Club Tower condominiums, the River Renaissance condo project in the Historic Third Ward, The Edge condominiums, and the Riverview rental units[10]. Projects currently under construction, along with other proposed projects, will help to add to the downtown population, vibrancy, and tax base. Detailed lists of completed and proposed housing projects are available through the following web sites:

- City of Milwaukee Assessor's Office at: http://www.ci.mil.wi.us/display/displayFile.asp?docid=721&filename=/User/dmalqu/Condo_Projects.htm
- City of Milwaukee's Department of City Development at: http://www.mkedcd.org/downtown/pdfs/Housing.pdf

During the ten year period between 1996 and 2006, the Downtown Study Area added an estimated 986 rental units and 1,160 condo units. Many of the areas directly adjacent to the Downtown Study Area were also prime locations for new housing projects. In particular, areas along the Milwaukee River to the north and south of the Study Area were sites for a variety of condo and rental developments (Map 4.1). Those areas within a half-mile distance of the Study Area boundaries include an additional 1,090 condo units and 478 rental units. When combined, the Downtown Study Area and its immediate surroundings account for over 3,700 new housing units between 1996 and 2006.

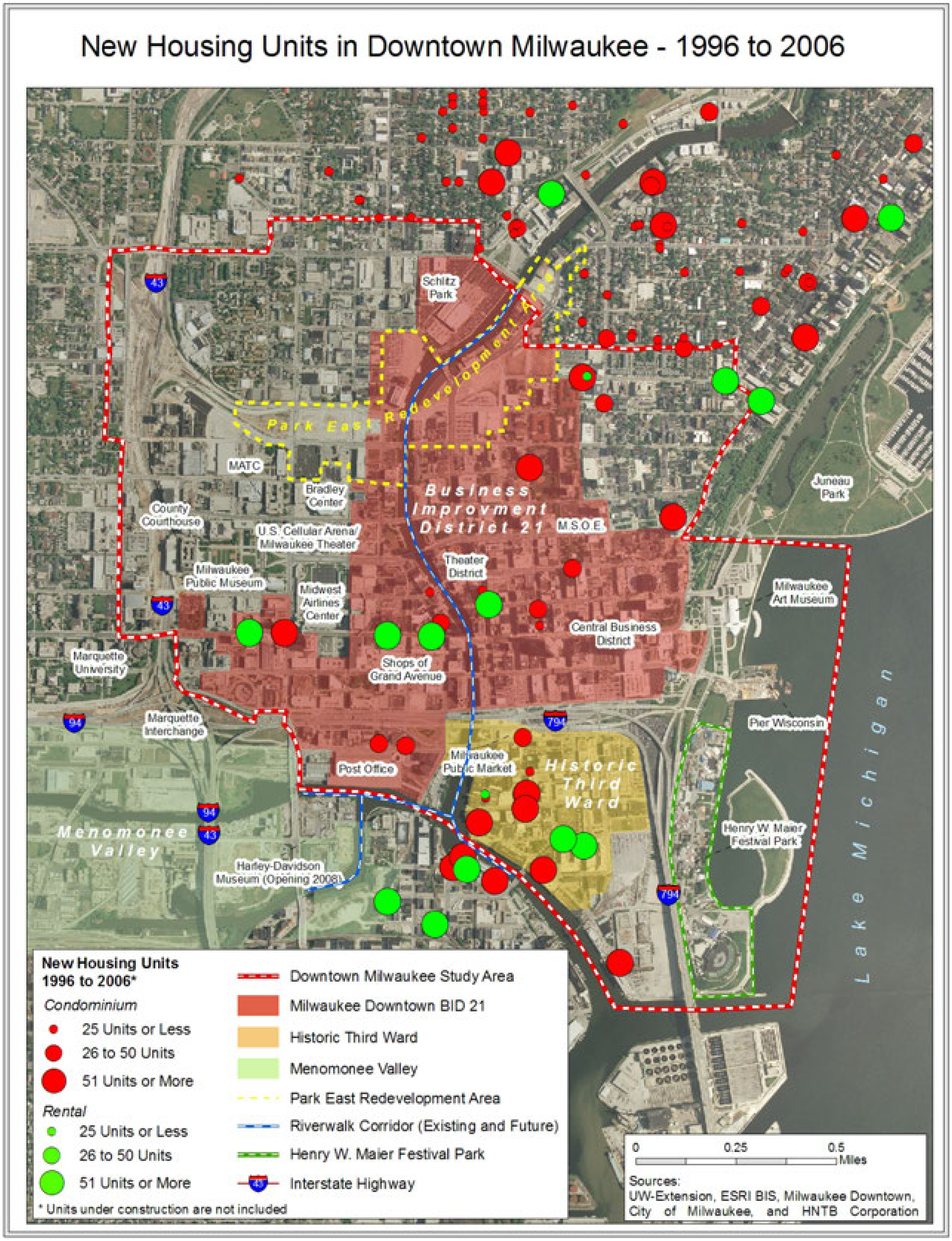
Table 4.1 – New Housing Units Developed Between 1996 and 2006

Downtown Housing Changes Between 2000 and 2006	Housing Units in Downtown Study Area	Housing Units in Half-Mile Buffer of the Downtown Study Area	Total Units in Downtown Study Area and Half-Mile Buffer
Estimated New Condo Units	1,160	1,090	2,250
Estimated New Rental Units	986	478	1,464
Estimated Total New Units	2,146	1,568	3,714

Source: City of Milwaukee Assessor's Office and Department of City Development, U.S. Census Bureau, and UWEX.

[10] Projects were under construction at the time of this analysis.

Map 4.1 – Distribution of New Housing Units Developed Between 1996 and 2006



Comparative Demographics of the Downtown Milwaukee Study Area

As previously suggested, Study Area residents range from single, young professionals who enjoy living close to their work, to married condominium owners ages 50 to 64 who reverse commute to their jobs outside the city center. To better understand these various downtown segments, it is useful to compare residents of the Downtown Milwaukee Study Area to those living in the downtowns of other similar metropolitan areas around the country. For the purposes of this analysis, the Downtown Milwaukee Study Area was compared to the downtowns of Charlotte, NC; Cincinnati, OH; Cleveland, OH; Columbus, OH; Indianapolis, IN; Kansas City, MO; Memphis, TN; Nashville, TN; and Pittsburgh, PA[11]. For each of these cities, demographics were analyzed for those residents living within a one-mile radius of the central business district. A one-mile radius was used as it represents an area somewhat similar to that of the Downtown Milwaukee Study Area.

The demographic and lifestyle characteristics used in the following comparisons are derived from a variety of public and private datasets, including ESRI Business Information Solutions (ESRI BIS) and the 2000 Decennial Census. The most current demographic information is used whenever possible. *Note that these estimates may not reflect actual market conditions such as changes in population related to recent additions in housing supply. More information on possible population and housing discrepancies can be found in Section 2 and Table 2.2.*

Population

Table 4.2 shows downtown population trends for Milwaukee and the comparable communities. In 2006, the population figures reveal that the Study Area has the second largest downtown population of the comparable communities. Again, the figures in Table 4.2 may not accurately portray the Downtown Milwaukee population given the housing development trends shown in Table 4.2 and the previous discussion concerning Table 2.2 (see Section 2). As similar undercounts could exist in the comparable communities, the population figures are not adjusted in Table 4.2. Furthermore, the comparable communities may have experienced housing growth adjacent to their downtown areas (as in Downtown Milwaukee) and these figures would not be reflected in Table 4.2.

Table 4.2 – Downtown Population Trends 1990 to 2006

Comparable Downtown	1990 Population	2000 Population	Population change 1990 to 2000	Annual Change 1990 to 2000	2006 Population	Population Change 2000 to 2006	Annual Change 2000 to 2006
Milwaukee	12,701	13,829	1,128	0.9%	14,898	1,069	1.3%
Charlotte	6,809	6,868	59	0.1%	9,210	2,342	5.7%
Cincinnati	24,072	19,178	-4,894	-2.0%	18,495	-683	-0.6%
Cleveland	4,520	6,343	1,823	4.0%	7,325	982	2.6%
Columbus	6,492	6,319	-173	-0.3%	6,579	260	0.7%
Indianapolis	7,514	10,698	3,184	4.2%	11,415	717	1.1%
Kansas City	7,060	7,861	801	1.1%	8,731	870	1.8%
Memphis	9,954	7,631	-2,323	-2.3%	9,080	1,449	3.2%
Nashville	5,159	4,810	-349	-0.7%	5,064	254	0.9%
Pittsburgh	14,768	16,414	1,646	1.1%	14,647	-1,767	-1.8%

Source: ESRI Business Information Systems (ESRI BIS) and U.S. Census Bureau

[11] The rationale for comparing these cities to Downtown Milwaukee is outlined in the introduction to this report.

Housing Units

Downtown Milwaukee has the second largest number of housing units among the comparable cities. Of these housing units the vast majority (78.9 percent) were renter occupied units, while 11.7 percent were owner-occupied. While a majority of renter occupied units is consistent with the comparison cities, a large number of the newer housing units in the Downtown Study Area are classified as owner-occupied condominiums. Consequently, the percentage of owner-occupied units is increasing in the Study Area. *Again, the number of housing units in Downtown Milwaukee is likely underrepresented in Table 4.3 given the trends shown in Table 4.1 and Table 2.2 (see Section 2). Similar undercounts could also exist in the comparable communities.*

Table 4.3 – Downtown Housing Unit Comparison in 2006

Comparable Downtown	2006 Housing Units	Owner Occupied Housing Units (2006)	Renter Occupied Housing Units (2006)	Vacant Housing Units (2006)
Milwaukee	7,947	11.7%	78.9%	9.4%
Charlotte	5,373	28.0%	60.3%	11.7%
Cincinnati	13,044	7.4%	60.8%	31.8%
Cleveland	4,534	2.1%	67.4%	30.6%
Columbus	4,333	14.2%	71.2%	14.6%
Indianapolis	5,451	16.8%	66.2%	17.0%
Kansas City	5,664	8.5%	74.1%	17.4%
Memphis	4,763	7.7%	73.8%	18.5%
Nashville	2,264	10.0%	73.2%	16.8%
Pittsburgh	6,949	23.7%	56.3%	20.0%

Source: ESRI Business Information Systems (ESRI BIS)

Income

Incomes in the Downtown Milwaukee Study Area have grown consistently since 1990 (See Appendix 2A). With this growth in income, Downtown Milwaukee has the second highest per capita income ($34,035) and average household income ($62,140) after Charlotte. Milwaukee's Downtown incomes are significantly higher than those of several comparable downtowns including Cincinnati, Columbus, Kansas City, Memphis and Nashville.

Table 4.4 – Downtown Income Comparison in 2006

Comparable Downtown	Per Capita Income	Average Household
Milwaukee	$34,035	$62,140
Charlotte	$37,333	$68,845
Cincinnati	$21,867	$41,097
Cleveland	$29,386	$55,500
Columbus	$25,905	$41,798
Indianapolis	$28,572	$60,041
Kansas City	$25,643	$44,193
Memphis	$20,485	$40,460
Nashville	$20,578	$43,252
Pittsburgh	$23,106	$49,243

Source: ESRI Business Information Systems (ESRI BIS)

Cost of Housing

Milwaukee is at the top of the ten cities in terms of cost of housing. The average Downtown home value in the year 2000 was $226,815. Downtown Milwaukee's average rent ($609) was also the highest among the ten cities. *The values of downtown housing in Milwaukee are expected to increase further with the completion of new condominium developments. How these housing values impact future affordability for different income levels is yet to be determined.*

Table 4.5 – Downtown Cost of Housing in 2000

Comparable Downtown	Average Home Value	Average Rent
Milwaukee	$226,815	$609
Charlotte	$221,417	$433
Cincinnati	$184,984	$350
Cleveland	$183,031	$575
Columbus	$210,885	$393
Indianapolis	$189,472	$523
Kansas City	$74,844	$465
Memphis	$221,936	$402
Nashville	$157,383	$514
Pittsburgh	$101,629	$492

Source: U.S. Census Bureau

Educational Attainment of the Population Age 25 and Over

Downtown Milwaukee leads the ten cities in percentage of the population that has earned a bachelor's degree (28.9 percent) and a master's, professional, or doctoral degree (15.9 percent). The Study Area's highly educated population could indicate a market with more affluent tastes and preferences than those found in the comparable communities. *The highly-educated downtown population also provides a pool of knowledgeable workers in direct proximity to downtown businesses. The presence of these workers could provide a competitive advantage for Downtown Milwaukee when attempting to attract or retain certain knowledge-based industries.*

Table 4.6 – Downtown Educational Attainment Comparison in 2000

Comparable Downtown	Less than 9th Grade	9th-12th Grade, No Diploma	High School Graduate	Some College, No Degree	Associate Degree	Bachelor's Degree	Master's Degree or Higher
Milwaukee	4.0%	11.7%	16.0%	17.9%	5.5%	28.9%	15.9%
Charlotte	8.4%	17.8%	19.5%	18.2%	4.7%	20.2%	11.2%
Cincinnati	7.1%	26.6%	25.3%	16.4%	3.7%	12.7%	8.1%
Cleveland	4.4%	15.4%	29.5%	22.0%	1.3%	16.7%	10.6%
Columbus	5.5%	14.2%	20.0%	16.7%	4.6%	23.9%	15.2%
Indianapolis	6.4%	18.9%	27.0%	17.5%	3.2%	15.5%	11.4%
Kansas City	8.1%	17.8%	24.8%	19.9%	4.6%	16.8%	8.0%
Memphis	15.4%	23.1%	23.0%	14.0%	3.8%	12.0%	8.6%
Nashville	9.4%	25.2%	23.9%	18.7%	3.4%	15.9%	3.5%
Pittsburgh	6.5%	21.8%	28.3%	15.1%	3.9%	13.6%	10.9%

Source: U.S. Census Bureau

Occupations for the Employed Population Age 16 and Over

Not surprisingly, the vast majority of residents (76.9 percent) within the Downtown Milwaukee Study Area are employed in "white collar" occupations. Service occupations account for 14.1 percent of residents and "blue collar" occupations comprise the remaining 9.0% of employed residents. Of the comparison cities, only Cleveland has a higher percentage of downtown residents employed in "white collar" occupations. The occupations of downtown residents in Table 4.7 should not be confused with the occupations of those people working downtown. The occupational structure of Study Area workers is examined in Section 5.

Table 4.7 – Downtown Occupational Comparison in 2006

Comparable Downtown	White Collar	Services	Blue Collar
Milwaukee	76.9%	14.1%	9.0%
Charlotte	68.7%	15.9%	15.3%
Cincinnati	58.1%	25.1%	16.8%
Cleveland	80.2%	10.8%	9.0%
Columbus	63.4%	23.1%	13.5%
Indianapolis	73.0%	15.2%	11.8%
Kansas City	64.6%	17.7%	17.7%
Memphis	59.7%	23.3%	17.1%
Nashville	60.6%	22.0%	17.4%
Pittsburgh	71.4%	20.4%	8.2%

Source: ESRI Business Information Systems (ESRI BIS)

Type of Households

Non-family households (79.6 percent) comprise the majority of households in the Downtown Study Area. Given the number of college students and single young professionals living in Downtown Milwaukee (and other downtowns), the prevalence of non-family households is not surprising. The large presence of non-family households also reflects the relative absence of households with children in Downtown Milwaukee. Within the Downtown Study Area, 14.3 percent of households contain a person age 65 and over. As Baby Boomers and retirees continue to move into Downtown Milwaukee, this percentage will likely increase over the coming decade.

Table 4.8 - Households by Type in 2000

Comparable Downtown	Family Households	Non-family Households	Households with Related Children	Households with Persons Age 65 and Over
Milwaukee	20.4%	79.6%	8.4%	14.3%
Charlotte	32.8%	67.2%	17.4%	18.8%
Cincinnati	32.5%	67.5%	21.7%	13.2%
Cleveland	21.3%	78.7%	12.2%	16.4%
Columbus	18.2%	81.8%	6.3%	18.5%
Indianapolis	20.0%	80.0%	6.2%	14.2%
Kansas City	24.5%	75.5%	11.2%	18.8%
Memphis	30.2%	69.8%	17.7%	16.5%
Nashville	32.2%	67.8%	21.1%	12.4%
Pittsburgh	31.1%	68.9%	12.0%	30.4%

Source: U.S. Census Bureau

Lifestyle Segmentation of Downtown Milwaukee Residents

While demographics provide basic information about local consumers, lifestyle segmentation information can provide additional insight into trade area residents. Lifestyle segmentation systems examine the buying habits and preferences of consumers in the Downtown Study Area.

One specific lifestyle segmentation system, Community Tapestry™, was purchased from ESRI Business Information Solutions to provide useful information about local households. Tapestry data is available for individual neighborhoods for the entire country. Consumers are classified into 65 demographic and behaviorally distinct segments. The segments are based on types of neighborhoods (urban, suburban, rural); the residents' socio-economic status (age, income, occupation, type and value of residence); and their buying behaviors and preferences. Tapestry data is updated regularly using various national and local data sources. Table 4.9 reports the top Community Tapestry segments found in the Downtown Study Area.

The Downtown Study Area's predominant lifestyle segment is *Metro Renters,* which comprises 56.2% of the Downtown Milwaukee Study Area's population. The Study Area's second and third largest lifestyle segments are *City Commons* and *Dorms to Diplomas* respectively. When combined, the three largest lifestyle segments comprise 76% of Study Area's population. Additional information on the Tapestry Segments is available at www.esribis.com, or on the companion Community Tapestry CD. Note that the descriptions of each Tapestry segment (as written by ESRI Business Information Systems) reflect the typical national household in each category. Local consumer characteristics will likely vary somewhat from these descriptions.

Table 4.9 - Community Tapestry Segments in the Downtown Study Area (2006)

Metro Renters (Tapestry Segment 27) *56.2% of the Population*	City Commons (Tapestry Segment 64) *10.5% of the Population*	Dorms to Diplomas (Tapestry Segment 63) *9.2% of the Population*
Metro Renters residents are young (approximately 30% are in their twenties), well-educated singles beginning their professional careers in the largest cities such as New York, Chicago, and Los Angeles. Their median household income of $50,400 has been increasing faster than most market segments. A majority are renters, often in older high-rise units. They live alone or share with roommates. *Metro Renters* spend money on themselves, buying women's designer jeans, ski apparel, and workout clothing. They enjoy time with friends and entertain at home. For leisure, they attend rock concerts, go to the movies, and go dancing. They play racquetball and tennis, practice yoga, work out regularly, ski, and jog. Surfing the Internet is an important part of their lives; they go online to search for jobs, listen to the radio, and order airline and concert tickets. MPI data for this segment that describes frequency of shopping at selected stores are listed below:* • The Gap – 191 • J.C. Penney – 64 • Macy's – 189 • Target – 97 • Wal-Mart – 65	*City Commons* is one of Tapestry's youngest markets, with a median age of 24 years. Young, single-person or single-parent households dominate this market, and young children abound. Homes are commonly located in cities of large metropolitan areas where mid-rise buildings predominate. Labor force participation is below average; part-time employment is common. Children's products are the major purchases made by *City Commons* residents. For exercise, they take their children to play in nearby city parks and playgrounds. They shop primarily at discount stores and occasionally at department stores, but their top choices for pharmacies, electronics and hardware stores are traditional, Walgreen's, Radio Shack and Ace Hardware respectively. When they treat themselves to a sporting event, baseball is their sport of choice. When watching television, Court TV is their show of choice. MPI data for this segment that describes frequency of shopping at selected stores are listed below:* • The Gap – 115 • J.C. Penney – 72 • Macy's – 42 • Target – 87 • Wal-Mart – 99	*Dorms to Diplomas* are college students and have a median age of only 21.6 years. Over 80 percent of this market is enrolled in college; very few haven't completed high school. To support themselves while they attend school, nearly three-fourths of the *Dorms to Diplomas* residents work part-time in lower paying service jobs. More than 30 percent of residents work in the educational services sector, but the retail trade and accommodation/food services sectors attract part-time employees. Spending patterns of *Dorms to Diplomas* residents reflect their carefree lifestyle. When they don't eat at the dining hall or one of the nearby fast food restaurants, they use convenient pre-prepared and frozen foods. PC's are considered a necessity and Internet access is available to all and used frequently. Most students also own a cellular phone. They shop at discount stores regularly, but, for apparel, they prefer branded items from Old Navy, The Gap and Banana Republic. MPI data for this segment that describes frequency of shopping at selected stores are listed below:* • The Gap – 233 • J.C. Penney – 71 • Macy's– 70 • Target – 138 • Wal-Mart – 97

**Tapestry Market Potential Indices (MPI) compares shopping frequency in each segment with that of the U.S. (Index = 100). MPI may be influenced by the availability of stores in a geographic area (i.e. central city). Source: ESRI Business Information Solutions*

In addition to the broad category descriptions available from ESRI, a database describing detailed consumer purchasing patterns is available on the Community Tapestry CD that accompanies this report. Spending patterns on the CD are expressed using a market potential index (MPI). The MPI's examine a wide range of retail, service, entertainment and psychographic categories to determine a household's propensity for purchasing products or participating in activities. A market potential index is based on a U.S. average of 100. For each consumer category a value above 100 shows that a Tapestry segment is more likely than the national average to purchase a product or service. Conversely, a value below 100 suggests that a Tapestry segment is less likely than average to purchase a product (see the example MPI included in Table 4.9). The MPI information may be useful to existing businesses interested in examining new product line opportunities, or other information related to their customers*. Given the depth of the MPI information, Milwaukee Downtown BID #21 may want to consider making the Community Tapestry data information available to existing and prospective businesses in the Downtown Study Area.*

While the Community Tapestry information provides a wide range of consumer insights, caution should be used in placing too much emphasis on lifestyle segmentation data. While lifestyle segmentation systems are a useful tool, research shows that they often misrepresent urban and inner city areas. Studies from the Brookings Institution and the Helen Bader Foundation have found these systems to portray some urban residents in a negative manner and underestimate spending potential[12]. These generalizations are especially relevant to several lifestyle categories in the primary and secondary destination trade areas (See Section 2). *Therefore, the lifestyle segmentation data should not be used as the sole indicator of future business potential.*

[12] Quinn, Lois M. and Jon Pasasarat. "Confronting Anti-Urban Marketing Stereotypes: A Milwaukee Economic Development Challenge". UW-Milwaukee Employment and Training Institute, June 2001.

Quinn, Lois M. and Jon Pasasarat. "Exposing Urban Legends: The Real Purchasing Power of Central City Neighborhoods". Brookings Institution Center on Urban and Metropolitan Policy, June 2001.

Focus Group Findings - Downtown Milwaukee Residents

In order to gain insights about how to improve the living environment for Downtown Milwaukee residents, the University of Wisconsin-Extension Center for Community and Economic Development conducted three focus group sessions in April 2006. Downtown residents shared their ideas and opinions in round table meetings, each lasting about an hour and a half.

Objectives

Focus groups were conducted to:

1. Understand the quality of life issues important to downtown residents.

2. Examine opportunities to make downtown a better place to live.

Focus Group Questions

The following questions were used to guide the focus group discussions.

- Tell us about the extent of familiarity you might have with existing Downtown Milwaukee programs such as the Public Service Ambassadors, Graffiti removal, landscaping or the Clean Sweep Ambassadors?

- What do you feel are the advantages or disadvantages of living in Downtown Milwaukee compared to other surrounding communities or suburbs?

- What do you feel are some potential barriers to attracting new residents or retaining existing residents in Downtown Milwaukee?

- From your perspective as a downtown resident, what are the characteristics, including physical changes that would be important in order to transform Downtown Milwaukee into your ideal home?

- What additional entertainment, cultural, dining, shopping, or other amenities would improve Downtown Milwaukee as a place to live?

- What are some possible steps or actions that could be suggested for addressing the ideas discussed?

- Are there any other important considerations related to the living environment or quality of life needs in Downtown Milwaukee that you would like to comment on? (Note: These ideas were integrated into the appropriate “findings” in the other questions.)

The following comments were made by participants in facilitated focus groups and are not the opinions of Milwaukee Downtown BID #21 or University of Wisconsin-*Extension Center for Community and Economic Development*

Familiarity with existing Downtown Milwaukee BID #21 programs

The participants' familiarity ranged from hardly familiar to very familiar. Of those very familiar, they are appreciative of the Public Service Ambassadors and believe they are doing a very good job. They are visible at many downtown events and help make downtown a friendly place along with providing important information about downtown. The Clean Sweep Ambassadors and the graffiti removal crews are effective in helping keep the reputation of the downtown for being clean and safe. There appeared to be less general familiarity about the role of the landscaping crews in plantings maintenance.

Advantages and disadvantages of living in Downtown Milwaukee

Downtown residents identified both advantages and disadvantages of living downtown. Specifically, residents voiced their opinions regarding pedestrian walkability, traffic, parking, access, closeness/convenience, amenities, safety and sense of community.

Advantages of Living Downtown

- One can walk to work and get by without a car (or only one car) since the area is easily reached by foot.
- The Third Ward parking garage is very convenient.
- Downtown housing makes the lakefront very accessible. The lakefront is a tremendous draw. The lakefront events and attractions, including bike trails, are easy to get to.
- Milwaukee is a small, big-town (smaller than Chicago) that still has many choices and amenities. Everything is close. Access to Chicago and Madison is easy from downtown.
- Many amenities including shopping, dining and cultural establishments are located downtown. The boutique shopping in the Third Ward is enjoyable. There are many locally-owned restaurants with their own distinctiveness. Many amenities are conducive to being spontaneous (don't have to always plan activities).
- Compared to a lot of major cities, there is not a lot of "vagrants" downtown. Downtown feels safe and friendly.

Disadvantages of Living Downtown

- Since we are such a car dependent society, some of the streets have very fast traffic so there are dangerous street crossings for pedestrians.
- There is a perception that parking is a problem in downtown since people are spoiled by extensive parking in other parts of the community. The availability of parking is a problem in particular when going to a downtown restaurant.
- The heavy traffic and one-way streets make it difficult to navigate downtown.

- Taxis are hard to find.

- The bordering areas of downtown are perceived as having a safety problem (except Marquette).

- The downtown retail sector lags behind that of other retail areas (lack a Nordstrom's, Sak's and some of the upper-end retailers that are at Mayfair). The Grand Avenue is an "eyesore", and security there is an issue. The downtown business should be more available with better business hours at night.

- Personal services are somewhat lacking.

- People that move out to the suburbs tend to stay there.

Barriers to attracting new and retaining existing residents

Downtown residents perceive various barriers that may inhibit the growth of downtown residents. These barriers are as follows:

Parking/Traffic/Biking

- Lack of traffic control for supporting pedestrian interface with heavy traffic, crossings and challenging one-way street traffic with high speed.

- Concerns about limited parking availability and high costs.

- There are not enough bike racks for parking bikes, bike racks on buses or enough bike lanes or paths.

Public Transit

- It is difficult to attract young professionals from other cities that have modern transit systems. Milwaukee needs an improved transit system. We lack an efficient transportation system, and parking will only get worse as downtown becomes more successful which leads to more demand for modern transit.

- It is difficult to overcome the "mindset" of car driving.

- We do not have enough cabs/taxis, and ones we have are not of good quality.

Perceptions and Image

- It is a challenge to overcome the perception problems of downtown and a challenge to tell the success story of downtown to others (especially suburbanites). The business leaders and media are not seeing the many changes that have been made to downtown and are not accurately portraying the downtown.

- Those who do not live downtown have a different perception on the level of crime in downtown (non-downtown residents perceive crime as more of a problem).

- There is a perception that coming downtown is now a hassle compared to the “big-deal, exciting experience” of years gone by.

- There is a challenge of coming up with an appropriate “branding” campaign for downtown.

- There is the challenge of overcoming the affects and perception of “white-flight” and racial division in the Milwaukee area.

- The vacant breweries and Park East vacancies create an image that development in downtown is slow.

Housing and Living Costs

- Prices for condos are tilted to the wealthy with the condo market overpriced with high, on-going condo association/maintenance fees. There is a perception of unaffordable housing in the downtown area. Opinions are split regarding the availability of workforce housing with some seeing this as a barrier and others believing that more affordable rental units are coming on-line.

- The strong housing market is raising the overall housing property values and costs. Overall housing costs are a challenge for younger families just entering the housing market. Property taxes are high which limits diversity opportunities.

- There is a lack of high paying jobs in downtown.

Family/Education/Children

- When people have children, they tend to move to the suburbs. There is a lack of children downtown. It is difficult to sell downtown as family-friendly.

- The quality of MPS affects the attractiveness of downtown for families. There is a lack of educational opportunities for children downtown.

Important characteristics to transform Downtown Milwaukee into your ideal home

Downtown residents expressed their visions of an improved Downtown Milwaukee. Representative comments, written as vision statements, are presented below.

Public Places/Parks/Streetscape

- Full utilization of outdoor spaces, parks and greenways, green spaces, existing parks, playgrounds, and recreation facilities including the Summerfest Grounds (children's play area and paths/corridors along the lake).

- We have enhanced bike lanes, bike routes, bike paths and pedestrian ways for traversing the downtown and linking to other designated routes.

- Downtown has enhanced landscaping and streetscaping with flower pots, flower planting beds (like the tulips on Wisconsin Avenue and the boulevard at Marquette University), more street trees, softening of "hardscapes", and full utilization of the Wisconsin Avenue sidewalk. Parking lots and vacant sites should have design standards for landscaping.

- Public spaces reflect better care with enhanced private/public partnerships involving private foundations, the East Town Association, downtown businesses, neighborhood associations and downtown resident volunteering.

- A revitalized partnership for Jazz in the Park and Cathedral Park with an enhanced portable toilet system/facility.

- Restoration or redevelopment of the old Coast Guard Station which has tarnished the downtown lakefront for many years.

- Downtown signage is extended throughout the district with emphasis on the Riverwalk.

Public Transit

- Downtown would have a shuttle system traveling on a regular basis linked to designated parking areas.

- The Connector would facilitate travel to important attractions, and would make downtown accessible to people on the fringe areas of the community. (Author's note: The Connector is unlikely to be funded at the time of publication.)

- A public cab/taxi phone stands would be available.

Parking/Traffic

- The availability of public parking is well marked, publicized and well-communicated (through effective wayfinding signage). Creative use of "after-hours" office building parking is integrated into the public parking system to use this "un-tapped" parking resource.

- Key intersections are made more pedestrian-friendly and safe. Special attention is paid to improving safety at busy, high-speed intersections and at crossings of one-way streets. Physical changes for traffic calming such as narrower streets and intersection bump-outs are implemented.

Image and Aesthetics

- Public art and murals are more prominent in downtown. The potential of the Art Museum to lead this is harnessed.

- Innovative lighting for nighttime aesthetics is a significant feature of downtown. Major arterials and tunnels are enhanced with public art and decorative lighting.

- Higher standards for screening and limiting the visibility of dumpsters and garbage collection areas are in place.

- Solutions for the public health hazards and nuisances from the large seagull populations are expedited.

Safety and Sense of Community

- Police and a law enforcement presence are more visible.

- Strategies to change the perception of a high crime rate in downtown are in place.

- A critical mass of workers and residents stay downtown after 5:00 keeping the downtown lively and full of positive energy.

Amenities including Shopping, Dining and Culture

- Sidewalk cafes and breakfast places are present throughout the downtown.

- Downtown meets the demand for movie theaters. The Riverwalk's potential for providing an array of retail, bars, restaurants and other businesses is met. Non-smoking bars are available downtown.

Possible additional amenities to make Downtown a better place to live

Downtown residents identified specific businesses, organizations, public places and events that would improve downtown livability. These are presented below:

Entertainment/Performance/Cultural

- A movie theater is one of the most cited downtown needs and the amenity that many considered the most significant deficiency in downtown. The combination of dining and movie theaters was suggested as an innovative model.

- Performing arts are considered a critical draw for downtown (for both residents and businesses) and should be made even better. Downtown needs more opportunities for performance, and the model of an attraction like the former Rainbow Summer series should be reinvented. Innovative funding arrangements in collaboration with arts groups and new organizational models for funding cultural and performances (such as a Neighborhood Improvement District) should be explored.

- Recreational places meeting a wide variety of interests such as gameworks, billiards, bowling and youth attractions are needed. Health clubs are reaching capacity so there may be an opportunity to develop or expand health clubs.

- Build on the success of existing performance facilities such as the Pabst Theater, and take advantage of opportunities such as proposals at Pabst City.

Shopping, Retail and Dining

- Downtown needs more basic services and retail such as dry cleaners, drug stores, and grocery stores. For downtown residents, these should be convenient and could even be smaller “streetside shops” for magazines, newspapers, gum, and everyday “corner store” needs.

- There was an interest in bringing more of a flagship department store or well known stores such as Crate and Barrel, Nordstrom’s, Pottery Barn and Walgreens to the downtown. There was also interest in bringing general merchandise stores such as Target or Kohl’s. Grand Avenue needs more variety to compete with Mayfair. Retail in general needs to be upgraded to continue to bring in downtown residents.

