



MADISON

Economic Development Strategy

DATA ANALYSIS - CONCLUSIONS

EDC - 6/18/14





MADISON

Economic Development Strategy

1. DATA INSIGHTS
2. ECONOMIC VISION
3. STRATEGIES
4. WORK PLAN





“If we have data, let’s look at data, if all we have are opinions, let’s go with mine”

– Jim Barksdale

16 BIG TAKEAWAYS

from the data



16



MYTHS
BUSTED



4

4

4

4

To
Proclaim
Loudly

To Lose
Sleep Over

Busted
myths

Big
Opportunities





Proclaim Loudly

1. Economic engine for the state
2. Magnet for talent & strong in growth sectors
3. Development is booming
4. Increasingly globally-engaged, innovation-driven economy

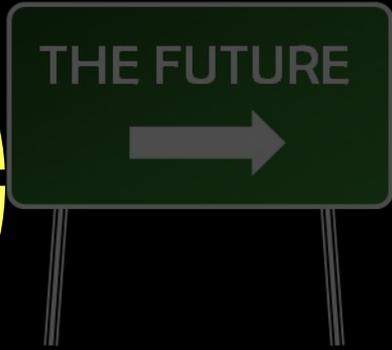




1. EPIC dependency
2. Tax base distribution and “playing field” for growth
3. Future of “ranch-home/empty-nester” outer neighborhoods
4. Achievement gap = marginalizing future workforce



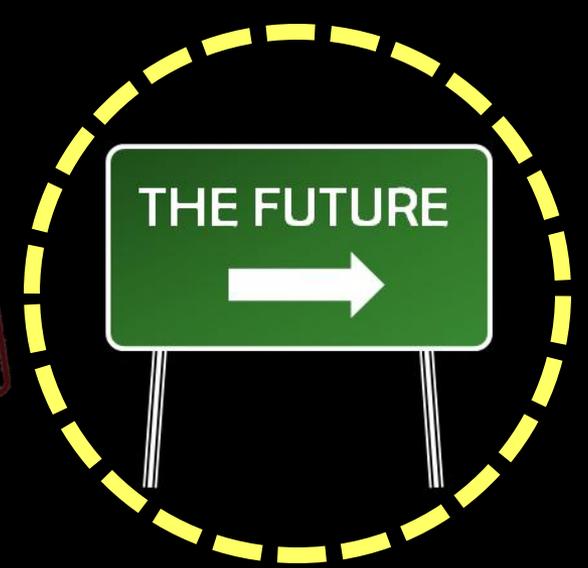
Debunked



1. Madison is not business friendly **FALSE**
2. Madison is mostly single family home owners **FALSE**
3. Most people here work for the government **FALSE**
4. Poverty is linked to people moving here **FALSE?**



Opportunities



1. Embrace the coming “EPIC baby boom”
2. Tap the UW’s research horsepower
3. Confluence of digital tech, life sciences, health
4. Embrace change - *image/culture/demographics*



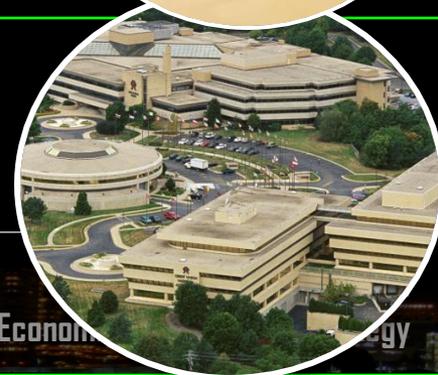
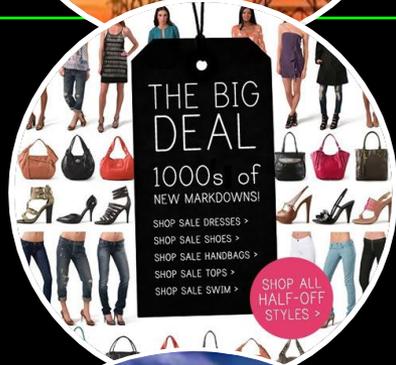


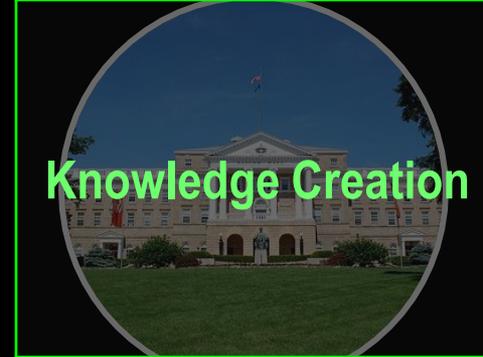
**What's Our
Economy Look
Like??**

Based on:

