Chapter 2

BACKGROUND INFORMATION

INTRODUCTION

The summary background information establishes a foundation for the rest of the CEDS by presenting information that affects the regional economy. This section takes an inventory of the current conditions of the economy, including its population, housing, natural resources, infrastructure, employment, income levels, and other important components of the regional economy. Comparing these conditions to historical trends and future projections is vital to generating sound economic development strategies and providing insight into how to grow the Region’s economy.
The Region is geographically in a good position regarding continued growth and development and has grown slowly but steadily for many decades. Southeastern Wisconsin is bounded on the east by Lake Michigan, which is an integral part of a major international transportation network. The proximity to the greater Chicago metro area directly to the south has significant ramifications for the Region's economy. To the west and north of the Region are the fertile agricultural and desirable recreation areas of the rest of the State of Wisconsin. Many of the most important industrial areas and heaviest population concentrations in the Midwest are within 250 miles of the Region. Southeastern Wisconsin should leverage these advantages to achieve desired and sustainable growth. Insights into the historical, existing, and projected conditions impacting the Region's economy follow.
The population in Southeastern Wisconsin was 2,042,600 in 2018, which accounted for more than one-third of the State’s population. The Region’s most populous counties are Milwaukee and Waukesha. Over the past several decades, the Region has grown slowly but steadily, outpaced by both statewide and national growth.
The Region’s population distribution has shifted over the past several decades, with Milwaukee County’s share of the regional population declining while the share for the remaining six counties, especially Waukesha, increased.

By the year 2050 the Region’s population is projected to increase by 18% from 2.04 to 2.42 million. The trend of shifting population is expected to continue, with Milwaukee County experiencing the lowest growth and Kenosha County experiencing the highest growth.
Aging Population

More than half of the Region’s population falls between the ages of 25 and 64, which represents the prime workforce. However, the number of residents age 65 and older is projected to increase significantly, reflecting the aging of the Baby Boomer generation. The entire Baby Boomer population will have reached 65 by the year 2030, creating a need for replacement workers.

Coupled with the overall population growing at a slower pace than jobs, this means there will not be enough workers to fill additional, new jobs. To grow the economy, Southeastern Wisconsin will need to compete with other parts of the country and the world to attract new residents.

The population projections are based on consideration of the three components of population change: births, deaths, and migration. Net migration is the difference between the number of residents moving into the Region and the number of residents moving out of the Region.
Educational Attainment

In the past decade, the Region has seen an overall improvement in educational attainment. Of the Region’s population age 25 and older, the percentage with a college degree (associate’s or higher) grew from 38% in 2010 to 42% in 2018 and the percentage without a high school diploma or equivalent dropped slightly from 11% in 2010 to 9% in 2018. The Region has a slightly higher proportion of college graduates than both the State and the Nation.
The Region hosts robust higher education opportunities bolstered by 16 major colleges and universities and 9 technical college campuses.

While the Region has relatively high educational attainment and a relatively high proportion of college graduates, regional stakeholders have emphasized the need to align educational programs and workforce training more closely to the needs of employers, particularly in the manufacturing sector. To do this it will be important to identify occupations or workforce skills that are critically important to the Region’s economic growth strategy and provide training programs that have clearly understood outcomes with demonstrable job and career results.

public universities
UW-Milwaukee
UW-Parkside
UW-Whitewater

public colleges
UWM-Washington County
UWM-Waukesha

wisconsin technical college system
Gateway Technical College
Milwaukee Area Technical College
Moraine Park Technical College
Waukesha County Technical College

private universities and colleges
Alverno College
Cardinal Stritch University
Carroll University
Carthage College
Concordia University Wisconsin
Marquette University
Mount Mary University
Wisconsin Lutheran College

private technical and professional colleges
Medical College of Wisconsin
Milwaukee Institute of Art & Design
Milwaukee School of Engineering
Racial and Ethnic Disparities

The presence of continued poverty among people of color in Southeastern Wisconsin is well known, particularly in the Region’s urban cores of Milwaukee, Racine, Kenosha, and Waukesha.

