

# Downtown Economics

Ideas for Increasing Vitality in Community Business Districts

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## Who Lives in Wisconsin's Downtowns?

### Demographic Characteristics of Residents

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Housing has become an important element in comprehensive downtown revitalization efforts. Downtown housing contributes to an active environment that extends activity beyond traditional business hours. Downtown residents who live within a half mile of the middle of a downtown provide a captured market for convenience retail and services.

Demographic data provides a foundation to help downtown business operators understand the nearby resident market. University of Wisconsin-Extension research examined the demographics of residents who live within a half-mile of the middle of each of the state's downtowns<sup>1</sup>. The research examined downtown residents in 313 Wisconsin places with a municipal population of over 1,000. Data was categorized by municipality size, ranging from small cities/villages (pop. 1,000 to 2,500) to larger cities (pop. above 100,000)<sup>2</sup>. Highlights of who lives downtown are presented below<sup>3</sup>.

### Population and Households

Analysis of the data indicates that approximately 10% of the state's population lives within a half-mile

of the center of a downtown. Overall, the combined population of Wisconsin's downtowns has grown by 4.0% between 2000 and 2010. This was less than the overall state population growth of 6.0% over the decade. The largest downtown population growth occurred in the largest cities of Madison and Milwaukee. Overall, smaller communities (pop. less than 10,000) experienced only modest population growth.

Average household size in downtowns tends to be slightly smaller than the state average and significantly smaller in larger cities. The ratio of males to females living downtown is similar to the state average (in which 49.5% are male). However, in the three largest city downtowns there is a higher percentage of males (54.3%).

#### Wisconsin Communities with the Highest Downtown Population (Half-Mile Ring):

Over 20,000: Madison

5,000 – 10,000: Wauwatosa, Milwaukee, Waukesha, Cudahy, West Allis, and Oshkosh

4,000 – 5,000: Appleton, Watertown, Fond du Lac, La Crosse, Janesville, Waupun, South Milwaukee, and Menomonie

3,500-4,000: Hartford, River Falls, Green Bay, Beaver Dam, Eau Claire, Monroe, Sheboygan, Baraboo, Fort Atkinson, and Racine

Source: 2010 population estimates from ESRI

### Housing Units

Owner occupied housing represents 53% of the housing units in Wisconsin's downtowns (39% are rented and 9% are vacant). For comparison, owner occupied units represent 60% of the state's housing

<sup>1</sup> A ring of .5 miles was used as a consistent measure of walkability. For this analysis, the same measure is applied to all downtowns (small).

<sup>2</sup> While Wisconsin's three largest cities (Milwaukee, Madison and Green Bay) are distinctly different, they are combined in the category "population above 100,000." For this analysis, downtowns in very small communities (pop. less than 1,000) were omitted. However, they too are important centers of residential and commercial activity.

<sup>3</sup> Demographic analysis based on 2000 and 2010 estimates by ESRI.

inventory. The percent of owner occupied units was significantly less in larger cities with populations greater than 50,000.

### Race/Ethnicity

Overall, Wisconsin downtowns are less diverse than the state as a whole. Smaller community downtowns are generally over 90% white, while larger community downtowns are typically more diverse. Of the downtowns studied, residents of Hispanic origin represent 4% of the population (living in cities of all size). African Americans represent 2% of the state's downtown population (typically living in the larger cities). The larger cities are more likely to have ethnically diverse neighborhoods located just outside of downtown.

### Income

Median household income in Wisconsin's downtowns was \$48,900, compared to the state level of \$55, 895. Median household income was significantly less in larger cities with populations greater than 50,000. This was due in part due to smaller households, higher student population, and greater concentrations of lower income households.

### Age

Downtown households tend to have fewer children (under 18). Approximately 21% of downtown residents are under 18, compared to 23% for the state. Only 4% of downtown residents in the largest three cities (Milwaukee, Madison and Green Bay) were under 18. These larger cities have 56% of their populations in the student or early-career years of 15-24. Downtowns are also home to many older residents (older than 65), especially in smaller communities with population less than 10,000.

### Education

Education of downtown residents varies widely depending on the economic characteristics and size of each community. Residents who have earned a

bachelor's degree or higher make up over 60% of the downtown population in the state's two largest cities (Milwaukee and Madison). This drops to 19% in cities with less than 1,000. Generally, as city size decreases, so does the percentage of residents with a bachelor's or higher degree.

### Employment

As with age and education, employment varies widely among Wisconsin downtowns. White collar<sup>4</sup> employment was significantly higher among downtown residents in Milwaukee and Madison. Service and blue collar<sup>5</sup> work (including manufacturing) was more common in the smaller communities.

### Conclusions

Significant differences exist among downtown residents depending on city size and economic character. Overall, downtowns continue to grow in population. They have a higher percentage of rental housing, especially in larger cities. Downtown residents are often less ethnically diverse, have lower incomes, and have fewer children. Education and employment varies widely depending on the size and economic characteristics of the community.

Downtown business operators, both existing and perspective, should study demographics specific to their downtown residents as a way to better serve this important market segment.

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<sup>4</sup> White collar typically includes management, financial, professional, sales and administrative support employment.

<sup>5</sup> Blue collar typically includes farming, forestry, construction, maintenance, production, and transportation employment.