- Downtown needs more coffee shops and breakfast restaurants. Smoke free restaurants were identified as a need.

Public Places/Parks/Accessibility

- More playgrounds and play equipment are needed in downtown parks. More public access to Summerfest for its play areas and lakefront corridors and paths is needed.

- The Milwaukee River should be better utilized for recreation. Rentals of human-powered boats such as canoes and kayaks should be provided. Vendor agreements for other boating experiences such as power boat rides or gondola-type boating should be pursued. In general, new and creative amenities along the Riverwalk should be nurtured. The recreation and amenity development opportunities along the lakefront should also be further explored.

- Amenities near the convention center should be explored.

- More transportation such as shuttle buses is needed to get people to attractions.

Possible steps or actions to address ideas

To implement many of the ideas offered by focus group participants, the following possible next steps were offered:

Marketing and Promotion

- Initiate an advertising campaign to demonstrate and sell Downtown Milwaukee's assets to other cities and regions throughout the nation as well as in target markets (such as Chicago). The downtown assets need to be better packaged (we think we know the good things that we already have).

- Develop a wide array of detailed advertising options such as implementing regional spots and ads for Summerfest, package deals for Chicagoans, flashy TV spots and promoting the big success stories like the emergence of the Third Ward. More creative ideas need to be introduced and ideas need to start flowing.

- Obtain more "Milwaukee-specific" advertising from the Wisconsin Department of Tourism. (There appears to be more relative emphasis by the Dept. of Tourism for "out-state" promotions and fishing/hunting rather than on Wisconsin's most populous region).

- Initiate a more comprehensive effort at coming up with an agreed-upon vision for Downtown Milwaukee, a "statement of intent", and a Downtown Milwaukee image/brand.

- Develop strategies to counter negative and inaccurate commentary on downtown that may be advanced by the media.

Organizational Development

- Develop a new organization such as a Neighborhood Improvement District (NID). The group discussed a scenario of what such an organization could look like. A NID would draw downtown residents into an active role in the downtown. It would help them to say, "…this is our neighborhood and this is where I live…" The NID could provide the interface between the businesses and residents since both have a vested and financial investment. A residential and business group like this could help to revitalize other parts of downtown as has happened in the Third Ward. The Third Ward has become a 24-7 environment, and other parts of downtown could have a similar vibrant environment. Downtown needs a long-term funding mechanism to sustain downtown revitalization projects. The challenge is to get condo residents to pay an additional fee for such an organization. Perhaps BID #21 could be rolled into a new NID.

- A new downtown organization could help bring downtown property owners together. A new organization is also needed to help orchestrate political and social action in this area. Residents sometimes feel isolated and it will be valuable to get building occupants to know each other and work on mutual issues together. A pooling of thoughts and resources can help with fundraising efforts and donations. There appears to be momentum with lots of separate efforts going on. There should be organized support to keep these grassroots residential efforts moving forward.

- Develop an organization for pursuing philanthropic donations that could help fill in the funding gaps from government with particular emphasis on parks revitalization. A collaborative organization could also assist in efforts to promote Downtown Milwaukee.

Leadership Development

- Initiate a "leadership development" program targeted to the mission of downtown revitalization. This could be developed in many different ways. Some of the suggested components were identified. Civic leaders could be sent to formal leadership training (either a newly developed, customized downtown leadership program or an existing program). Training for younger leaders is of particular importance. Opportunities to formally involve the Mayor and City Council members in a downtown leadership program should be pursued. It is very important to build the leadership capacity, around downtown issues, of both elected officials and business leaders.

Safety and Public Services

- Enhance efforts to improve safety, security, graffiti removal, and cleanliness downtown. Pedestrian safety is a priority. Downtown needs to be made more "foot friendly". Downtown needs more traffic calming measures and law enforcement to slow down vehicular traffic. Other suggested improvements include more bicycle police officers and cameras to catch car speeders. Some of the "easier" safety fixes should be done quickly in order to improve the quality of life downtown.

- Determine better ways to deal with downtown parking in general, parking meter management and on-street parking. The group suggested quicker response time in putting on and removing parking meter "hoods" for no parking. Multiple space parking meters, automated parking meters and less confusing parking and "no parking" signs were also suggested.

- Advocate for the "Connector" as a public transportation enhancement. This project could be a huge jumpstart to continued downtown and city revitalization. It would take diesel buses off Wisconsin Avenue and could make important connections between attractions and activity centers including the connection between UWM and downtown. The group discussed both the positive aspects and challenges of this project. (Author's note: The Connector is unlikely to be funded at the time of publication.)

- Determine how Downtown Milwaukee and the City actually compare to other cities when both taxes and fees are looked at, in combination, when looking at the costs and revenues for comparable levels of service. While Milwaukee and Wisconsin are relatively high when just "taxes" are looked at, we are considerably more favorable when both taxes and fees for service are brought into the analysis. More research and subsequent sharing of this research is needed so we can compare ourselves more favorably.

Events

- Package a variety of downtown events. Many ideas were offered in the downtown residents' focus group including: Establish and extend invitations for a downtown dining week; Provide downtown tours for suburban residents and the media; Establish periodic free parking days in the downtown area; Establish and subsidize a "sales tax free" weekend; Establish a downtown rummage sale event program; Have a downtown clean-up day; Create a downtown "extreme makeover" event.

Sense of Place and Community

- Develop mechanisms to nurture and communicate a sense of neighborhood to residents already downtown so that they see themselves as part of this special neighborhood. Instill a sense of "connectedness" and sense of community in the downtown to help overcome the fragmented feel of downtown. A greater sense of neighborhood and sense of place will help grow what we have.

- Establish downtown as a 24-7 area with more mixed uses, work-live opportunities, a safe biking environment and more foot traffic to experience downtown from a closer to the ground perspective. Improvements like this are visible signs of a "welcoming" environment.

Conclusions

- The growing residential market contributes to the growing twenty-four hour appeal and vibrancy of the Downtown Milwaukee Study Area. As in other cities, the number of people moving into the downtown area has increased significantly due to many attributes including architecturally important buildings, rich cultural history, and proximity to jobs, shopping, recreation, entertainment centers, and special services. All of these attributes are present in Downtown Milwaukee and are potential marketing points for future downtown residents. Other second tier cities have marketed their downtown living environments by building on these attributes in "Downtown Living" promotional guides (Baltimore provides one good example).

- Between 1996 and 2006, Downtown Milwaukee has added more than 3,700 new housing units both in and around the Downtown Study Area. Efforts that track the number of new units should be continued to overcome the possible population and housing unit discrepancies that could be present in non-local, third-party data sets. *Knowing the number of new housing units and the related population will be necessary when performing business recruitment and retention activities.*

- Downtown Milwaukee is home to a variety of residents types ranging from young professionals to empty nesters. *Compared with the downtown of other similar size cities, residents living in the Study Area have high levels of education, higher incomes, live primarily in non-family households, and are employed in white collar occupations.* According to lifestyle segmentation information, there are three primary market segments living in the downtown Study Area. The largest segment is "Metro-Renters" (52% of the Study Area population), a group that is made up of young, well-educated singles, beginning their professional careers. A number of the tastes and preferences of the Metro Renters also overlap with those of the college students living in the area (i.e. the Dorms to Diplomas segment shown in Table 4.9)

- Focus group discussions with downtown residents indicate that many feel a car is not needed and that the area is walkable. They enjoy many cultural, shopping, and dining amenities are found in Downtown. Downtown Milwaukee offers many open spaces and is aesthetically pleasing due to the improvements made to streetscapes. Focus group respondents also believe that Downtown Milwaukee is a friendly and safe place to live. They believe that images and perceptions of Downtown Milwaukee differ from reality in terms of crime, accessibility, and racial divisions. Attitudes on these negative perceptions were reiterated by other consumer segments and present one potential barrier to attracting suburban and exurban visitors into the Downtown.

- Despite the positive aspects of Downtown Milwaukee, focus group participants see additional opportunities such as the addition of more entertainment venues, new retail and service businesses, better open space areas, and improved public transportation and taxi services. *Residents of the Downtown Study Area also felt that more could be done to create a culture of downtown community and ownership.* Creating a culture of community could benefit from additional opportunities for residents to interact and from continued efforts to highlight and showcase all of the amenities that Downtown Milwaukee has to offer (see the previous section on Possible Steps or Actions to Address Ideas for specific actions).

- Residential development creates a customer base for neighborhood-serving retail businesses such as grocery stores, pharmacies, and hardware stores. Downtown residents also support service businesses such as hair and personal care, fitness, dry cleaners, and movie rental establishments. Vital downtown professional services include doctors, dentists, lawyers, financial services and veterinarians. These business categories may provide an opportunity for future feasibility analyses.

- New independent retailers in the Third Ward and national chains in the Central Business District (i.e. Linens and Things, Borders, and TJ Maxx) have brought popular retailers closer to downtown residents. Attracting additional retailers, including chains and independents, could contribute to the image and atmosphere of downtown as a place to shop for residents (and non-residents). Potential opportunities for developing additional retail are examined in Part III of this analysis.

Section 5

Analysis of the Downtown Employee Market Segment

Urban downtowns have long been recognized as the commercial centers of both cities and regions. The major companies, government institutions, and other businesses traditionally located in downtowns generate large amounts of local revenue, income and economic activity. These organizations also bring a daily stream of office workers into the area. While the businesses themselves are most commonly acknowledged as catalysts of economic growth, their employees also have an impact on the downtown economy.

National Trends

Most downtown employees commute to work. In Downtown Milwaukee, 60% of employees live more than five miles from the Downtown Study Area. Given the non-local nature of these commuters, Downtown Milwaukee is faced with the challenge of keeping its employees downtown after working hours, while also encouraging them to spend more money during the day. In general, the more time spent by workers in and around their offices, the more likely they are to make purchases at downtown establishments.

Recognizing these challenges, a recent study conducted by the International Council of Shopping Centers (ICSC) analyzed how the habits of office workers have changed between 1987 and 2003. The study examined changing consumer preferences among office workers, along with the impact of retail availability on employee shopping habits. Specific findings include:

- In 2003, weekly lunch expenditures among downtown office workers were 20% higher than those reported by suburban office workers ($26.80 versus $22.50).
- The frequency for dining out during lunchtime has remained stable between 1997 and 2003, averaging 4.4 days per week.
- Office workers spend an average of $7.10 on lunch when dining out.
- When compared to their suburban counterparts, downtown office workers are more likely to eat out (85% versus 76%), and also eat out more frequently. Fifty percent (50%) of downtown office workers eat out 4 out of 5 days, versus 38% of suburban office workers.
- The deli/grocery/carry-out business has surpassed sit-down and fast food restaurants in market share. *Almost twice as many lunches were purchased at these types of convenience food shops in 2003 than in 1987 (up from 15% to 27%).*
- The share of office workers shopping during their lunch hour (32%) has remained stable since 1987.
- The market share of lunches purchased at fast-food restaurants has remained at 16% since 1987, while the share from sit-down restaurants has decreased from 22% to 16%.

- The share of office workers who stop after work for dinner or drinks closer to their office has doubled since 1987 (an increase of 12% to 25%). The average weekly expenditure for these activities was $44 per patron in 2003.

- Downtown, after-work entertainment activities have increased from 29% in 1987 to 35% in 2003.

- Use of public transportation has increased dramatically (43% in 1987 to 63% in 2003), among office workers in downtown areas with above average retail density.

While the preceding findings are not derived directly from an analysis of Downtown Milwaukee, they do suggest that downtown office workers do not simply travel between their homes and offices each day. Office workers are spending money in the areas near their workplaces both during and after the workday. These behaviors leave downtowns poised to take advantage of the office worker market and encourage even greater economic activity through the most appropriate retail offerings, entertainment options, and food/beverage outlets.

The aforementioned ICSC study also determined that if downtown retail offerings were similar to those near a worker's residence, 66% of office workers are more likely to shop closer to home than work. However, in markets offering superior retail shopping opportunities, nearly 40% of non-grocery shopping trips are made closer to work than home. In areas with weak retail options, only 24% of shopping trips are made closer to work. *Furthermore, workers in downtown areas with abundant retail are twice as likely to shop over their lunch break, compared to workers in downtown areas with limited retail.*

The presence of hospitality and entertainment establishments also affects where office workers socialize. When going out for drinks or dinner after work, office workers in downtown areas with ample retail are more likely to stop closer to their office, than are those working in downtowns with limited retail. *When dining out for lunch during the workweek, 9 out of 10 office workers in downtown areas with ample retail offerings will walk to lunch compared to only 6 in 10 workers in areas with limited retail (ICSC, 2004).*

On average, office workers spend $96 per week when shopping over lunch, during the day, or after work. Apparel, home goods, toys, electronics and other destination-type purposes accounted for $56 of weekly spending. The remaining $40, was spent on convenience-type items like groceries/snacks, personal care, and cosmetics. Table 5.1 reports what percentage of downtown office workers make a retail purchase in any given week along with the type of goods purchased.

Table 5.1 - Frequencies and Types of Purchases Made by Downtown Office Workers

Type of Purchase	Percent of Workers Making a Purchase
Any Purchase	58%
Groceries	37%
Snacks/Incidentals	33%
Personal Care/Drug	31%
Apparel/Accessories	27%
Home Items	22%
Sports/Toys/Electronics	20%
Gifts/Cards	21%
Newspapers/Magazines	15%
Cosmetics/Perfume	10%

Source: ICSC, 2004

If downtowns offer a desirable retail mix, office workers will be more likely to utilize their shopping opportunities during the day and after work, rather than make purchases closer to home. In particular, these options include convenience food stores for buying lunch, hospitality/entertainment options for after work, and an above average density of retail offerings that offer both destination and convenience shopping opportunities.

Characteristics of Downtown Milwaukee Employees

Estimates from the 2000 Census Bureau Transportation Planning Package (CTPP) reported 78,000 people employed within the Downtown Study Area[1]. *These employee figures are based on the number of people working in the Downtown Study Area as opposed to the number of jobs in Downtown Milwaukee (i.e. some workers may hold more than one job).*

As these figures are based on 2000 figures, the number of people working in Downtown Milwaukee and their characteristics have likely changed somewhat. While a number of high profile companies have recently relocated in Downtown Milwaukee (i.e. Roundy's Inc), the exact impact of these relocations on overall employment levels is unknown. Nonetheless, Downtown Milwaukee is home to a significant number of office workers who provide large spending potential for Study Area businesses. To further examine downtown employees, the following tables and maps examine worker occupations, household incomes, workers' times of arrival, their means of transportation to work, their spending potential, and the geographic distribution of workers in the Study Area.

Downtown Milwaukee Employee Occupations

Compared to the broader Milwaukee 7 Region, the Downtown Study Area has a significantly higher percentage of workers in white-collar occupations (Table 5.2). Downtown Milwaukee's high percentage of management, business, and financial occupations, as well as administrative support occupations, are the primary reasons for these differences. Given the Study Area's concentration of office space, financial institutions, and insurance companies, these differences are to be expected. Note that Downtown Milwaukee has a smaller percentage of employees in sales occupations than the Milwaukee 7 region. These differences may reflect a lower concentration of retail establishments in the Study Area relative to the broader region. Furthermore, the Study Area's smaller percentage of blue-collar occupations reflects the relative lack of manufacturing, construction, and transportation industries in Downtown Milwaukee.

Table 5.2 – Occupations of Employees Working in the Downtown Milwaukee Study Area

Occupation (2000)	Downtown Study Area		Milwaukee 7 Region	
	Number of Workers	*Percent of Workers*	*Number of Workers*	*Percent of Workers*
White Collar	*60,054*	*77.0%*	*584,797*	*62.7%*
Management/Business/Financial	17,080	21.9%	125,721	13.5%
Professional	18,517	23.8%	209,029	22.4%
Sales	6,419	8.2%	99,977	10.7%
Administrative Support	18,037	23.1%	150,070	16.1%
Services	*9,477*	*12.2%*	*104,982*	*11.3%*
Blue Collar	*8,474*	*10.9%*	*242,641*	*26.0%*
Farming/Forestry/Fishing	124	0.2%	2,160	0.2%
Construction/Extraction	1,619	2.1%	38,454	4.1%
Installation/Maintenance/Repair	1,661	2.1%	32,914	3.5%
Production	2,649	3.4%	113,477	12.2%
Transportation/Material Moving	2,411	3.1%	55,488	6.0%
Armed Forces	~10	< 0.1%	148	< 0.1%
Total Employees	*78,005*	*100.0%*	*932,420*	*100.0%*

Source: 2000 Census Bureau Transportation Planning Package

[1] Map 2.1 in Section 2 depicts the geographic origins of these employees

Household Incomes of Downtown Milwaukee Employees

The household incomes of Downtown Milwaukee employees are not dramatically different from those of the broader Milwaukee 7 Region. Employees working in the Downtown Study Area and the Milwaukee 7 Region live primarily in middle-to-upper income households (Table 5.3). The primary income differences for Study Area employees are found in those households with incomes below $25,000, and those with incomes above $100,000. Specifically, 5.1% of Study Area employees live in households with incomes below $25,000, compared to 3.8% of households in the Milwaukee 7 region. *Conversely, 22.1% of Study Area workers live in households with incomes above $100,000, compared to just 18.3% of regional households.*

Table 5.3 – Household Incomes of Employees Working in the Downtown Milwaukee Study Area

Household Income (2000)	Downtown Study Area		Milwaukee 7 Region	
	Number of Workers	*Percent of Workers*	*Number of Workers*	*Percent of Workers*
Less than $10,000	2,041	2.6%	17,435	1.9%
$10,000 - $14,999	1,903	2.5%	18,005	1.9%
$15,000 - $24,999	8,446	10.9%	93,155	10.1%
$25,000 - $34,999	7,916	10.3%	90,060	9.7%
$35,000 - $44,999	7,977	10.3%	102,685	11.1%
$45,000 - $59,999	7,931	10.3%	108,705	11.8%
$60,000 - $74,999	11,012	14.3%	153,970	16.7%
$75,000 - $99,999	13,695	17.7%	170,675	18.5%
$100,000 - $124,999	7,723	10.0%	84,335	9.1%
$125,000 or more	9,361	12.1%	84,850	9.2%
Total Employees	*78,005*	*100.0%*	*923,895**	*100.0%*

Source: 2000 Census Bureau Transportation Planning Package

Time of Arrival to Work and Average Weekly Hours Worked

Table 5.4 reports the usual time of arrival for employees working in the Downtown Study Area. Almost 60% of employees arrive between the traditional working hours of 7:00 AM and 9:00 AM, compared to just 46% of workers in the Milwaukee 7 Region. These differences in time of arrival are likely a reflection of longer commuting distances into the Downtown Study Area (see Section 2), as well as the presence of more industries offering second and third shifts in the broader region.

Table 5.4 – Time of Arrival for Employees Working in the Downtown Milwaukee Study Area

Time Arriving to Work	Downtown Study Area		Milwaukee 7 Region	
	Number of Workers	*Percent of Workers*	*Number of Workers*	*Percent of Workers*
12:00 am to 4:59 am	1,201	1.5%	26,090	2.8%
5:00 to 5:59 am	3,130	4.0%	60,251	6.5%
6:00 to 6:29 am	3,762	4.8%	57,366	6.2%
6:30 to 6:59 am	7,374	9.5%	104,707	11.2%
7:00 to 7:29	11,527	14.8%	116,877	12.5%
7:30 to 7:59	16,245	20.8%	153,907	16.5%
8:00 am to 8:29 am	12,133	15.6%	104,852	11.2%
8:30 am to 8:59 am	6,019	7.7%	53,621	5.8%
9:00 am to 9:29 am	2,763	3.5%	32,671	3.5%
9:30 to 11:59 am	3,612	4.6%	46,561	5.0%
12:00 pm to 2:59 pm	3,237	4.1%	52,841	5.7%
3:00 pm to 5:59 pm	3,953	5.1%	60,316	6.5%
6:00 pm to 11:59 pm	2,846	3.6%	37,901	4.1%
Worked at home	202	0.3%	24,460	2.6%
Total	78,005	*100.0%*	*932,420*	*100.0%*

Source: 2000 Census Bureau Transportation Planning Package

Table 5.5 reports the average weekly hours worked for Study Area employees. Almost 85% of Study Area employees work 35 hours or more, compared to 79% of workers in the Milwaukee 7 region. The average hours worked by Study Area employees, combined with their arrival times suggests that most employees will finish their workday between 4:00 PM and 6:30 PM. *Accordingly, businesses seeking to capture the employee market segment will likely need to offer business hours that extend past 5:00 or 6:00 PM.*

Table 5.5 – Average Weekly Hours Worked of Employees Working in Downtown Milwaukee

Average Weekly Hours Worked	Downtown Study Area		Milwaukee 7 Region	
	Number of Workers	***Percent of Workers***	***Number of Workers***	***Percent of Workers***
Less than 15 hours	1,660	2.1%	34,625	3.7%
15 to 20 hours	3,679	4.7%	69,989	7.5%
21 to 34 hours	6,426	8.2%	91,525	9.8%
35 to 40 hour	41,632	53.4%	436,816	46.8%
41 to 55 hours	20,011	25.7%	239,567	25.7%
Greater than 55 hours	4,596	5.9%	59,898	6.4%
Total	*78,005*	*100.0%*	*932,420*	*100.0%*

Source: 2000 Census Bureau Transportation Planning Package

Means of Transportation to Work for Downtown Employees

The majority of Downtown Study Area workers drive alone to their place of employment (Table 5.6). As 60% of Study Area workers live more than five miles from Downtown, this percentage is not surprising. However, a greater percentage of Study Area employees use some form of public transportation (11.5%), compared to employees working in the broader Milwaukee 7 Region (3.5%). The differences in the use of public transportation are likely attributed to the availability of a bus system and the household incomes of some Study Area workers. Specifically, a greater percentage of Study Area workers likely have greater access to public transportation, compared to many areas in the Milwaukee 7 Region. Furthermore, the Downtown Study Area has a slightly larger percentage of lower income workers that may not have access to a car. *Recent increases in gas prices also may impact the number of people using public transportation or carpooling to work.*

Table 5.6 – Means of Transportation to Work for Employees Working in Downtown Milwaukee

Means of Transportation	Downtown Study Area		Milwaukee 7 Region	
	Number of Workers	***Percent of Workers***	***Number of Workers***	***Percent of Workers***
Drove alone	56,777	72.8%	748,441	80.3%
Carpool	9,260	11.9%	93,111	10.0%
Public Transportation	8,969	11.5%	32,337	3.5%
Bicycle	226	0.3%	2,020	0.2%
Walked	2,092	2.7%	26,391	2.8%
Taxicab	95	0.1%	920	0.1%
Motorcycle	56	0.1%	675	0.1%
Other means	327	0.4%	4,065	0.4%
Worked at home	202	0.3%	24,460	2.6%
Total	*78,005*	*100.0%*	*932,420*	*100.0%*

Source: 2000 Census Bureau Transportation Planning Package

Spending Potential of Downtown Study Area Employees

The preceding characteristics on the number of downtown workers, their household incomes, and their occupations can be used to estimate employee spending potential. The previously mentioned ICSC analysis of office workers tracked retail-spending patterns in four categories: dining during lunch; dining and drinks after work (dinner); destination/intermediate goods; and convenience goods. Destination and intermediate goods are those typically found in a department store including apparel, home items, gifts, sporting goods, toys and electronics. Convenience goods include those items purchased in a grocery or discount store (groceries, personal care products, snacks, cosmetics, etc.).

The ICSC analysis compared retail spending of workers employed in downtowns with ample retail to those employed in downtowns with limited retail. *As previously mentioned, workers employed in ample retail downtowns tended to spend more than those workers located in limited retail downtowns.* Given the current downtown retail environment, the spending patterns of workers in limited retail downtowns were used to create spending estimates for Downtown Milwaukee (Table 5.7).

Combining retail categories, Downtown Study Area employees represent $344 million in retail spending potential. Note that these estimates are based on employee spending patterns analyzed in other communities. If local spending patterns differ significantly in Milwaukee, the figures in Table 5.7 will also change. Accordingly, these figures should only be used as estimates.

Table 5.7 – Spending Potential of Employees Working in Downtown Milwaukee

Expenditure Category	Annual Spending Per Capita	Total Annual Demand
Dining - Lunch	$1,320	$102,966,600
Dining – Dinner and Drinks	$ 630	$49,143,150
Destination and Intermediate Goods	$ 272	$21,217,360
Convenience Goods	$ 2,190	$170,830,950

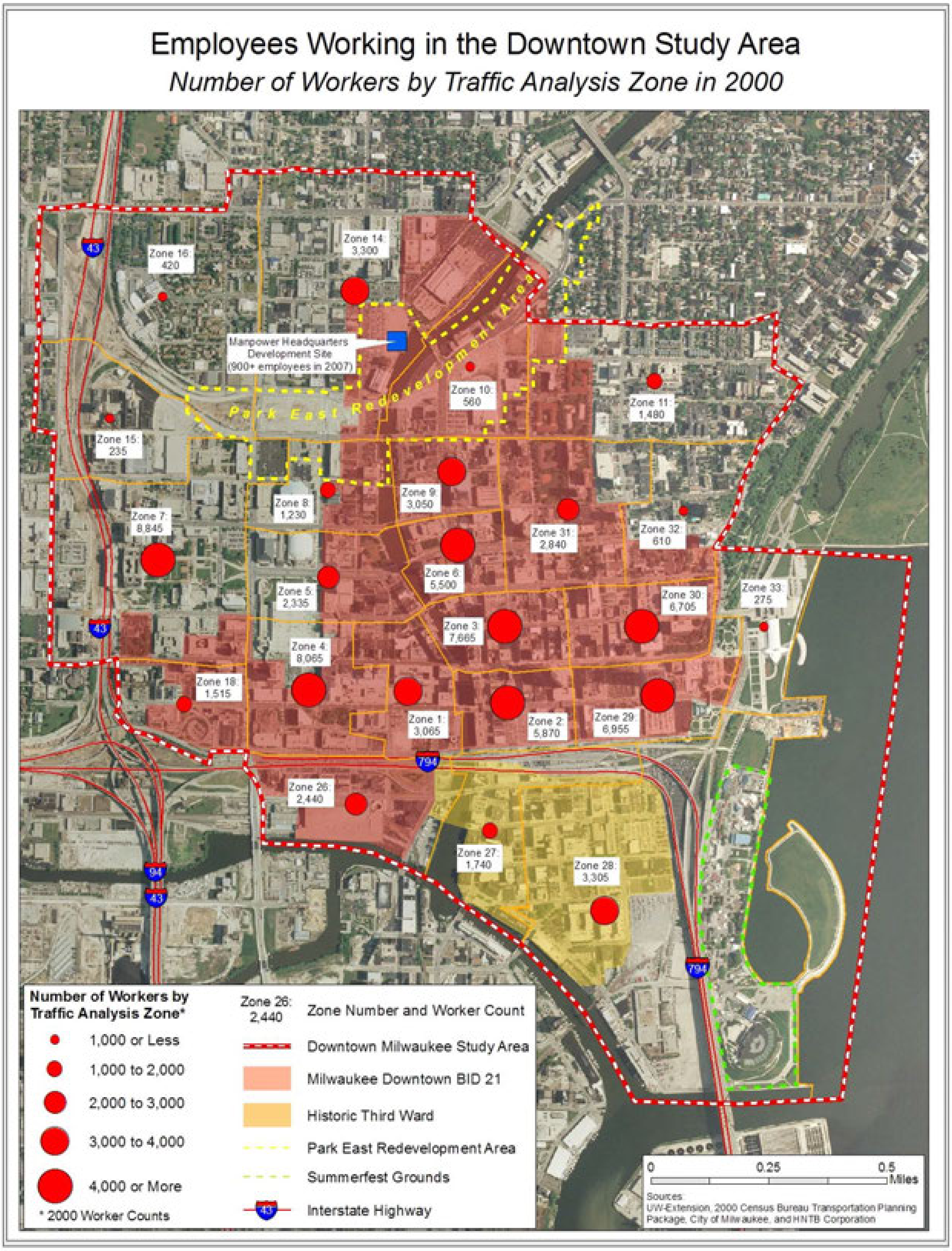
Source: ICSC, 2004

Geographic Distribution of Downtown Employees

Capturing the spending potential represented by Downtown Study Area employees requires that businesses are accessible to employees. While an establishment's business hours affect accessibility, establishments also need accessible locations relative to places of employment. *Research has indicated that most employees will not travel more than a quarter-mile from their place of employment to purchase a good or service during working hours.* Accordingly, businesses seeking to capture the greatest amount of employee spending should consider a location within a quarter-mile of large employment centers. These location considerations may be particularly relevant for restaurants, retailers, personal services, convenience stores, health clubs and banking services.

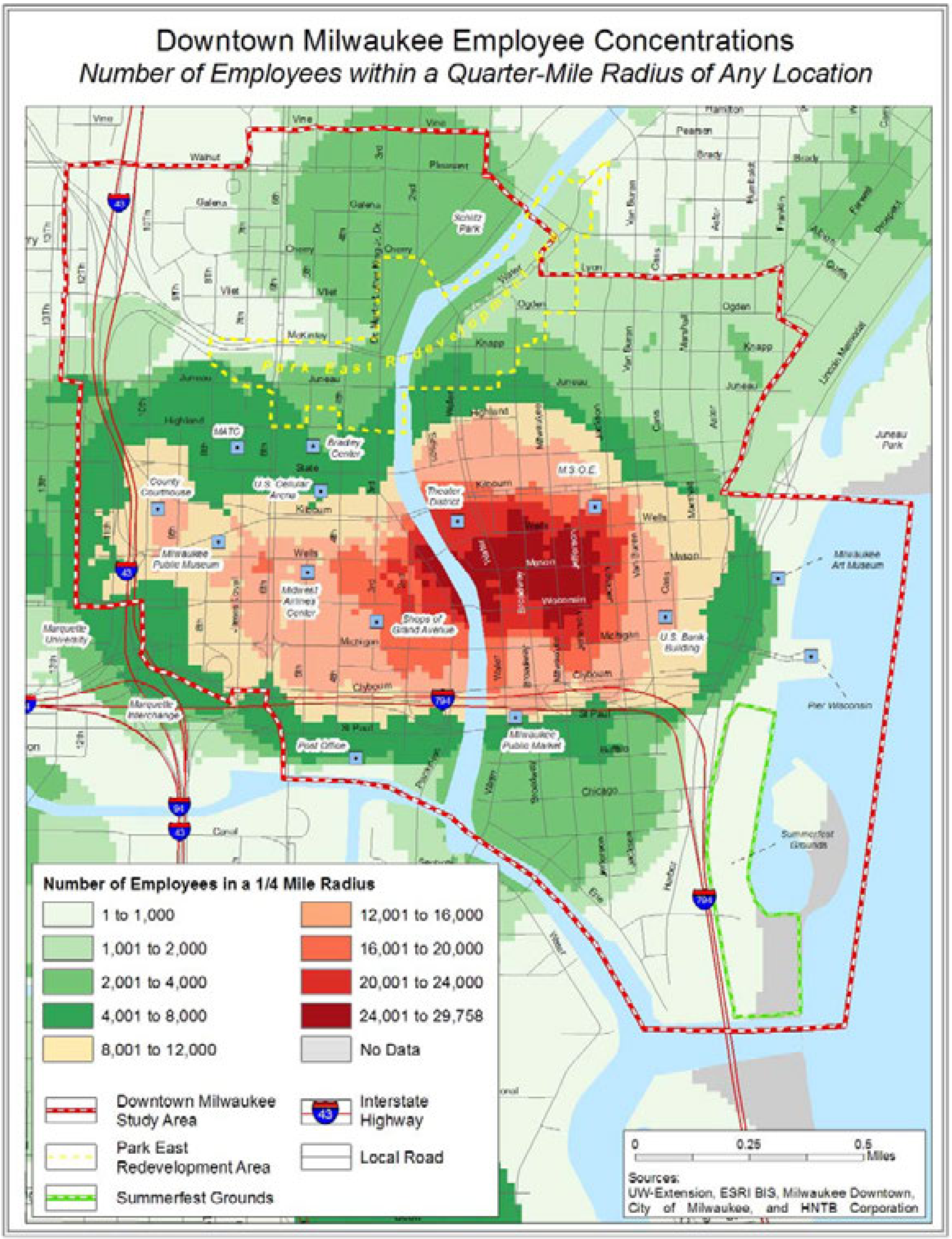
To depict the distribution of Downtown Milwaukee employees, Appendix 5A lists downtown office space, while Map 5.1 and Map 5.2 examine the number of employees working throughout the study area. Map 5.1 depicts the number of workers by each traffic analysis zone (TAZ) in the Study Area and shows that a large number of workers are employed along Wisconsin Avenue and to the east of the Milwaukee River. *While fewer employees are located in the northern portions of the Study Area, these figures will increase after Manpower's relocation is completed in 2007.*

Map 5.1 – Distribution of Employees Working in the Downtown Study Area (2000)



To further explore the distribution of Study Area employees, Map 5.2 examines the estimated number of employees within a quarter-mile of any point on the map. The highest employee concentrations are found in the area bound by the Milwaukee River, Wells Street, Wisconsin Avenue and Jefferson Street. The blocks bound by these streets have 20,000 to 29,000 employees working within a quarter-mile.