While only 20% of the families in the Region are non-white, 55% of all families in poverty in the Region are non-white and 26% of non-white families are living in poverty compared to just 5% of white families living in poverty.
The Milwaukee metro area (consisting of Milwaukee, Ozaukee, Washington, and Waukesha Counties) is often referred to as the most segregated in the Nation. Milwaukee metro area disparities in terms of educational attainment, personal income levels, and poverty rates between whites and people of color are far more pronounced than the disparities in almost all other metro areas in the country. The following map shows the population distribution by race in relation to census tracts where concentrations of families in poverty exceed the regional average.

race/ethnicity distribution in relation to concentrations of poverty

Source: U.S. Census Bureau and SEWRPC
In the metro area alone, for every white person without a high school diploma there are 4.5 people of color in the same situation. This discrepancy within the metro area extends (though not as severe) to college education rates, as whites are twice as likely to hold a bachelor’s degree or higher. In the metro area, whites earn over twice as much people of color and people of color are four times more likely to be living in poverty. People of color in the Region face a disproportionate struggle compared to white residents, and for the Region to succeed, strategies must address the socioeconomic inequities faced by people of color.

**Housing**

Access to affordable housing plays a major role in the Region’s economic competitiveness and resilience. Housing costs are considered affordable if they do not exceed 30 percent of a household’s monthly income. The percentage of households paying more than 30 percent of their monthly income for housing costs in the Region has increased significantly since 1989.

![Bar chart showing households paying more than 30 percent of their income for housing: 1989-2018](image)

_Source: U.S. Census Bureau American Community Survey and SEWRPC_
All counties in the Region have a median monthly rent at or slightly below $900, with the exception of Waukesha County at over $1,000. In terms of owner-occupied housing units, the median value is much higher in Ozaukee, Washington, and Waukesha Counties than the other counties in the Region.

median house value and median rent by county: 2018

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Source: U.S. Census Bureau American Community Survey and SEWRPC

Ozaukee, Washington and Waukesha Counties also have a higher proportion of owner-occupied housing units.

housing unit occupancy by county: 2018

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Source: U.S. Census Bureau American Community Survey and SEWRPC
The Region’s central cities have substantial concentrations of unemployed and under-employed individuals and low-income households. In many of the communities surrounding these central cities, there are significant job concentrations. A portion of the jobs in these communities pay moderate and lower wages, yet many of these communities lack the modest single-family and multifamily housing that would be affordable to those earning moderate and lower wages. The shortage of affordable housing near these job concentrations makes it more difficult for businesses in these communities to attract or retain workers, hurting the economic productivity of businesses, communities, and the Region.
ENVIRONMENT

Climate
Climate refers to an area’s temperature, precipitation, and snow cover, and has important economic implications. Climate affects the types of agricultural crops that can be produced and how much can be produced. It influences the design of buildings, structures, and other types of infrastructure, and determines what types of cultural and recreational activities are possible. Far from the moderating effect of the oceans, Southeastern Wisconsin experiences markedly different seasons and a large range in annual temperature.

![Graph showing average temperature by month](image)

Source: Midwestern Regional Climate Center 1981-2010 NCEI Normals and SEWRPC

Extreme variations in temperature and precipitation can be particularly impactful to the economy. Within the last 10 years (since 2010) record high averages have occurred for five months (March, April, July, September, and December) and the City of Milwaukee has experienced four of the 10 hottest years in its history. The Region has also seen an increase in intense rainfall events (2 or more inches of rain within a 24-hour period). These events can result in increased flooding, especially flash flooding, which occurs very quickly and can put lives in danger and cause millions of dollars in property damage.
Natural Resources
Surface water resources are integral to the Region’s natural resource base. They contribute not only to recreational opportunities and quality of life within the Region but also to economic development opportunities. The Region is bisected by the subcontinental divide. 62% of the Region is located west of the divide and drains into the Upper Mississippi River system. This area relies heavily on groundwater resources for its water supply. The remaining 38% of the Region is located east of the divide and drains into the Great Lakes system. Lake Michigan is a major source of water for this area.

In Southeastern Wisconsin, environmental corridors have been delineated to help preserve the Region’s best remaining natural resources, such as wetlands, woodlands, surface water, and wildlife habitat. Primary environmental corridors are at least 400 acres in size, two miles in length, and 200 feet in width. Secondary environmental corridors typically connect with primary environmental corridors and are at least 100 acres in size and one mile in length. Isolated natural resource areas are smaller areas physically separate from environmental corridors, which are at least 5 acres in size and contain concentrations of natural resource base elements.
Additional Resources

Agricultural land use made up an estimated 1,051 square miles (or 39%) of the Region’s area in 2015, which is down 4% from 2010. The Region’s agricultural challenges relate to the continuing trends of land leaving agricultural use and a declining number of farm operations.

