



## Wisconsin Taxpayers Alliance

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# NEWS

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### Madison, Milwaukee Paths Diverge WISTAX Compares Wisconsin's Two Largest Cities

MADISON—Madison has seen large, sustained growth in income and jobs in recent decades, while Milwaukee's development has been mostly flat, creating a gap between two cities that once shared a similar quality of life. To explain the emergence of this economic gap, the Wisconsin Taxpayers Alliance (WISTAX) has examined more than 50 years of municipal and county data in its new report, "A Tale of Two Cities," contained in the latest issue of *The Wisconsin Taxpayer*.

No measure of economic health illustrates the growing gap better than income. Good incomes improve the standard of living, drive the economy, and generate taxes to improve public welfare. In 1950, Milwaukee's median family income was \$3,340, 30% more than Madison's \$2,570. Since then, Madison's incomes have grown several times faster than Milwaukee's; adjusted for inflation, Madison's median family income rose 226% from 1950 to 2000; Milwaukee's grew about one-fourth of that, or 59%.

As recently as 1990, Madison's median income (\$31,016) exceeded Milwaukee's (\$28,292) by less than 10%. Over the following 15 years, however, as the "new economy" emerged, Madison benefited from significant changes in the job market. By 2005, the income gap was nearly 80%; Madison's median family income of \$64,264 dwarfed Milwaukee's \$35,765.

According to WISTAX, two reasons for the growing income gap are job growth and relocation. On average, Madison residents are more educated and more attractive to the types of employers who have added employees in recent years. Dane County jobs rose 126% from 1970 to 2000, while Milwaukee County jobs increased just 18%. Looking beyond the total numbers, Dane County even outperformed Milwaukee in manufacturing, long the staple of Milwaukee's economy. From 1970 to 2000, Milwaukee County manufacturing jobs fell 46.2% to 90,060. In Dane, they rose 92.1% to 32,920.

Population growth has exacerbated many of the disparities between the two cities, according to WISTAX. From 1960 to 2005, Milwaukee's population fell 20.4% and its ranking dropped from 11th largest in the U.S. to 23rd largest. During the same years, Madison grew by 76.2% and rose from 97th to 83rd.

WISTAX is a nonprofit, nonpartisan organization dedicated to public-policy research and citizen education. For a free copy of *The Wisconsin Taxpayer* containing the article "A Tale of Two Cities," write WISTAX, 401 North Lawn Ave., Madison, WI 53704-5033; e-mail wistax@wistax.org; visit www.wistax.org; or phone 608.241.9789. □

*(Editor's Note: An electronic version of this release is available at [www.wistax.org](http://www.wistax.org).)*

The Wisconsin Taxpayers Alliance, founded in 1932, is the state's oldest and most respected private government-research organization. Through its research, publications, civic lectures, and school talks, WISTAX aims to improve Wisconsin government through citizen education. Nonprofit, nonpartisan, and independently funded, WISTAX is not affiliated with any group—national, state, or local—and receives no government support.