Map 5.2– Employee Concentrations in the Downtown Study Area (2000)



Focus Group Findings for the Downtown Employee Market Segment

In order to collect information about how to improve the experience of downtown office workers in Milwaukee, the UW-Extension Center for Community and Economic Development (CCED) conducted three focus group sessions in May 2006. Downtown Milwaukee workers shared their ideas and opinions in round table meetings, each lasting approximately an hour and a half. *Focus group attendees were drawn from a pool of workers representing different industries, occupations, and geographic locations within the Downtown Study Area.*

Objectives

Focus groups were conducted to achieve three objectives:

1. Identify whether or not workers knew about current programs offered by Milwaukee Downtown BID #21, and if so, how they might value these programs.

2. Identify the advantages and disadvantages of working downtown and how Downtown Milwaukee might work to attract additional employees.

3. Analyze the advantages, disadvantages, and potential barriers to business attraction, expansion and retention downtown.

Focus Group Questions

The following six questions were used to guide the focus group discussions:

- Downtown Milwaukee operates a number of programs such as Public Service Ambassadors, Graffiti removal, landscaping, and clean sweep Ambassadors. Tell me about your familiarity or experiences with any of these programs.
- For a moment, think about the Greater Milwaukee area. Think about places like Brookfield, Racine, Brown Deer, New Berlin, and Franklin. What do you feel are the advantages of working in Downtown Milwaukee compared to other surrounding communities? What are some potential disadvantages?
- Think about other cities around the nation where you may have worked, visited, or perhaps considered as a place of employment. What characteristics of those cities might make them more or less desirable than Downtown Milwaukee as a place to work?
- What could be done in Downtown Milwaukee to encourage you to spend more time in downtown after work or to come back on the weekend?
- If you were to start your own business, what advantages or disadvantages does Downtown Milwaukee possess as a place to locate a business over other areas?
- What do you feel are some potential barriers to attracting new businesses into Downtown Milwaukee or retaining existing businesses?

The following comments were made by participants in facilitated focus groups and are not the opinions of Milwaukee Downtown BID #21 or UW-Extension Center for Community and Economic Development

Downtown workers awareness of BID programs

Downtown workers are very familiar with the Public Service Ambassador, Graffiti removal, landscaping and Clean Sweep Ambassador programs that are offered in Downtown Milwaukee. The following testimonials show how these programs are valued by downtown workers:

- Public Service Ambassadors are knowledgeable, present in our hotels, and give our guests directions and information. We know this is important because our guests provide positive feedback about the assistance they receive from Public Service Ambassadors.
- Public Service Ambassadors are active in downtown events, visible everywhere in downtown, and hand out information and keep the kiosks up to date. They are fabulous!
- Clean Sweep Ambassadors make downtown a cleaner and safer place. Safety is very important.
- We see the graffiti removal truck and graffiti is removed quickly.
- The planters in downtown are always maintained. They make downtown look attractive.

Advantages and disadvantages of working downtown

Downtown workers enjoy the many advantages of working downtown. Their biggest concerns surround parking and transportation. Retail choices for shopping are a secondary concern.

Advantages of working downtown:

- Downtown has energy, a larger concentration of businesses, a larger pool of workers, and more opportunity to draw clients downtown. The suburbs do not have downtowns. They lack a sense of community like Downtown Milwaukee.
- In Downtown Milwaukee, you have the opportunity to live where you work. There are many things to do. Downtown has culture and evening events that provide an opportunity for human interaction. There are also neighborhood events and a community awareness of what is going on in Milwaukee.
- Downtown Milwaukee is walkable. In downtown, workers can walk to lunch and back in an hour. To get anywhere in the suburbs you need to get in your car and drive through heavy traffic.
- Our downtown is special. We have had good gains in housing and we have had a growth in restaurants and entertainment. We need to do a better marketing of what we have downtown.
- From an environmental viewpoint, Downtown Milwaukee is connected to the lakefront; this is a big advantage.

Disadvantages of working downtown:

- Parking in downtown is a disadvantage. There is a lack of knowledge about parking ramps and street parking meters. Milwaukee lacks a central parking sign system. People will drive around looking for cheap parking on the street. Parking in a parking ramp garage is a last alternative.
- Parking meters in downtown have a two-hour maximum time. This is a huge problem. Credit card meters are needed so we do not need to deal with change. There is no place to get change for parking meters. The $1.00 an hour parking rate for the meters is high. Shoppers and visitors do not realize that parking meters are free on the weekend.
- To bring people downtown we need more options than just a car or bus. The lack of additional options for public transit is hurting downtown. Trying to get around downtown if you are not walking is difficult. The fact that Downtown Milwaukee is physically and geographically large makes this issue even worse.
- Residents from surrounding communities fear going to Downtown Milwaukee. Where do I park? They are also concerned about safety and do not like navigating through event traffic and construction detours. The perception that costs for parking, restaurants, and shopping downtown are higher must be overcome.
- Conflicts are occurring among drivers, pedestrians, and bicyclists. There is a need to educate drivers about bike lanes. Bicycling is a plus and a minus. There is not a good network of bike paths to get around downtown. We must connect downtown with bike trails to regional and state trails.
- Need to better accommodate pedestrian walking. Minneapolis has skywalks. More lighting is needed to enhance safety. Also, benches are needed for a resting point. In addition, more green space would help, especially to connect downtown with the Third Ward.
- Better planning for spaces under the freeway that cuts through downtown would help enhance safety.

More desirable characteristics of other downtowns

Downtown workers were concerned about the vision and future of downtown Milwaukee. When compared to other cities, they see many opportunities for improvement in Downtown Milwaukee.

- Other cities have a much better public transportation system. This includes buses (Denver), buses and light rail (Minneapolis), and buses and subway (Boston). In other cities, public transportation is a way of life. In Milwaukee, the automobile is a way of life.
- Downtown Milwaukee had more retail 20 years ago. There were more retail department stores then (Marshall Fields, Woolworths). Downtown has lost intensity. We cannot attract big retailers. The only place hanging on is Grand Avenue Mall. It needs more of a retail draw. It closes at 7 p.m. in the evening. Today, Downtown Milwaukee lacks the standard stores (Target), grocery stores, and urban theaters.
- Minneapolis has developed skywalks and other cities have narrower streets that are more pedestrian-friendly. Downtown Austin is a good example of a walkable community.

- Milwaukee lacks diversity. Many people are local. They are not from outside Wisconsin. It is hard for developers to connect in Milwaukee, which is known for its many cliques. We do not have a mixing of income levels in Milwaukee and race is holding us back.
- Milwaukee does not have activity downtown. We have people living downtown, but they do not go out like residents of other cities. Other cities also offer more outdoor dining and businesses are open in the evening hours. If you walk in a city and do not see people or businesses open, it creates fear. If people are afraid, they will not shop downtown.
- Milwaukee does not have a central focus area (Such as State Street in Madison). Downtown has pockets of activity, but it is disconnected and not across the entire downtown.
- Studies on Milwaukee have been done (UW-Milwaukee), but there is no vision. People still associate Milwaukee as blue collar (Laverne and Shirley). Downtown Milwaukee must educate the greater metro area about its assets.

Less desirable characteristics of other downtowns

Downtown workers identified several characteristics of Milwaukee and its downtown that they feel makes it more desirable than other cities. These characteristics include:

- Milwaukee has professional sports downtown. The Milwaukee Bucks, Milwaukee Admirals, and Milwaukee Wave all host sporting events downtown. The Bradley Center and Convention Center bring people downtown.
- The festivals downtown make Milwaukee attractive. These include Third Ward Gallery Night, Bastille Days, River Splash, events in downtown parks, and holiday lights.
- Brew City has evolved from college students to young professionals. We have a large number of young professionals downtown.
- Milwaukee has many green space areas. This allows people to socialize together. Downtown is also clean and has attractive flower planters. Heated sidewalks also create a more pedestrian friendly environment for walking in the winter months.
- Downtown Milwaukee feels safe. We do not have graffiti, trash in the streets, abandoned buildings, ghetto crates, and rapid changes in the level of safety from street to street downtown.
- Milwaukee is much more pedestrian and traffic friendly than other cities. It is easier to drive in and has much more parking for automobiles.
- The arts are getting better in Milwaukee. We need to concentrate on the arts and keep them growing.

Opportunities for encouraging workers to spend more time downtown after work and on weekends

Downtown workers believe that with the right product mix, more people will spend time downtown after work and on the evenings. The following ideas were presented as ways to create more activity downtown.

- It is important to improve the image of downtown. The mentality is that downtown is a scary, unsafe place. Need to have the suburbanites feel comfortable downtown.
- While there are many downtown activities in the summer, we need more activities in the off-season.
- Weekends are dead downtown. During the week, it can be dead as well. We need a critical mass of people to generate excitement. Offer discounts to area employees to get them downtown to participate. A movie theater would help downtown. Currently, we must drive to the suburbs for new movie release or matinee. We need more shopping with longer hours. The Public Market has helped create a Saturday morning destination. We should have an outdoor food court downtown.
- Promote downtown as an entertainment destination. How do we connect the Summerfest grounds with downtown? Concerts held at Pierre Marquette Park are a big plus.
- To make people more comfortable downtown, way finding is required. This will help get people from place to place. Way finding includes signs, streetlights, hanging planter baskets and anything else that aids people in finding their way.

Positive and negative aspects of starting a business in downtown Milwaukee

Downtown Workers understand that Downtown Milwaukee has many positive attributes for starting a business. However, there are issues of concern that they feel must be addressed to create a vibrant entrepreneurial climate downtown.

Positive Business Attributes that are Offered by Downtown Milwaukee:

- The visibility of downtown is an advantage and Milwaukee is a friendly place where it is easy to start a business.
- There is plenty of retail space with affordable lease rates and a lack of competition exists due to many underserved markets. We need to better understand what types of businesses have the capability to thrive and grow downtown.
- Concentration of young professionals working and living downtown. These people are skilled workers.
- It is easy to get around downtown, and the economic trend for downtown is upward.

- People continue to move downtown. We are attracting people with wealth who are buying condos. Some condos are just summer homes or weekend getaways, but this still creates an opportunity for businesses to capture additional money.
- The Third Ward is a good environment for retail. It is pedestrian friendly and walkable.

Downtown Business Issues of Concern:

- Real estate property is higher and taxes are higher.
- The city offers incentive packages to entice large employers to move downtown (Roundy's, Manpower). The small businesses that are potentially future large companies are left out there on their own. These small businesses must do a better job of working together.
- Lack of pedestrian traffic is a disadvantage. Foot traffic varies. It depends on the area of downtown. Businesses need a good concentration of pedestrian traffic. Large companies downtown have their own lunch cafeterias. How many of these people venture out for lunch? Downtown workers do not automatically translate into downtown shoppers.
- The biggest barrier to business development downtown is sustained momentum.
- An added cost to doing business downtown is parking. It is an issue because Milwaukee is completely dependent on the car for transportation. We need to have more transportation choices or make downtown a great place for parking. We have a huge amount of parking in downtown already, but people are too cheap to pay to park in the parking garages or too lazy to walk an extra block.

Barriers to attracting new businesses and retaining existing businesses

Downtown workers voiced their concerns about business development in downtown. These concerns were based on their first impressions and experiences working in downtown Milwaukee. It is evident from their comments that a unified business expansion and retention effort should b considered for Downtown Milwaukee.

Barriers - Downtown Image:

- There is a real need to emphasize successes. People from outside Milwaukee are investing in homes downtown and moving downtown. This is a huge success and must be publicized.
- It is sad that people who live and work in downtown create a bad perception by making fun of it.
- People are looking for opportunities to help, but do not know where to start.
- Police enforcement is lacking. We have too many car break-ins downtown.

- Shops on major streets are not very attractive. Landscaping and streetscaping improvements are needed downtown.
- Efforts are made to maintain historic buildings in downtown.
- Downtown needs to be more pedestrian friendly. A pedestrian is defined as anybody coming downtown. Narrowing streets and benches would increase pedestrian friendliness.
- Many businesses need better signage. Kiosks downtown should show where businesses are located.

Barriers - Economic Development:

- High rent is a barrier for both small and large downtown businesses. Downtown has high vacancy rates for retail and office space.
- All the retail stores in the suburbs keep people in the suburbs. Downtown workers would much rather go downtown to Target or a furniture store than drive out to the suburbs.
- The need exists for more hotels downtown. People that stay in hotels also spend their money at downtown businesses.
- We need businesses that provide services beyond Milwaukee. Specifically, professional and service-type businesses that provide regional, national, and international services.
- Is our downtown convention center too small? How do we attract more conventions?
- The creation of downtown tour packages for attractions would make it easier for visitors to get places.
- We need to tie the Art Museum and lakefront into Wisconsin Avenue. The Pier Wisconsin Project is a positive first step to achieving this goal. More must be done with the Riverwalk. These efforts will add to quality of life and will attract more business.
- Businesses must be better organized. Similar hours, promotional events, and working together like a shopping mall will pay dividends.
- Businesses need mentoring. Who has this role? We need to have an effective business retention program. We are not doing a good job of retaining businesses downtown.

Conclusions

- Downtown Milwaukee employees have an estimated $344 million in annual retail spending potential. Surveys of employee spending patterns in other cities show that limited retail options somewhat constrain employee spending potential. While it is not known whether Downtown Milwaukee's spending potential is impacted by its limited retail environment, focus group participants noted the lack of retail in the Downtown Study Area.

- In addition to retail availability, the quality of shopping opportunities also impacts downtown employee spending patterns. National employee surveys suggest that unless retail offerings are superior, office workers are more likely to shop for consumer goods near their residence. Reinforcing the desire for superior retailers, focus group participants noted that Downtown Milwaukee is missing flagship retailers and that many Study Area retailers do not offer convenient store hours.

- Hospitality and entertainment options are important considerations for capturing downtown employee spending potential. Specifically, downtown office workers tend to eat out for lunch more frequently than their suburban counterparts do. Furthermore, the percent of office workers stopping after work for entertainment has increased dramatically since 1987.

- In 2000, an estimated 78,000 workers were employed in the Downtown Study Area. Most workers were employed in white-collar occupations (77%), worked full-time or more (81%), and lived in middle-to-upper income households. When compared to all employees working in the Milwaukee 7 Region, Study Area employees were more likely to arrive between 7:00 AM and 9:00 AM and used public transit with greater frequencies.

- Focus group participants overwhelmingly recognized and appreciated the public service programs provided by Downtown Milwaukee BID #21.

- Participants in the employee focus groups appreciated Downtown Milwaukee's opportunities for living near work, its access to cultural, arts and entertainment events, its unique geographic location on the lake, and its general sense of community. Focus group participants also appreciated the safety of Downtown Milwaukee

- Several common disadvantages of working in Downtown Milwaukee were also noted by focus group participants. These disadvantages included a deficit in convenient parking, conflicts between drivers and pedestrians and the lack of a more comprehensive public transportation system. The desire for better public transportation was particularly apparent when focus group participants compared Milwaukee to other U.S. cities.

- Focus group participants were positive about the development trends in Downtown Milwaukee. However, these individuals also noted a number of opportunities for improving the downtown economy. Suggestions included: better marketing of downtown to overcome its image of being unsafe and blue-collar; creating a larger critical mass of shopping and entertainment activities in Downtown; improving the walkability of downtown; and providing unified economic development resources targeted toward business retention and expansion.

Section 6

Analysis of the Young Professional Market Segment

Young professionals have been one of the primary market segments driving the residential revitalizations of large downtowns. As young professionals choose downtowns as a place of residence, central business districts have also been impacted by their contributions to the labor force, their levels of entrepreneurial activity, and their purchasing preferences. Not surprisingly, a number of Downtown Milwaukee businesses have identified young professionals as one of their key consumer segments. However, young professionals are also the most mobile segment of the labor force and are often willing to relocate for both economic and quality of life reasons. Consequently, young professionals are receiving attention from a number of businesses, downtown organizations, economic development professionals, and labor market economists.

Note that this section is not intended to be an attraction and retention analysis of younger, college-educated individuals in the Milwaukee 7 Region. Instead, Section 6 describes characteristics and preferences of the young professional market segment related to the Downtown Milwaukee Study Area as a place to live, work and recreate.

National Trends

While the definition of a "young professional" varies, these individuals are most often characterized as people between the ages of 25 and 34 with a college degree. Nationally, these individuals are receiving attention from both downtowns and regional economic development efforts for a wide variety of reasons:

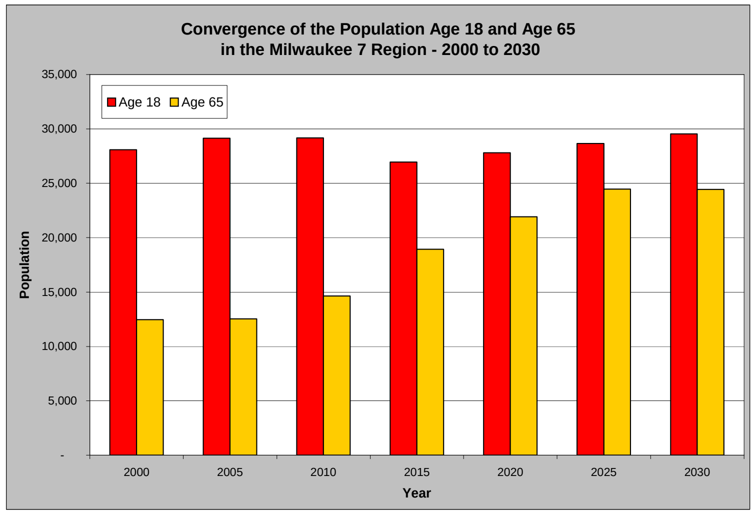
- *Young professionals are increasingly residing in downtown neighborhoods.* Research from the Brookings Institution reports that in the year 2000, people between the ages of 25 and 34 represented nearly 25 percent of the downtown population in a sample of large metro areas, up from 13 percent in 1970. Furthermore, forty-four percent of downtown residents in the sample had a bachelor's degree or higher (Section 4 suggests that Downtown Milwaukee residents have age and educational distributions similar to these national trends). The Brookings Institution research also suggests that "those downtowns having attributes conducive to urban life—including a critical mass of jobs, amenities, and interesting physical features or architecture—have attracted increasing numbers of households, especially singles and childless families. A development strategy that includes adding or supplementing these qualities will enhance the attractiveness of downtowns to selected population groups."[1]

- *Educational attainment is one of the primary drivers of a region's income and economic growth.* Recent research shows that regions with a well-educated population experience greater growth in per capita income[2]. A region's pool of human capital, as measured by both educational attainment and occupations, is also particularly important in the business development process for a range of industries. People age 25 to 34 tend to have the highest levels of educational attainment among any age group.

[1] Birch, Eugenie L. "Who Lives Downtown." *Living Cities Census Series.* The Brookings Institution. November, 2005.
[2] For one overview of this research, see: Gottlieb, Paul D. and Michael Fogarty. "Educational Attainment and Metropolitan Growth*." Economic Development Quarterly*. Vol 17.4, November 2003, pp 325-336.

- *Younger workers are one potential source of labor for filling anticipated worker shortages created by retiring Baby Boomers.* The nation's 77 million Baby Boomers (i.e. individuals born between 1946 and 1964) started turning 60 in 2006. While delayed retirement, increased productivity, and shifting demand for certain goods and services may reduce projected labor shortages, a number of new workers will be needed to fill replacement jobs left by retirees, while also filling the need for newly created jobs. Illustrating the changing labor force in the Milwaukee 7 Region, Chart 6.1 compares the number of people turning age 65 (i.e. approaching retirement) between the years 2000 and 2030 to the number of people turning age 18 (i.e. potentially entering the labor force full-time). The number of people turning age 65 begins to increase dramatically after 2010, while the number of individuals turning age 18 remains somewhat unchanged or declines.

Chart 6.1 – Convergence of the Population Age 18 and Age 65 in the Milwaukee 7 Region

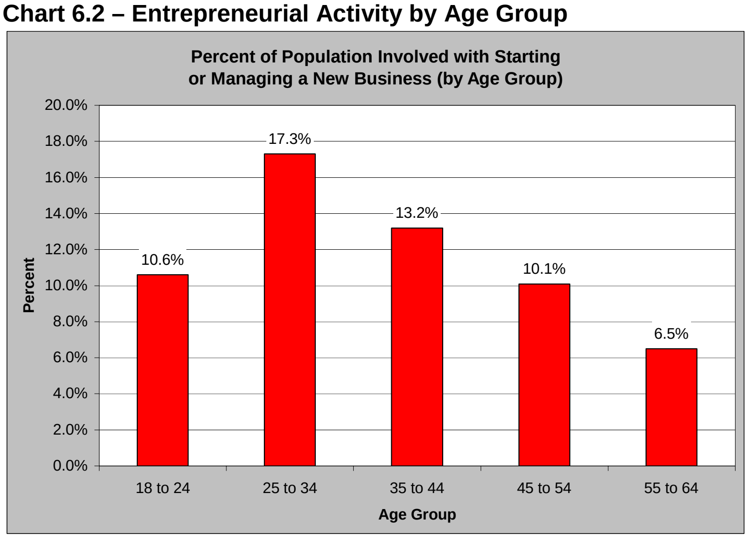


Source: Wisconsin Department of Administration, Demographic Services and UW-Extension Center for Community and Economic Development

- *People between the ages of 25 to 34 are the most likely to start a business or be involved in other entrepreneurial activities.* Estimates from the Global Entrepreneurship Monitor (GEM) show that 17.3% of individuals between the age of 25 and 34 are involved with either starting a business or managing a new business (Chart 6.2)[3]. *Research also suggests that businesses started by young, college-educated individuals are also the most likely to have high growth potential and are among the most technologically innovative[4].*

- *Young adults with college degrees are the most mobile people in the American population.* Over the five-year period from 1995 to 2000, some 6.6 million 25 to 34 year-olds moved from one metropolitan area to another.[5] While economic factors such as wage rates, cost of living, and job

Chart 6.2 – Entrepreneurial Activity by Age Group



Source: Global Entrepreneurship Monitor

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[3] Global Entrepreneurship Monitor. National Entrepreneurship Assessment United States of America: 2003 Executive Report.
[4] Global Entrepreneurship Monitor. National and Regional Summaries, 2004.
[5] U.S. Census Bureau Migration DVD. File B2_Table3_380

availability remain important, researchers such as Edward Glaeser, and others suggest that the level of amenities offered by cities play a role in attracting and retaining young workers[6].

When considering the potential economic roles and lifestyle preferences of young professionals in a regional economy, it is not surprising that downtowns have become a place of residence for many of these individuals:

- *Vibrant downtowns are typically amenity-rich* - Downtowns are often the cultural, social, and educational centers of regions. In large metro areas, downtowns include museums, diverse shopping opportunities, theaters, live music venues, and professional sports. *Downtowns also have the benefit of being authentic, contributing to a region's or metro area's unique sense of place.*
- *Downtowns can facilitate social interaction and knowledge-spillovers* – Downtowns typically have concentrations of both public spaces and so-called "third spaces" such as coffee shops, taverns, and restaurants that provide opportunities for networking and the sharing of ideas. Downtown agglomerations of people engaged in similar industries or occupations also provide a critical mass for knowledge-spillovers.
- *Downtowns provide locations for start-ups and entrepreneurial activity* – Downtowns are de facto business incubators as they often offer a range of office spaces, and have concentrations of potential clients, transportation options, and business services.

Characteristics of Young Professionals in the Milwaukee Region

To help localize some of the aforementioned national trends and examine characteristics of the young professional market segment, several statistics and trends are examined in the following section:

- Population trends for the population age 25 to 34
- Educational attainment for the population age 25 to 34
- Occupations of the population age 25 to 34

While several of these trends are specific to the Downtown Milwaukee Study Area, most of the information on the population age 25 to 34 is reported at the regional (Milwaukee 7) level. The region is used for the basis for analysis as it represents the broader pool of individuals age 25 to 34 who may be potential employees or consumers for Downtown Milwaukee businesses (on both a regular and occasional basis). Using the Milwaukee 7 Region also allows for better comparisons with the other comparable metro areas used throughout this study.

Population Age 25 to 34

Tables 6.1 and 6.2 examine selected population trends for the population age 25 to 34. Nationally, the percent of individuals between the ages of 25 to 34 declined from 17.4 percent of the population in 1990 to 13.5 percent of the population in 2005. As previously suggested, the declining population share of the 25 to 34 age group reflects the Baby Boomers aging out of this age cohort into older age groups. Given these national trends, it is not surprising that the 25 to 34 age group has also declined in the State of Wisconsin and the Milwaukee 7 Region. Somewhat similar trends are shown among the comparable metro areas in Table 6.2. However,

[6] For one summary of this research, see: Glaeser et al. *Consumer City*. Working Paper 7790. National Bureau of Economic Research. July 2000.

the Milwaukee 7 Region's share of the population age 25 to 34 declined at a rate faster than the national average. In 1990, the Milwaukee 7 Region had a similar share of the population age 25 to 34 as the national average and a larger share than the state. By 2000, the Milwaukee 7 Region's share of the population age 25 to 34 dropped below the national average and continued to decline through 2005.

Table 6.1 – Trends in the Population Age 25 to 34 between 1990 and 2005/2006

Geographic Area	1990 Census		2000 Census		2005/2006 Estimates	
	Number	*Percent of Population*	*Number*	*Percent of Population*	*Number*	*Percent of Population*
Downtown Milwaukee Study Area	2,840	22.4%	3,513	25.4%	4,797*	32.2%
Milwaukee 7 Region	316,182	17.5%	263,805	13.6%	244,756	12.4%
State of Wisconsin	822,215	16.8%	706,168	13.2%	702,156	12.7%
United States	43,175,932	17.4%	39,891,724	14.2%	40,142,912	13.5%

Sources: U.S. Census Bureau 1990 Census, 2000 Census and 2005 Current Population Survey. *2006 figures for the Downtown Study Area are from ESRI Business Information Solutions.

Table 6.2 – Trends in the Population Age 25 to 34 for the Comparable Metro Areas

Geographic Area	1990 Census		2000 Census		2005 Estimates	
	Number	*Percent of Population*	*Number*	*Percent of Population*	*Number*	*Percent of Population*
Milwaukee 7 Region	316,182	17.5%	263,805	13.6%	244,756	12.4%
Charlotte-Gastonia-Concord, NC-SC	189,514	18.5%	225665	17.0%	236,204	15.5%
Cincinnati-Middletown, OH-KY-IN	321,105	17.4%	282,547	14.1%	270,490	13.1%
Cleveland-Elyria-Mentor, OH	350,030	16.7%	282,674	13.2%	247,580	11.6%
Columbus, OH	266,216	18.9%	257,237	16.0%	262,091	15.3%
Indianapolis, IN	242,056	18.7%	233,734	15.3%	236,012	14.4%
Memphis, TN-MS-AR	188,080	17.6%	178034	14.8%	175,248	13.9%
Nashville-Davidson-Murfreesboro, TN	194,458	18.6%	205798	15.7%	211,517	14.9%
Pittsburgh, PA	387,899	15.7%	295060	12.1%	260,627	10.9%
Kansas City, MO-KS	296,221	18.1%	265765	14.5%	273,312	14.0%
State of Wisconsin	822,215	16.8%	706,168	13.2%	702,156	12.7%
United States	43,175,932	17.4%	39,891,724	14.2%	40,142,912	13.5%

Sources: U.S. Census Bureau 1990 Census, 2000 Census and 2005 Current Population Survey.

In contrast to national and regional trends, the Downtown Milwaukee Study Area has experienced a steady increase in its population age 25 to 34. Between 1990 and 2006, the Study Area population age 25 to 34 grew by almost 2,000 residents and increased its share of the overall population from 22.4 percent to 32.2 percent. *Furthermore, Downtown Milwaukee Study Area has the largest number of residents between the ages of 25 and 34 and the largest percentage of its population in this age range relative to its comparable metro areas (Table 6.3).* These figures confirm the anecdotal evidence that the population age 25 to 34 is one of the Downtown Study Area's largest resident and consumer segments.

Table 6.3 – 2006 Downtown Population Comparison for the 25 to 34 Age Group

Geographic Area	Downtown Population Age 25 to 34	
	Number	*Percent of Total*
Downtown Milwaukee, WI*	4,797	32.2%
Downtown Charlotte, NC	2,229	24.2%
Downtown Cincinnati, OH	3,662	19.8%
Downtown Cleveland, OH	1,970	26.9%
Downtown Columbus, OH	1,736	26.4%
Downtown Indianapolis, IN	3,493	30.6%
Downtown Memphis, TN	1,744	19.2%
Downtown Nashville, TN	1,332	14.6%
Downtown Pittsburgh, PA	2,138	14.6%
Downtown Kansas City, MO	2,532	29.0%

Source: ESRI Business Information Solutions
*Downtown Milwaukee Study Area

Educational Attainment of the Population Age 25 to 34

Table 6.4 compares the Milwaukee 7 Region's educational attainment for the population age 25 to 34 and the entire population age 25 and over. Confirming the national trend, the Milwaukee 7 Region's population age 25 to 34 has a higher level of educational attainment than the overall population age 25 and over. While individuals age 25 to 34 have a lower share of advanced degrees (master's/professional/doctorate), many individuals in this age group may still be pursuing these higher levels of educational attainment.

Table 6.4 – Educational Attainment Comparison for the Milwaukee 7 Region - 2005

Highest Level of Educational Attainment	Age 25 to 34	Age 25 and Over
Total Population (Estimate)	237,886	1,258,822
Less than 9th Grade	2.5%	3.7%
9th to 12th Grade, no diploma	7.5%	8.0%
High school graduate	25.4%	31.1%
Some college, no degree	22.4%	21.4%
Associate's degree	8.4%	7.7%
Bachelor's degree	25.7%	19.1%
Master's/Professional/Doctorate degree	8.1%	9.0%
High School Graduate or Higher	90.0%	88.3%
College Graduate	33.8%	28.1%

Source: 2005 American Community Survey – Figures are based on a 90 percent confidence interval

Table 6.5 examines the number of individuals age 25 to 34 with a college degree in the comparable metro areas. *Again, the figures in Table 6.5 are not intended to describe the Milwaukee 7 Region's ability to attract and retain younger, college-educated individuals.* Instead, these figures are simply provided to provide a snapshot for the number of young professionals in the comparable metro areas. With a few exceptions, residents age 25 to 34 in the Milwaukee 7 Region appear to have similar levels of college educational attainment. Somewhat surprisingly, Pittsburgh has the highest share of individuals age 25 to 34 with a college degree despite having the smallest share of its total metro population within this age group (as shown in Table 6.2).