The mineral resources, specifically nonmetallic materials, within the Region offer a specific advantage in reducing the cost of road and other construction by minimizing the expense of transporting aggregate material.

There are 204 square miles of public park and open space sites in the Region that provide year-round opportunities for a wide variety of outdoor activities. Tourism and cultural resources are also important to the regional economy. The Region plays host to numerous pro and semi-pro sports teams, music and cultural heritage festivals, theaters, museums, and other cultural resources that provide entertainment and cultural engagement to residents and visitors alike.

in 2019 the region saw visitors spend $4.37 billion, a 4% increase from 2018 and a 39% increase over 2009 spending
INFRASTRUCTURE

Utilities

The Region has 78 municipal water supply systems covering 440 square miles, while 525 square miles of the Region are served by public sanitary sewer. The Milwaukee Metropolitan Sewerage District (MMSD) is the Region’s largest sewer district, providing water reclamation and flood management services to 28 communities and 1.1 million customers. MMSD maintains a major system of sewers and deep tunnels for collecting and conveying sewage and wastewater, which is treated and released by two treatment plants along Lake Michigan’s shoreline.

residents served by public sewer and water

We Energies supplies natural gas service throughout the Region and supplies electric service to most of the Region. Alliant Energy supplies electric service to small portions of southern Walworth County and southwestern Kenosha County and five areas are served by municipal power companies (Cedarburg, Elkhorn, Hartford, Oconomowoc, and Slinger). Most electric energy is generated from coal and natural gas sources, with renewable energy sources making up about 10% of electric energy production. The electric and gas utilities offered throughout the Region are known to be widely available and reliable, and their cost is reasonable compared to other metro areas.

Source: SEWRPC

The average household utility costs in the region (electricity, gas, and water) are estimated at $126 per month.
The availability of high-speed broadband internet is essential to the Region’s economic competitiveness and quality of life. The vast majority of the Region has access to internet service at download speeds exceeding the current broadband standard of 25 megabits per second (Mbps). While high-speed broadband is available in virtually all of Milwaukee County, the County has the lowest percentage of broadband subscriptions, likely tied to affordability issues as Milwaukee County has the lowest median household income in the Region. Some rural communities have more limited broadband service availability, but have been active in seeking grants to expand coverage in their areas.

**percent of households with a broadband internet subscription: 2018**

<table>
<thead>
<tr>
<th>County</th>
<th>Subscription Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenosha</td>
<td>83%</td>
</tr>
<tr>
<td>Milwaukee</td>
<td>76%</td>
</tr>
<tr>
<td>Ozaukee</td>
<td>87%</td>
</tr>
<tr>
<td>Racine</td>
<td>81%</td>
</tr>
<tr>
<td>Walworth</td>
<td>81%</td>
</tr>
<tr>
<td>Washington</td>
<td>85%</td>
</tr>
<tr>
<td>Waukesha</td>
<td>89%</td>
</tr>
</tbody>
</table>

State average (80%)

**Source:** U.S. Census Bureau American Community Survey and SEWRPC
Transportation
The arterial street and highway system is a critical transportation infrastructure component in the context of economic development, providing the basis for not only most employee travel, but also for most of the movement of raw materials and goods in the manufacturing sector of the Region’s economy.

In general, the street and highway system performs well compared to other metropolitan areas. Travel time delay and congestion costs for auto commuters in the Milwaukee area are below the averages for other peer metro areas. The increase in travel time delay for auto commuters in the Milwaukee area over the past 35 years is also below average compared to peers. However, the Region’s street and highway system faces a funding shortfall that will restrict new construction, reconstruction, and maintenance projects moving forward. Addressing this funding situation to allow arterial streets and highways to be reconstructed in a timely manner is a major challenge facing the Region. It is also important to ensure the transportation system is resilient to the effects of flooding, particularly given that the Region is expected to see an increase in the frequency of large storm events. Flooding can have major negative economic impacts on the Region such as disruptions to traffic flow and public transit operations and increased costs due to unplanned roadway repairs or reconstruction.