- Large Companies
- Growth Industries
- Occupation Growth
- LQs







Knowledge Creation



Food Processing



Insurance



Life Science



Health Equipment



Utilities



Software



Medical Care



Government



Online Shopping



Specialty Consumer Products



Health Tech



Bikes



Animal Genetics

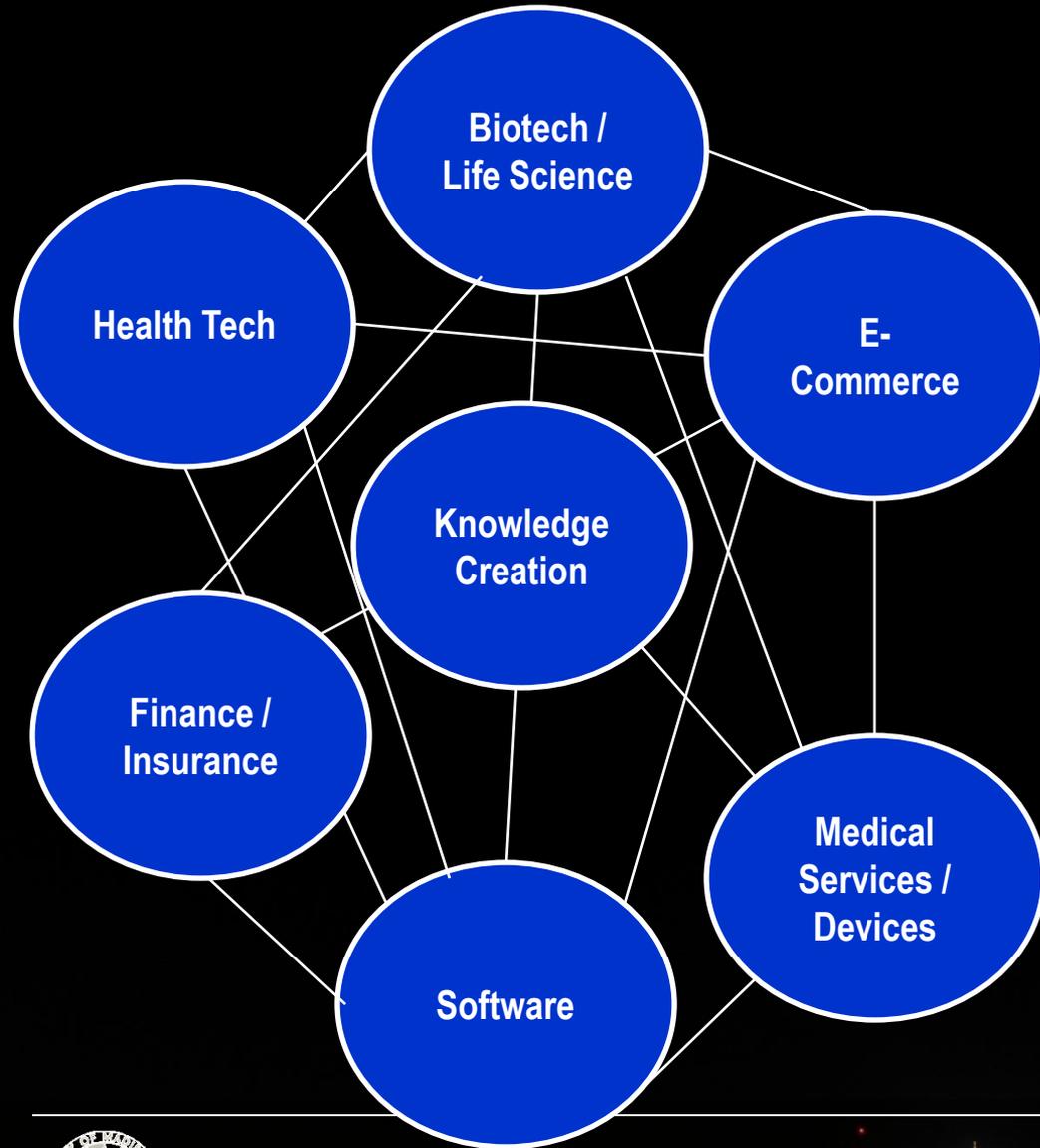


Printing



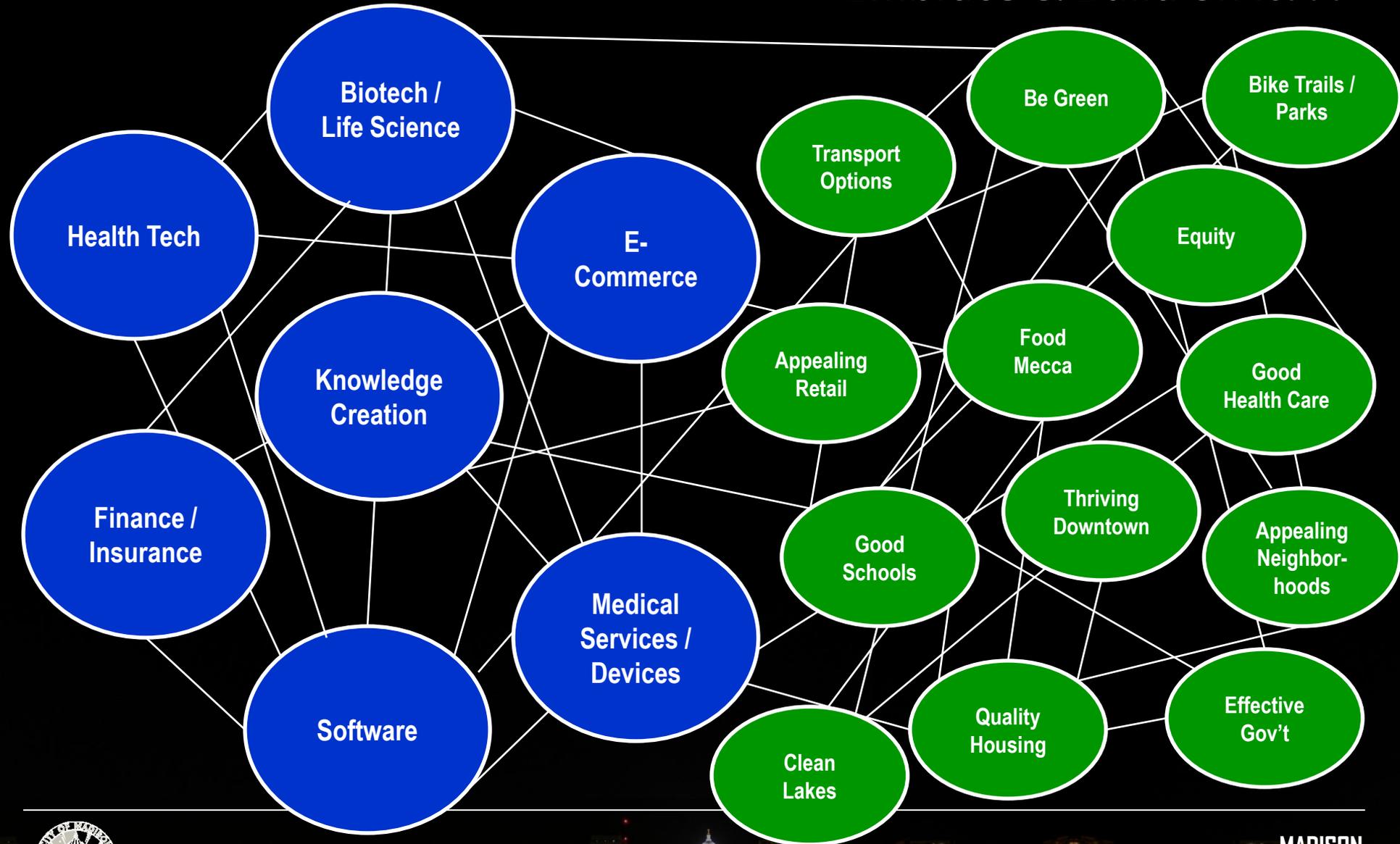
Financial Services

Where's Our Primary Growth???

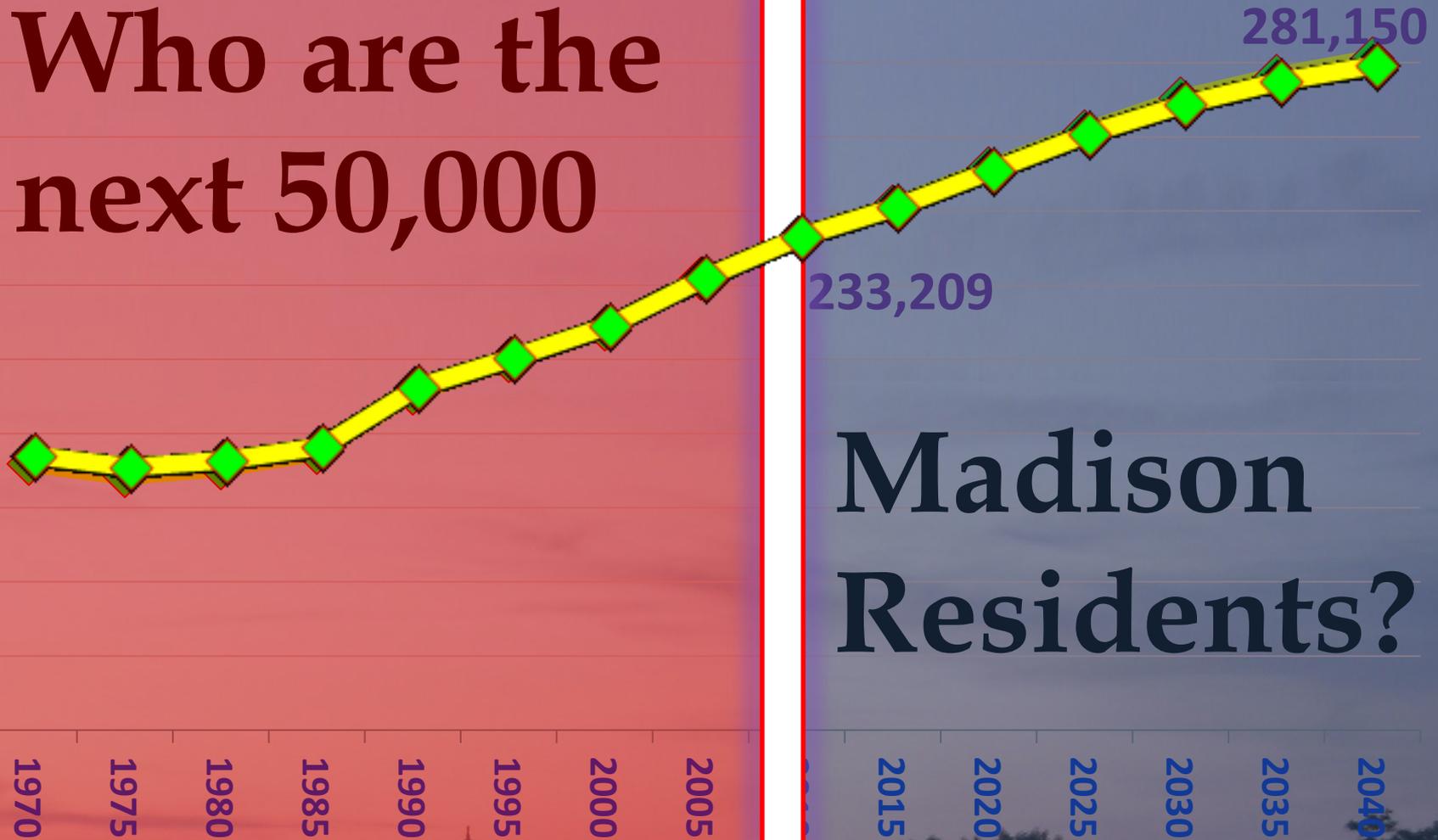


Where's Our Primary Growth???

How do we Facilitate, Embrace & Build on it???



Who are the next 50,000



Madison Residents?