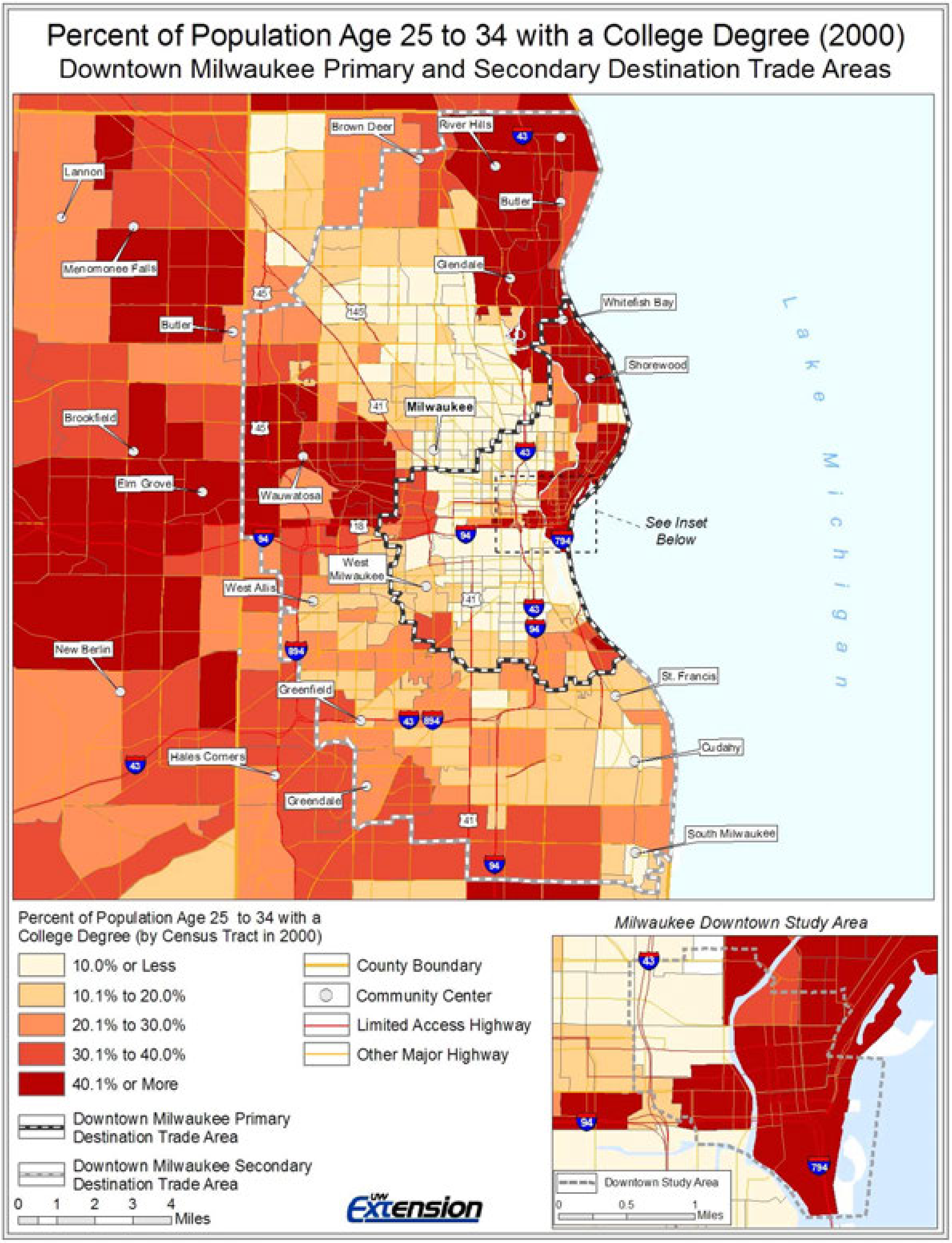
Table 6.5 – Comparison of College Graduates Age 25 to 34 in the Comparable Metro Areas

Geographic Area	Population Age 25 to 34 with a College Degree	
	Number	***% of Pop. Age 25 to 34***
Milwaukee 7 Region	80,485	33.8%
Charlotte-Gastonia-Concord, NC-SC	75,867	32.7%
Cincinnati-Middletown, OH-KY-IN	82,236	31.2%
Cleveland-Elyria-Mentor, OH	83,628	34.3%
Columbus, OH	91,991	36.2%
Indianapolis, IN	77,532	33.3%
Kansas City, MO-KS	94,542	35.7%
Memphis, TN-MS-AR	43,835	25.8%
Nashville-Davidson-Murfreesboro, TN	65,352	32.2%
Pittsburgh, PA	97,304	37.8%
State of Wisconsin	205,135	30.2%
United States	11,578,094	29.9%

Source: 2005 American Community Survey – Figures are based on a 90 percent confidence interval

Map 6.1 depicts the percentage of individuals between the ages of 25 and 34 with a college degree in a portion of the Milwaukee region. The map shows that the Downtown Study Area has a large share of young professionals. Other areas with a large number of young college-educated individuals include the North Shore of Lake Michigan, and several areas in Waukesha County. Despite residing at a distance, many of these suburban young professionals may still work in Downtown Milwaukee and are part of the regional labor force and the potential downtown customer base.

Map 6.1 – Distribution of Young Professionals



Occupational Distribution for the Population Age 25 to 34

Occupations for the regional population age 25 to 34 are depicted in Table 6.6. The occupational structure for the population age 25 to 34 is also compared to that of workers of all ages. *Due to data aggregation issues for Walworth County, note that the figures in Table 6.6 include only Kenosha, Milwaukee, Racine, Ozaukee, Washington, and Waukesha counties. Furthermore, the occupational figures in Table 6.6 may also differ from other published sources (such as those shown in Section 3).* Office and administrative support, production, and sales and related occupations are the three largest occupational categories for the population age 25 to 34 (similar to the occupational distribution for all ages). However, individuals ages 25 to 34 appear to have higher concentrations in several occupational categories: business and financial operations; computer and mathematical; architecture and engineering; arts, design, entertainment, sports, & media; and personal care and services. *All of these occupational categories are particularly important to many existing and potential businesses in the Downtown Milwaukee Study Area.* Many of these occupational categories are also a reflection of the overall higher educational attainment levels of individuals in the 25 to 34 age group[7].

Table 6.6 –Occupations for the Population Age 25 to 34 (Milwaukee 7 Region minus Walworth County)

Occupation Code	Occupation	Age 25 to 34		All Ages	
		Number	***Percent of Total***	***Number***	***Percent of Total***
00-0000	*All Occupations*	220,347	100.0%	1,135,634	100.0%
11-0000	Management	15,123	6.9%	93,946	8.3%
13-0000	Business and financial operations	12,081	5.5%	52,841	4.7%
15-0000	Computer and mathematical	7,499	3.4%	25,853	2.3%
17-0000	Architecture and engineering	7,896	3.6%	27,750	2.4%
19-0000	Life, physical, and social science	1,496	0.7%	8,614	0.8%
21-0000	Community and social services	3,165	1.4%	17,889	1.6%
23-0000	Legal	2,497	1.1%	11,530	1.0%
25-0000	Education, training, and library	12,847	5.8%	66,182	5.8%
27-0000	Arts, design, entertainment, sports, & media	4,895	2.2%	21,116	1.9%
29-0000	Healthcare practitioners and technical	9,654	4.4%	54,054	4.8%
31-0000	Healthcare support	4,722	2.1%	26,115	2.3%
33-0000	Protective service	3,653	1.7%	17,596	1.5%
35-0000	Food preparation and serving related	10,724	4.9%	61,185	5.4%
37-0000	Building and grounds cleaning & maintenance	3,301	1.5%	38,568	3.4%
39-0000	Personal care and service	8,600	3.9%	32,696	2.9%
41-0000	Sales and related	24,489	11.1%	130,632	11.5%
43-0000	Office and administrative support	32,248	14.6%	169,042	14.9%
45-0000	Farming, fishing, and forestry	410	0.2%	3,339	0.3%
47-0000	Construction and extraction	12,492	5.7%	57,614	5.1%
49-0000	Installation, maintenance, and repair	6,334	2.9%	31,959	2.8%
51-0000	Production	24,496	11.1%	114,675	10.1%
53-0000	Transportation and material moving	11,605	5.3%	71,148	6.3%
55-0000	Military	120	0.1%	1,290	0.1%

Source: 2005 American Community Survey PUMS data for Kenosha, Milwaukee, Racine, Ozaukee, Washington, and Waukesha counties.

[7] Several of these occupations showing higher concentrations among individuals age 25 to 34 would be included in Richard Florida's "creative class" taxonomy. While the creative class has been proposed as another measure of human capital (or creative capital), the appropriate role of the creative class as an indicator of regional growth or as a centerpiece of community development strategies has yet to be determined. Two bookends of this debate include: 1) Peck, Jamie. "Struggling with the Creative Class." *International Journal of Urban and Regional Research.* Vol 29.4, December 2005, pp 740-770. 2) Florida, et al. "Inside the Black Box of Regional Development: Human Capital, the Creative Class and Tolerance." *Working Paper Series in Economics and Institutions of Innovation.* Royal Institute of Technology, CESIS - Centre of Excellence for Science and Innovation Studies. No. 88, April 2007.

Focus Group Findings on the Young Professionals Market

In order to collect information about how to improve the experience of young professionals living, working and recreating in Downtown Milwaukee, the UW-Extension Center for Community and Economic Development conducted three focus group sessions in March 2006. Young professionals shared their ideas and opinions in round table meetings, each lasting about an hour and a half.

Objectives

Focus groups were conducted to achieve three objectives:

1. Determine factors that make Downtown Milwaukee both a desirable and undesirable place to live, work, or recreate.

2. Understand what Downtown Milwaukee can do to better attract and retain young professionals as consumers, residents and workers.

3. Analyze how young professionals viewed the business climate in Downtown Milwaukee.

Focus Group Questions

The following five questions were used to guide the focus group discussions:

- If you were going to describe Downtown Milwaukee to a new area resident in their 20's or 30's what words or phrases would you use?

- Think back to other downtowns around the nation where you may have lived, worked, visited, or perhaps thought about living. What characteristics of those downtowns might make them more desirable than Downtown Milwaukee as a place to live, work, or recreate? What characteristics might make them less desirable than Downtown Milwaukee?

- From your perspective as a person in your 20's or 30's what do you feel are some potential barriers to retaining or attracting young professionals into Downtown Milwaukee to reside, work, live, or play?

- Given these potential barriers, from your perspective as a person in your 20's or 30's, what steps could Downtown Milwaukee take to attract more young workers seeking residential, social, cultural and employment opportunities?

- Many people in their 20's or 30's have considered starting their own business. If you were going to start your own business, what aspects of Downtown Milwaukee make it a good place to start a business? What aspects make it less desirable?

The following comments were made by participants in facilitated focus groups and are not the opinions of Milwaukee Downtown BID #21 or UW-Extension Center for Community and Economic Development.

Descriptions of Downtown Milwaukee

The following are some of the phrases and attributes young professionals used to describe Downtown Milwaukee:

- Milwaukee feels like a small city, but has big city amenities (i.e. night life, restaurants, great theater, and a variety of things to do).
- Downtown Milwaukee is welcoming for both professionals and people from other communities. People are friendly and it is easy to get involved and make connections.
- Milwaukee is a better place to be in the summer. There are more people on the streets, more activities, and fabulous summer events and festivals.
- It is easy to navigate and get around downtown by bus, trolley or just walking.
- Milwaukee is quickly evolving and up and coming, experiencing a renaissance with all the new development and improvements (condos on Water Street and in the Third Ward).
- Downtown is safe and on the upswing with an affordable cost of living and growing diversity, but we still need to take more risk to make downtown better. We need a long-range target and vision.
- Downtown has a booming housing market and has some great condominiums and apartments for residential living.
- Downtown Milwaukee is not the number one place to shop.
- Milwaukee is misinterpreted from the outside looking in as a blue-collar city.
- From an inside perspective we do not sell and market downtown Milwaukee enough.

Characteristics of other downtowns that make them more desirable than Downtown Milwaukee

Young professionals believe that downtown Milwaukee is moving in the right direction. However, they do see opportunities for improvement based upon characteristics of other cities in which they have lived, visited, or worked. Below are the positive characteristics/elements of other cities that have made an impression on them.

More Desirable Characteristics of Other Cities - Transportation

- Other cities like Detroit and Portland have light rail.
- Baltimore’s Inner Harbor creates a national feel for their city.
- Other cities have an effective comprehensive public transportation system that includes a bus system, light rail passenger service, rail passenger service, taxis, and subways.
- In Minneapolis the skyway provides pedestrian walkways that connect downtown. This is really important in the colder winter months.

- Des Moines has an excellent pedestrian trail system along the river in their downtown. Milwaukee needs to continue to maximize the resources of their downtown river and the lakefront.
- Milwaukee has too many one-way streets in downtown.

More Desirable Characteristics of Other Cities - Entertainment

- Other cities have well defined entertainment districts.
- Iceland offers activity passes for downtown events.
- Other cities have more fast food opportunities downtown.
- More people are in the downtowns of other cities. More activities and businesses are open past 5 p.m.

More Desirable Characteristics of Other Cities – Other Comments

- Other cities have more diversity (racial, diversity in thinking, religion, different backgrounds). Many residents have lived in Milwaukee forever.
- Old Milwaukee is not letting the new Milwaukee into the picture.
- Other cities have more affordable housing for young professionals.

Characteristics of other downtowns that make them less desirable than Downtown Milwaukee

Young professionals identified several characteristics of Milwaukee and its downtown that they feel make it more desirable than other cities. These characteristics include:

More Desirable Characteristics of Milwaukee - Environment

- Other cities have more problems with air and water quality and less green space.
- Other cities have problems with trash and odor in the streets.
- Other cities are less safe than Milwaukee and have more crime.
- Homelessness is a problem in some cities along with panhandling.
- Milwaukee has less of a chance for a natural disaster or terrorist attack.
- Other cities are larger or smaller than Milwaukee. This makes them less desirable.
- The size of Milwaukee makes it much more manageable than other cities.

More Desirable Characteristics of Milwaukee - Transportation

- Parking is better in downtown Milwaukee
- Other cities have longer commuting times.
- Milwaukee has great accessibility to airports.
- It is hard to navigate around other cities.

More Desirable Characteristics of Milwaukee - Entertainment

- Summer festivals are better in Milwaukee.
- Milwaukee has unique shops and restaurants in downtown. Restaurants are locally owned not chains.
- Milwaukee has public markets.
- Milwaukee has a good selection of arts and culture opportunities.

More Desirable Characteristics of Milwaukee – Other Comments

- Milwaukee has many opportunities for continuing education.
- Other cities lack the amount of economic development that is occurring in Milwaukee.
- Milwaukee has a lower cost of living when compared to other cities.
- Milwaukee has done a better job of preserving historic architecture.
- It is easy to get involved with organizations in downtown Milwaukee. Other cities are more intolerant.

Potential barriers to retaining or attracting young professionals into Downtown Milwaukee.

Young professionals thought that it is important for the City of Milwaukee to attract and retain young professionals to maintain and grow a viable workforce. Young professionals indicated that the following issues are of concern to them:

Barriers - Milwaukee has negative stereotypes

- The city has stereotypes that it has high crime rates, it is dirty, and not safe.
- It is a blue collar city with a lot of manufacturing.
- It is a city of beer and bowling (i.e. Opening Caption of Laverne and Shirley). This is not the case anymore. Milwaukee has moved from manufacturing to service.
- The city is surrounded by farms and cows.

Barriers - Living Downtown

- Housing is expensive downtown.
- Property taxes are high.
- Milwaukee has fewer affordable housing opportunities.
- The affordable housing that is available is very old. There is a need to set aside a certain amount of residential development as affordable housing. The young professionals felt that affordable housing is condos under $200,000 and a one bedroom apartment at $600.00 a month for rent.
- People do not realize that you can live, work, and play downtown.
- Nothing to do in the winter months downtown. There are only a few choices available such as eating at a restaurant, going to the theater, stopping at a downtown tavern, or attending a Bucks or Admirals game.
- Milwaukee lacks a vibrant singles crowd.
- If you are planning on having a family, it is not convenient to live downtown.
- Perception of poor public schools.
- Concerns about segregation and lack of diversity. Milwaukee needs to take deliberate action to diversify the area for all races, ethnic groups, age groups, and economic groups.
- People's needs must be met to enhance the city.

Barriers - Transportation

- People do not like downtown traffic during rush hour.
- Bicyclists are concerned about safety.
- Milwaukee lacks a light rail system.
- A car is needed to get to things in the city.

Barriers - Economic Development

- Good restaurants and businesses operate in downtown Milwaukee. Attraction of new businesses is more of an issue than retaining existing businesses.
- Need to attract young professionals from Appleton, Oshkosh, Chicago, and New York.
- Milwaukee receives strong business competition from nearby Chicago.
- Lack of potential earning growth in Milwaukee is a concern.
- New ideas sit on the table in Milwaukee for months at a time. Milwaukee is losing investment capital due to lack of risk.

- Milwaukee focuses too much on what is negative; needs to promote the positives.
- Target Corporation is part of daily life. Downtown Milwaukee lacks not only national retailers, but also upscale retailers. For example, Milwaukee does not have a Crate and Barrel downtown.
- Milwaukee needs more hotel rooms downtown that are unique and upscale.
- Milwaukee lacks a downtown movie theater and has no defined arts and theater district. Need to drive to Mayfair Mall in Wauwatosa or New Berlin to see a box-office movie.

Steps needed by Downtown Milwaukee to attract more young professionals seeking residential, social, cultural, and employment opportunities.

An issue of concern is the fact that the workforce in Milwaukee is growing older. The 45 to 64 age cohort and 65 and over age group will continue to grow in number reflecting the aging of "Baby Boomers" (people born from 1946 through 1964). The population aged 25 to 44 will begin to decrease as baby boomers grow older and smaller age cohorts born in the 1970's move into this age group. This changing age composition will have major implications for the future labor market. Milwaukee will need to recruit a younger workforce to fill positions left vacant by retiring Baby Boomers.

Steps to attracting more Young Professionals - Transportation

- Young professionals feel burdened by the fact that they need to leave downtown to drive out to the suburbs to shop. For example, they expressed frustration with the fact that they need to drive to Wauwatosa or Waukesha to go to a Target store. Others felt that the downtown market could support a Crate and Barrel. They questioned why it located at Mayfair Mall in Wauwatosa. They view this example as a missed opportunity for downtown.
- The consensus was that light rail should be further pursued. It would reduce dependence on the automobile. In addition, young professionals expressed the need to link downtown Milwaukee with Madison and Chicago via high-speed rail. Efforts to extend the Metra line from Kenosha to downtown were viewed as a positive step in the right direction.
- A better bus system and public transportation would help to keep people downtown to live, work, and play.

Steps to attracting more Young Professionals - Economic Development

- Good business attraction starts with attracting Roundy's and Manpower to downtown Milwaukee. The trend in attracting diverse employers and additional new companies downtown must continue. Columbia St. Mary's Hospital was instrumental in attracting Whole Foods Market to Milwaukee.
- Milwaukee has major sports, recreational sports, social clubs, a young group of artists, and nearby state parks. These amenities are not promoted as a total package. If they were marketed collectively, people would be surprised by what downtown Milwaukee has to offer.

- City leaders are not accommodating to new businesses. Need to reverse the perception of Milwaukee as a "brats and beer" manufacturing town with not many activities to do. Milwaukee must pursue opportunities to change outsiders' perceptions. Need to attract big profile events like the X-games and Gravity Games downtown.

- Downtown must be more attractive for businesses. Milwaukee needs to take more risk. The city is building a base and bringing people downtown to live, but downtown needs to be more attractive to businesses. Right now, Milwaukee is a small market for consulting services and lacks attractive businesses.

- Downtown leaders must understand that Milwaukee competes regionally with Madison, Chicago, and Minneapolis for employees. It is important to connect new downtown employees with businesses downtown so they are aware of what products and services they can purchase downtown.

- Madison is developing new employment opportunities with biotech. Green technology is the next trend. Milwaukee should position itself to be a player in these industries. Harley Davidson and Northwestern Mutual are not going to be the city's economic foundation forever.

Positive and negative aspects of starting a business in Downtown Milwaukee expressed by young professionals

Historically, Milwaukee has had more success with local small businesses that have grown into large companies than with attracting large companies to the city. Young entrepreneurs need an environment to start, develop, and grow small businesses to provide additional employment opportunities in Milwaukee.

Business Development: Downtown Milwaukee's Positive Attributes

- Downtown Milwaukee is a prime place to start a business. Business costs and office space are affordable, there is a high concentration of people in the city, people have a good work ethic, the downtown is receptive to new businesses, downtown public relations is good, there is a college educated workforce, residents are easily impressed by new ideas, and Milwaukee has many untapped niches.

- Business owners are willing to share information with one another. Downtown provides good access to meeting successful business owners. These connections are necessary to be successful.

- Milwaukee has a wealth of continuing education opportunities and angel investors with money are willing to invest in businesses within Milwaukee. The Wisconsin Women's Business Initiative Corporation is a good resource for funding small businesses.

- People can live, work, and play downtown. People are asking for more businesses and shopping opportunities downtown. Currently, it is easier to start a business downtown due to less competition.

Business Development: Additional Needs to be Addressed in Downtown Milwaukee

- Milwaukee must pursue clustering of businesses that are compatible in downtown and on Brady Street. More shopping is needed.
- Festivals are a key in bringing people downtown. It is difficult to get people downtown between October and May. What is available for exercise downtown in the winter months?
- Milwaukee has a lower median income than surrounding suburbs. People in Milwaukee are frugal spenders.
- Parking is free in the suburbs, but metered downtown. People do not realize that it is free to park on downtown streets on weekends. Two hour metered parking is not long enough for shoppers.
- Milwaukee lacks diversity and is home to many Milwaukee lifers. These lifers are residents who have lived in the city their whole life. These folks for the most part support the status quo and do not embrace new ideas.
- Young professionals also expressed concern about the quality of the public high school system in Milwaukee.
- Milwaukee needs improvements in downtown transportation. Trolleys and high-speed rail are needed.
- High taxes and escalating health care costs are also a concern for businesses.

Conclusions

The preceding figures in Section 6 show that young professionals constitute a large portion of the Downtown Study Area's population and are a highly-educated component of the regional labor force. Furthermore, young professionals are a potential source of entrepreneurs, and could provide one means of addressing potential labor force gaps in the Milwaukee 7 Region. As young professionals will be a part of future economic development, their perceptions of Downtown Milwaukee and the overall region provide additional insight into potential economic and workforce development strategies. *However, note that these strategies are not intended to supplant or take priority over other urban economic and workforce development efforts.* Several researchers have suggested that resources and strategies targeting the attraction and retention of young, educated individuals are elitist and have the potential to promote gentrification, undermine poverty abatement programs, and erode broader workforce development efforts[8]. *Instead, development efforts that incorporate young professionals should be viewed as part of comprehensive downtown and regional development strategy.*

- Young professionals are concerned with Milwaukee's image. Focus group participants felt that the Milwaukee's appearance as a blue-collar town hurt its image with other potential young residents. However, young professionals also like the feel of Milwaukee. They enjoy its small city atmosphere and big city amenities. Young professionals also feel that Downtown Milwaukee is more friendly and welcoming than other cities around the country. Marketing efforts promote the current image and match the media preferences of this demographic may help to connect Downtown Milwaukee businesses and housing developments with this consumer segment These efforts could include marketing through new media outlets, so-called "Google bombing", podcasts, and MySpace pages about Downtown Milwaukee. The National Main Street Center's March 2007 issue of *Main Street News* provides a primer for marketing downtowns through podcasting.

- Young professionals also have recognized that Downtown Milwaukee is on the rise. Milwaukee is quickly evolving and up and coming, experiencing a renaissance with all the new housing and cultural developments. Consequently, young professionals could be enlisted as potential advocates for Downtown Milwaukee.

- Similar to the focus groups conducted for other consumers segments, young professional focus group participants desired increased retail activity. The Bureau of Labor Statistics Consumer Expenditure Survey (CEX) suggests that households headed by individuals age 25 to 34 tend to spend a higher than average share of their household income on dining out, alcoholic beverages, personal services, apparel, and entertainment.[9] *Many of these expenditure categories echo the retail preferences of younger residents shown in Section 4 and have been identified by other analyses as potential gaps in the Downtown Milwaukee business mix.*

- Again, young professional focus group participants echoed other focus groups in their desire for a comprehensive public transportation system that includes buses, light-rail passenger service and inter-city rail passenger service. Ideally, focus group participants also felt that these transportation systems would better connect Milwaukee with Chicago and Madison.

[8] Again, for one summary of these criticisms see Peck, Jamie. "Struggling with the Creative Class." *International Journal of Urban and Regional Research.* Vol 29.4, December 2005, pp 740-770.
[9] Bureau of Labor Statistics 2005 Consumer Expenditure Survey. Table 47 at www.bls.gov/cex

- A number of young professional focus group participants identified potential problems facing the Downtown Study Area such as rising housing costs and other forms of gentrification. These individuals suggested that Downtown Milwaukee should be positioned as a diverse area for all races, ethnic groups, age groups, and economic groups.

- As suggested in the introduction, young professionals have the potential to be an entrepreneurial group. Many focus group participants felt that Downtown Milwaukee is a prime place to start a business. Business costs and office space are affordable, there is a high concentration of people in the city, people have a good work ethic, the downtown is receptive to new businesses, and public relations are good. However, many young professionals also viewed the current economic climate as adverse to risk, unwilling to embrace new ideas, and somewhat unsupportive of small businesses. A number of entrepreneurial support activities such as mentor programs, pre-venture counseling, and entrepreneur groups could be targeted toward young professionals.

Section 7

Analysis of the College Student Market Segment

College students are an important consumer segment for many downtown businesses. Students tend to have high levels of disposable income and free time to make purchases on basic goods and services, entertainment activities, and a range of discretionary items. As many of these purchases are made in the areas directly around college campuses, these students are a key market for Downtown Milwaukee. In addition to their spending potential, college students are also increasingly important to regional economic development efforts. The growing importance of knowledge in a wide range of industry sectors has placed an emphasis on developing a highly skilled and educated regional workforce. While local colleges and universities have become catalysts for providing these young workers, regions throughout the nation are in competition for new graduates. A downtown rich in employment prospects, living opportunities, and amenities can help facilitate the retention of college students after graduation.

National Trends

Student populations at higher education institutions across the country are growing in response to the demand for a well-educated and knowledgeable workforce. Between 1970 and 2004, enrollment rates at the postsecondary level for ages 18 to 19 (the age at which college is typically started) increased from 37% to 48%. Similarly, postsecondary enrollment rates for ages 20 to 34, increased from 22% to 35%.[1] Given the growth in college enrollments, the importance of students as both a consumer segment and as potential contributors to the regional labor pool is at a premium for downtowns. Specifically, more than half of all colleges and universities are located in urban centers and their immediate surroundings.

Economic Power of College Students

College students represent considerable spending power. According to the 360 Youth College Explorer Study, conducted by Harris Interactive during the fall 2003 semester, U.S. college students ages 18 to 24 have $122 billion in spending power, including $24 billion in discretionary spending. *These figures translate to $13,000 in annual spending per student, 19% of which is discretionary income ($211 per month).*

Many of the top purchases made by college students are technology-related devices and services, including computers, broadband Internet connections, stereos, cell phones and service plans, televisions, DVD players, digital cameras, MP3 players, and gaming systems. More importantly, these electronic goods and services are not simply one time purchases. Students continue to purchase technology products and services in order to update and replace obsolete items.

[1] National Center for Educational Statistics (NCES); Current Fund Expenditures

In addition to their discretionary income, college students average 11 hours per day of unscheduled time (i.e. time when they are not sleeping, working, studying or attending class). Not surprisingly, much of this free time is spent on pursing entertainment and leisure activities. On a national level, students spend nearly $3 billion annuallly on movies, DVDs, music, and video game purchases and rentals. Music sales comprise $474 million in student spending, theater tickets account for $658 million, and video games are responsible for $341 million. Spending on in-home movies is also substantial, with $600 million spent on purchasing DVD's, and another $326 million spent on renting movies. In addition to watching movies at home, the average student views more than ten movies per year at the theater. Frequent visits to the movie theater correspond to students spending $70 annually on movie tickets, compared to $32 for the general population. [2] Table 7.1 reiterates the above information on entertainment and leisure spending.

Table 7.1 - Spending by College Students on Entertainment and Leisure Activities

Spending Category	2003 Yearly Spending (millions)
Purchase Videos/DVDs	$600
Purchase Music CDs/Tapes	$474
Purchase Video Games (not including equipment)	$341
Going to Movies	$326
Movie Rentals	$791

Harris Interactive/360 Youth College Explorer Study; fall 2003 [2]

In addition to their discretionary spending, college students typically spend large amounts of money when returning to campus each fall. The third annual *National Retail Federation 200 Back-to-College Consumer Intentions and Actions Survey*, conducted by BIGresearch, found that college students and their parents spent $34.4 billion on "back-to-school" items in 2005, up 33.8% from 2004. Because of their proximity, the shopping destinations nearby campus are most desirable for college students and their parents when making back-to-college purchases. More than half (59.8%) of students purchase back-to-college merchandise at a college bookstore, 55.8% shop at discount stores, 41.0% at office supply stores, 36.1% at department stores, and 32.0% make back-to-college purchases online.[3]

To further explore the national spending patterns of college students, market potential data from ESRI Business Information Solutions (ESRI BIS) Tapestry™ market segmentation system provides information on the "Dorms to Diplomas" (college student) consumers[4]. Using research from Mediamark Research Inc., Tapestry provides a nationally-based Market Potential Index (MPI) that measures the potential that college students will purchase a product or service, or participate in an activity. The U.S. index is 100. A value above 100 represents potential higher than the national level, while a value below 100 represents less potential.

[2] Harris Interactive/360 Youth College Explorer Study; fall 2003.
http://www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=835
[3] *NRF 2005 Back-to-College Consumer Intentions and Actions Survey*, conducted by BIGresearch; August 2004.
http://www.nrf.com/content/default.asp?folder=press/release2005 &file=btc0805.htm
[4] See Section 2 for more information on Community Tapestry

Table 7.2 summarizes many of the spending categories showing high Market Potential Indices among college students. Nationally, the spending potential data indicate that college students spend more money than the average U.S. consumer on products like designer jeans, laptops and electronics, movies, travel, and recreation. They prefer restaurants ranging from Chili's to Bennigan's; and clothing stores such as Express, The Gap, Banana Republic, and The Limited.

Table 7.2 - Spending by "Dorms to Diplomas" (College Students) ESRI Tapestry Segment

Spending Category	MPI		Spending Category	MPI
Sample Purchases			*Media*	
Bought men's designer jeans	238		Watches comedy central	250
Bought men's sweater	215		Watches VH1	255
Bought women's designer jeans	176		Read women's fashion magazine	224
Bought engagement ring	193		Public radio listeners	236
Drank beer	140		Radio format - rock	229
Bought adventure book	267		*Restaurants*	
Owns a laptop	241		Dined at Bennigan's	369
Owns a PDA	242		Dined at Boston Market	226
Purchased Sony Playstation	239		Dined at Little Caeser's	289
Purchased sofa bed	419		Dined at Chili's	212
Purchased office furniture	171		*Stores*	
Purchased cooking products	131		Shop at Banana Republic	369
Purchased bed/bath goods	113		Shop at Express	620
Purchased cell phone	147		Shop at The Gap	233
Purchased frozen pizza	130		Shop at Lerner	314
Personal Care			Shop at The Limited	387
Exercise at club 2+/week	211		Shop at Old Navy	181
Diet Control to maintain weight	158		Shop at Target	138
Use nutrition/energy bar	168		Shop at Wal-Mart	97
Wear contacts	208		Shop at TJ Maxx	182
Activities			*Recreation*	
Went to bar/nightclub	204		Went backpacking on vacation	306
Went dancing	254		Foreign travel personal reasons	259
Dined out in past 12 months	78		Participated in aerobics	193
Went to movies in past 6 months	118		Participated in bowling	254
Attended musical performance	187		Participated in Frisbee	327
Played pool	235		Participated in jogging/running	282
Played chess	212		Participated in tennis	318
Did painting/drawing	186		Participated in downhill skiing	205

Source: ESRI, Tapestry Users Guide CD

How Downtowns and Cities Can Serve the College Market

Given the economic importance of college students, it is vital that downtowns, cities, and regions take certain steps to meet the needs of this consumer segment, and ensure their continued participation in the local economy. While a good academic program is essential in attracting students to a particular college or university, equally important is the campus surrounding including quality retailers, entertainment venues, and cultural amenities. Local amenities provide students cultural and entertainment options that enhance students' quality of life and their education outside the classroom. *Furthermore, these amenities also promote the potential livability of the city after graduation.* An economically depressed city, hinders the recruitment of students, affects post-graduation retention, and encourages commuting students to leave campus after class to exercise their spending power elsewhere.[5] *In particular, cities and downtowns should concentrate on providing the goods and services that students seek, as well as creating a 24-hour living environment and atmosphere that will attract students to the college, the campus, and the community.*

One of the most important aspects of an appealing college city or town is an attractive selection of retail stores. According to *University Business Magazine*, developing a retail portfolio near campus provides a variety of benefits*. Vital retail offerings can satisfy students' needs, boost a school's image, attract faculty and staff, enliven surrounding neighborhoods, and strengthen revenue streams.*[6] As indicated by the preceding consumer data, students are interested in frequenting retail stores where they can purchase electronic goods, apparel, food and beverages, and entertainment-oriented products like movies and video games.

The creation of "destination" shopping complexes is another trend in campus-area retail development that has seen recent success. A destination complex is a mixed-use area that offers housing, office and commercial space. According to Robert Bronstein of The Scion Group, these environments are becoming increasingly popular among college students.[7] These complexes are attractive to students because they offer affordable housing, diverse dining options, a variety of retail operations (including both local and national chains), and entertainment options such as a movie theater. Destination complexes also create an enjoyable and lively atmosphere that brings students together outside of class and gives them an opportunity to interact in an exciting and safe environment.

Characteristics of Milwaukee College Students

The Milwaukee Metropolitan Statistical Area (MSA) has almost 97,000 college students[8]. Over 63,000 of these students live in the City of Milwaukee and 3,700 live in the Downtown Study Area (see Appendix 2A). Approximately 8.3% of the metropolitan area's residents age 15 and older are enrolled in college. Of the ten comparison cities, Milwaukee only trails Columbus, Ohio (at 8.6%) as indicated in Table 7.3. Given the presence of Ohio State University in Columbus, this difference is not surprising. The large number of regional college students provides a large spending potential and a prospective labor pool with a variety of fresh skills.