Public transit facilities and services represent a second critical transportation infrastructure component in the context of economic development. Currently, the Region is served by several individual transit systems, with the Milwaukee County Transit System (MCTS) being by far the largest transit service provider in the Region. MCTS provides a robust level of service per capita compared to peer metro areas, but experienced a troubling 39% decline in ridership from 2010 to 2018.
MCTS is also by far the largest transit system of the Milwaukee metro area’s peers not supported by dedicated funding. Other peer metro area transit systems without dedicated funding provide substantially less transit service per capita, suggesting that without additional funding Milwaukee’s transit levels are in jeopardy of shrinking. Southeastern Wisconsin also faces a challenge connecting residents to jobs in adjoining counties, lacking a regional transit agency with the ability to provide transit services across city and county boundaries. A comprehensive transit system is important for many reasons; it supports the local economy through increasing access to employers, it can promote focused development and assist in building walkable neighborhoods, it allows residents to age in place by providing alternative transportation options, and it provides equitable access to employment, recreation, healthcare, education, and other daily needs.
The ability to bike and walk is important to a high quality of life and healthy, vibrant communities. The Region boasts over 1,300 miles of bicycle facilities, including paths and on-street facilities, which have been continually expanding. Enhanced on-street facilities, such as a protected bike lane (protected by bollards, parking, or other physical barriers) or a separate path within a road’s right-of-way, have become increasingly popular. The Region’s many miles of off-street paths, the longest being the 108-mile Oak Leaf Trail, provide a particularly attractive recreational asset.

The entire Region is within a 90-minute drive of Milwaukee Mitchell International Airport (MKE), which provides nonstop service to dozens of destinations, serving about 7 million passengers and 600 million pounds of cargo in 2019. In addition to MKE, the Region is also home to 10 smaller public-use airports.

Port Milwaukee, the State’s largest intermodal sea container yard, has a significant impact on the economy of the Region, generating over $100 million in business revenue in 2017. The Port also saw a nearly 10% decrease in operating expenses and an over 50% increase in net income from 2018 to 2019. In addition, the Lake Express operates out of Port Milwaukee, providing high-speed auto passenger ferry service between Milwaukee and Muskegon, MI across Lake Michigan.

The Region’s railways are also important to the economy in terms of transferring both passengers and freight. Amtrak’s Hiawatha line, which operates seven daily roundtrips between Milwaukee and Chicago, carried a record-high 882,000 passengers in 2019 and has seen ridership increase every year since 2015. Amtrak’s long-distance Empire Builder route also stops in Milwaukee and Metra provides commuter rail service between Kenosha and northeastern Illinois. In terms of freight, approximately 144 million tons of domestic and international cargo valued at over $200 billion were shipped to, from, and within the Milwaukee-Racine-Waukesha Combined Statistical Area, with about 12% of those freight shipments traveling by rail.
There were 1,304,900 jobs in Southeastern Wisconsin in 2018, which accounted for more than one-third of the State’s jobs. Within the Region, the largest job concentrations are in Milwaukee and Waukesha Counties.
Similar to population, the Region’s job distribution has shifted over the past several decades, with Milwaukee County’s share of jobs declining while Waukesha County’s share has increased significantly.

This trend is projected to continue through 2050, though at a more moderate pace. While some counties in the Region have experienced significant growth, employment in the Region as a whole has been increasing at a slower rate than in most regions of comparable size in the U.S., particularly those located outside the Midwest.
In 2018, the unemployment rate for the Region (3.2%) was slightly higher than the statewide rate (3.0%) and lower than the national rate (3.9%). In Milwaukee County, where a substantial portion of the Region’s people of color reside, the unemployment rate for the Non-Hispanic White population was 2.7%, compared to 7.6% for the Black population and 5.5% for the Hispanic population.

As a result of the COVID-19 pandemic, unemployment rates for April 2020 more than tripled the average rates for 2019 in every county in the Region. While the rates for May and June 2020 show unemployment decreasing, the long-term impact of the pandemic on employment levels is unknown.
Industry Breakdown

The industry mix of employment in the Region reflects the continuation of a long-term shift from a manufacturing-oriented economy to a service-oriented economy. Although its share of the Region’s employment has been declining, the manufacturing sector remains a significant source of jobs when compared to peer regions across the country.

share of jobs by industry: 2018

The Region’s industries that have seen the most growth since 2009 are management of companies/enterprises, administrative/support services, and arts/entertainment/recreation. The information, finance/insurance, and government industries saw the greatest decline over the same period.
The information, finance/insurance, and retail trade industries are all expected to contract in the near future. However, jobs in the healthcare, education services, and arts/entertainment/recreation industries are expected to grow.