PAST

FUTURE

MID-SIZED COLLEGE TOWN

WHITE

BOOMER
WORKFORCE

STATE WORKER

GOES TO MEETINGS

ROOTED

HOME OWNER

CAR OWNER

READS NEWSPAPERS
MORTGAGE

PENSION

PAST

GROWING INNOVATION HUB

DIVERSE

DIGITAL

RENTER

PRIVATE SECTOR

TECHNOLOGY JOBS

MULTI-MODAL

TRANSIENT

401K

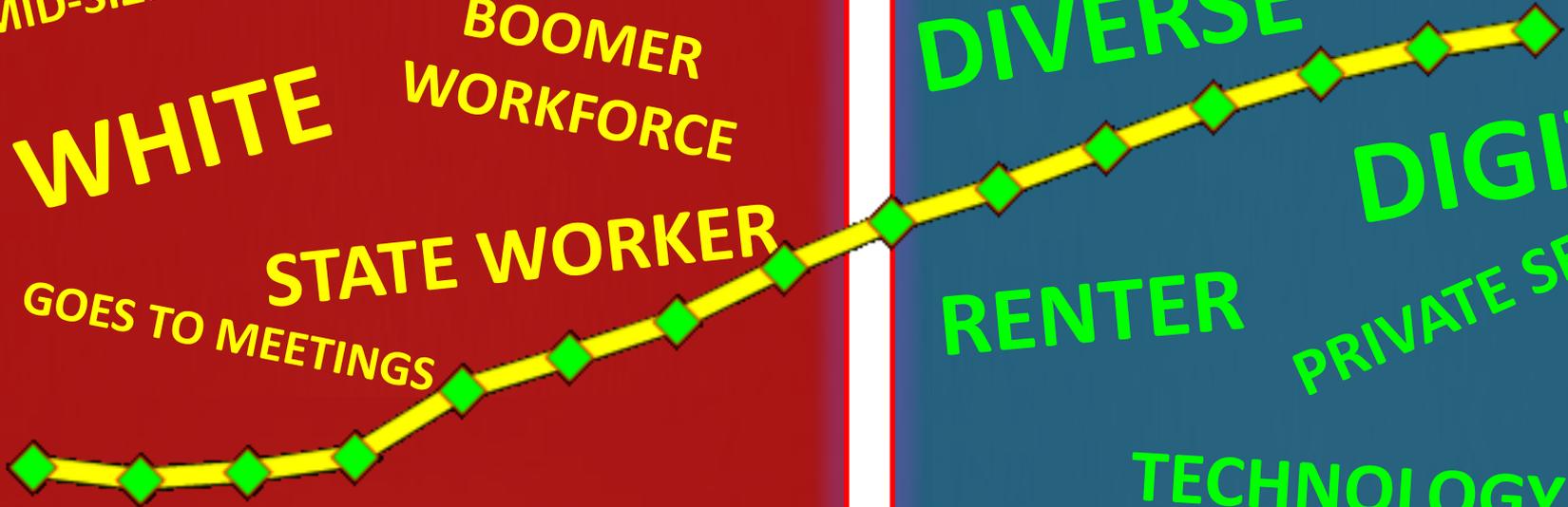
SERVICE JOBS

STUDENT LOAN

SOCIAL MEDIA

MILLENNIAL