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[5] *University Business Magazine*; http://www.universitybusiness.com/page.cfm?p=1207
[6] University Business Magazine; http://www.universitybusiness.com/page.cfm?p=1082
[7]University Business Magazine; http://www.universitybusiness.com/page.cfm?p=1082
[8] The Milwaukee MSA includes the counties of Milwaukee, Waukesha, Washington and Ozaukee

Table 7.3 – College Students Residing in Selected Metropolitan Areas

Metropolitan Statistical Area	Population Age 15 And Over (2005 Estimate)	Total College Students (2005)	Population Age 15 and Over Enrolled in College (%)	Percent of College Students Between Ages of 15 to 24
Charlotte-Gastonia-Concord, NC-SC	1,159,925	78,582	6.8%	49.8%
Cincinnati-Middletown, OH-KY-IN	1,597,188	116,320	7.3%	57.4%
Cleveland-Elyria-Mentor, OH	1,662,737	124,904	7.5%	49.3%
Columbus, OH	1,308,117	112,715	8.6%	50.4%
Indianapolis, IN	1,238,848	85,635	6.9%	47.5%
Kansas City, MO-KS	1,505,427	109,977	7.3%	50.0%
Memphis, TN-MS-AR	957,101	65,382	6.8%	49.7%
Milwaukee-Waukesha-West Allis, WI	*1,168,884*	*96,713*	*8.3%*	*49.9%*
Nashville-Davidson-Murfreesboro, TN	1,103,276	74,331	6.7%	51.7%
Pittsburgh, PA Metro Area	1,905,512	138,256	7.3%	57.8%

Note: All figures are estimates based on a 90 percent confidence interval   Source: U.S. Census Bureau 2005 ACS

Due to the large number of colleges and universities located in or near its urban core, Downtown Milwaukee is a prime geographic location to take advantage of the economic power of the college student market. The area is home to 10 colleges and universities, both large and small, with a student population over 63,000. *If local students have spending patterns similar to the national average, the area's college students could represent a sizeable amount of discretionary spending potential.* Table 7.4 summarizes enrollment data for many of the local higher education institutions.

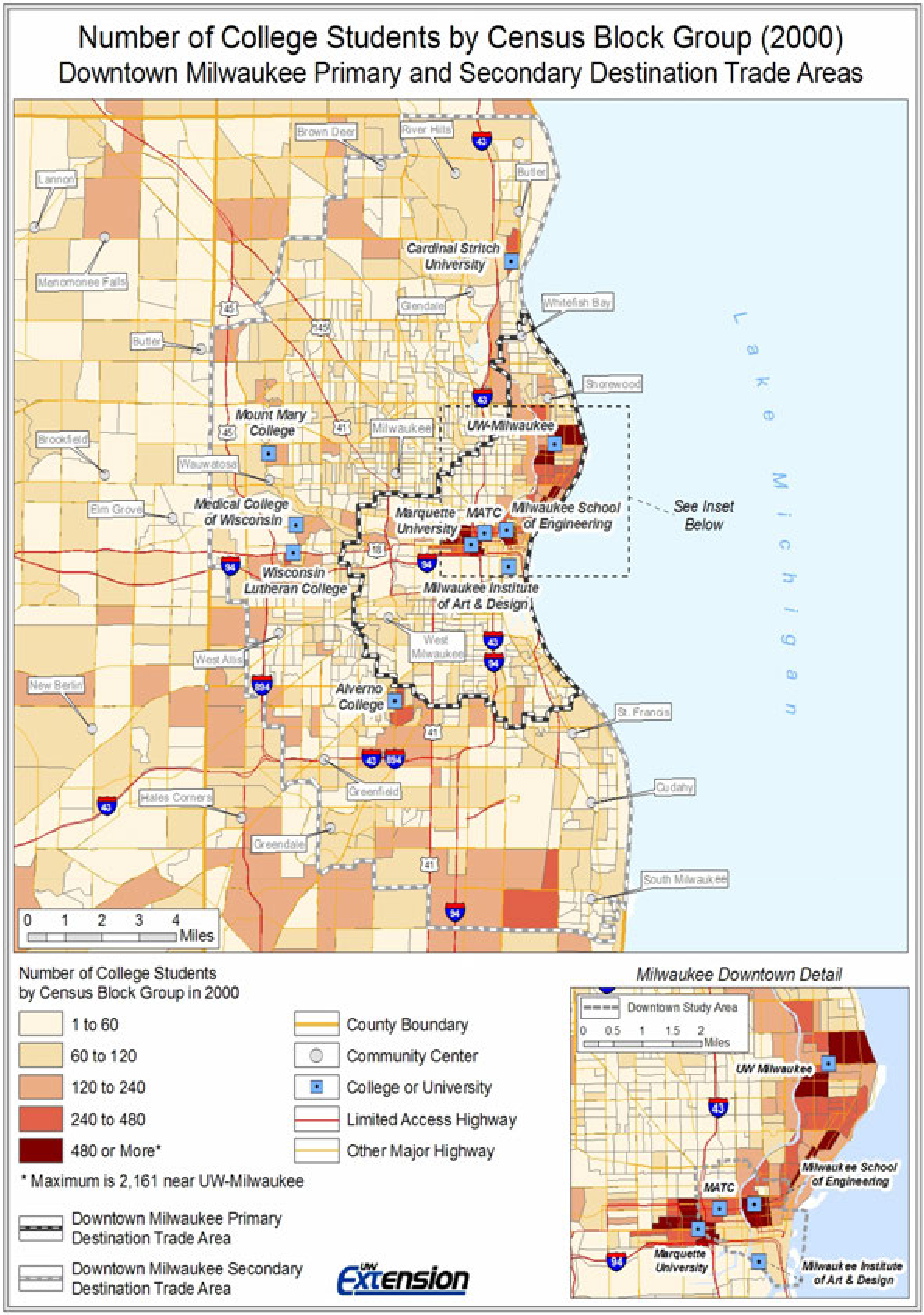
Map 7.1 (on the following page) illustrates the locations of Milwaukee's colleges and universities and the locations of college student residential concentrations. The map shows that many of Milwaukee's college students and campuses are located either in or near to the Downtown Milwaukee Study Area (including Marquette, MSOE, MIAD, MATC, and UWM). If Downtown Milwaukee businesses can effectively reach these students, college students could boost the potential for many downtown business categories.

Table 7.4 – Colleges and Universities in Milwaukee

Institution	Enrollment
Alverno College	2,372
Cardinal Stritch University	7,246
Marquette University	11,000
Medical College of Wisconsin	1,359
Milwaukee Area Technical College (MATC)	13,400 (full-time only)
Milwaukee Institute of Art & Design (MIAD)	630
Milwaukee School of Engineering (MSOE)	2,315
Mount Mary College	1,700
University of Wisconsin-Milwaukee (UWM)	23,000
Wisconsin Lutheran College	634

*Statistics are based on 2005 enrollment numbers and are approximate

Map 7.1 – Students, Colleges, and Universities in Milwaukee



Profile of Milwaukee's Largest Colleges and Universities

University of Wisconsin-Milwaukee

As Wisconsin's second largest university, University of Wisconsin-Milwaukee (UWM) is home to more than 28,000 students in 149 degree programs; including 81 undergraduate, 48 masters, and 18 doctoral. The school is divided into 12 schools and colleges, with more than 70 scholarly centers, institutes and laboratories. UWM also serves area residents through its School of Continuing Education. With more than 35,000 annual participants, UWM provides classes, seminars, special events, and educational tours and trips.

Of UWM's 23,000 students, approximately 83% are enrolled as undergraduates and 17% are enrolled as graduate students. In addition, a large portion (39%) of the student population is enrolled only part-time. Women represent slightly more than half (56%) of the student population and the average age of all students is approximately 25 years. UWM serves a diverse population with 8% of its students being African American, 2% Asian, 2% Southeast Asian, 1% Native American, 4% Hispanic and 80% white. UWM is also home to approximately 700 international students from 78 countries, 3% of its student population. The university has a research budget of $22 million and receives $72 million in federal aid, grants and contracts. The school also participates in NCAA Division I athletics[9].

UWM is located on the Upper East Side of Milwaukee within a residential area five blocks from Lake Michigan. The neighborhood is a mix of single-family homes, duplexes, and apartment buildings, and is home to many faculty, staff, and students. The UWM campus is a blend of 19th century buildings and new architecture with the latest in educational technology.

Milwaukee Area Technical College MATC

Founded in 1912, MATC is one of the Midwest's largest community-based technical colleges. The college offers 200 degree, diploma, certificate and apprentice programs at 4 Milwaukee area campuses: Downtown Milwaukee, Mequon, Oak Creek and West Allis. The educational options at MATC include pre-college education, technical programs, 4-year college transfer programs, outreach programs, and short-term training. Classes are held during the day, evenings, weekends, and online.

The college serves about 57,000 students per year, the majority of whom attend part-time. Full-time equivalent enrollment (total credits taught, expressed as full academic loads) is approximately 13,400 students. Forty-four percent of students identifying ethnicity are minorities, making MATC the most diverse college in the state. The student body also is the state's most diverse in terms of age and social background. While non-traditional adult learners remain the backbone of the institution, MATC has a large influx of traditional college students transitioning directly from high school. *Although the average student age is 28, 19 year-olds currently constitute the most populous age band at MATC*.

[9] *student body statistics for UWM are from 2001

Marquette

Marquette is a private Jesuit university that was established in 1881. It ranks as the largest Jesuit university in the country and the largest private university in Wisconsin. The University ranks in the top 100 of U.S. News top colleges and is often a destination for the best students in Wisconsin and Illinois.

Located in the heart of Milwaukee on an 80-acre campus, Marquette is home to nearly 7,800 undergraduates and more than 11,000 total students, including dental, graduate and law students. The university has 11 schools and colleges and offers 60 different majors. Marquette University reports having students from all 50 states and over 80 countries. The class of 2007 comprises 1,887 students; 55.4% female and 44.6% male.

Milwaukee School of Engineering

With a student body of approximately 2,300 individuals, the Milwaukee School of Engineering (MSOE) offers bachelors, masters, and certificate programs in six fields of study, with an emphasis on engineering and technology. Additional opportunities include minors, double majors, dual-degrees, study abroad programs, and ROTC. The majority of students (1,858) attend full-time, although the school has 457 part-time students as well. Of the enrolled students, 2,092 are undergraduates, while 223 are graduate students. Approximately 900 students live in university residence halls situated on MSOE's 15-acre campus in Downtown Milwaukee. Eighty-three percent of undergraduate students are men, with women comprising only 17% of the student population. Similarly, 77% of graduate students are men and 23% are women. Minorities account for 10% of the undergraduate population and 7% of the graduate student body. The majority of the full-time undergraduates (1,249 students) are originally from Wisconsin.

Focus Group Findings - College Students in Region

A series of three, ninety-minute focus groups were conducted in April 2006 by the University of Wisconsin-Extension Center for Community and Economic Development to gather information about college students' perceptions of Downtown Milwaukee. Students from Marquette University, Milwaukee School of Engineering, and University of Wisconsin-Milwaukee were invited to attend. The students represented a diverse geographic mixture, including those who were from southeastern Wisconsin, the entire state, and other areas of the nation.

Objectives

Focus groups were conducted to achieve three objectives:

1. Determine Milwaukee's strengths and weaknesses from the perspective of college students' attending school in the area.

2. Analyze the contributions that Milwaukee's social, cultural, and shopping opportunities make in the students' overall college experience.

3. Determine if the students saw Milwaukee as a place that they would consider living after they graduate.

Focus Group Questions

The following questions were used to guide the focus group discussions:

- If you were describing Downtown Milwaukee to new or prospective students, what words or phrases first come to mind?

- Think back about other downtowns around the nation where you may have lived, visited, or perhaps thought about living after college. What characteristics of those cities make them more desirable than Downtown Milwaukee as a place to live or work? What characteristics make them less desirable?

- For a moment, think about your college experience in Milwaukee. As part of your college experience, think about the cultural, social and shopping opportunities in the Downtown. How have these opportunities in Downtown Milwaukee contributed to your overall college experience?

- As a student, consider your picture of an ideal Downtown Milwaukee for social, cultural and shopping opportunities. From your perspective as a student, what could be done to improve Downtown Milwaukee in any or all three areas?

- At some point, you will be graduating from college. You will be faced with a choice to either stay in the area or leave for opportunities elsewhere. What aspects of Milwaukee would convince you to remain in the area or leave?

The following comments were made by participants in facilitated focus groups and are not the opinions of Milwaukee Downtown BID #21 or University of Wisconsin-Extension Center for Community and Economic Development.

Downtown Milwaukee from the perspective of college students

Following are descriptors current college students would use to describe Downtown Milwaukee to prospective students:

- Attractive Environment: Students described Milwaukee as being a nice looking community, commenting on the lake, parks, and open spaces. Those students from outside of the Milwaukee area commented that Milwaukee was different, or not as industrial, than they had expected. They noted improvements being made in the city, and also appreciated Milwaukee's historic nature. Many described Milwaukee as being the "perfect size" – big enough for diversity in options, but small enough not to be overwhelming. Students felt safe in the downtown, as long as they took common sense safety precautions. Despite mostly positive comments about Milwaukee's environment, many commented about the odor around the lake.

- Few Underage Social Activities: Students commented that there are no under-age establishments, no first-run movie theaters, and no inter-collegial gathering places other than bars. There are pockets of fun places to "hang out", but much of the city empties out after work hours. There are more opportunities for underage social activities in the summertime, but not all students stay in Milwaukee over the summer – they miss-out on the "full picture of what Milwaukee is all about."

- Accessible: The bus system is fairly easy to navigate and many relied on the bus system. Some participants commented that there was limited availability of transportation later at night.

- Affordable: There are offers and deals for students if they look for them.

Desirable and less-desirable characteristics of Downtown Milwaukee

Focus group participants were asked to compare Downtown Milwaukee to other downtowns they'd either lived in or visited.

- Few Job Opportunities: Overwhelmingly, many participants pointed to a lack of opportunity in the Milwaukee area. "There is no industry hold," commented one student. "Milwaukee does not have a good climate for entrepreneurship," said another.

- No Sense of Place or Cultural District: Participants pointed to a desire for there to be either a cultural district where many activities were available in one place or street (students mentioned Beale Street, Michigan Avenue, and State Street) – or, for the various pockets of activity to be tied together (one student suggested uniform lighting) so the city would feel more cohesive. Many thought of the river as an untapped opportunity.

- Good Size and Hometown Appeal: Students felt that because of the city's size, there are opportunities to live, work, and recreate in the same community.

- Transportation: Students would like to be able to utilize transit rail. "Other cities are easier to navigate," one student commented. Many students said that late night transportation, including taxis and buses, is not sufficient.

Contributions of cultural, social, and shopping opportunities to college experience

The college students participating in the focus groups recognized that there are more opportunities available to them within an urban environment and that such an environment was part of the appeal for attending school in Milwaukee.

- Shopping: Overall, students were disappointed with shopping opportunities in Milwaukee. Many clearly favored Mayfair Mall for shopping opportunities, but stated that transportation to Mayfair Mall is time consuming and not available later at night. There have been some improvements at Grand Avenue Mall, but the mall and the downtown shopping district are not reaching their full potential. "Big cities should be places where you can find things," said one student, also pointing out that enhanced shopping opportunities should be a priority for catering to business travelers. Finally, many students expressed their desire to see, and frequent, locally owned small businesses – not just large chains.

- Social: Student's described Milwaukee as a college town with few opportunities for students to meet and gather inter-collegially. There are no underage establishments or first-run movie theaters. Students enjoy parks and open spaces, but activities within those spaces should be enhanced.

- Culture: There are many opportunities for art and sporting events, but fewer for the fine arts (e.g. symphony and ballet) and sciences. Many of the existing opportunities are affordable, but students would like to have more student discounts and have more cultural activities available to them in non-summer months.

Ideal social, cultural, and shopping improvements

The following improvements could be made to enhance the college experience for students:

- Targeted Marketing for Students: Make information easily available for college students. Create special promotions for students and develop a communication plan to attract the student market segment.

- Improved Transportation: Including a transit system, readily available parking, consistent metering, and improved signage.

- Improve walk-ability: Pointing again to a sense that Milwaukee has disconnected pockets of activity, participants suggested increasing the feel of connectivity between active locations (Brady, Lakefront Milwaukee, Water, Third Ward) with transportation links or uniform lighting. They also suggested enhancing the walk-able appeal of streets with inviting boutiques, café's, and coffee shops.

- Promote smaller, locally-owned businesses: Students in each of the three focus groups expressed their preference for small businesses over chains and elements of commercialism.

Aspects of the city that would make students stay or leave Milwaukee after graduation

- Job Opportunities: The critical determinant for whether students would stay or leave was the ability to find a job in the area. Students commented that the prospect for employment in Milwaukee was not good. "This market is too small for the profession I'm going into," commented one student. The participating students did not perceive Milwaukee as a "creative, innovative, entrepreneurial climate" that would be desirable for locating for a job.

- Housing Affordability: Pointing to a growth in condominium development, focus group participants were concerned about affordability in Downtown Milwaukee. Some suggested that they would not be able to afford to live in Downtown Milwaukee and that their preference was to live and work in the same proximity.

- Age and Stage in the Lifecycle: Students said that they could see themselves living in Milwaukee in their 20's and 30's, but saw the city as undesirable once they had families. Examples of undesirable characteristics included an ailing public school system, "MPS has such a bad reputation that I wouldn't want my kids to go there;" lack of family activities; and increased concerns about crime.

- Climate: Students indicated that they enjoyed the four seasons, but that there were few activities in non-summer months.

- Size: Milwaukee's size had both positive and negative appeal for students.

- Positive: "Milwaukee is just the right size," said one student. Others appointed to its affordability in comparison to larger cities.

- Negative: Some students commented that Milwaukee is too small to offer diverse opportunities for jobs. Another stated that he wanted to "live in a transportation hub," and didn't see Milwaukee as being capable of reaching that potential.

- Safety: Some students expressed concern about crime, pointing to Milwaukee's murder rate. Other students said that there should be increased police presence, especially in areas of activity.

Conclusions

- College students tend to have large amounts of disposable income and leisure time. Consequently, students often spend money on technology/electronic goods and services, entertainment options, and basic consumer goods like snack foods and beverages. Students tend to spend more than average U.S. consumers on products like designer clothing, computers, movies, travel, and recreation. When considering these purchasing preferences and comparing them to the Downtown Milwaukee retail offerings, a number of retail gaps are apparent. *Specifically, Downtown Milwaukee lacks a number of national apparel retailers favored by college students, a movie theater, and stores with a large selection of electronics products (such as a Best Buy or Circuit City). Students would also like to see more locally owned businesses; which are preferred over chains by many. Given the lack of these stores, it is not surprising that many college students in the focus groups favored Mayfair Mall as a shopping destination. Developing these types of retail offerings may help to capture more student spending in Downtown Milwaukee.*

- When students spend their money, they usually shop at stores close to campus or at shopping “destinations” that might offer entertainment and food options as well as retail stores. *Increased marketing to college students (especially those outside of the Downtown Study Area), may help to position Downtown Milwaukee as a destination in the minds of college students.*

- College students often are attracted to city amenities such as a diverse selection of retail stores and a 24-hour living environment where they can interact with their peers and feel integrated with the city. Again, marketing efforts that target existing and potential college students could increase the visibility of Downtown Milwaukee as a shopping and entertainment destination. One specific effort was identified during the focus group sessions. In particular, a number of college students noted that there are more opportunities for underage social activities in the summertime, but not all students stay in Milwaukee over the summer. Consequently, many of these students fail to benefit from the “full picture of what Milwaukee is all about.” *Marketing efforts and employment/internship programs that encourage students to live in Milwaukee during the summer may help to expose college students to diverse entertainment options and a new aspect of Milwaukee’s quality of life.*

- Milwaukee is poised to take advantage of the growing trend in student spending due to the large student population (approximately 63,000 students) in or near the downtown area. Furthermore, the Milwaukee metropolitan area has the second highest percentage of college students among the ten peer metro areas studied. While many focus group participants value the city’s size and outdoor amenities, several barriers to capturing student spending potential were also identified. *These barriers included a limited number of underage social activities, no defined central cultural district, limited public transportation options, and no first-run movie theaters*.

- While many focus group participants clearly favored Mayfair Mall for shopping opportunities, many students also stated that transportation to Mayfair Mall is time consuming and not available later at night. *Increasing the retail choices in Downtown Milwaukee, including locally owned businesses, and encouraging longer business hours may provide students with an alternative to shopping destinations such as Mayfair Mall.*

- When thinking about staying in Milwaukee after graduation, many focus group participants feel the city lacks job opportunities and affordable housing. Furthermore, a number of college students feel they could live in the city during their 20's and 30's, but expressed concern that Milwaukee was not a desirable place to raise a family due to a poor public school system and high crime rate (several of the same concerns were expressed by young professional focus group participants in Section 6). As current college students are potentially part of the region's future labor force, overcoming negative perceptions about public schools, crime, downtown housing options, and the local job market will be several keys to retaining college students in Downtown Milwaukee. Several strategies for overcoming these images of Milwaukee will be explored further in Part III.

Analysis of the Visitor Market Segment

Section 8

The visitor and tourist market is a significant component of urban economies. For many cities, tourism is one driver behind downtown revitalization and re-investment. It is the catalyst for a wide range of capital improvement projects and development opportunities such as transportation and infrastructure, hotels, retail, and entertainment-based facilities. Accordingly, many local governments, developers, investors, and business operators have recognized the importance of tourism to transforming their cities and creating economic growth.[1]

National Trends

According to research published by the National League of Cities, tourism, leisure, entertainment, and culture has emerged as one of the fastest-growing and most dynamic sectors of the global economy. While tourism-related businesses can be small in scale, many cities have recently embarked on larger scale infrastructure projects such as convention centers, sports arenas, performing arts centers, historic preservation projects, and entertainment districts with varying degrees of success. While the tourism industry is often criticized for its lower wage and benefit structure, tourism and entertainment are often components for boosting urban and regional economic vitality, attracting visitors, and enhancing the overall quality of life for area residents.[2] *Furthermore, specific sectors in the tourism industry can pay high average earnings and return high levels of income to local proprietors.*

Visitors can be segmented into business/convention travelers and leisure travelers. As many business and leisure attractions are found in urban areas, it is not surprising that the demand for travel into cities has greatly increased over the last few decades. In his book *Urban Tourism: The Visitor Economy and the Growth of Large Cities*, Christopher Law examines the relationship between tourism and urban areas. The author identifies a number of primary and secondary elements driving urban tourism. Using these elements, along with other case studies on urban tourism, the following list includes several of the key elements important to building tourism in urban areas[3]. *Note that each of these elements is also found in the Downtown Milwaukee Study Area. While each element is presented separately, these elements also have a high degree of synergy and connectedness.*

- *Historic Districts* - Historic attributes of buildings, streetscapes, neighborhoods, and special landmarks emphasize the local character of an area. Historic districts are generally pedestrian-friendly with a mix of accessible attractions and amenities. Beyond their educational component, these districts also generate a sense of place and provide the urban visitor with memorable experiences.

- *Waterfronts* – For purposes of transportation, industry, or entertainment, urban waterfronts have always attracted people out of necessity or pleasure. More recently, cities and private investors have focused attention to waterfronts as they pose opportunities for tourism, economic, and community development. San Antonio, Texas is one specific example of a successful riverfront development. San Antonio has capitalized on the city's water by

[1] Urban Land Institute "Transforming and Energizing Cities: Urban Tourism as Catalyst", 2005
[2] Tourism and Entertainment as a Local Economic Development Strategy, National League of Cities, 2000
[3] Law, Christopher. 2002. Urban Tourism: The Visitor Economy and the Growth of Large Cities. London: Continuum.

creating the San Antonio River Walk, which creates aesthetic and entertainment value while also generating tourist dollars for the city.

- *Convention Centers and Exhibitions* - Convention centers and exhibitions are often regarded as one of the staples of urban tourism. In some cities, up to forty percent of overnight visitors are attributed to this type of business tourism. Convention centers and exhibitions are perceived as year-round draws in which visitors spend an above average amount. However, this segment of the tourism industry also has experienced growing competition over the past decade.

- *Festivals and Cultural Events* - Festivals and cultural events have become an increasingly popular avenue for cities to boost tourism. Festivals range in size and scale from one time events such as the Olympics to annual events like Summerfest or gallery nights. While these events are important, their impact on a city's tourism industry depends on the attendance, and the type of outside visitors.

- *Special Visitor Districts* - Special visitor districts are places where visitor attractions such as cultural, amusement, or sports facilities are clustered in one location. The creation and marketing of these districts can attract tourists, provide greater amenities for local residents, and facilitate urban renewal. Special visitor districts enable visitors to move easily from one attraction to another and can encourage more visitors due to their creation of a critical mass of attractions. Examples of these visitor districts include Chicago's Navy Pier, Baltimore's Inner Harbor, and Denver's LoDo area.

- *Tourism Employees and Residents as City Ambassadors* - Friendliness is one of the most important socio-cultural features of the tourism industry. However, hospitality does not rest solely with tourism employees. Every person working and living in the city who has visitor contact should be an advocate for the city's restaurants, hotels, museums and other entertaining places. For urban tourism to grow and prosper, everyone from taxi drivers to retailers to residents should act as tourism agents and provide their guests with positive experiences.

- *Retail and Dining Facilities* - Although shopping and restaurants are regarded as a secondary element of tourism, these establishments are an important part of the visitor economy. In fact, shopping and eating are among the most common activities pursued by visitors. As shopping has become a leisure activity, a vibrant retail and dining mix is an increasingly important component to attracting visitors and capturing their spending potential.

Significance of Shopping by Tourists

Shopping is considered the most universal element in tourist experiences. According to the *Tourism Works for America Report - 1998* by the Travel Industry of America Association (TIA), shopping was ranked first among the most popular leisure activities among U.S. resident travelers, as well as by U.S. travelers to the U.S. *Tourists are believed to spend 8.2% of all retail dollars in the U.S.*

Tourists also spend approximately one-third of their total travel expenditures on shopping. For many communities, tourist product sales are an important income source for many people. For example, year 2000 research by the TIA suggests that tourists spend more on clothing or shoes for themselves or others (77%) rather than on souvenirs. Items purchased on the most recent trip by survey respondents are listed in Table 8.1. Many of these purchases show the potential impact of tourists on a variety of business categories.

Table 8.1 – Items Typically Purchased by Tourists

Category	Visitors Reporting a Purchase
Clothing or shoes	77%
Souvenirs	49%
Books or Music	42%
Specialty foods/beverages	41%
Kids toys	39%
Items/crafts, local or unique to destination	37%
Jewelry or accessories	36%
Home accessories or furnishings	23%
Home electronics	16%
Sports equipment	15%
Camera and/or equipment	15%
Artwork	15%
Luggage	9%
Camping equipment	7%

Source: Travel Industry of America Association

Characteristics of Downtown Milwaukee Attractions

Tourism and hospitality is a large sector of the regional economy (see Section 3). The promotion and further development of the tourism industry could help Milwaukee businesses serving this sector (restaurants, entertainment, specialty retail, etc.), while also adding to the quality of life for existing residents and business operators in other industry categories.

Milwaukee offers diverse visitor experiences. The Lakefront or the Third Ward may be the up-and-coming spots for some, while other visitors may enjoy Milwaukee's historical past and sense of tradition, such as the Jazz in the Park event at Cathedral Square or the many restaurants that offer bratwurst and local beers. In addition, there are many other attractions appealing to visitors. Art, architecture, museums, cafes, theater, sports, the Lakefront, and weekend festivals bring over 6 million visitors to the city annually. Over a half million visitors per year are convention attendees. In terms of visitor origin, 47% are from Wisconsin, 49% from other parts of the US, 2% from Canada, and 2% are other international travelers.[4]

Economic Impact of Tourism

In Wisconsin, the tourism industry contributes a notable share of the state's income, accounting for roughly two billion dollars in state and local revenues in 2005[5] According to the Department of Tourism, Milwaukee County ranks first in the state for traveler spending, contributing 13% of all traveler expenditures. Economic impact estimates for Milwaukee County (including the downtown area) are presented below:

- Travelers spent an estimated $1.5 billion in Milwaukee County in 2005 (53% higher than the $1.0 billion estimated for ten years earlier).
- Employees earned an estimated $914 million in wages from tourist spending.
- Traveler spending in 2005 supported 38,700 full-time equivalent jobs.

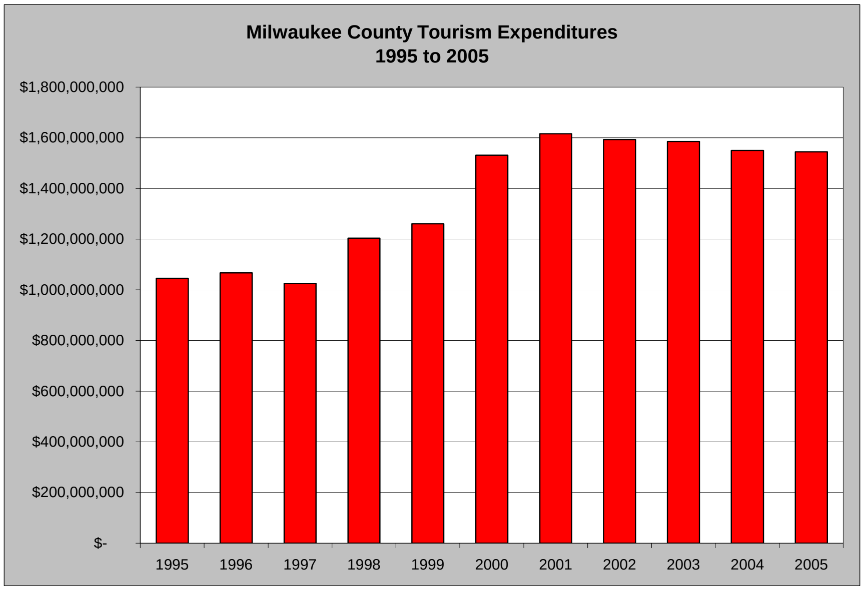
[4] Wisconsin Department of Tourism, http://agency.travelwisconsin.com
[5] *Annual Report of the Economic Impact of Traveler Expenditure on Wisconsin*, prepared by Davidson-Peterson Associates, 2006.

- Local revenues (property taxes, sales taxes, lodging taxes, etc.) collected as a result of travelers totaled an estimated $69 million in 2005.

- Visitors generated $181 million in state revenues (lodging, sales taxes, etc.).

Chart 8.1 illustrates the growth of tourism expenditures through 2001, and the slight decline that followed. The expenditure trend shown in Chart 8.1 is typical in many areas as a result of the travel decline following the tragic events of September 11, 2001.[6]

Chart 8.1 – Milwaukee County Tourism Expenditures



Source: Wisconsin Department of Tourism and Davidson-Peterson Associates, Inc.

Tourism Facilities and Infrastructure

Milwaukee is a major Midwest destination for transient traveler and group meeting attendees. Downtown tourism facilities include the Midwest Airlines Convention Center, twelve hotels, 156 restaurants, museums, performing performance arts facilities, sports arenas, retailers, and festival grounds. Since 1998, $2.2 billion has been spent on tourism development, including the Midwest Airlines convention complex, Miller Park, the expanded Milwaukee Art Museum, an expansion to the Potawatomi Bingo Casino, the Milwaukee Public Market, the new high-speed ferry “Lake Express” between Milwaukee and Muskegon, MI, and new hotels, including Hotel Metro, Milwaukee's first boutique lodging establishment. In the next several years, a number of additional visitor attractions will be added to Downtown Milwaukee:[7]

- *Discovery World at Pier Wisconsin* - Discovery World is located on Milwaukee's lakefront between the Milwaukee Art Museum and the Henry Maier Festival Grounds. The non-profit freshwater education center and museum offers 120,000 square feet of interactive experiences and dynamic laboratories that highlight water, freshwater marine life and nautical science. Several large aquariums, both fresh and salt water, provide close contact with many water creatures unique to our area. It is also home to the S/V Denis Sullivan, Wisconsin's flagship schooner. In fall 2006, doors fully opened to the public.