*industries* with largest positive and negative growth rates: 2009-2018

*only includes industries that account for at least 0.5% of the region's jobs

Source: EMSI and SEWRPC

*industries* with largest positive and negative growth rates: 2018-2027

*only includes industries that account for at least 0.5% of the region's jobs

Source: EMSI and SEWRPC
**Location Quotients**

Location quotient refers to the proportion of jobs within specified industries in a specific geographic area (Southeastern Wisconsin in this case) compared to the proportion of jobs within those same industries of a larger reference area (the Nation). A location quotient greater than 1.0 demonstrates the Region has a larger share of jobs in an industry compared to the Nation and can indicate the industries that drive the regional economy. A high location quotient in a particular industry may present opportunities for additional growth of that industry, or related industries, because of competitive advantages such as an existing skilled labor pool, suppliers, facilities, or transportation hubs in the Region. The industries in the Region with the highest location quotients indicate that the Region has a significant competitive advantage in numerous advanced manufacturing sectors.

![Image of location quotients: 2018](image-url)
Industry Clusters
The following industry clusters (concentrations of related industries that share markets, suppliers, and worker skills) have been identified by M7 as significant to the success of the Region (with examples in parentheses):

- Electronic Manufacturing (Foxconn)
- Energy, Power, & Controls (Mid-West Energy Research Consortium)
- Food and Beverage Manufacturing (FaB Wisconsin)
- Water Technologies (A.O. Smith, Badger Meter)
- Manufacturing (Generac, Rexnord, Rockwell Automation)
- Finance & Insurance (Northwestern Mutual, Robert W. Baird)
- Medical Technology (GE Healthcare Technologies, Medical College of Wisconsin)
- Information Technology (Fiserv)
- Consumer Products (Harley-Davidson, Jockey International, S.C. Johnson Company)

Largest Employers
Many of the Region’s largest employers are within the health care and social assistance industry. The following employers have been identified by M7 as the Region’s largest (with employment in parentheses):

- Aurora Health Care (25,700)
- Ascension Wisconsin (14,500)
- Froedtert Health (9,700)
- Kroger Co./Roundy’s (8,300)
- Kohl’s (7,800)
- Quad/Graphics (6,800)
- GE Healthcare Technologies (6,000)
- Medical College of Wisconsin (5,500)
- Northwestern Mutual (5,000)
- ProHealth Care Inc. (4,800)
- Children’s Hospital of Wisconsin (4,500)
- WEC Energy (4,300)
**Major Economic Activity Centers**

The Region is home to 45 existing major economic activity centers. Major economic activity centers are defined as areas containing concentrations of commercial and/or industrial land with at least 3,500 employees or 2,000 retail employees. An additional 17 major economic activity centers are anticipated to develop by 2050 based on existing employment, forecast employment, and input from local governments.

**Industrial/Business Parks**

Maintaining enough available land, with the necessary infrastructure and transportation access, plays a key role in the ability to attract firms to the Region and to allow existing firms to expand. There are several resources that provide data and assistance in selecting sites in the industrial and business parks throughout the Region. See the sidebar for those resources.

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**Existing**

- Kenosha
  - 1 industrial
  - 1 general
  - 1 retail
- Milwaukee
  - 8 industrial
  - 6 general
  - 4 retail
  - 1 office
  - 2 retail/office
- Ozaukee
  - 1 industrial
  - 1 general
- Racine
  - 2 industrial
  - 1 general
  - 1 retail
- Walworth
  - 1 general
- Washington
  - 2 industrial
  - 2 general
- Waukesha
  - 6 industrial
  - 2 general
  - 1 retail/office
  - 1 industrial/office

**Proposed**

- Kenosha
  - 1 industrial
  - 1 general
  - 1 retail
- Milwaukee
  - 1 retail
  - 2 office
- Ozaukee
  - 1 general
- Racine
  - 1 industrial
  - 3 general
- Walworth
  - 1 general
- Waukesha
  - 2 general
  - 2 retail
  - 1 industrial/office

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InWisconsin is a free web-based site selection tool created by WEDC that allows the user to search for specific buildings or site types that are best suited to fit their needs.


M7 maintains an interactive site locator to assist businesses looking for available sites, buildings, and economic data within the Region.