WORKFORCE

FUTURE





Madison Economic Development Strategy



1.Data

2.Vision

3.Strategies

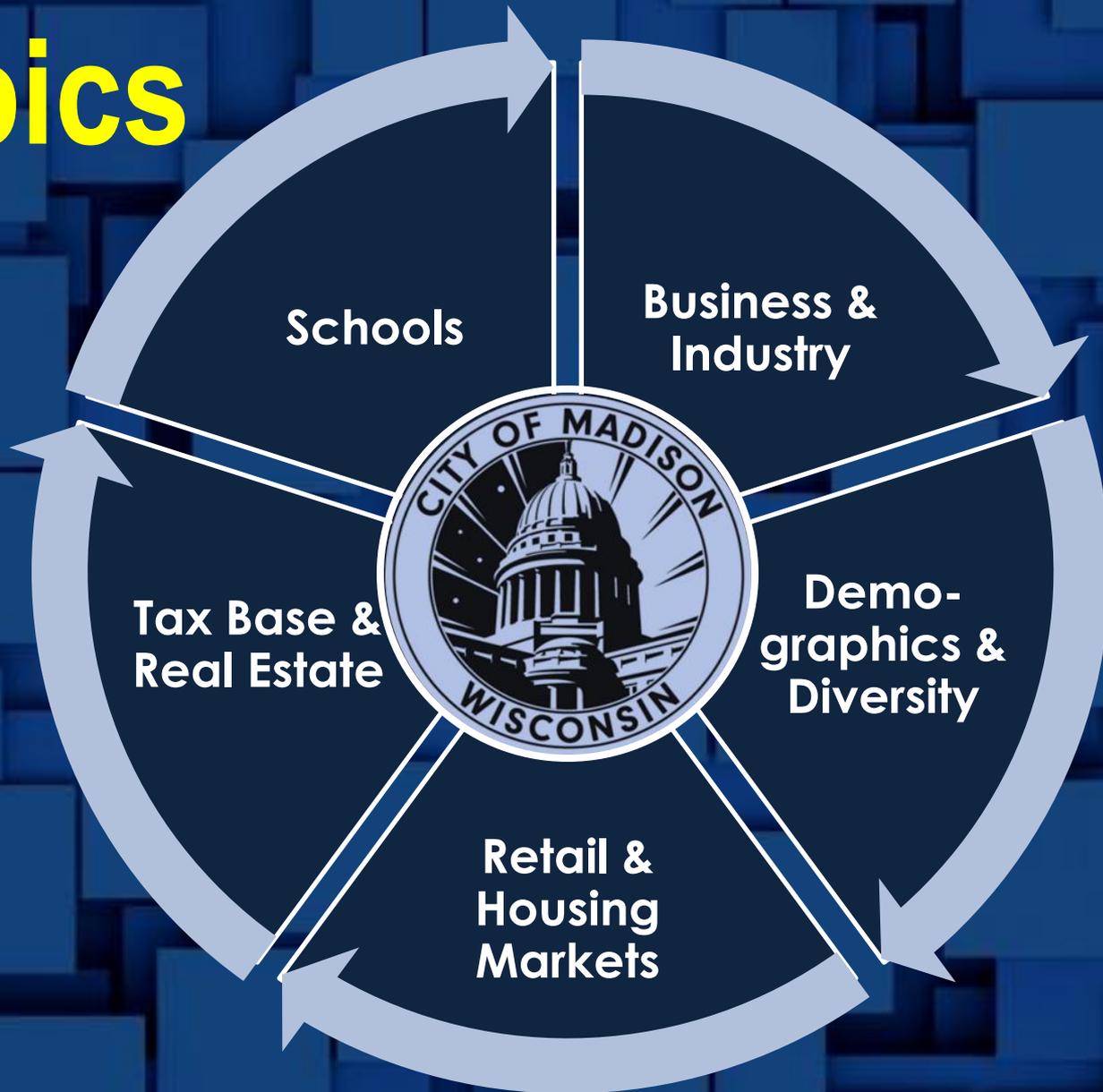
4.Action Plan

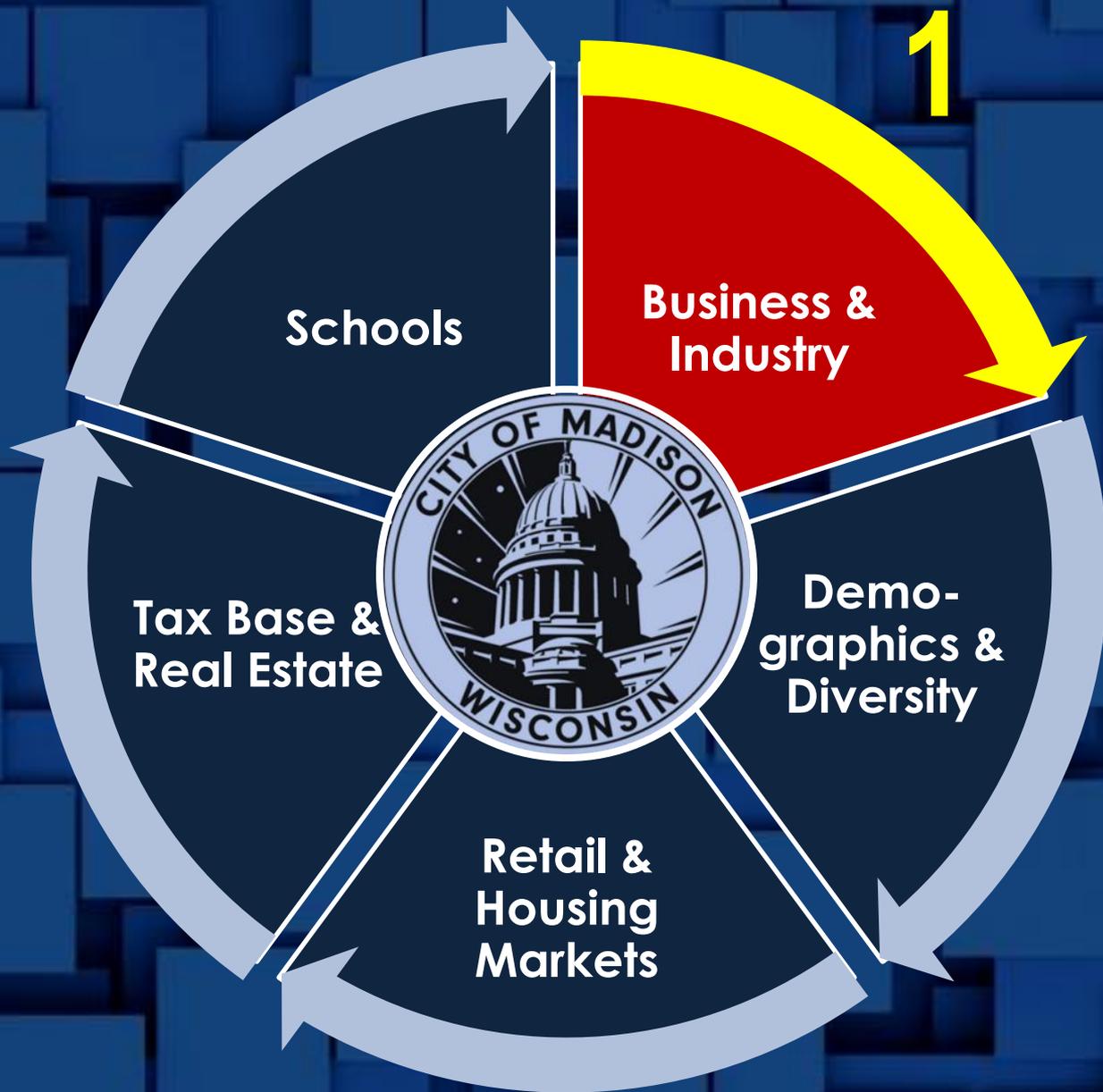


Madison Economic Development Strategy



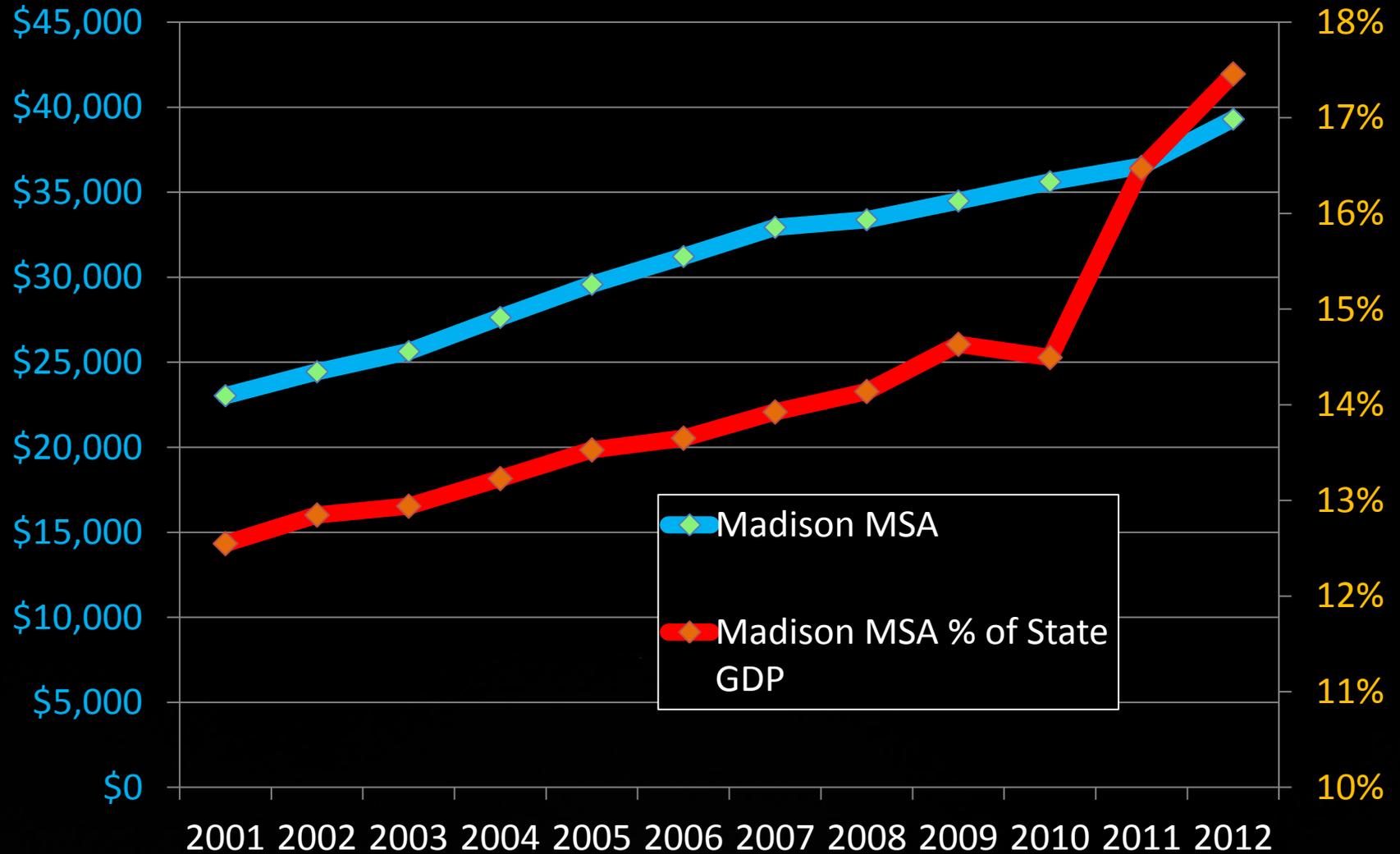
Topics





In \$,000,000s

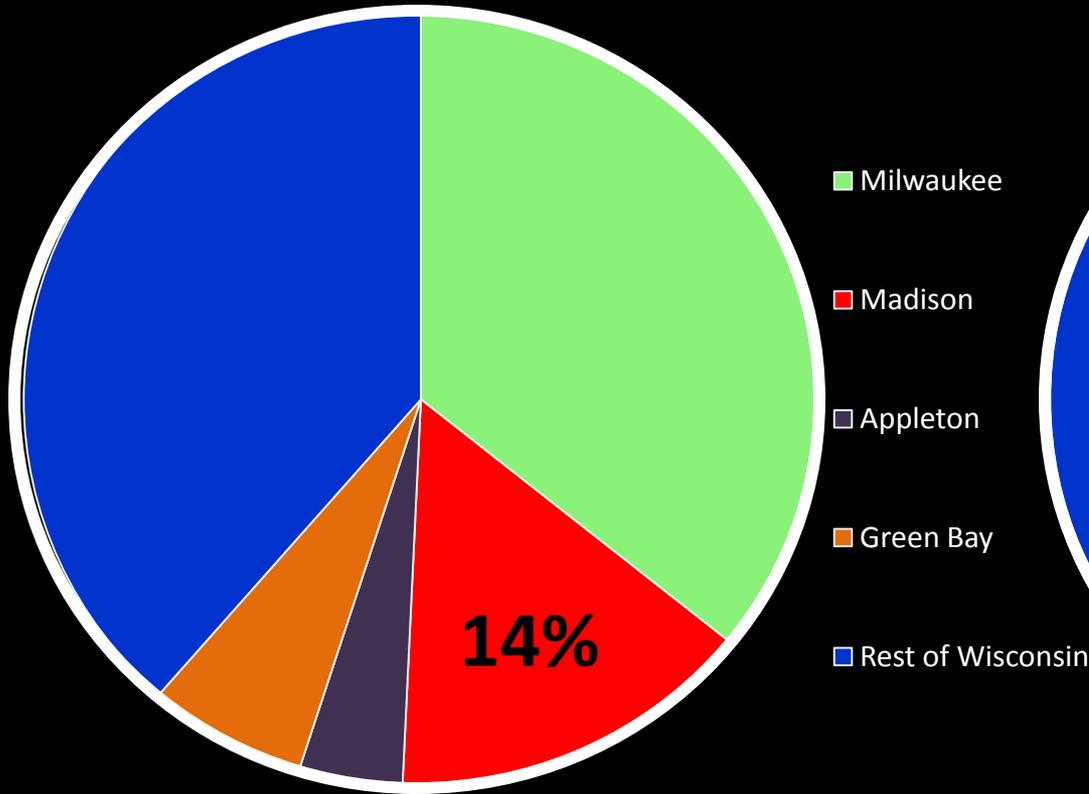
Madison MSA GDP (\$m & %state)