- *Harley-Davidson Museum* - Harley-Davidson Motor Company is planning a state-of-the-art museum complex, located near downtown in the Menomonee Valley, creating an international attraction drawing visitors to experience the culture, history, product and people of Harley-Davidson. The Museum will celebrate the company's rich motorcycle legacy along

[6] While its reliability has been questioned, the Davidson-Peterson Associates impact data is the only year-to-year impact data produced for the Milwaukee County tourism industry
[7] Metro Milwaukee: http://www.metromilwaukee.org and Visit Milwaukee : http://www.visitmilwaukee.org

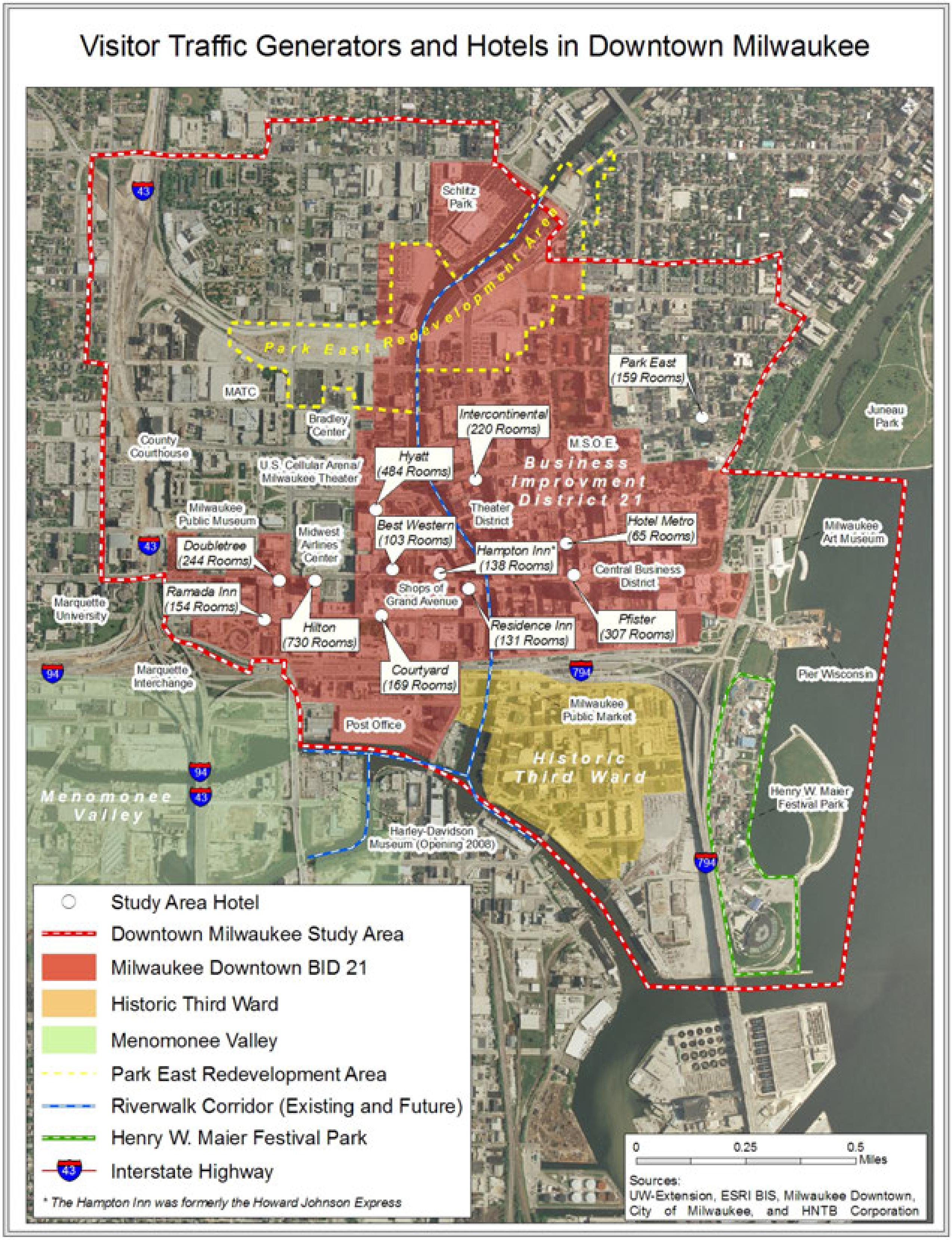
with highlighting the passion and enthusiasm of riders. The Museum will be completed about two years from the time construction begins and is expected to open in 2008. When completed, it is anticipated to attract an estimated 350,000 visitors annually from around the world.[8]

- *New Amtrak Station* - A $15.2 million facelift will transform Downtown Milwaukee's Amtrak station to a spacious hub for trains and Greyhound buses. According to city officials, the overhaul could be a catalyst for development that would bring housing, retail and possibly even a hotel to what is now a warehouse near the railroad tracks and the Menomonee River. New retail and offices as well as an update of passenger amenities could also bring additional tourism activity to the city of Milwaukee.

Map 8.1 illustrates the locations of many of the aforementioned tourism facilities serving downtown visitors. While visitor attractions tend to be located in the central Study Area and along the lakefront, many of these tourism traffic generators are scattered throughout Downtown Milwaukee. The locations of these attractions could provide a challenge for visitors as these facilities do not create synergy among one another. However, the opening of Pier Wisconsin adjacent to the Art Museum and the Henry W. Maier Festival Park will help to create a critical mass of attractions along the Lakeshore.

[8] Harley Davidson: http://www.h-dmuseum.com

Map 8.1 – Downtown Milwaukee Tourism Facilities



To better understand tourism infrastructure in Downtown Milwaukee, it is useful to compare Milwaukee to the downtowns of similar metropolitan areas around the country. For the purposes of this analysis, Downtown Milwaukee was compared to the tourism facilities in Charlotte, NC; Cincinnati, OH; Cleveland, OH; Columbus, OH; Indianapolis, IN; Kansas City, MO; Memphis, TN; Nashville, TN; and Pittsburgh, PA[9]. For each of these cities, a one-mile radius around the central business district was analyzed. A one-mile radius was used as it represents an area similar to that of the Downtown Milwaukee Study Area. *Note that the figures in the following tables may differ from those published in other sources due to various methods used to define downtown geographic areas.*

Hotels

Compared to its peer cities, Downtown Milwaukee appears to have fewer hotel rooms. Only Cincinnati and Memphis have a smaller number of hotel rooms in their downtown area. Both Milwaukee's room tax and total tax paid on rooms appears to be in the middle range when compared to the comparable cities. *Note that the number of hotels and rooms is current as of summer 2006. These figures do not reflect hotels either proposed or currently under development.*

Table 8.2 - Lodging Data for Downtown Milwaukee and Comparison Cities

Downtown Area	Number of Hotels[1]	Number of Hotel Rooms[1]	Hotel Occupancy[2]	Room Tax Rate %[2]	Total Tax Paid on Room %[2]
Milwaukee	12	2,908	64.2%	9.0	14.6
Charlotte	14	3,937	68.8%	8.0	15.5
Cincinnati	7	2,669	-	10.5	17.0
Cleveland	13	3,608	-	8.0	15.5
Columbus	13	3,164	60.2%	10.0	16.75
Indianapolis	18	4,831	-	9.0	15.0
Kansas City	8	3,471	-	6.925	14.475
Memphis	10	2,321	63.8%	6.7	15.95
Nashville	12	3,049	62.3%	5.0	14.25
Pittsburgh	8	3,354	-	7.0	14.0

Sources: 1. AAA "Tour Books" 2005, 2. Self-reported data from CVB's and Smith Travel Research

Restaurants

According to data from InfoUSA, Milwaukee has 156 restaurants in the Downtown area. The number of restaurants in Downtown Milwaukee is in the middle range of the comparable cities which range between 105 and 230 restaurants. Note that these figures do not distinguish among the various restaurant concepts present in each downtown area. Furthermore, these numbers will change regularly due to the dynamic nature of the restaurant industry.

Table 8.3 – Restaurants in Downtown Milwaukee and Comparison Cities

Downtown Area	Number of Restaurants
Milwaukee	156
Charlotte	133
Cincinnati	188
Cleveland	190
Columbus	150
Indianapolis	162
Kansas City	116
Memphis	105
Nashville	129
Pittsburgh	230

Source: InfoUSA

[9] The rationale for comparing these cities to Milwaukee is outlined in the introduction to this report.

Museums

Table 8.4 compares the number of museums present in Downtown Milwaukee to those in the comparable cities. The number of museums in Downtown Milwaukee is similar to the comparison cities, with only Indianapolis having a significantly larger number. The Downtown Milwaukee Study Area's six museums include the Milwaukee Public Museum, the Milwaukee Art Museum, the Betty Brinn Children's Museum, Discovery World, the Eisner Museum of Advertising and Design and the soon-to-open Pier Wisconsin. Attendance figures for these museums are listed in Table 8.6.

Table 8.4 – Downtown Museum Comparison

Downtown Area	Number of Museums
Milwaukee	6
Charlotte	6
Cincinnati	4
Cleveland	8
Columbus	8
Indianapolis	11
Kansas City	3
Memphis	8
Nashville	6
Pittsburgh	7

Sources: InfoUSA and local research

Convention and Meeting Facilities

Downtown convention space in the comparison cities ranges from 119,000 square feet in Nashville to 426,000 square feet in Columbus. Milwaukee's 189,000 square feet at the Midwest Airlines Center was in the middle range with five cities have more and four having less space. Other local competition not shown in Table 2.5 includes the McCormick Place Convention Center in Chicago, the facilities in Wisconsin Dells, and smaller spaces such as Monona Terrace in Madison and the newly opened Renaissance Schaumburg Hotel and Convention Center in Schaumburg, Illinois.

Table 8.5 – Convention Space Comparison

Downtown Area	Convention Space
Milwaukee	189,000
Charlotte	280,000
Cincinnati	162,000
Cleveland	375,000
Columbus	426,000
Indianapolis	404,000
Kansas City	388,000
Memphis	165,000
Nashville	119,000
Pittsburgh	131,000

Sources: Visit Milwaukee and local research

Attraction Attendance

While no comparison data is readily available, it is important to identify some of the other visitor attractions that draw people into Downtown Milwaukee and the Milwaukee region. Tables 8.6 to 8.8 report information on Milwaukee attractions that generate the highest attendance. Table 8.9 lists key event facilities and performing arts venues. While not all of these attractions are located downtown, these venues do generate a significant number of visitors into the Milwaukee area. When marketed together as part of the greater Milwaukee visitor experience, these attractions could help to encourage visitation to Downtown Milwaukee. *Note that the visitation and attendance levels in the following tables do not differentiate between local and non-local visitors.* Of all the regional attractions, the highest attendance is generated by the Milwaukee Brewers at Miller Park. Within the Downtown Study Area, the Milwaukee Public Museum and the Milwaukee Art Museum combine to generate one million visitors annually to Downtown Milwaukee. Furthermore, the various events at Henry W. Maier Festival Park generate significant visitor traffic throughout the year.

Table 8.6 – Major Non-Sporting Attractions in or near Downtown Milwaukee

Attraction	Attendance 2004	Description
Downtown Attractions		
Milwaukee Public Museum 800 W. Wells St. Milwaukee, WI 53233	671,014 (including IMAX)	A natural and cultural history museum featuring three floors of exhibits.
Milwaukee Art Museum 700 N. Art Museum Drive Milwaukee, WI 53202	313,778	Exhibitions from permanent collection and large touring exhibits. Educational programs for children and adults.
Betty Brinn Children's Museum 929 E. Wisconsin Ave. Milwaukee, WI 53208	148,458	Hands-on museum for children ages 10 and under; interactive exhibits about the arts, sciences and social skills
Discovery World 815 N. James Lovell St. Milwaukee, WI 53233	50,000	More than 140 interactive exhibits; summer camps, sleep-ins, outreach programs and educator-enrichment courses.
William F. Eisner Museum of Advertising and Design 208 N. Water St. Milwaukee, WI 53202	20,305	Interactive exhibits explore historical and contemporary topics in advertising and design; docent-led school tours.
Other Nearby Attractions		
Milwaukee County Zoo 10001 W. Blue Mound Road Milwaukee, WI 53226	1,274,654	Over 1,800 mammals, birds, fish, amphibians and reptiles with more than 350 species; hosts more than 20 special events annually.
Mitchell Park Horticultural Conservatory ("The Domes") 524 S. Layton Blvd. Milwaukee, WI 53215	170,500	Three indoor botanical gardens (tropical, arid, floral), each housed under 85 feet of domed glass.
Miller Brewing Co. Visitor Center 4251 W. State St. Milwaukee, WI 53208	115,000	The indoor-outdoor tour spotlights Miller Brewing Co.'s 150-year history in Milwaukee.
The Charles Allis/Villa Terrace Art Museums 1801 N. Prospect Ave. Milwaukee, WI 53202	64,600	The Charles Allis Art Museum exhibits Wisconsin artists. The Villa Terrace Decorative Arts Museum displays arts form the 15th to 20th centuries.
Captain Frederick Pabst Mansion 2000 W. Wisconsin Ave. Milwaukee, WI 53233	25,000	Nonprofit organization dedicated to the conservation of the Pabst Mansion and preservation of the Pabst family legacy.
America's Black Holocaust Museum 2233 N. Fourth St. Milwaukee, WI 53212	20,000	Founded to educate the public on the injustices suffered by people of African heritage in America.

Source: The Milwaukee Business Journal, September 16, 2005

Table 8.7 – Selected Festivals and Event Attendance, Downtown Milwaukee

Festivals	Annual Attendance*
Summerfest	864,866
Irish Fest	137,000
Festa Italia	82,931
Pridefest	23,000

Source: Milwaukee Journal-Sentinel *Most recent at the time of analysis

Table 8.8 – Selected Sporting Event Attendance, Downtown Milwaukee

Sporting Events	Annual Attendance
Milwaukee Brewers (2005)	2,211,023
Milwaukee Bucks (2005-2006)	681,327
Marquette University Basketball (2005-2006)	223,983
UW-Milwaukee Basketball (2005-2006)	79,572

Sources: team/venue websites

Table 8.9 – Performing Arts and Event Facilities in and near Downtown Milwaukee

Venue	Capacity
Event Facilities	
Bradley Center	20,000 Max
Cellular One Arena	12,246 Max
Marcus Amphitheater (outdoors)	23,000
Marquette's Helfaer Theater (outside of Study Area)	226
Northern Lights Theater (outside of Study Area)	500
UWM Peck School of Arts (outside of Study Area)	
Mainstage Theater	525
Studio Theater	100
Theaters and Other Traditional Performing Arts Venues	
Broadway Theater	
Cabot Theater	358
Studio Theater	90
Marcus Center	
Uihlein Hall	2,305
Todd Wehr Theater	496
Vogel Hall	475
Peck Pavillion (Outdoors)	400
Milwaukee Repertory Theater - Baker Theater Complex	
Quadracci Powerhouse Theater	720
Stiemke Theater	220
Stackner Cabaret	120
Milwaukee Theater	4,100
Pabst Theater	1,400
Riverside Theater	2,500

Source: Visit Milwaukee

Lodging Performance

The operating performance of hotels in the Downtown Study Area was analyzed using data from Smith Travel Research (STR). Twelve properties with a combined total of 2,908 units were included in the STR data. Again, these figures do not reflect hotels either proposed or currently under development. The 12 hotels are listed below and were previously shown on Map 8.1:

- Doubletree (formally Holiday Inn Milwaukee City Centre) (244 rooms)
- Hilton Milwaukee City Center (730 rooms)
- Preferred Pfister Hotel (307 rooms)
- Hyatt Regency Milwaukee Downtown (484 rooms)
- Ramada Inn Downtown (154 rooms)
- Intercontinental (formally Wyndham Hotel Milwaukee) (220 rooms)
- Park East Hotel (159 rooms)
- Best Western Inn Towne Hotel (103 rooms)
- Hotel Metro (65 rooms)
- Courtyard Milwaukee Downtown (169 rooms)
- Howard Johnson Express Milwaukee – now Hampton Inn (142 rooms)
- Residence Inn Milwaukee Downtown (131 rooms)

Downtown Milwaukee's lodging occupancy levels vary on a seasonal basis with peak utilization realized during the summer months. *In contrast, many comparable cities experience a dip in occupancy during the summer as commercial travel slows.* Milwaukee's 64% annual occupancy level in 2005 is the highest in six years (Table 8.10). For comparison, hotels in Chicago's Central Business District achieved a 72% occupancy level in 2005. *Downtown Milwaukee occupancy has also increased steadily since 2001, while room supply has been fairly constant over this period*.

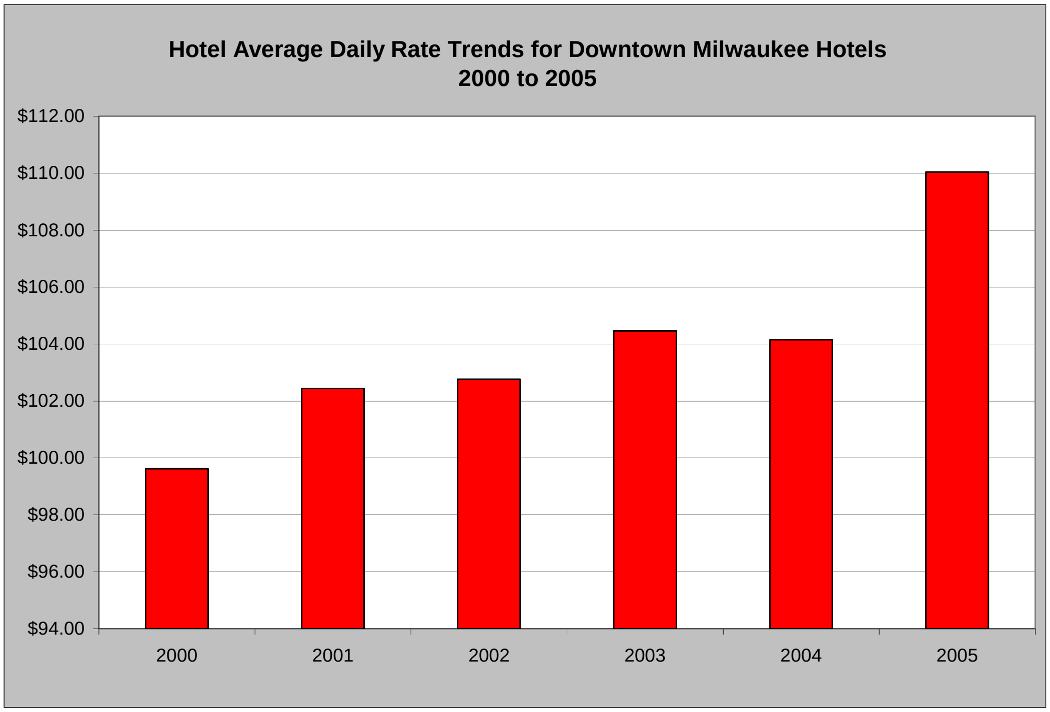
The average daily room rate in Downtown Milwaukee was $110 in 2005 and has grown at an annual rate of 2.0% over the past five years. For comparison, hotels in Chicago's Central Business District achieved a $165 average room rate in 2005. Six year occupancy rate trends and average daily rate trends are shown in Chart 8.2 and 8.3 respectively.

Table 8.10 - Lodging Market Statistics in the Milwaukee Downtown Study Area Hotels

Month	Occupancy (2005)	Average Room Rate (2005)	Revenue per Available Room (2005)
January	45.1%	$96.13	$43.37
February	52.4%	$95.91	$50.23
March	51.9%	$97.20	$50.41
April	72.1%	$108.80	$78.41
May	67.9%	$111.10	$75.39
June	78.1%	$114.87	$89.69
July	81.6%	$127.68	$104.19
August	82.6%	$115.48	$95.34
September	70.2%	$111.39	$78.18
October	70.5%	$115.55	$81.50
November	56.1%	$102.53	$57.53
December	42.1%	$101.76	$42.84
Total 2005	64.2%	$110.04	70.70

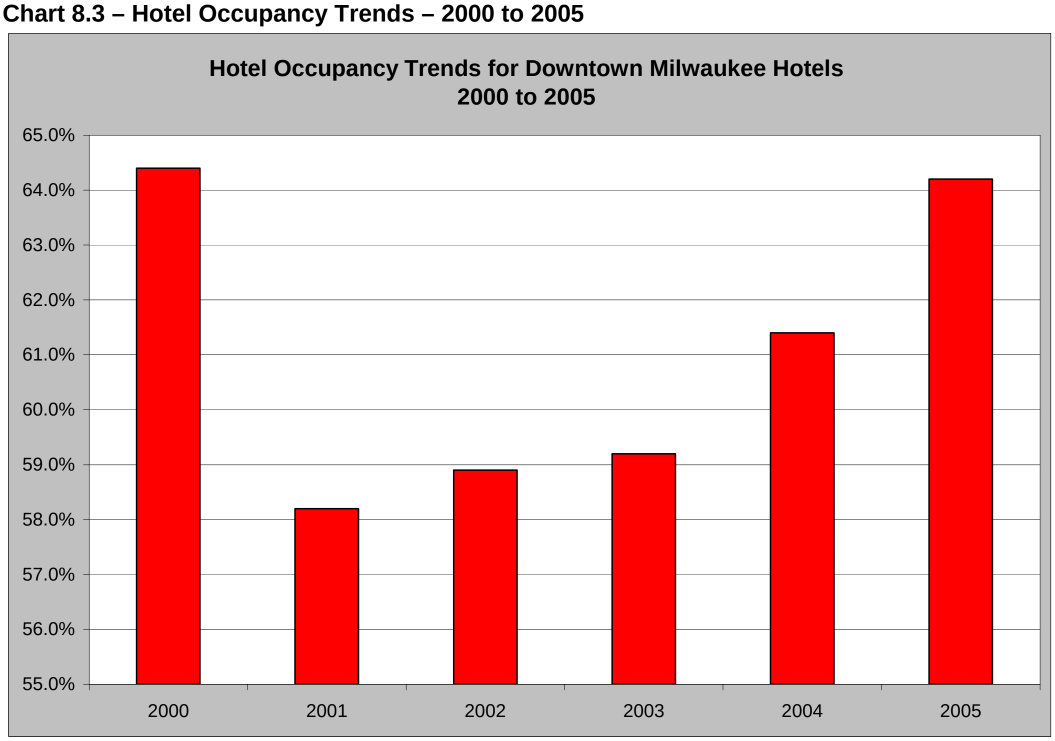
Source: Smith Travel Research. Data reflect the combined operating performance of 12 properties in the Study Area.

Chart 8.2 – Hotel Average Daily Rate Trends – 2000 to 2005



Source: Smith Travel Research

Chart 8.3 – Hotel Occupancy Trends – 2000 to 2005



Source: Smith Travel Research

Focus Group Findings–Hospitality Industry Professionals

In order to collect information about how to improve the experience of business, convention and leisure travelers to the City of Milwaukee, the University of Wisconsin-Extension Center for Community and Economic Development conducted two focus group sessions in February and March 2006. Professionals working in the tourism industry shared their ideas and opinions in round table meetings, each lasting about an hour and a half.

Objectives

The first objective of these focus groups was to understand the strengths and weaknesses of Downtown Milwaukee as a place to visit. This includes an understanding of the specific issues and concerns facing various market segments including business, convention and leisure tourists. The second objective was to identify possible ideas to improve visitor experiences in the future.

Focus Group Questions

The following questions were used to guide the focus group discussions.

- What positive comments about Milwaukee do you hear most from visitors?
- What negative comments about Milwaukee do you hear most from visitors?
- What kind of amenities do you think are missing in Downtown Milwaukee? Are there specific products, services or experiences that visitors are repeatedly asking for?
- What sort of extra services or events (besides room service or special vouchers) do you offer your visitor/customers?
- What kind of packages do you offer your customers and are they effective in improving their experience here in Milwaukee?
- What kind of local initiatives/marketing tools (in terms of products AND collaborations/network) would help you improve business?
- If you could change one thing in the Milwaukee Metropolitan region, what would it be?

The following comments were made by participants in facilitated focus groups and are not the opinions of Milwaukee Downtown BID #21 or University of Wisconsin-Extension Center for Community and Economic Development.

What Visitors Like Most about Milwaukee

The following are some of the positive attributes of Downtown Milwaukee

- Natural Beauty: Many visitors mention the beauty of the lakefront and the many green spaces and parks within the city.

- Range of Downtown Activities: First time visitors do not expect to find the city's many theaters, ballet, concerts, open-air concerts, and other entertainment establishments. The fact that some are free of charge makes the visitor's experience even more enjoyable.

- Annual Sporting Events and Festivals: Jazz in the Park, Summerfest, Gallery Night, Holiday Lights Festival, and numerous ethnic celebrations are a magnet for visitors. Several of these activities are also offered as vacation packages.

- Architecture: Many visitors see Milwaukee's architecture as representing a modern 21st century city, largely due to the new Calatrava addition at the Milwaukee Art Museum.

- Cultural Diversity: Visitors appreciate the enormous variety of ethnic food available in downtown. Bars featuring a broad range of live music such as polka, salsa, folk, and many more are also featuring high on the list of tourists.

- Cleanness and Friendliness: Due to the performance of the Milwaukee Downtown BID #21 Ambassadors, cleanliness, friendliness, and general assistance are further positive comments frequently heard from people visiting Milwaukee. This personalized, interactive service provides the visitor with a unique urban experience.

Opportunities to Improve the Visitor Environment

There is common agreement that strong collaborations are the way to strengthen the urban hospitality industry and to support Downtown Milwaukee in their efforts. There is also the desire for a unified vision that would help position Milwaukee as a vibrant, 21st century city in the national and international arena. Hence, the Downtown Milwaukee tourism industry requires attention to varied elements, including:

Commercial Nodes

- Although Downtown has a few active commercial nodes such as Brady Street, East Town and Wisconsin Avenue, these places do not provide enough amenities to attract visitors. If visitors could move more easily from one node to another, downtown would be more lively and exciting.

Retail

- Good retail opportunities are regarded as pivotal in order to retain customers in the downtown area. Unfortunately, Milwaukee's urban core does not have enough retail stores to lure a critical mass downtown and fill the streets with people during day and night. The few retail stores that are downtown are spread out over a large area, making it difficult to walk.

- Shops are closing too early in the evening, which is not so much a problem for the leisure traveler, but for the business traveler, since their time for shopping is generally after work.

- Grand Avenue Mall or Broadway in the Third Ward has improved over the last couple of years. However, for most visitors the shopping choices within and around these two areas are still too limited. A more diverse and denser shopping district is still missing.

- Several participants mentioned that a good place for a concentrated shopping district could be the East Town area. Another place could be Wisconsin Avenue incorporating the River Walk with its already existing restaurants and bars. Wisconsin Avenue would also be a good place for business and convention travelers since they spend most of their time in that area. "Both of them, however, should be connected with the vibrant Brady Street," as pointed out by one participant.

Transportation

- Milwaukee taxi drivers are in close contact with their guests and contribute significantly to the visitor's experience. They often leave the visitors with their first and last impression of the city. Therefore, taxi drivers should be well trained in order to become a valuable aid to visitors and make their stay a unique experience.

- Real or perceived, parking and traffic generally evokes negative emotions by visitors. Although compared to other peer cities, parking and traffic is not as nearly as bad. Visitors complain about the time restrictions of on-street parking, the lack and cost of parking, and the constructions in and around downtown. "People who complain the most are the ones who are not familiar with urban areas and the complexity of cities in general", one participant said.

- For visitors it is difficult to get around town and not easy to get to the malls because the city is still very car-oriented. There was a general sense of agreement among the participants that an upgrade of the current bus system (mark bus stops more clearly; display maps of routes and bus schedule at bus stop; make buses more reliable and run them more frequently) would offer an alternative mode of transportation while at the same time contribute to a more pleasant urban experience. Participants note that buses to the stadium are a great success.

- A number of people hope that the proposed Milwaukee bus connector or a light rail system become reality one day. Such an investment could act as a catalytic project and add significantly to the downtown quality of life.

- Although Milwaukee has trolleys, they only operate in the summer months. Their service area (Brady St., west to Marquette University and south to the Historic Third Ward) and the amount of stops en route are limited. Extended hours of operations and more stops along the way could enhance the city's attractiveness and even be a magnet for tourists, especially for families.

- Train service to Milwaukee should be improved (i.e. Metra, Amtrak). However, better rail service will also require the improvement of linkages between the train station and downtown destinations.

Entertainment Zone

- 24/7 zone with nightlife is missing.

- Family friendly places in the downtown area are missing not just for eating purposes but also for walking and entertainment. Interviewees said that downtown needs to become more of a “24-hours 7-days a week” place with activities and places around the clock and during all seasons. Whereas the summer months have plenty of events and festivals, it is the other months that need attention.

- A large outside gathering place could add to the life of downtown.

Safety

- When a participant commented on the lack of energy in Downtown Milwaukee during the day, the others on the group nodded, confirming that there are not enough people in the streets during the daytime. Indeed some visitors (many suburbanites) have the impression that the downtown area is dead and there is no reason to go to this area other than drive through. Some interviewees suggested that more retail stores and better lighting in some side streets would help give people a stronger feeling of safety and make downtown a place to be around the clock.

Connecting Areas and Way finding/Signage

- While a number of people thought there are a few good retail stores and certainly several interesting neighborhoods in the downtown area, there is a lack of connectivity between them. The group found that linking these isolated clusters could create a network of connected pedestrian streets and squares where visitors and residents like to walk and pass their time.

- In order to avoid empty streets, businesses should encourage their employees to use street-level eateries.

- Unobtrusive but clear signs on sidewalks and plazas in the Downtown area would help urban guests to get oriented and find places more easily.

- Participants encouraged continued work on signage, noting that the Ferry Terminal is hard to find.

- Attractions such as the Discovery World, the Art Museum, the Children’s Museum, and the New Harley Davidson Museum should be well connected with walkways, bike lanes, and bus service.

Waterway

- Clean waters attract people. Even though the city's rivers and Lake Michigan are much cleaner today as sewer overflows have dropped dramatically, many people still think Milwaukee's water bodies are dirty. All participants agreed that clean urban waters could add aesthetic and entertainment value to the Downtown while at the same time generating tourist dollars for the city.

- Riverwalk – enhance visibility and accessibility so visitors can see and enjoy it.

- More boating and marina infrastructure encourage visitors to go and stay downtown.

Visitor Centers

- No matter if it is visiting a museum, dining at a fine restaurant, or using public transportation, if the visitor does not know about these attractions, these places will stay empty. The distribution of several downtown visitor centers in banks, bookstores, or other highly frequented entrance halls should therefore be a priority.

Image

- Despite the fact that Milwaukee has changed from a declining city in the 1970's and 1980's to an exciting urban place, the focus group results also reveal that Milwaukee still has to fight the blue-collar town image. Unfortunately not everyone is aware about Milwaukee's transformation process. The city is sometimes still stereotyped as a rust-belt city with beer and sauerbraten on the menu. In fact, many of the participants thought that Milwaukee's current image is still an impediment to attracting more visitors, especially from the surrounding suburbs.

- A 2002/2003 study by Kahler Slater called "Live, Work, and Play" comes to a similar conclusion. Milwaukee needs to work on its image. In other words, make 'image building' a priority through effective communication and strong strategic alliances. The re-branding of a city does not happen overnight; instead it needs to develop over time to allow stakeholders to align and form the channels through which the city communicates with the outer world. Personnel stories about Milwaukee visitors, success stories of the Milwaukee Hospitality Industry, and reports in travel magazines that feature unique downtown places for visitors should continue to figure high on the agenda. Moreover, several participants mentioned that collective destination marketing, particularly through the means of a TV campaign would be a great opportunity to spread the word about Milwaukee's many great features.

Specific Business Development Opportunities

The focus group mentioned the need to continue to expand and recruit new downtown businesses.

Retail

- In order to keep visitors downtown, Milwaukee needs a number of good upscale stores such as Nordstrom or Marshall Fields. "Stores like the ones at Michigan Ave in Chicago would be ideal, one participant said, and continued: "of course, Michigan Ave is unique in that sense, but it is inspiring and serves as a great example nevertheless."

Entertainment

- The days of Milwaukee's downtown movie theaters are memories of the past; however, an increasing number of visitors are looking for a place in downtown where they can watch a movie. A movie theater or even a megaplex would add to the city's quality of life and visitor experience.

- To be successful, a theater(s) should be part of a downtown entertainment/nightlife district. There will certainly be more synergy for a theater near restaurants and bars in established areas. There needs to be a sufficient population base near any theater in order for it to be successful. Businesses such as ESPN Zone, Gameworks, or a casino boat could help anchor a downtown entertainment area.

Restaurants

- Although Downtown Milwaukee is great for restaurants and bars, one participant commented that the area is kind of a "high-end food court today".

- Downtown lacks family restaurants and good-quality fast food places, particularly around Wisconsin Avenue. One participant pointed out that people are looking more for chain type businesses such as Kopp's custard or the Rock Bottom brewery, but geared toward the needs of the family.

Boating and Marina Businesses

- In order to provide more business to marinas and docks, Milwaukee should intensify the promotion of water-related activities. More day and evening seasonal cruises on the rivers or on Lake Michigan could also increase waterfront business.

Marketing and Packaging

- The Milwaukee city pass as well as packages including transportation modes such as Amtrak, Lake Ferry Express, and Midwest Airlines should be promoted since they bring a lot of people to the area at one time.

- Cultural activities also generate very popular packages. Continue to market and build awareness of local cultural offerings.

- Continue to promote this VISIT Milwaukee Experience booklet (valued at over $450 in offers to arts and attraction venues).

- Vision and branding: one participants said:"Now it is time to work on a common vision embraced not only by the tourism industry but by the entire downtown community."