[www.milwaukeeprospector.com](http://www.milwaukeeprospector.com)

SEWRPC’s website lists existing and proposed business parks for Milwaukee, Ozaukee, Racine, and Waukesha Counties, developed in conjunction with county economic development organizations and local government planners.

[www.sewrpc.org/BusinessParks](http://www.sewrpc.org/BusinessParks)
Income and Wages

Household income is an important measure of an area's spending power and overall economic well-being. The median household income for the Region in 2018 was $61,365, comparable to that of the State ($60,773) and Nation ($61,937). However, there are considerable differences in household income among the seven counties, with higher income levels in Ozaukee, Washington, and Waukesha Counties.

There are also income disparities within the counties, with income levels lower in the Cities of Kenosha, Milwaukee, Racine, and Waukesha than in the remainders of their respective counties. In addition to geographical disparities in income, the Region also has racial and ethnic disparities in income. The median income for Non-Hispanic White households in the Region was $71,332, compared to $29,627 for Black households and $46,337 for Hispanic households.
Eight of the Region’s ten largest occupations are considered lower-wage jobs, meaning they pay 80% or less (below $41,600) than the Region’s average annual wage per job of $52,000. Customer service representative is the only moderate-wage job, which means it pays between 80 and 135% ($41,600-$70,300) of the Region’s average annual wage per job. Registered nurse is the only occupation in the Region’s ten largest that is considered a higher-wage job meaning it pays 135% or more (above $70,300) than the Region’s average annual wage per job.

The region's 10 largest occupations and their average annual wage: 2018

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Lower-wage (below $41,600)</th>
<th>Moderate-wage ($41,600-$70,300)</th>
<th>Higher-wage (above $70,300)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home health and personal care aides</td>
<td>$24,700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail salespersons</td>
<td>$28,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fast food and counter workers</td>
<td>$21,100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office clerks, general</td>
<td>$38,100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registered nurses</td>
<td></td>
<td>$73,800</td>
<td></td>
</tr>
<tr>
<td>Customer service representatives</td>
<td>$41,700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laborers and freight, stock, and material movers, handicraft</td>
<td>$34,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cashiers</td>
<td>$23,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Janitors and cleaners, except maids and housekeeping cleaners</td>
<td>$29,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stockers and order fillers</td>
<td>$27,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

AREAS OF ECONOMIC DISTRESS AND OPPORTUNITY ZONES

For purposes of its grant programs, EDA identifies counties and census tracts in economic distress based on unemployment rate and per capita income. Counties or census tracts are considered economically distressed if they have an average 24-month unemployment rate above the U.S. average by one percentage point or more or an average annual per capita income level at or below 80 percent of the U.S. average. The national unemployment rate during the period 2014-2018 was 5.1%. The national average annual per capita income level was $32,621. In 2018, a total of 216 census tracts, or 41% of census tracts in the Region met EDA economic distress criteria. Of these, 174, or 81%, have a minority population higher than the regional average of 30.9 percent. This concentration of high unemployment and lower income levels predominantly in communities of color is inextricably linked to the concentration of poverty among people of color described previously in the CEDS. These distressed census tracts are where the impacts of the Region’s segregation and racial disparities are most prominent, with people of color facing a disproportionate struggle compared to white residents. Lack of transportation to jobs and job training and high incarceration rates among African-American males in many of these census tracts further exacerbate these issues.

Opportunity Zones are a federal economic development tool that incentivizes investment in designated low-income census tracts by providing investors favorable treatment on capital gains taxes. Opportunity Zones were designated by States and certified by the U.S. Treasury Department in 2018, with certification remaining in effect until the end of 2028. There are 46 certified Opportunity Zones in the Region, with 37 of those located in Milwaukee County. Most Opportunity Zones are located within areas that are also considered economically distressed. By establishing a clear vision for the future, identifying assets and challenges, and engaging stakeholders, the CEDS can help the Region attract greater Opportunity Zone investment.
opportunity zones and areas of economic distress: 2020

opportunity zones
- census tracts identified as opportunity zones in 2018
- number of opportunity zones per county

areas of economic distress
- census tracts meeting eda economic distress criteria based on unemployment and/or income per capita levels
- number of distressed areas per county

note: data related to economically distressed areas are from the 2014-2018 american community survey (acs)

Source: StatsAmerica, U.S. Department of the Treasury and SEWRPC