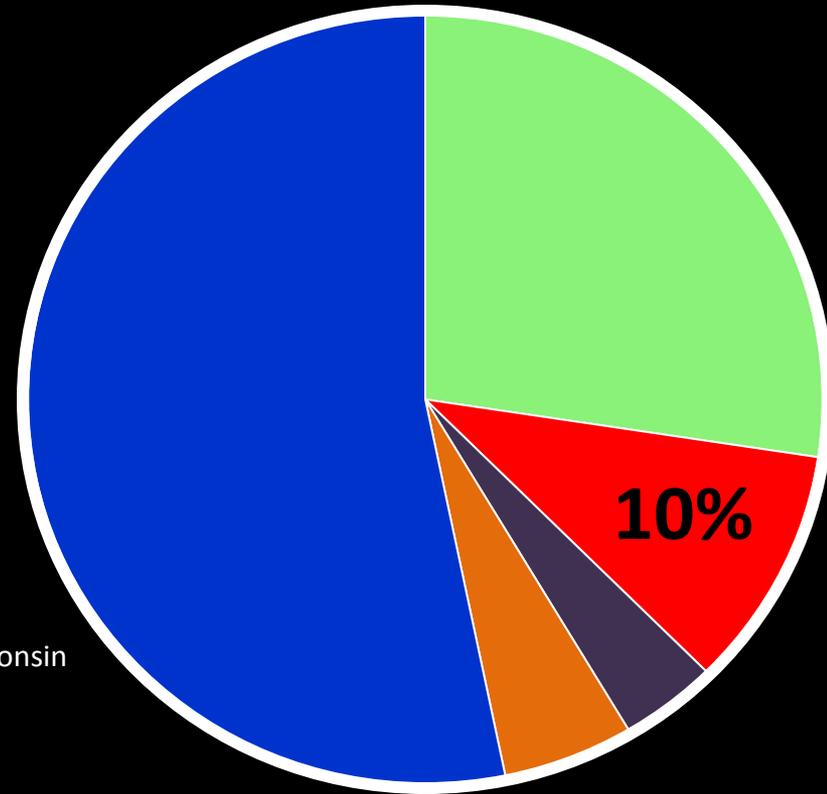
SOURCES: Bureau of Economic Analysis

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GDP by MSA



Population by MSA

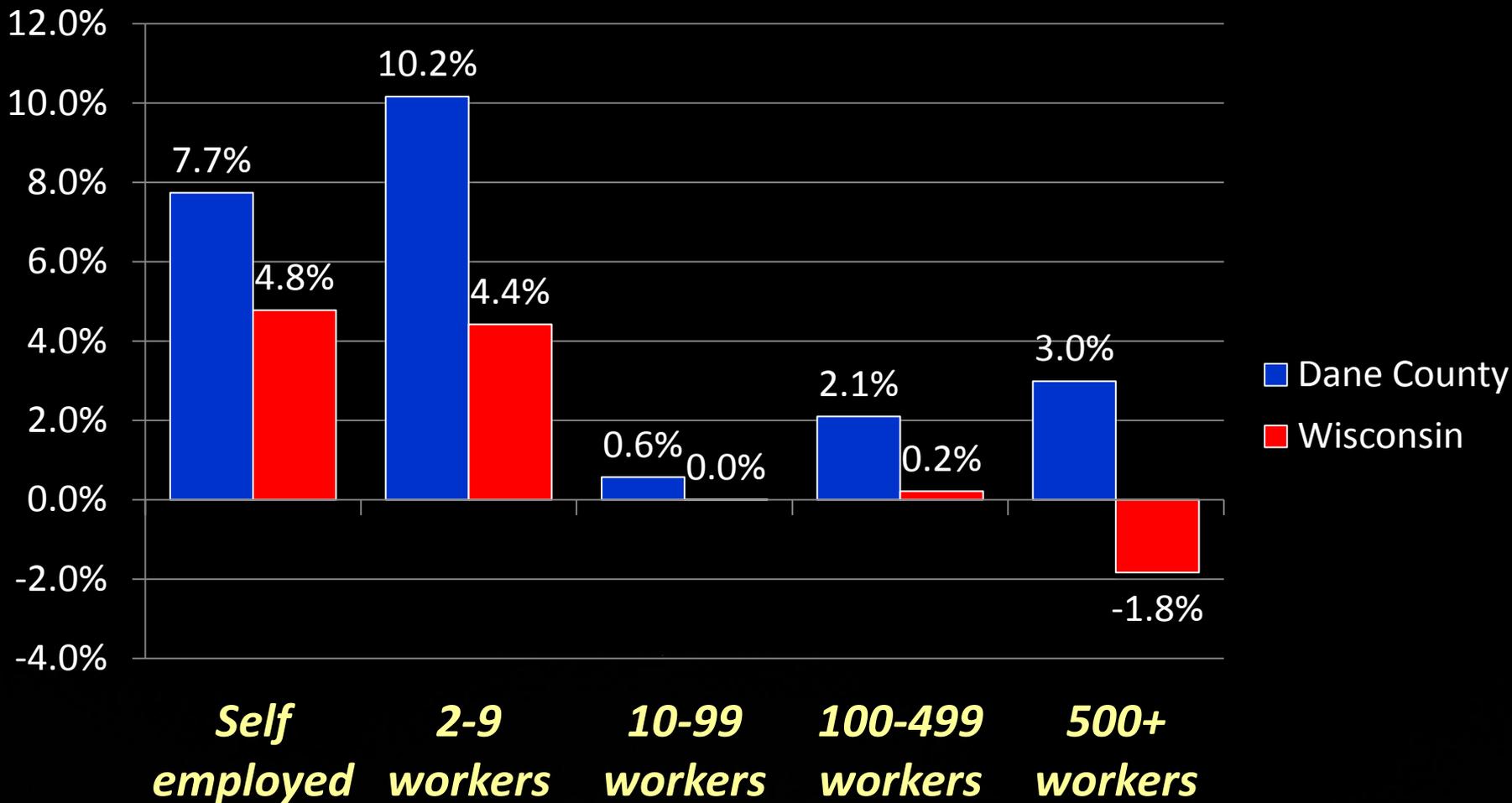


Metro Areas Drive Wisconsin Economy



SOURCES: Bureau of Economic Analysis, Census

2000-2012 Change in Number of Businesses by Business Size (Employment)



SOURCES: Youreconomy.com

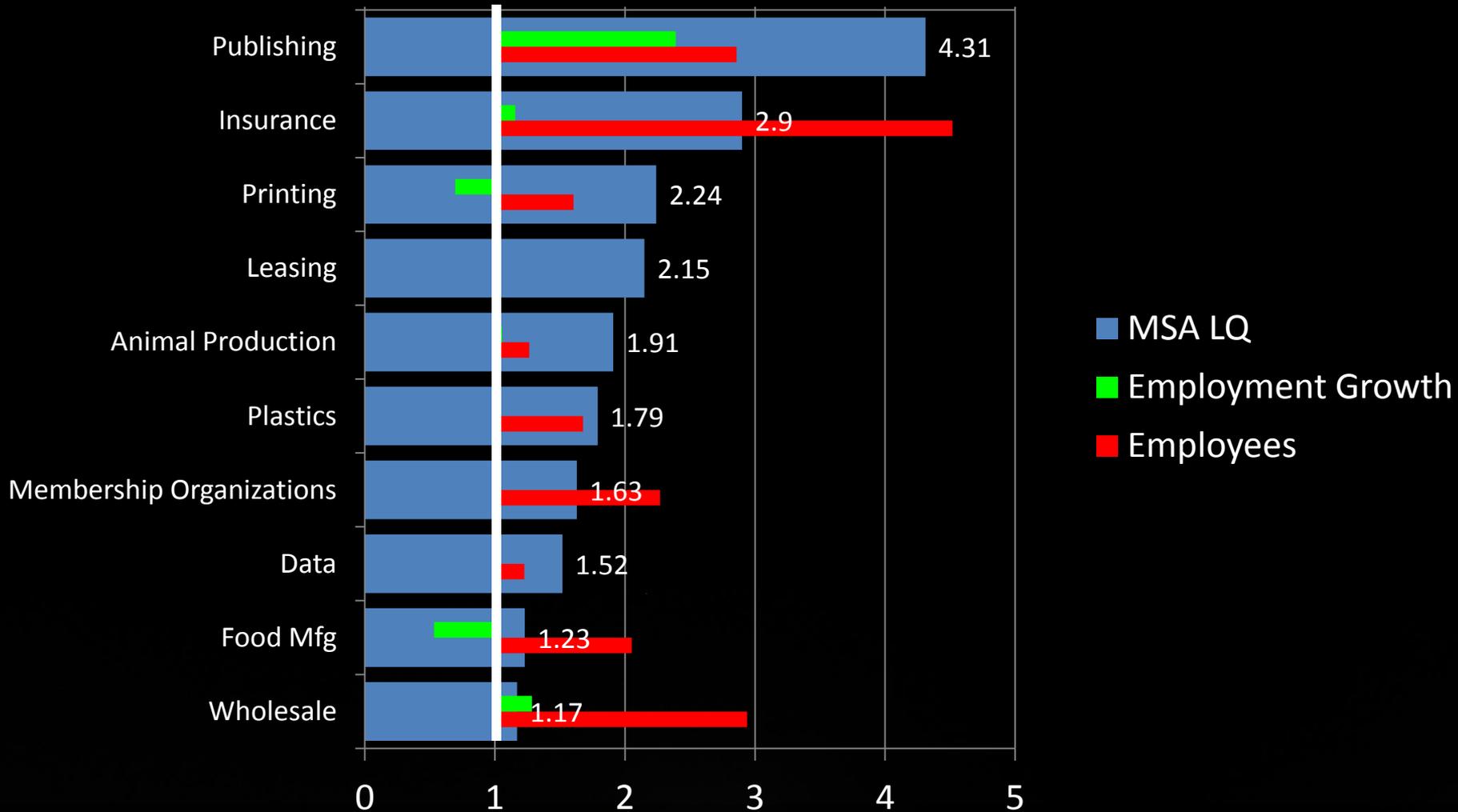
Year-by-Year % Change in Total Jobs for Dane County and Wisconsin (2002-2012)