- Increase financial support to market the city.

- Personnel stories about Milwaukee visitors, success stories of the Milwaukee Hospitality Industry, and reports in travel magazines that feature unique downtown places for visitors should continue to figure high on the agenda.

- Citizens as Tourism Agents: The entire downtown community should work jointly to market itself to bring more dollars to restaurants, hotels, museum and other entertaining places. As suggested by participants of the focus group, not only hospitality industry professionals but also people like cab drivers, storeowners, and residents should act as tourism agents to make visitors feel welcome and provide them with positive memorable Milwaukee experiences.

- Several participants mentioned that collective destination marketing, particularly through the means of a TV campaign would be a great opportunity to spread the word about Milwaukee's many great assets.

- Continue to collaborate and cooperate with government, business, and the community in order to portray a unified image of the city.

Conclusions

- The tourist and visitor sector is one of the fastest growing sectors of the global economy. In recognizing the size of this industry, many cities have developed downtown revitalization plans that incorporate tourism as a key component. Cities like Milwaukee have built on their history, waterfronts, convention facilities, festivals and events, cultural districts, retail and dining facilities, and friendly attitudes to strengthen their appeal in this sector. These factors will continue to be important in building the local Milwaukee visitor and tourism experience.

- While people often associate the Northwoods and the Wisconsin Dells with the State's tourism industry, Milwaukee County ranks as the top county in the state in traveler spending ($ 1.5 billion). Tourism and visitor spending in Milwaukee supports approximately 39,000 jobs.

- When compared to the downtowns of nine other similar-sized peer cities, Milwaukee ranked mostly average in terms of its number of downtown hotel rooms; restaurants, museums, and convention space. However, the numbers in each of these categories varied greatly among the ten cities.

- Milwaukee's downtown hotels achieved a 64% annual occupancy level in 2005, the highest in the previous six years. Average daily room rates in Downtown Milwaukee were estimated to be $110 in 2005, growing at an annual rate of 2.0% over the past five years.

- Focus group findings from discussions with hospitality industry representatives indicate visitors are most pleased with the lakefront, green spaces, parks, entertainment, events and festivals, architecture, cultural diversity, cleanliness and friendliness.

- Industry representatives see opportunities to improve retail (concentration and types of shopping including upscale stores), transportation (taxi parking, traffic, transit, Amtrak and Metra service), entertainment (24/7 entertainment zone, movie theater, family friendly places), safety, waterway improvements, visitor centers, and image (see the previous analysis of the hospitality professional focus groups for more specific opportunities).

- Focus group participants believe that there needs to be improvements in the physical connections and linkages among stores and neighborhoods of interest to visitors (including better signage). The disconnected feel of the downtown area may discourage visitors to spend time and explore the full range of attractions in Downtown Milwaukee.

Section 9

Opportunities to Increase Downtown Milwaukee's Economic Vitality

The Downtown Milwaukee market analysis provides a foundation for business retention, expansion and recruitment efforts. Using this foundation, Section 9 examines a series of broad opportunities for growing Downtown Milwaukee's economic vitality and improving its contributions to the local and regional quality of life. These opportunities build upon the conclusions presented in the preceding sections of this report.

Research in the Downtown Milwaukee market analysis suggests a number of broad opportunities for growing its economic vitality. These opportunities are based on the needs and desires of different consumer segments, the presence of established challenges, and emerging opportunities in regional economic development efforts.

The opportunities presented in Section 9 are based on a detailed review of the data in the preceding sections, coupled with a facilitated discussion between UW-Extension and a subcommittee of the Milwaukee Downtown BID 21 study team. These opportunities consider quality of life factors that impact Downtown Milwaukee and incorporate findings from the ongoing Downtown Milwaukee brand research (Monalco, Inc.) and build upon the objectives of the Milwaukee Downtown Plan (City of Milwaukee, 1999) as outlined in Figure 9.1. While the data in this report are as up-to-date as possible, the study team acknowledges that Downtown Milwaukee is undergoing significant change. *Looking at historical data and trends, even two or three years back, can be misleading and mask the true market opportunities that may be present Downtown. Accordingly, readers and users of this section must augment this data with information on current day opportunities.*

Figure 9.1 – Downtown Milwaukee Plan Objectives

1. *Residential Development:* To increase the amount and variety of Downtown housing
2. *Destination Entertainment:* To expand the number and variety of destination entertainment venues in Downtown
3. *Balanced Transportation:* To provide attractive options for travel within Downtown
4. *Office Prominence:* To maintain Downtown as the metropolitan area's single largest concentration of office development
5. *Quality of the Pedestrian Realm:* To make walking attractive, easier, and convenient
6. *Downtown's Unique Assets:* To take maximum advantage of the special features found downtown
7. *Catalytic Projects:* To achieve maximum benefit from major private and public investments

Source: City of Milwaukee, Department of City Development

Opportunities for improving Downtown Milwaukee's economic vitality are divided into four general themes, each with its own set of needs and challenges related to serving the key market segments previously discussed in this report. The four general themes are intended to be addressed concurrently and include:

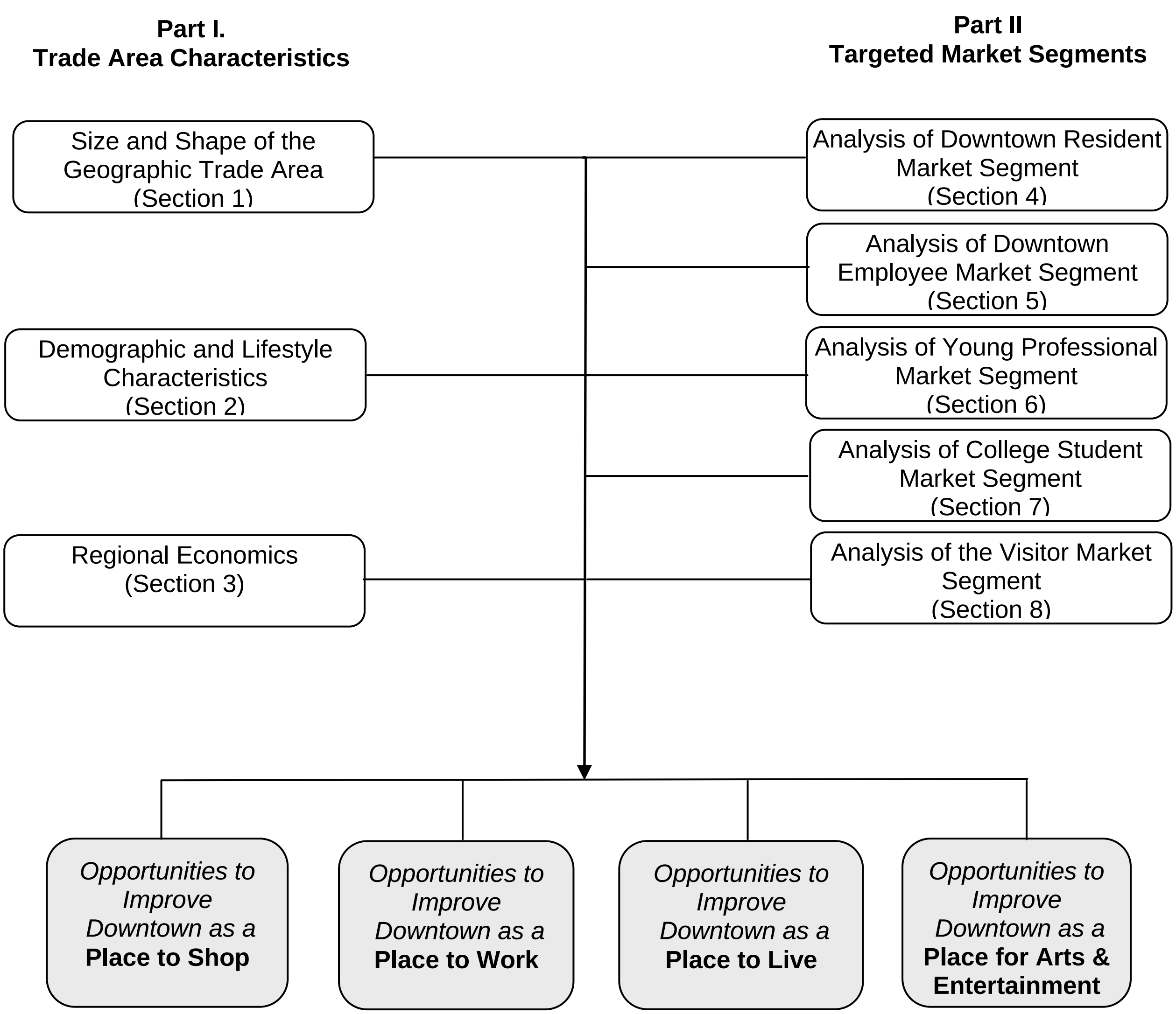
- Downtown as a Place to Shop
- Downtown as a Place of Work and Business
- Downtown as a Place to Live
- Downtown as a Place for Arts and Entertainment

It is important to note that each of these four themes is related to the others. Also, although this section deals with potential opportunities, current positive attitudes towards Downtown, such as its clean, friendly and safe city center, can be built upon to leverage Milwaukee's new identity.

Prioritizing these opportunities can be used to guide the development of downtown property and public spaces, as well as direct business retention, expansion, and recruitment efforts. While UW-Extension can help to facilitate which opportunities should be prioritized, a short and long term action plan will need to be developed by Downtown Milwaukee BID 21 based on the organization's needs and budget.

Figure 9.2 provides a flowchart illustrating how data in this market analysis was used to identify the opportunities in this section.

Figure 9.2 – Downtown Milwaukee's Economic Vitality: Identifying Opportunities for Improvement



Improving Downtown as a Place to Shop

As suggested in the previous sections of this report, the Downtown Study Area lacks a critical mass of retailers. While quality retailers certainly exist in Downtown Milwaukee, outlying shopping centers have successfully out-positioned the downtown in tailoring their retail mix and attracting new flagship retailers. However, Downtown Milwaukee faces a variety of opportunities to improve itself as a place to shop, improve the region's quality of life, and more effectively co-exist with other regional shopping destinations. Each of these opportunities is examined in detail below.

Develop a comprehensive business retention, expansion and recruitment program partially focusing on retail

Downtown Milwaukee can become an active partner in downtown retail recruitment, while also helping existing establishments remain in business or expand downtown. *Note that recruitment, retention and expansion activities are not intended to compete with commercial brokers, but rather support the efforts of local real estate professionals*. While a variety of business retention, recruitment and expansion activities can be handled by an ad hoc committee, other activities likely will require a designated staff member responsible for handling day-to-day activities and providing a common contact for business prospects. Efforts should focus on both chains and independent businesses. Typical recruitment, retention and expansion activities that could be pursued by Downtown Milwaukee include:

Photo source: Milwaukee Dept. of City Development – Marketing

- *Creating recruitment and marketing materials based on the information in this market analysis and other sources* - Marketing materials should include summaries of key statistics or overviews of Downtown Milwaukee's primary consumer segments. These materials would be provided to business prospects, existing businesses, and distributed on the Milwaukee Downtown Website. Downtown Boulder[1] and Downtown Denver[2] provide examples of how the market information can be disseminated to the public. *Note that recruitment and marketing materials must be developed before active recruitment can begin.*

- *Assembling specific market information for business prospects on an as needed basis* - A methodology for performing on-the-fly market analysis is included in Supplement A of this report.

- *Developing a list of targeted businesses and performing active recruitment* – Supplement A examines business types that may match current market segments in Downtown Milwaukee. While supply gaps exist in home products, apparel, and neighborhood goods and services, a specific list of targeted business should be selected using the judgment of an ad hoc recruitment committee. The list of targeted businesses could be pursued by working with existing business owners looking for new ventures, making cold calls, attending ICSC deal

[1] http://www.downtowndenver.com/Economic/EDOverview.htm
[2] http://www.boulderdowntown.com/development/research.php

making sessions, working with existing commercial brokers, subscribing to Retail Lease Trac, or researching the Retail Tenant Directory.

- *Hosting and courting business prospects visiting Downtown Milwaukee* – Bringing potential business investors and operators Downtown provides the opportunity to tell the Milwaukee story through first-hand experience.

- *Helping Existing Businesses Identify and Develop Opportunities for Growth and Expansion* - A team or individual focusing on existing businesses can be of great assistance in identifying opportunities for growth and expansion. Specific expansion activities could include:

  1. Developing cross-marketing activities among existing businesses. These activities could be developed around existing retail niches in Downtown Milwaukee or among businesses in certain sub-districts of the Downtown Study Area;
  2. Use the Community Tapestry information (see Section 2) to help existing businesses identify new product lines or services;
  3. Remain up-to-date on business trends by attending trade shows, joining industry organizations, or subscribing to retail industry publications;
  4. Aid existing businesses expand or relocate within the Downtown Study Area;
  5. Assist existing business owners in opening a complementary new business by providing market research, assisting in the site selection process, and providing other business assistance (see Figure 9.3).

- *Providing Needed Business Assistance* **-** Assistance can be provided through group workshops, one-on-one counseling, or by referring businesses to Small Business Development Center counselors. While retention efforts should address specific types of assistance identified by existing businesses, typical areas of focus are shown in Figure 9.3. The clearinghouse of data created in this market analysis should be useful in a variety of these business assistance activities.

Figure 9.3– Potential Areas of Business Assistance

- Store presentation and window display
- Merchandise selection and presentation
- Locating or forming buying groups
- Customer service
- Language training
- Developing/updating business plans
- Accounting, record keeping and inventory
- Compliance with governmental regulations
- Web site development and Internet sales
- Personnel management and training
- Financial incentives
- Local code enforcement and public policy
- Improving advertising and promotion

- *Promoting Businesses to Targeted Markets* - To help the retention effort, the district's promotional activities should seek to match businesses with consumer segments (and vice versa). As an example, Downtown Milwaukee BID 21 could provide a link between FUELMilwaukee members and businesses targeting young professionals. Monthly or ongoing promotions such as member sales specials could showcase specific downtown businesses, while also providing a membership benefit for FUELMilwaukee. Similar programs could be developed among businesses and college students, office workers, or condo associations. The Downtown Hotlist could serve as one conduit for making these connections between specific consumer segments and businesses. *Educational efforts should also be made to encourage consistency in business hours to better serve the resident and office worker segments.*

Continue to enhance pedestrian and transit connections among retail nodes and demand generators

While the Downtown Study Area has a number of shopping nodes, several of these areas lack a critical mass of establishments. Furthermore, shopping nodes in the downtown tend to be disconnected from one another and from some of Downtown Milwaukee's major commercial demand generators. Connecting these attractions and nodes with a series of contiguous, pedestrian friendly shopping arrangements could help to generate critical mass and additional pedestrian traffic. If internodal connections are established, it will be critical to their success that signage be utilized to direct shoppers (pedestrian and vehicular) between nodes, within nodes and into downtown from major transportation avenues.

While the Downtown Milwaukee Plan provides an excellent overview of the elements necessary to a positive pedestrian realm, the retail experience in the pedestrian realm should also be considered. In addition to way-finding signs, kiosks, proper sidewalk widths, and other pedestrian amenities, *placing retail on both sides of the street and requiring storefronts to be over 75 percent open (i.e. window displays) are necessary to provide an engaging shopping experience.*

Also, transportation improvements as part of a modern and comprehensive transit system could better link Downtown's retail nodes. Such improvements could more efficiently connect consumers in the trade areas and beyond with Downtown's shopping opportunities. Information on the impact of modern and comprehensive transit systems on the downtowns of peer cities could serve as an additional resource (and future supplement to this market analysis).

While Downtown Milwaukee BID 21 does not have the power to direct businesses to specific buildings, promoting the infill of retail businesses along five strategic corridors could help to create pedestrian flow and develop a critical mass of businesses.

1. *Wisconsin Avenue between the Midwest Airlines Center and the Lakefront* – The Wisconsin Avenue Corridor connects the Midwest Airlines Center, the Shops of Grand Avenue and the Lakefront. The corridor also has high levels of pedestrian appeal and intersects an area with a large daytime population. As this is a long corridor, it will be challenging to provide continuous shopping and pedestrian appeal along Wisconsin Avenue, especially in areas near the Milwaukee Art Museum between Jackson and the lakefront.

2. *The area bounded by Water Street, Wells Street, Jefferson Street and Wisconsin Avenue* – This area has high levels of pedestrian appeal, represents a two-block by three block area that can be managed by pedestrians, and has a growing critical mass of establishments. As infill occurs, this area could also be extended several blocks onto the adjacent streets (such as east to Jackson or south to Michigan).

3. *Water Street between the Park East Redevelopment Area and the Milwaukee Public Market* – Water Street has high levels of pedestrian appeal, an established entertainment district, and provides a key pedestrian link among the Central Business District, the Theater District, future developments in the Park East corridor, and the Third Ward. Overcoming the dead space between Juneau and Knapp is one challenge facing this pedestrian area.

4. *Third Street/Dr. Martin Luther King Drive between Cherry and Wisconsin* – As this is a long corridor, it is not expected that the entire area could be effectively filled by retail and traveled by pedestrians. However, this is a key corridor that connects the new Manpower headquarters site and Schlitz Park to the central part of the Study Area.

5. *The area bounded by St. Paul, Milwaukee, Menomonee and Water* – This area in the Historic Third Ward has high levels of pedestrian appeal and contains the core of Third Ward businesses.

In addition to these five business districts, additional districts could include future uses at the Pabst Brewery site and the neighborhood-serving commercial area near East Pointe Commons. Further, Milwaukee's Kahler Slater Architects offers an alternative method for distinguishing existing and proposed shopping districts Downtown. Kahler Slater Architects offer five dense and distinct shopping districts that do not compete, but complement each other. The five districts include the Shops of Grand Avenue area ("The Grand"), a home furnishings district (directly south of the Shops of Grand Avenue), The Third Ward, Brady Street, and a large geographic area between the Third Ward and Brady Street (called "The Stroll"). The Stroll would be an upscale, pleasant shopping experience that connects the business districts with surrounding neighborhoods.

Finally, the creation of these distinct retail nodes will require a plan to more fully utilize existing space and create new space in accordance with market absorption rates. The plan should identify where to focus on a phase-by-phase basis. For each retail node, this plan should focus on what space is currently available, the most fitting use for that space, and what new space might be needed to attract certain retailers. The plan should also address how new space might serve as a catalyst for filling existing space. This plan could become a future supplement to this market analysis.

Recruit a base of image-building destination retailers

Surrounding the Downtown Study Area, Mayfair Mall and Bayshore Town Center have developed a critical mass of image-building retailers. To re-establish the Downtown Study Area as a shopping destination, Downtown Milwaukee needs to add to its base of reputable, destination retailers. *Image-building retailers could include "first-in-Wisconsin" national or regional chains, flagship stores for Wisconsin-based retailers, additional unique independent retailers (such as those found in the Third Ward), or national retailers developing a unique format (i.e. multi-level big-box retailers). Special consideration should be given to locally-owned businesses as their uniqueness appeals to certain key market segments and adds to the retail diversity.* The Downtown Study Area is well-suited to all of these business types given its mix of historic buildings, existing storefronts of varying size, and vacant land in the Park East Redevelopment Area. *Note that the recruitment of these businesses will take time and should be considered a medium-to-longer term goal.*

To attract the most fitting chains, it will be necessary to understand what market factors these retailers have considered when locating in downtown (non-suburban) locations. These market factors may have been used to site stores in other comparable cities. With an understanding of these market factors, Downtown Milwaukee data must be analyzed to see if there is a compelling story that can be told about the local market as it relates to the subject retailer. This story might include Milwaukee's downtown office population, its evening activity level, and its downtown resident population. Site selection criteria for these national retailers could become an additional resource (and future supplement to this market analysis).

To preserve the uniqueness and authenticity of the Milwaukee shopping experience, it will be necessary to also support the recruitment and development of local and independent retailers Downtown. Fitting businesses will help tell the story about doing business in Downtown Milwaukee and will convey its authenticity and uniqueness that will complement the recruitment of national chains. Retail recruitment and development efforts for independent retailers may need to include a plan for making available small and affordable spaces.

Develop niche-based retail clusters

Based on shopping preferences of the five key market segments discussed in this report, opportunities exist for developing niches of retail and services that could help to distinguish downtown commercial nodes from other shopping destinations. While some possible niches would help to better serve existing market segments, other niches could attract additional shoppers from the primary trade area and beyond. Possible niches could include:

- Home goods and furnishings serving the growing Study Area resident segment, residents of the primary trade area, and visitors. A home goods and furnishings niche would also build on established retailers such as George Watts and Son, Rubin's Furniture, and Urban Accents.

- An apparel niche serving young professionals, students, condo residents, and office workers. An apparel niche could build upon boutiques in the Third Ward and may help to re-establish the Shops of Grand Avenue as an apparel destination. Given the regional retail apparel competition, and the loss of national apparel chains at the Shops of Grand Avenue, there will be challenges in attracting a critical mass of complementary apparel stores required to create this niche.

- Personal goods and services targeting study area residents and office workers. The personal goods and services niche is examined later in Section 9.

- An arts and crafts niche building upon the Study Area's growing number of galleries and performance venues. An arts niche would serve a wide variety of consumer segments including visitors, residents, young professionals and college students.

- A dining niche building upon the unique restaurants already in the Study Area and Downtown Milwaukee's growing reputation as a dining destination. Downtown Dining Week is an existing activity that recognizes and promotes the dining niche.

- Downtown employee conveniences provide an important niche that allows office workers to leave their building and run errands. Related businesses might include delis with local character, bakery, card shops, floral stands, book/magazine/news stores, and fine chocolate stores. These businesses can help connect the office district and encourage sidewalk traffic.

- Electronics and technology-related businesses as serve as a popular niche among downtown workers. Businesses such as the Apple Store, Best Buy, Circuit City, Sharper Image, and small format chain computer/electronic stores appeal to the daytime office population. Several of these businesses are likely longer term opportunities that could arise as the downtown resident population continues to grow.

Promote Downtown Milwaukee's retail environment around its competitive advantages in the region

While Downtown Milwaukee has been out-positioned by regional shopping centers, the Downtown Study Area possesses a number of competitive advantages relative to these areas. As marketing materials are developed, these competitive advantages should be highlighted as part of Downtown Milwaukee's business recruitment, retention, and expansion activities.

- *Proximity to a variety of large scale, non-retail traffic generators* – Unlike the region's suburban retail centers, Downtown Milwaukee has a number of unique traffic generators and regional attractions that provide access to a variety of demographic and consumer segments. These unique traffic generators have been highlighted throughout the market analysis and include arts and cultural facilities, sporting events, festivals, government facilities and universities. Furthermore, Downtown Milwaukee attracts business visitors to its hotels (2,908 units), convention space, and office buildings.

- *Captive market segments* - The Downtown Study Area is growing rapidly and currently includes over 15,000 residents (a number that is likely underestimated). Many of these downtown residents are wealthy and highly educated. Additionally, a significant number of these urban dwellers do not own or frequently use a car and provide a captive market for downtown retail and service businesses. The Downtown Study Area is also home to the region's largest concentration of employees (78,000) that create a captive audience for a large portion of each weekday.

- *Density and access of residents in the primary and secondary trade area* – The primary trade area (most of which is located within four miles of Downtown) has a population of 285,000. The combined primary and secondary trade area has a population of 878,000. The improvements to the Marquette Interchange and the Study Area's position along the Interstate 43/94 corridors provide convenient access for a large portion of the trade areas' populations.

- *Variety of commercial space* – The Downtown Milwaukee Study Area has a wide variety of locations where new retail development might occur. Downtown Milwaukee offers historic buildings, store fronts of varying size, and an enclosed shopping mall. *Unlike many other large city downtowns, the Downtown Milwaukee Study Area also provides a large area for new construction in the Park East Redevelopment Corridor.*

- *Uniqueness, authenticity, and history of the shopping atmosphere* – Downtown Milwaukee has an opportunity to attract consumers who seek an original urban shopping experience as an alternative to the suburban shopping malls and lifestyle centers. Attributes that make Downtown Milwaukee unique include its density of commercial and residential buildings, historic character, lakefront, river, and visitor attractions.

Continue efforts to overcome negative perceptions

The efforts of Milwaukee Downtown BID 21 programs such as its Clean Sweep Ambassadors, Public Service Ambassadors, and Graffiti Removal Crew have improved the downtown quality of life and the regional public image of downtown. However, both the focus group research and the image research conducted by Monalco Inc. suggest that many regional residents continue to have negative perceptions about safety, parking, and overall inconveniences that prevent them from shopping downtown. While these perceptions will always exist at some level, marketing messages should address the negative perceptions of safety, traffic, congestion and parking that might discourage others from coming Downtown. Milwaukee's renewal as an up-and-coming urban center could be promoted and the Downtown Study Area's big-city amenities should be celebrated. When warranted, negative or inaccurate commentary advanced by the media should be challenged. Finally, marketing efforts could position Downtown Milwaukee as the "region's living room" making it an inviting place for all ethnic, age, and economic groups.

Improving Downtown as a Place of Work and Business

Photo source: Milwaukee Dept. of City Development – Marketing

Downtown Milwaukee is the economic and geographic heart of the Milwaukee 7 Region. With a number of high-profile large companies and 78,000 workers, Downtown Milwaukee is a densely populated commercial center with a variety of locational assets. The Study Area employees that participated in the focus groups also noted that Downtown Milwaukee is a clean and attractive place to work.

Despite these assets, Downtown Milwaukee faces a number of challenges as a place of work and business. A flat office market showing little improvement in its occupancy rate, the lack of a comprehensive transportation system, and parking perception problems (convenience, accessibility and affordability) are obstacles commonly attributed to the Downtown Study Area. However, Downtown Milwaukee faces number of opportunities for improving itself as a place of employment and business. Specifically, these opportunities involve a greater understanding and promotion of Downtown Milwaukee's role in the new regional economy.

As noted in Section 3, vital urban centers are increasingly important to regional economic development. Consequently, Downtown Milwaukee is a critical component to the success of the Milwaukee 7 Region. The recent levels of re-investment in Downtown Milwaukee and its growing national reputation as a place of culture could serve as symbol for the region and help to diminish the industrial image often attributed to the Milwaukee metro area. Furthermore, *Downtown Milwaukee can contribute to the region's competitive advantage by serving as a key center of interaction, expertise, and diversity (Figure 9.4).* Opportunities for promoting each of these roles are examined below.

Figure 9.4: Potential Regional Economic Advantages Stemming from a Vibrant Downtown

Place of Interaction
- Dense and Compact
- Networking Venues
- Transit Options
- Clustering Opportunities and Agglomeration Economies

Place of Expertise
- Educated Workforce
- Space for Knowledge-Based Industries
- Dynamic Place for Younger Workers

Place of Diversity
- Ethnic and Social Diversity
- Mixed-Uses and Amenities
- Historic and Landmark Buildings

Develop and Market Downtown Milwaukee as a Place of Interaction

- *Promote Downtown Milwaukee as a Place for Networking* – Networking is an increasingly important activity for both labor and firms. Firms of all sizes develop webs of relationships to help them achieve the speed, quality, flexibility and knowledge essential for competitive advantage. Downtown Milwaukee's dense environment of businesses, restaurants, bars, coffee shops, and wired public spaces provides an ideal environment for networking and developing relationships. Milwaukee Downtown could work with specific industry concentrations in the region (Figure 9.5 on the following page), professional organizations and social groups to host events such as networking, professional development presentations, and happy hours at downtown businesses. *These types of events would not only showcase downtown businesses, but could also help industries exchange ideas, connect workers with employers, and provide an additional benefit to small businesses seeking new clients and relationships in these industries.*

- *Promote the Study Area's Transportation Links* and their *Potential Enhancements* – The Downtown Study Area position relative to state's busiest highway interchange, it's proximity to General Mitchell International Airport, the presence of the Lake Express ferry, and the re-development of the downtown rail station provides a competitive advantage for Downtown Milwaukee. Despite these multi-modal transit connections, focus groups lamented the lack of a comprehensive regional public transportation system for transporting labor, residents, and shoppers. Focus groups also suggest an opportunity for better public transportation connections (i.e. high-speed rail) among Milwaukee, Madison, and Chicago. Improved connections among these communities could better connect the region's research capacity, production and transportation facilities, and labor force. As this connection would originate in Downtown Milwaukee, it could provide another locational advantage to Study Area businesses.

Figure 9.5 – Regional Industry Concentrations Connected to Potential Industry Clusters in the Region and/or State

- Professional, Technical and Scientific Services
- Internet and Data Processing Services
- Securities, Commodities, Investments and Related Activities
- Health Care Technology
- Insurance and Related Services
- Management of Companies and Enterprises
- Printing
- Electrical Equipment and Appliance Manufacturing
- Food Product Manufacturing
- Plastic Manufacturing
- Fabricated Metal Product Manufacturing

- *Promote Downtown Milwaukee as a de facto Business Incubator and Provide Entrepreneurial Support* – Attracting and nurturing small businesses does not generate the same press interest as the attraction of a large company. However, establishments with fewer than 20 employees account for 82.3 percent of all establishments in the Milwaukee 7 Region (see Section 3). Nonetheless the Milwaukee 7 Region has lagged both the State and Nation in the growth of proprietors and proprietor income over the past few decades. Creating a business incubator with affordable space, shared support, and business development services is one strategy often used to support small, entrepreneurial businesses. While business incubators are traditionally thought of as standalone facilities, Downtown Milwaukee (as a geographic area) is a de facto incubator that provides access to a wide variety of office space, business services (copying, banking, office supplies, etc.), amenities, networking opportunities, and business support organizations in a compact geographic area. Many services available to new businesses could include those created by a business retention, expansion, and recruitment program, while other services may be available through existing non-profit or public agencies located in Downtown Milwaukee.

- *Continue to Develop a Sense of Community Downtown* – The Downtown Employee Appreciation Week is an example of an effective effort to build camaraderie and show appreciation to the Downtown workforce. The week of promotions, special events and competitions help build a sense of community both within and among companies. Activities like this should be encouraged to differentiate downtown from other office parks. Furthermore, these activities help office workers experience the city and the retail and services it offers.

Promote and Enhance Downtown Milwaukee as a Place of Expertise

- *Promote Downtown Milwaukee's Educated Workforce* – Both residents and workers of the Downtown Study Area tend to have high levels of educational attainment. These educated residents and workers provide a potential labor pool for new and existing knowledge-based industries seeking to locate or expand in Downtown Milwaukee*.* Developing a profile of downtown workers could help to promote a downtown location and assist in business attraction and expansion efforts.

- *Support Efforts to Improve the Public Perception of Milwaukee Public Schools* – While Downtown Milwaukee residents and workers tend to be highly skilled and educated, a notable portion of the workforce living in Milwaukee County lacks a high-school education (see Section 3). Furthermore, many focus group participants noted perception problems facing Milwaukee Public Schools (MPS). Whether these perceptions are truth or opinion is irrelevant as they still impact Downtown Milwaukee's future ability to retain and attract families and companies. Developing advocates and coalescing private sector support for MPS could aid in overcoming these perceptions.

- *Create Opportunities to Connect Milwaukee's Students with Downtown Employers* - Working with the region's high schools and post-secondary educational institutions could connect future workers with downtown companies. These connections could be fostered by developing internships with downtown companies, establishing a mentorship program, or offering a downtown employment fair for local college students. These efforts could help to retain students after graduation, enhance the regional labor force, and address the potential labor gap created by retiring Baby Boomers.

- *Promote downtown commercial space to regional business concentrations tied to potential industry clusters in the state and region* – As mentioned in Section 3, many business types that tie into the State's or Milwaukee 7 Region's potential industry clusters (Figure 9.5) are ideal candidates to occupy downtown office space. While several of the industries listed in Figure 9.5 are not primary candidates for a downtown location (i.e. manufacturing and printing), professional and technical businesses seeking to serve these industries may be well suited to a downtown location. Furthermore, manufacturing and printing industries may have administrative or sales operations that could occupy Downtown office space.

  The Milwaukee 7 may be able to work with UW-Extension or other researchers to chart and identify potential industry connections (such as the example shown in Section 3). Understanding these connections could help Downtown Milwaukee promote appropriate office space, its educated labor pool, and its proximity to manufacturers and manufacturing sites (such as the adjacent Menomonee Valley). Identifying these industry linkages could also help to connect potential customers/suppliers and minimize gaps and disconnects in the region.

Enhance Downtown Milwaukee as a Place of Diversity

- *Use Downtown Milwaukee's historic buildings and landmark buildings to market the business district* – Nationally, many new downtown developments are becoming indistinguishable from those in other cities and suburban malls. Having the same coffeehouses, restaurants, and architecture as everyone else provides little competitive advantage. Downtown Milwaukee's unique architecture and buildings help to diversify it from other potential office locations.