Wisconsin Dane County



SOURCES: Bureau of Labor Statistics

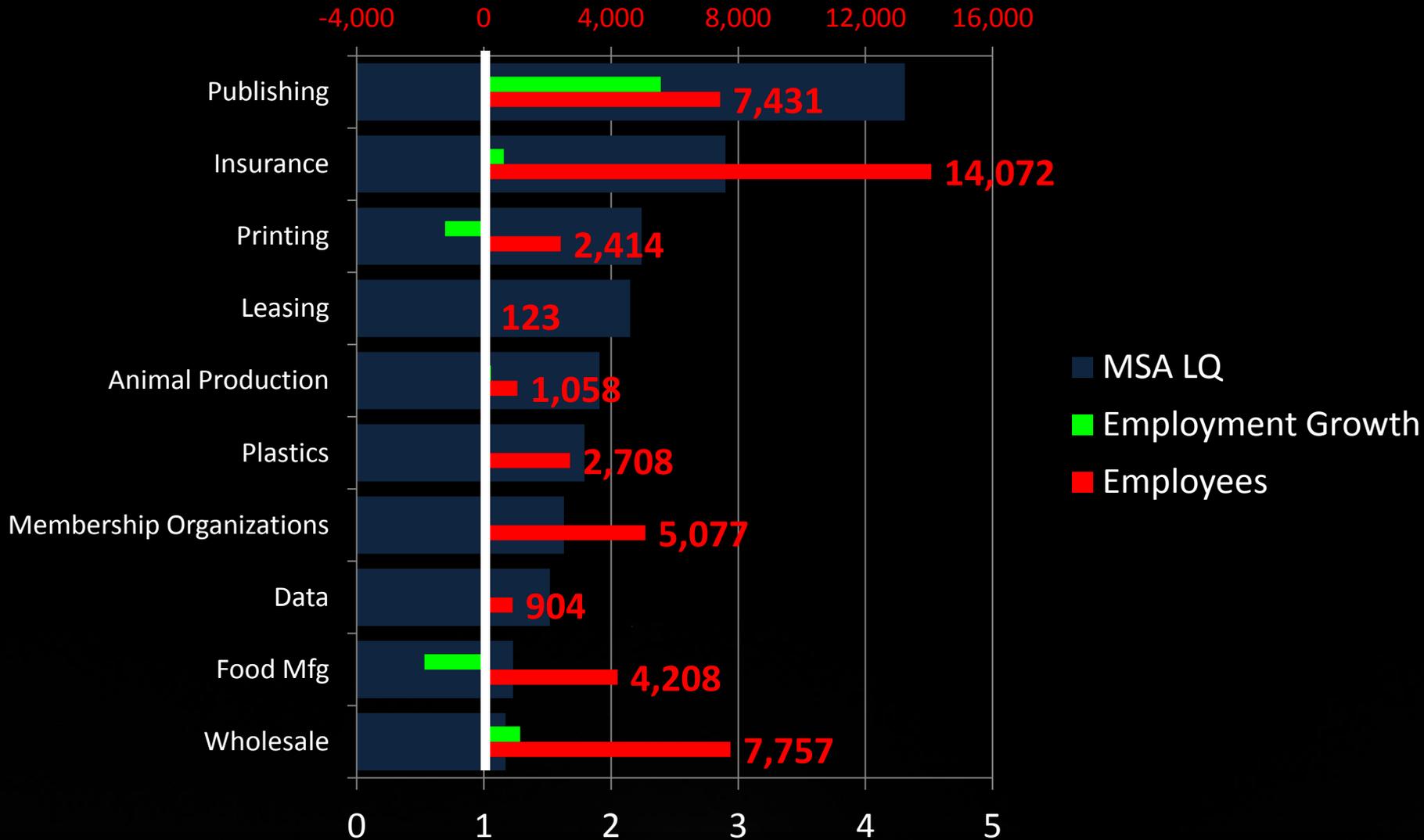
Industry Strengths



SOURCES: Bureau of Labor Statistics



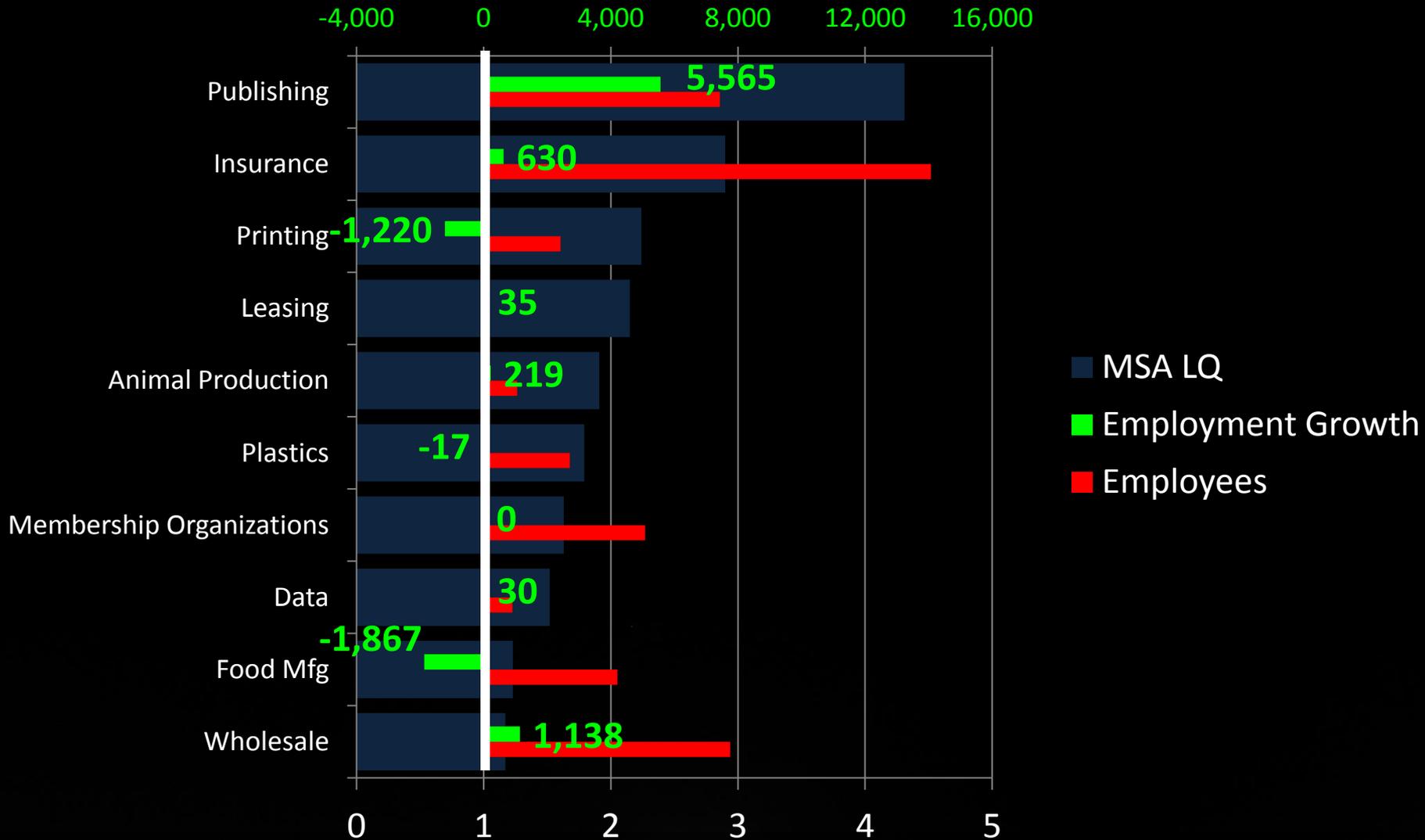
Industry Strengths



SOURCES: Bureau of Labor Statistics

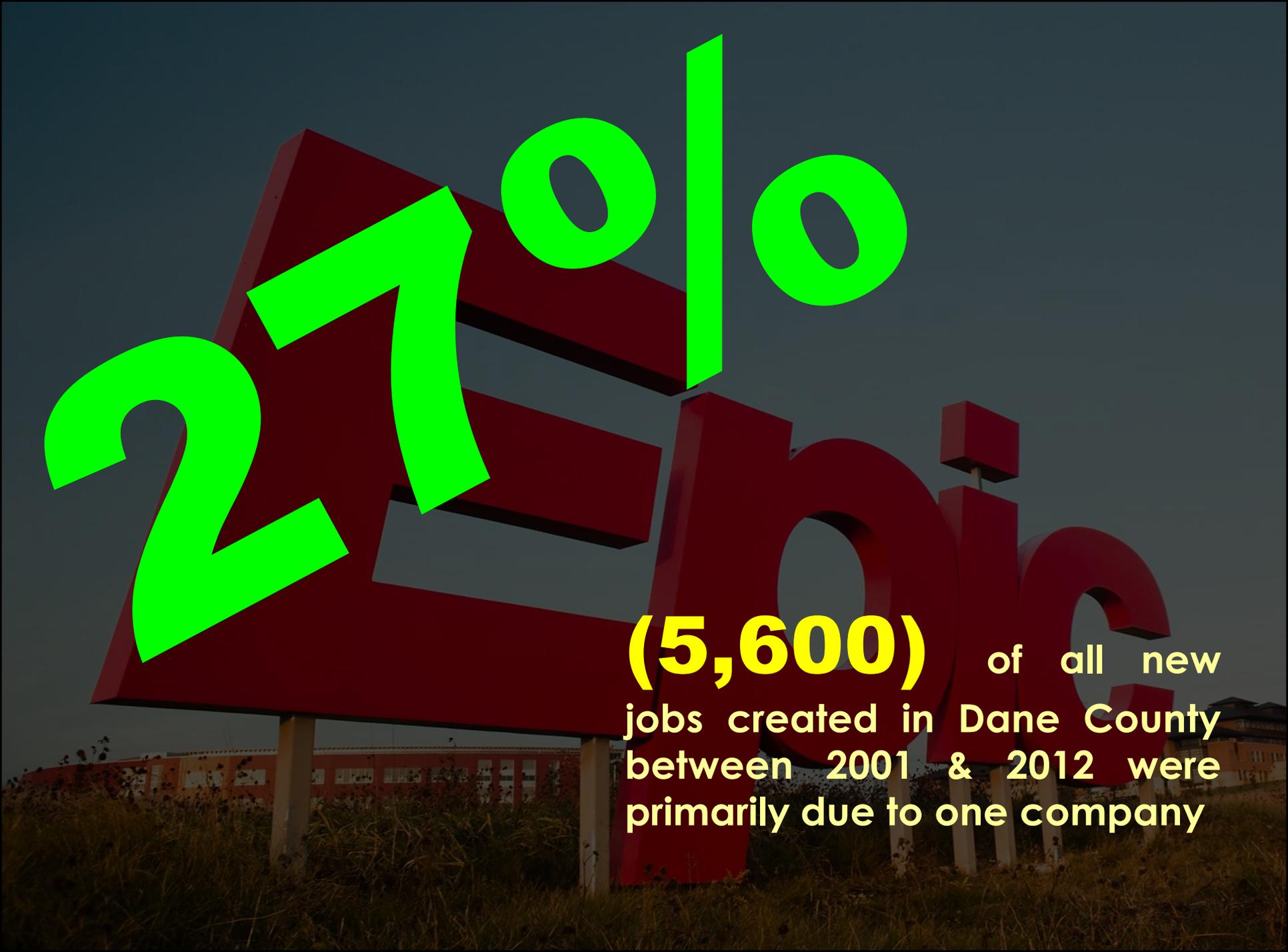


Industry Strengths



SOURCES: Bureau of Labor Statistics



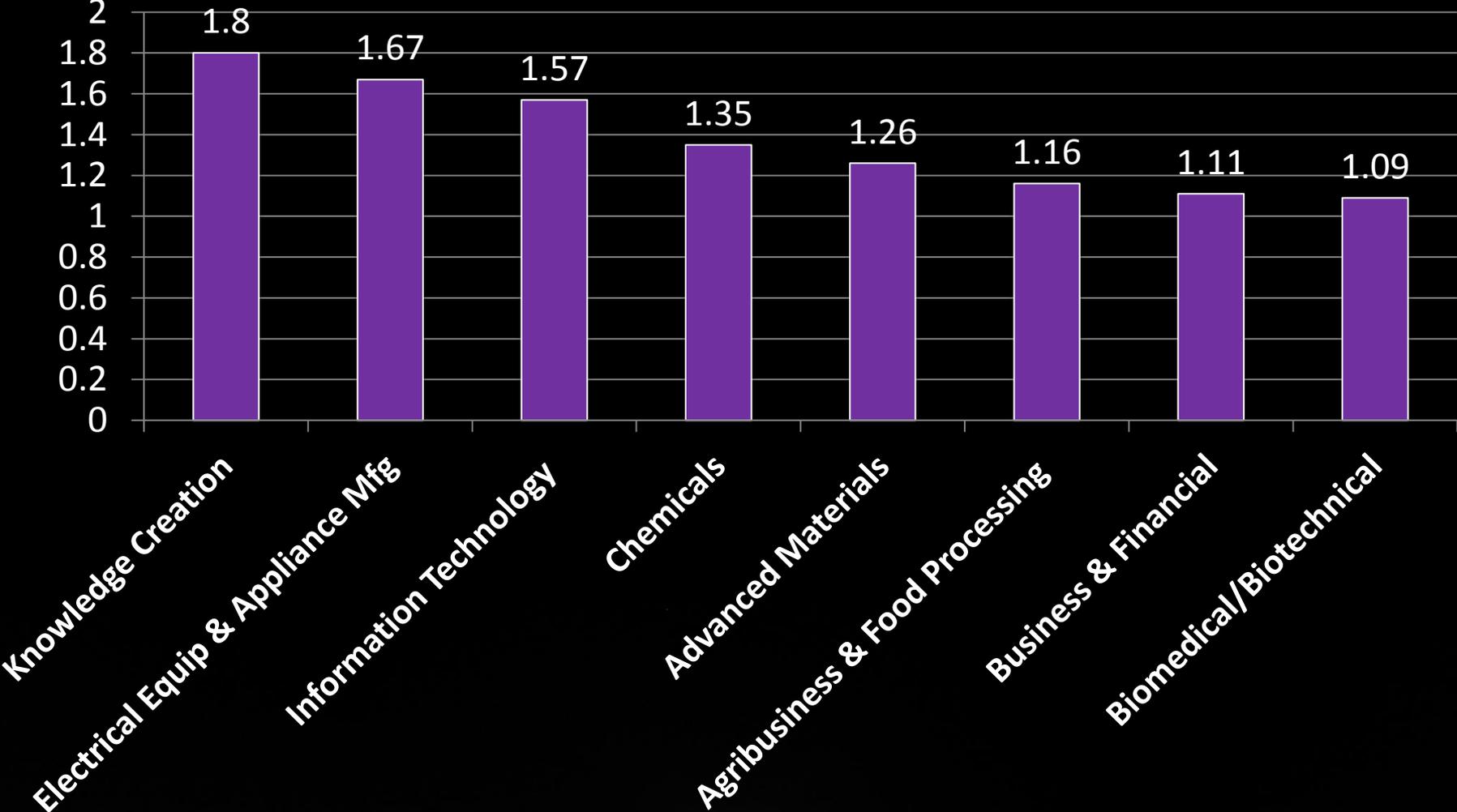


27010

(5,600) of all new jobs created in Dane County between 2001 & 2012 were primarily due to one company