- *Continue to build diverse amenities desirable to downtown workers and employers* – The research in Section 5 suggests that many office workers do not leave their building during the day or are not fully utilizing Downtown Milwaukee after work due to a lacking retail environment. Consequently, these workers often drive to their place of residence to obtain retail products and services they might otherwise purchase in the Study Area. Downtown Milwaukee should provide workers a compelling reason to occasionally stay after work (for errands, dining, or arts and entertainment) or to visit on weekends. *Developing greater retail opportunities, encouraging retail clusters, and expanding business hours in Downtown Milwaukee may encourage additional spending by downtown employees.* Furthermore, improving the diversity of downtown amenities provides downtown employers with an opportunity to build employee satisfaction and retain and recruit necessary labor and skills by offering amenities unavailable in other locations.

- *Foster an ethnically diverse community that uses Downtown to live, work and play* – A cursory look at research and empirical data reveals the importance of ethnic diversity to virtually every aspect of Downtown health. In particular, a diverse downtown community will spawn a diverse, healthy business environment and worker pool. Diversity can be fostered by developing marketing strategies targeted at ethnic communities as well as developing particular community assets that make the downtown environment more attractive to different ethnic groups.

Improving Downtown as a Place to Live


Photo source: Milwaukee Dept. of City Development – Marketing

Reinvestment in downtown housing has been one of the primary drivers behind Downtown Milwaukee's economic resurgence. While Downtown Milwaukee clearly is a desirable place of residence, the preceding information in this report supports a number of market opportunities for improving the Downtown Study Area as a place to live.

Promote the advantages of living downtown and its unique living environment

The preceding research revealed several common themes about the Downtown Study Area's living environment:

- Downtown Milwaukee provides an urban environment that is clean, walkable, friendly, and safe. Focus group research reiterates the contributions of Milwaukee Downtown BID 21's programs to the quality of the downtown living environment.
- Downtown Milwaukee is a medium-size city with big-city amenities. Access to amenities such as the lakefront, dining and entertainment venues, arts, sporting events and festivals contribute to the emerging 24-7 living environment found downtown.
- Downtown Milwaukee has a housing inventory that meets the needs of several key market segments. With over 3,700 new units added between 1996 and 2006, a diverse mix of condominium and rental units is available including luxury, loft, high rise, and historic residences. The addition of new housing both in and around the Downtown Study Area continues to add to Downtown Milwaukee's housing stock.
- Downtown Milwaukee has a variety of future development opportunities. There are number of locations where new housing development might occur. Existing and new space in the Pabst redevelopment site, Park East Corridor and other areas provide opportunities for creating residential neighborhoods and neighborhood-serving businesses.

While the residential environment in Downtown Milwaukee continues to improve, there may be opportunities to better market the downtown living environment. Other downtowns with a successful residential component have created marketing materials that highlight the advantages of a downtown living experience. These materials highlight downtown neighborhoods, residential units, and amenities and can be used in attracting new residents and businesses. An example of a printed guide is available through the Downtown Partnership of Baltimore at: http://www.godowntownbaltimore.com/publications/data_reports/2006_Living.pdf Furthermore, the Downtown Denver Partnership provides an interactive guide on their website at: http://www.livedowntowndenver.com/. Information included in this market analysis could contribute to similar marketing materials for Downtown Milwaukee.

Continue to Improve the Downtown Pedestrian Environment and Transit Options

While Downtown Milwaukee is generally walkable, it is not always pedestrian friendly (i.e. dangerous street crossings). Pedestrian challenges detract from the resident's ability to fully enjoy the amenities of living, working and playing downtown. Strategies for improving the downtown pedestrian environment were previously discussed in this section (See Improving Downtown as a Place to Shop). Along with the development of pedestrian connections, transportation improvements as part of a modern and comprehensive transit system were suggested by focus group participants. These improvements could better link Downtown's residents with their employment, shopping, entertainment and recreational amenities.

Continue to develop neighborhood-serving retail and services

As noted by the resident focus groups, several areas in Downtown Milwaukee lack a proper mix of basic goods and services (dry cleaners, groceries, coffee shops, pharmacies, hardware stores, doctors, dentists, etc*.). Furthermore, a variety of the existing neighborhood-serving businesses do not offer convenient shopping hours.* These deficiencies, along with a lack of apparel and department stores, are likely contributing to a leakage of resident spending to outlying shopping areas. While the need for these goods and services were noted by the focus groups, recommendations on business recruitment will need to be made on a case-by-case basis. Tools for assessing specific market opportunities are included in Section 10.

Recognize the limitations of the Downtown Study Area as a place of residence for families with children

As in other large city downtowns, young professionals, and empty nesters are driving Downtown Milwaukee's residential renaissance. With almost a third of the Study Area's population between the ages of 25 and 34, Downtown Milwaukee has become an attractive place for young professionals to both live and work. Furthermore, Downtown Milwaukee is attracting more affluent empty nesters. These two market segments have driven to downtown's high education attainment and average household income relative to other cities its size. *As Generation Y and the Baby Boomers continue to age, the size of these two market segments will also continue to grow.*

Also similar to other large city downtowns, Downtown Milwaukee does not have a large number of family households with children. While community leaders often lament downtown's dearth of families, many households with children prefer single family homes that are largely unavailable in the Downtown Study Area. As noted in several focus groups, Milwaukee Public Schools (MPS) also tend to have a negative perception among families in the region, as well as among some young professionals currently living in the Downtown Study Area. Until these preferences and perceptions change, Downtown Milwaukee will likely struggle to retain families. The real estate community and neighborhood associations may be able to help residents with children in Downtown Milwaukee better understand, district rules, school choices and important dates and activities related to K-12 education. *Furthermore, downtown businesses should not feel that the movement of families to outlying areas will preclude them from being downtown consumers or employees. While families may leave for other areas in the region, many past downtown residents will have an established connection to the downtown and will likely continue visiting Downtown Milwaukee for its family-oriented recreational opportunities.*

Foster neighborhood cohesiveness and a sense of community

The lack of community and neighborhood cohesiveness was a common theme among the resident focus groups (see Section 4). Given the mobility of many downtown residents (i.e. college students and young professionals), the addition of new housing units, and generational differences, the lack of community is not surprising. Developing a sense of community could create additional downtown advocates, retain residents, create political leverage, and reduce negative perceptions. Mechanisms such as a downtown resident newsletter or creating social opportunities may help to facilitate neighborhood cohesiveness. Downtown Milwaukee may also want to explore more formal organizational structures such as a Neighborhood Improvement District (NID) to create resident involvement. Creating a Downtown Resident Appreciation Week similar to that of the Downtown Employee Appreciation Week may also help to foster a sense of community. Finally, continued connections to the park system and lakefront can make the public space a more active part of community life.

Foster ethnic diversity in the neighborhood community

Diversity in a downtown community creates an environment that is interesting and attractive to potential residents. A diverse residential population will also serve to strengthen business opportunities, as well as give downtown Milwaukee an added draw to outside visitors by creating an experience that is unique to Wisconsin. Diversity can be fostered by targeting marketing messages to specific ethnic communities, as well as developing particular community assets that make downtown more attractive to diverse ethnic groups.

Improving Downtown as a Place for Arts and Entertainment

Downtown districts across the country are capitalizing on the growing popularity of their charm, history, character and overall “sense of place.” Downtown Milwaukee is no different and has an opportunity to make the most of this trend. Subsequently, the information in this report supports a number of market opportunities that might improve Downtown Milwaukee as a place for arts and entertainment. Similarly, the data identifies various challenges facing Downtown’s arts and entertainment environment.

Photo source: Milwaukee Dept. of City Development – Marketing

Promote physical and non-physical links among disconnected attractions

Downtown Milwaukee has a strong arts and entertainment base. Museums, performing arts venues, sporting events, dining opportunities, and festivals help to make Downtown a regional entertainment destination. However, many of Downtown Milwaukee’s entertainment venues are scattered throughout the Downtown Study Area. The dispersed nature of these attractions contributes to a lack of a central entertainment and cultural district often found in other large downtowns. While the lakeshore has developed a cluster of activities, venues such as the Milwaukee Art Museum and Pier Wisconsin are disconnected from dining, shopping and other entertainment venues. *The overall disconnected nature of these venues limits the amount of pedestrian traffic, obscures the true and collective entertainment activity of Downtown, and restricts opportunities for capturing additional spending.* Several strategies for connecting these areas could include:

- Continue to promote Milwaukee as a place for the arts and entertainment, a competitive advantage that was identified throughout the research

- Creating a “Downtown Entertainment Pass” by packaging multiple venues under one ticket.

- Creating designated entertainment districts in the Third Ward and along the Riverwalk and along Water Street. Promoting the clustering of new retail and dining establishments around existing entertainment venues, including the Riverwalk, would increase the critical mass of leisure time activities in the area. Also, the water-taxi service could help better connect points along the river.

- Designating an arts corridor that connects the Third Ward, the lakefront, and the theater district. The corridor would connect a variety of performing arts venues, art exhibition spaces, arts educational opportunities, galleries, and live/work units for artists.

- Creating a central ticket depot that sells tickets to all downtown cultural and entertainment attractions. While a similar endeavor was attempted in the Shops of Grand Avenue, any new attempt effort at a central ticket depot will likely need to be located in an with high-pedestrian traffic and visibility. A mobile ticket depot similar to Milwaukee Downtown’s

Traveling Information Kiosk could be another approach. A feasibility study that examines the challenges facing a central ticket depot is also necessary before pursuing this strategy.

- Although entertainment venues and nodes may be physically scattered throughout Downtown, creating visually prominent signage to direct pedestrian and vehicular traffic will serve to enhance navigability and create the sense of a more unified entertainment district.

- Again, marketing messages should address the negative perceptions of safety, congestion, and parking that might discourage others from coming downtown. For example, negative perceptions of parking can be countered with information on the relative convenience, accessibility and affordability of Downtown lots and facilities

Consider Additional Opportunities to Market Downtown Milwaukee's Arts and Entertainment Prospects

The number of attractions and strong market support suggest a variety of opportunities to increase the impact of Downtown Milwaukee's arts and entertainment facilities within the Study Area, the broader region, and more distant markets:

- *Continue using Downtown Milwaukee's Arts and Entertainment Opportunities to Market the Region* - As previously noted, the Milwaukee 7 Region faces the challenge of differentiating itself from other regions with its history, while also dispelling the industrial city image often attributed to Milwaukee. Milwaukee's rich mix of arts and entertainment can have a profound impact on the first-time visitor or area resident who does not regularly come downtown. Greater Milwaukee Convention & Visitors Bureau in collaboration with the Downtown Milwaukee BID#21 should continue their efforts to promote Downtown Milwaukee's arts and entertainment opportunities as part of the region's quality of life.

- *Similar to the shopping opportunities previously noted, work with existing arts groups and entertainment venues to connect them with key market segments.* Continued efforts to promote existing art crawls, exclusive events at entertainment venues, and gallery nights could be promoted to downtown's primary consumer segments. Furthermore, reduced ticket prices or special packages could be offered to downtown employees, lower-income residents, college students, or young professionals. These events could provide networking opportunities and lower financial barriers.

- *Continue Downtown Dining Week to promote Downtown Milwaukee's growing reputation as a high-quality dining district*

- *Work with regional leaders to build broader geographic support for arts and entertainment* – The urban market segments analyzed in this report (residents, office workers, young professionals, students and visitors) all value Downtown Milwaukee's art and entertainment offerings. While a large number of arts and entertainment facilities are located in Downtown Milwaukee, many of these venues are truly regional in nature. Further, the development of cultural opportunities in surrounding suburban communities provides an opportunity for cross-promotion of arts and entertainment events Downtown. Mapping the regional draw of customers, tracking the economic impact of these facilities, and furthering understanding of how these institutions increase regional quality of life could help to build broader support and funding opportunities for Downtown Milwaukee's cultural districts.

Continue building the Downtown's critical mass of shopping opportunities and fill gaps in the current entertainment business mix

While retail is discussed separately, shopping is part of the urban entertainment experience. Downtown Milwaukee lacks certain retail categories and a shopping density that would complement the leisure-time experience. However, evening vitality of Downtown Milwaukee is one of the features that should be highlighted in demonstrating retail market potential.

While specific retail gaps were mentioned earlier in this analysis, the lack of a movie theater was a common theme among focus groups. While UW-Extension is not qualified to perform a detailed feasibility study, additional market research also should explore the potential for a multi-screen movie theater in Downtown Milwaukee. While a movie theater was originally proposed as part of the PabstCity business mix, the proposed location faced a number of challenges as summarized in C.H. Johnson Consulting's review of the PabstCity project[3]. Specifically, the challenges noted by C.H. Johnson Consulting emphasize the conclusions in this market analysis about the disconnected nature of Downtown Milwaukee's entertainment attractions and shopping districts. A feasibility study should consider and address these challenges.

[3] See: http://www.ci.mil.wi.us/displayFile.asp?docid=601&filename=/User/pmensa/CHJPabst_CityRpt_May_31_2005.pdf

Supplement

A

Methods for Analyzing Business Opportunities

This market analysis can be used to begin the analysis of business development opportunities. This section provides a framework for assembling relevant data from previous sections for the analysis of selected retail, entertainment and service business categories.

This market analysis is intended to build the capacity of Milwaukee Downtown BID 21 to perform targeted business retention, expansion and recruitment activities. Appendix A helps to examine specific business categories by assembling relevant data from prior sections.

While the data collected in this market analysis may be insufficient to adequately support a detailed feasibility study, it does provide enough information to help guide preliminary business retention, expansion and recruitment efforts. Appendix A is not intended to replace the activities of commercial brokers and independent site selectors but complement the work of these individuals and assist potential entrepreneurs.

Data in this market analysis can be used to guide objective economic development efforts including:

1. determining if the district is ready to launch an expansion or recruitment effort for a particular type of business;

2. assisting prospective entrepreneurs and business developers with objective market data; and

3. supporting economic development marketing efforts that objectively promote the benefits of doing business in Downtown Milwaukee.

Figure A.1 provides a flowchart illustrating how data in this market analysis can be used to assess market conditions for specific types of retail, entertainment and service businesses. The data is used to develop quantitative and qualitative assessments of market demand for the selected business category. Demand is then compared with current and projected supply to quantify the particular business category's market potential.

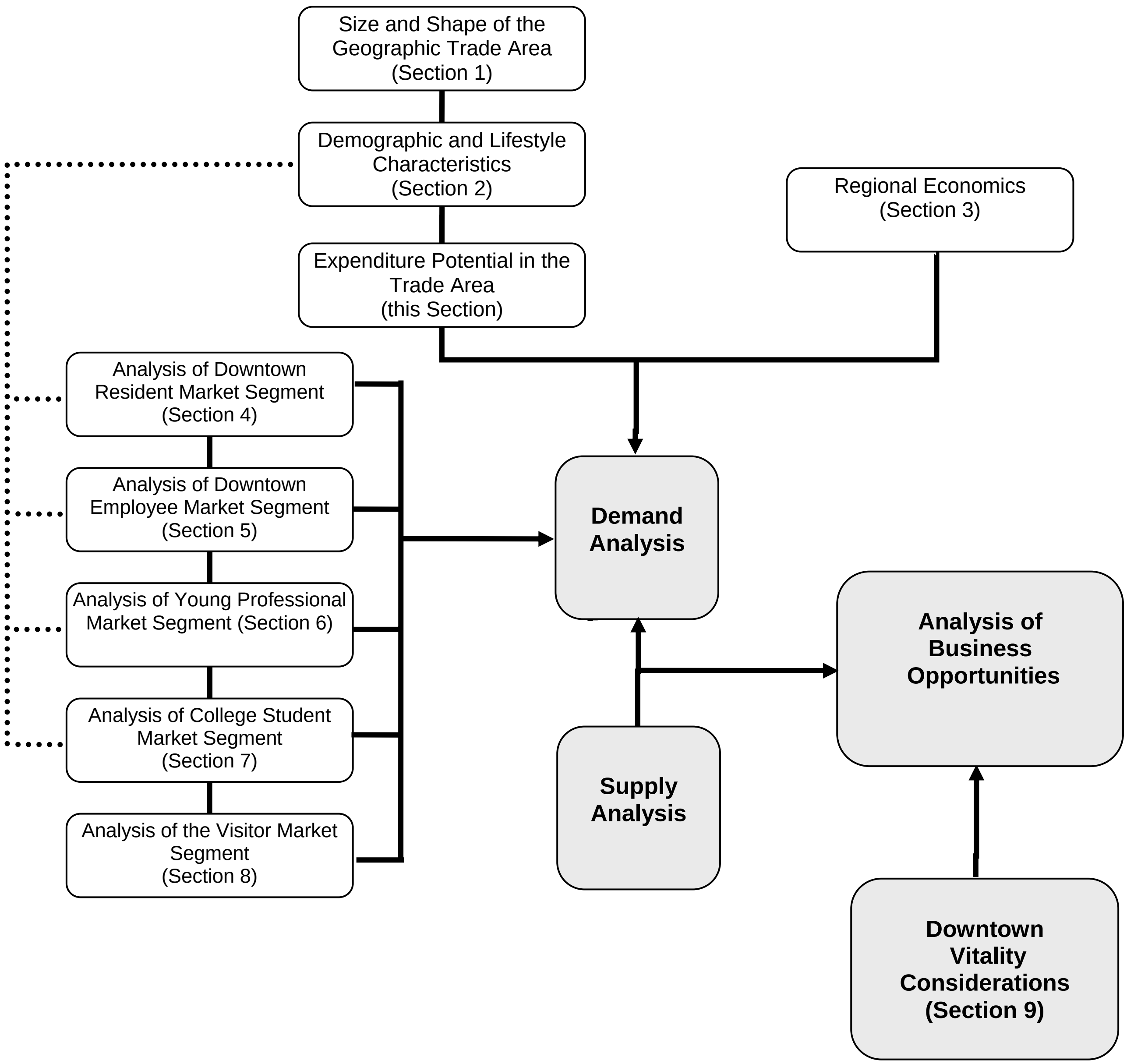
Additional considerations related to Downtown's future economic vitality are also considered. These considerations might include expected changes to the Downtown area that will strengthen demand for the business category being analyzed.

Demand and supply data coupled with future downtown vitality considerations provide an objective basis for encouraging or discouraging expansion or recruitment in a particular business category.

The process in this section can be used to analyze the market for the business gaps and opportunities identified in Section 9. It can also be used on-the-fly to examine business ideas as they emerge.

The Business Opportunities Analysis Form (Form A.1) is designed to summarize finings for each business category examined. It is based on Figure 2.1 and provides a systematic tool for assembling relevant data from this market analysis. Information to help complete this form is provided in the balance of this section.

Figure A.1 – Analysis of Business Opportunities Flowchart



Demand Analysis

Demand refers to the desire to purchase, coupled with the power to do so, in a particular business or product category. As the flowchart indicates, each section of this market analysis contributes to the analysis of demand. Due to the complexity of measuring demand, both quantitative data (such as expenditure potential) and qualitative data (perceptions and behaviors of consumers) are drawn from the market analysis to gauge overall market support.

A.) Size and Shape of the Geographic Trade Area

Depending on the business category, one of the three trade areas identified in Section 1 should be selected. These trade areas include the Downtown Study Area, the Primary Destination Trade Area, and the Secondary Destination Trade Area. The study area chosen should be the smallest geographic area that captures at least 75% of likely customers. For example, a neighborhood dry cleaner may be able to generate 75% of its customers from the immediate Downtown Study Area, but a men's clothing store may need to rely on a larger area including the Secondary Trade Area to generate 75% of its customers.

Given the number of potential convenience trade areas for downtown businesses, the Downtown Study Area may not be precise enough to serve as an "overall" convenience trade area. Businesses focusing on convenience goods and services may be better analyzed using a more customized trade area. Further, existing businesses that have prior market knowledge of their drawing power, or their probable trade area, may want to use their own area definition.

B.) Demographic and Lifestyle Characteristics

Demographic and lifestyle characteristics of the trade area as determined above must also be analyzed. Particular attention should be placed on those characteristics that reflect the type of consumers most likely to utilize a particular business category. For example, percent of home ownership may be an important attribute when analyzing the market for furniture or building material stores. Data describing the demographics and lifestyles in the three trade areas are included in Section 2 and Section 4.

For businesses categories with trade areas different than those identified in Section 1, demographic and lifestyle data can be assembled with assistance from a private data firm. Online services from providers like ESRI Business Information Solutions and Claritas can help define these trade areas and provide the associated data.

C.) Expenditure Potential in the Geographic Trade Area

Expenditure demand can be estimated for a business category or by product type.

Business Category - Once the trade area is selected and demographic data is assembled, an approximation of spending potential can be calculated. Expenditure potential can be calculated based on the 2002 US Census Bureau's Economic Census data for Wisconsin. Wisconsin business sales for the subject business category can be divided by state population to estimate per capita sales. Per capita sales can then be adjusted for inflation (13%) to estimate 2006 levels. Expenditure potential is then estimated by multiplying the population in the subject trade area by state per capita sales. The estimate can be then adjusted up or down based on the trade area's per capita income relative to the State's per capita income. These calculations have already been made in Table A.1 for a selection of businesses often found in downtown and business districts. This method can be replicated for other businesses not included in the table.

Product Type – An alternative approach to estimating expenditure demand is to examine spending by product type (instead of by business category). The University of Wisconsin-Milwaukee Employment and Training Institute provides comparison data on purchasing power for various products for all census tracts, residential zip codes, and the 100 largest metro areas in the U.S. The profiles are designed to help assess the advantages of urban density for underserved city neighborhoods. Their web site contains expenditure demand by product type for census tracts or zip codes and is available at:

http://www.uwm.edu/Dept/ETI/PurchasingPower/purchasing.htm

D.) Consumer Behaviors and Preferences by Market Segment

In addition to studying the geographic trade area, it is equally important to examine the behaviors and preferences of the five market segments discussed in detail in this market analysis (Sections 4 - 8). For each of the five segments (downtown residents, downtown employees, regional young professionals, area college students and visitors), national trends and local market characteristics should be summarized as they relate to the subject business category. For example, the growing economic power of college students, the number of college students in Milwaukee, and their lifestyles and spending patterns could be discussed in the analyses of electronics stores, movie theaters, apparel stores. The focus group findings presented in each of the market segment sections can also be used to summarize opportunities and issues applicable to Downtown Milwaukee.

Finally, the “Expected Level of Demand from Target Market Segments” in Table A.1 is an initial attempt at summarizing which segments will generate high demand for the selected business categories. They are based on the how the consumer preferences of each market segment align with a corresponding business category. The table also indicates those categories that could serve multiple market segments. This table should be modified based on the user’s own assessment and interpretation of data in this market analysis. In addition, the expected level of demand does not account for the existing supply of these goods or services, or the quality and performance of existing businesses.

Table A.1 - Spending Potential by Business Category

NAICS	Selected Business Category	Expenditure Potential*			Expected Level of Demand from Target Market Segments** △△△ High △ Medium - Low				
		Study Area Demand	Primary Trade Area Demand	Secondary Trade Area Demand	Residents	Office Workers	Young Profess-ionals	College Students	Visitors
	Retail Stores:								
44211	Furniture	3,086,636	37,391,854	128,795,139	△△△	▭	△	▭	▭
4422	Home Furnishings	2,842,353	34,432,586	118,602,026	△△△	▭	△△△	▭	▭
44311	Appliance, Television, and Electronics	4,982,614	60,359,944	207,908,047	△△△	▭	-	△△△	-
44312	Computer and Software	870,112	10,540,637	36,306,913	△△△	△△△	△△△	△△△	▭
44313	Camera and Photographic Supplies	95,514	1,157,071	3,985,497	△	△	△	-	-
4441	Building Material and Supplies Dealers	19,151,068	231,998,182	799,110,892	△△△	-	-	△	-
4451	Grocery	29,765,257	360,579,646	1,242,005,950	△△△	-	-	△	-
4452	Specialty Foods	857,155	10,383,672	35,766,251	△△△	△	△	-	△
44531	Beer, Wine, and Liquor	1,516,555	18,371,723	63,280,857	△△△	-	△△△	△△△	-
44611	Pharmacies and drug	10,620,533	128,658,329	443,159,819	△△△	△△△	△	△	-
44612	Cosmetics, Beauty Supp & Perfume	274,477	3,325,045	11,453,019	△△△	△△△	△△△	△△△	△
44613	Optical Goods	460,075	5,573,404	19,197,425	△△△	△△△	△△△	△△△	-
44619	Other Health and Personal Care	601,234	7,283,420	25,087,526	△△△	△	△	-	-
44811	Men's Clothing	338,423	4,099,692	14,121,267	△△△	△△△	△△△	△△△	△△△
44812	Women's Clothing	1,350,790	16,363,616	56,363,991	△△△	△△△	△△△	△△△	△△△
44813	Children's and Infants' Clothing	271,065	3,283,711	11,310,644	-	△	-	-	△△△
44814	Family Clothing	2,676,795	32,427,000	111,693,843	△△△	△△△	△△△	△△△	△△△
44815	Clothing Accessories	130,181	1,577,024	5,432,013	△△△	△△△	△△△	△△△	△△△
44821	Shoe	1,289,431	15,620,314	53,803,711	△△△	△△△	△△△	△△△	-
44831	Jewelry	1,469,670	17,803,747	61,324,481	△△△	△△△	△△△	△	△
45111	Sporting Goods	2,053,640	24,878,023	85,691,616	△△△	-	△△△	△△△	△
45112	Hobby, Toy, and Game	1,022,403	12,385,501	42,661,491	△△△	△△△	-	△△△	△△△
45113	Sewing, Needlework, and Piece Goods	278,816	3,377,604	11,634,059	-	-	-	-	-
45114	Musical Instrument and Supplies	423,693	5,132,665	17,679,313	-	-	△	△△△	-
45121	Book and News Dealers	915,659	11,092,393	38,207,421	△△△	△△△	△△△	△△△	△△△
45122	Prerecorded Tape, CD, & Record	342,628	4,150,634	14,296,736	△	-	△△△	△△△	△
45200	General Merchandise (Department)	22,885,993	277,243,478	954,956,978	△△△	△	△	△△△	-
45311	Florists	519,832	6,297,299	21,690,859	△△△	△△△	△△△	-	△
45321	Office Supplies and Stationery	1,231,426	14,917,634	51,383,349	△△△	△△△	△△△	△△△	-
45322	Gift, Novelty, and Souvenir	1,082,128	13,109,015	45,153,614	-	-	-	-	△△△
45391	Pet and Pet Supplies	559,402	6,776,661	23,342,007	△	-	-	-	-
45392	Art Dealers	152,106	1,842,628	6,346,878	△△△	-	△	-	△△△

NAICS	Selected Business Category	Expenditure Potential*			Expected Level of Demand from Target Market Segments** △△△ High △ Medium - Low				
		Study Area Demand	Primary Trade Area Demand	Secondary Trade Area Demand	Residents	Office Workers	Young Profess-ionals	College Students	Visitors
	Food Service and Drinking Places:								
72241	Drinking Places	2,346,500	28,425,768	97,911,719	△△△	△△△	△△△	△△△	△△△
72211	Full Service Restaurants	9,759,032	118,222,003	407,212,200	△△△	△△△	△△△	△△△	△△△
72221	Limited Service Eating Places	8,367,753	101,367,895	349,158,723	△△△	△△△	△△△	△△△	△△△
	Recreation/Entertainment:								
71394	Fitness Centers	858,038	10,394,374	35,803,115	△△△	△△△	△△△	△	-
51213	Motion Picture Theaters	1,051,666	12,740,004	43,882,568	△△△	-	△△△	△△△	△
	Personal Services:								
62441	Child Day Care	1,877,598	22,745,437	78,345,988	△△△	△△△	-	-	-
81211	Barber/Beauty Salons	1,523,258	18,452,917	63,560,527	△△△	△△△	△△△	△△△	-
81231	Coin-op Laundry	108,487	1,314,226	4,526,814	△△△	-	-	△△△	-
81232	Dry Cleaners	374,102	4,531,916	15,610,052	△△△	△△△	△△△	-	-
812113	Nail Salons	25,388	307,557	1,059,369	△△△	△△△	△△△	△	-
81291	Pet Care/Grooming	115,563	1,399,939	4,822,048	△△△	-	△	-	-
81219	Other personal care (diet, weight, etc.)	280,771	3,401,292	11,715,649	△△△	△	△	-	-
	Repair and Maintenance:								
81143	Footwear and Leather Goods	10,287	124,621	429,253	△△△	△	-	-	-
81149	Other/Tailor	134,229	1,626,064	5,600,928	△△△	△△△	△	-	-
	Rental Services:								
53222	Formal Wear and Costume	69,388	840,572	2,895,326	△△△	△△△	△	-	-
53231	General Rental Center	71,716	868,778	2,992,481	△△△	-	-	-	-
53223	Movie Rental	618,550	7,493,183	25,810,047	△△△	-	△△△	△△△	-
	Other Services:								
54192	Photographic Services	426,442	5,165,960	17,793,998	-	-	-	-	-
54194	Veterinary Services	1,529,403	18,527,356	63,816,931	△△△	-	-	-	-
56143	Business Service Center (mail, copy)	343,166	4,157,150	14,319,182	△△△	△△△	△△△	△	-

**Expenditure potential based on the 2002 US Census Bureau's Economic Census data for Wisconsin. Wisconsin business sales were divided by State population to estimate per capita sales. Per capita sales were then increased by 13% for inflation to estimate 2006 levels. Study Area, Primary Trade Area, and Secondary Trade Area expenditure potential in each business category were estimated by multiplying the population in each of these three areas by the State per capita sales for each business category. The estimates were adjusted up or down based on the area's 2005 per capita income relative to the State's per capita income.*

***Expected level of demand based on judgment of study group using data collected in this market analysis. Demand by segment should be reevaluated on a case-by-case basis when examining business development opportunities. Target Market (right side of chart) will not equal expenditure potential estimates because expenditure estimates reflect consumers residing in trade area. In other words, target market segments may reside outside the trade areas.*

Supply Analysis

Supply refers to actual sales, or capacity to sell based on space occupied by existing businesses in a particular business category in the trade area. As the previous flowchart indicates, data in this market analysis focuses on demand, not supply. Accordingly, the supply analysis requires collection of additional information to help gauge actual sales captured, or capacity to sell, in the trade area. Due to the difficulty of collecting accurate data, a few different approaches are offered.

- US Census Bureau, Economic Census can provide data on the average sales per establishment in a business category. These averages can be multiplied by the number of establishments in the trade area after adjusting for their observed success in the market.

- An alternative is to rely on business data from a private source such as infoUSA.com. This particular firm maintains a proprietary database of 14 million US businesses including estimates of employment and sales.

- A third method of estimating sales is to rely on actual trade area sales estimates provided by data firms such as Claritas or ESRI Business Information solutions.

All three approaches are based on assumptions that may significantly impact the accuracy of trade area sales estimates. An alternative method is to estimate sales based on a "back door" approach. By inventorying the approximate square feet of space, number of theater screens, number of restaurant seats, or other capacity measure, sales can be estimated using industry sales ratios (such as sales per square foot). One source for retail and service categories is the Urban Land Institute's "Dollars and Cents of Shopping Centers" publication. Selected data from this source is available at: http://www.uwex.edu/ces/cced/dma/9.html

Downtown Vitality Considerations

In Section 9, *Opportunities for Building on Downtown Milwaukee's Competitive Advantages*, key findings from earlier sections of this market analysis were used to develop recommendations to strengthen the overall environment for retail and service, office, residential, and entertainment uses. These recommendations are based on Downtown's competitive advantages and how its assets could be leveraged to improve Milwaukee as a place to live, work and play.

In analyzing future business opportunities, Milwaukee's competitive advantages should be considered. Specifically, consideration should be given to opportunities that strengthen a market niche or that develop and connect more vibrant clusters of business activity.

Developing Conclusions – Analysis of Business Opportunities

The comparison of business demand and supply, coupled with an understanding of the opportunities to strengthen the vitality of Downtown Milwaukee, provide sufficient information to guide initial business retention, expansion and recruitment efforts. For each business category analyzed, a conclusion should be made that supports (or refutes) development opportunities for the subject business category. To the extent possible, the conclusion should identify what specific types of businesses (within the business category) might have greatest market potential.

Form A.1 - Business Opportunities Analysis Form

Business Category/NAICS Code: ______________________

Demand Analysis

- Geographic Market
  - A) Selected geographic trade area (Section 1)

    ____

  - B) Demographics and Lifestyles of trade area residents (Sections 2 and 4)

    ____

    ____

  - C) Spending potential in trade area (Table A.1 for spending by business type / UWM Calculator for spending by product type: http://www.uwm.edu/Dept/ETI/PurchasingPower/purchasing.htm.)

    ____

- Targeted Market Segments
  - D) Behaviors and preferences by market segment (Sections 4 – 8) and Table 10.1)

    ____

    ____

Supply Analysis

- Inventory of businesses in category in trade area:

Business Name	Street Address	Sales Est.	Comments
Total	-		

Downtown Vitality Considerations (Section 9)

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Conclusion – Analysis of Business Opportunities

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