Innovation Clusters Where We Excel

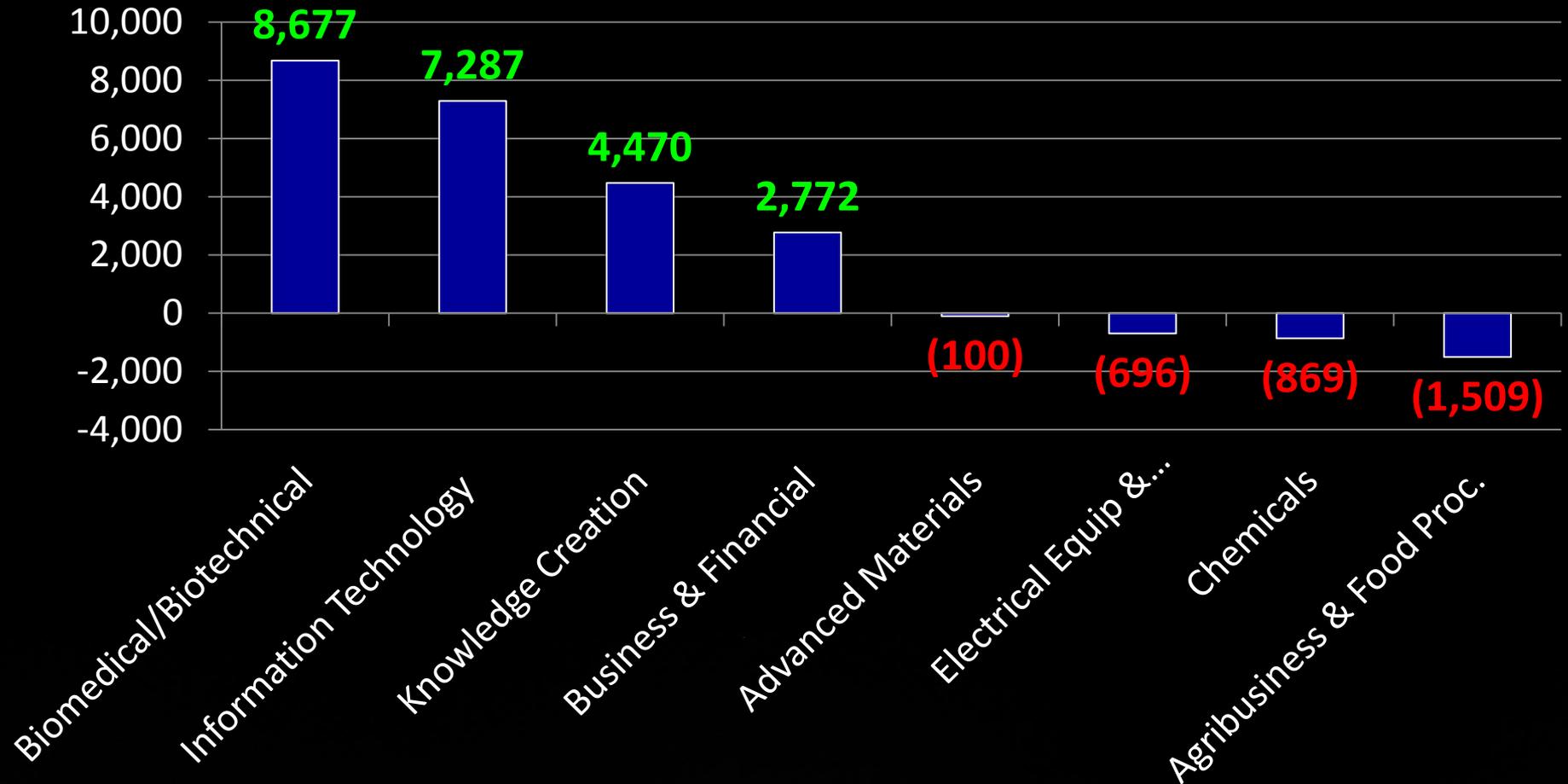
MSA 2012 LQs for Clusters



SOURCES: EDA – STATS America

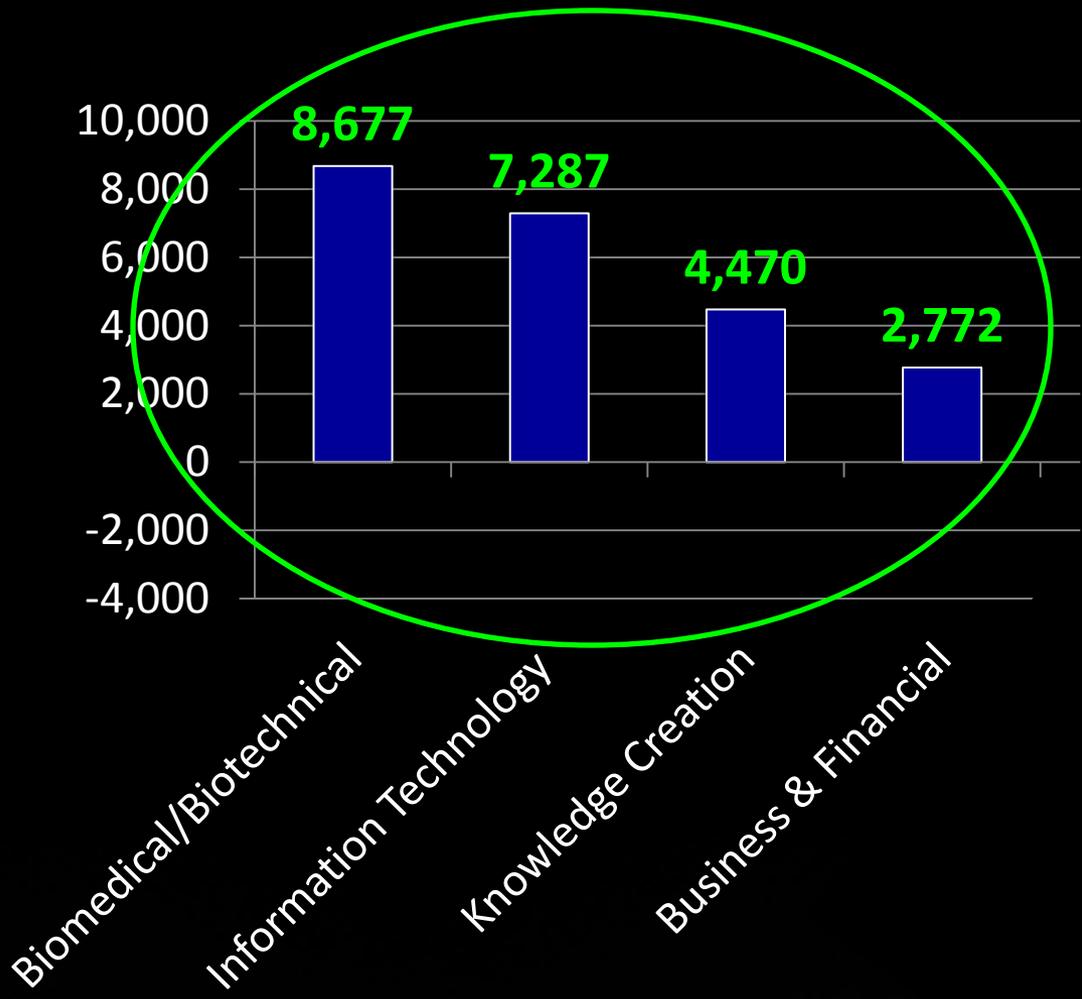
Innovation Cluster Growth

2001-2012 Job Creation/Loss by Cluster for MSA



SOURCES: EDA – STATS America

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Where we are
large, strong,
& growing



SOURCES: EDA – STATSAmerica

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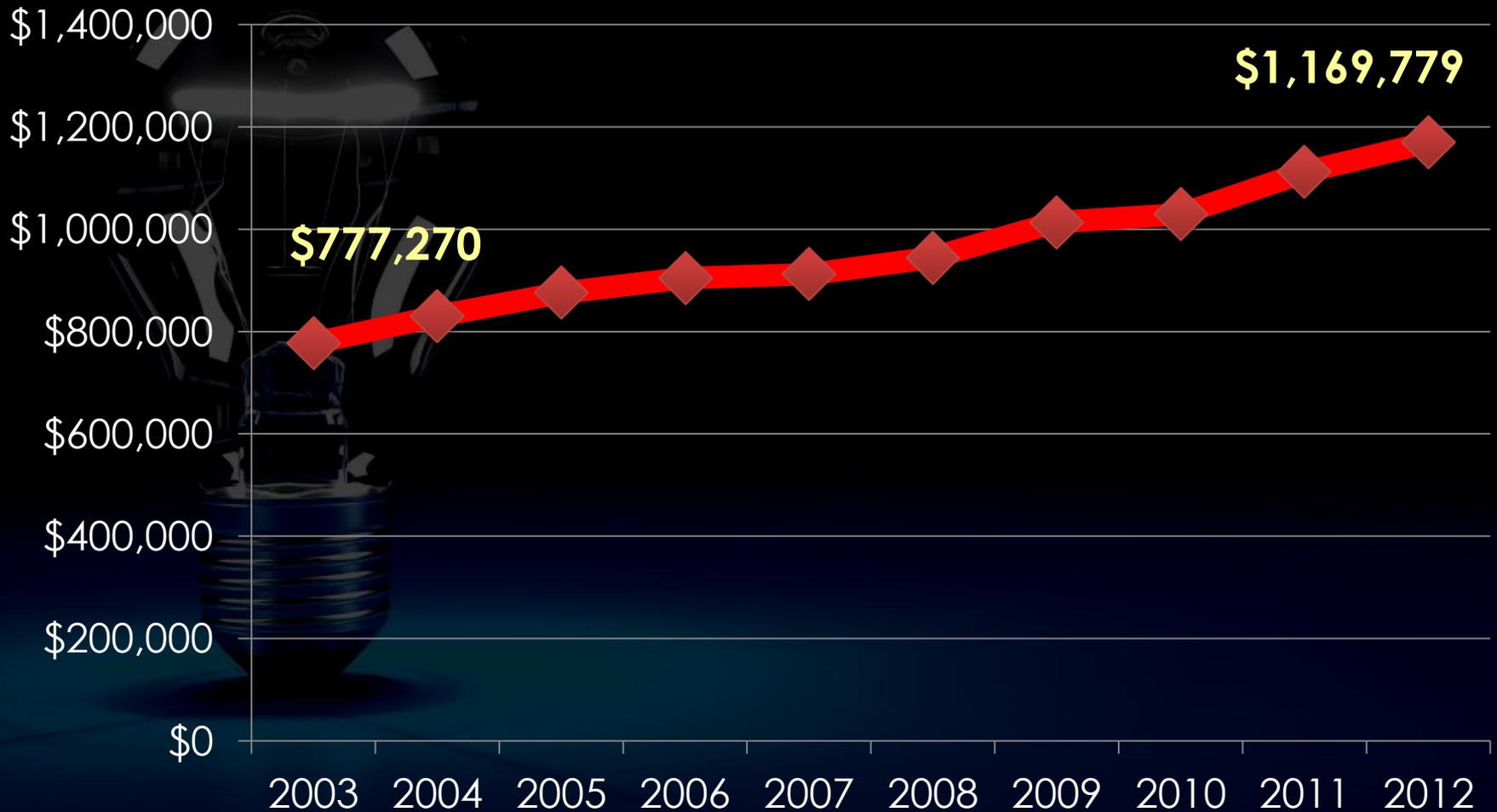


Research & Innovation



Federal Research Spending at UW-Madison 2003-2012

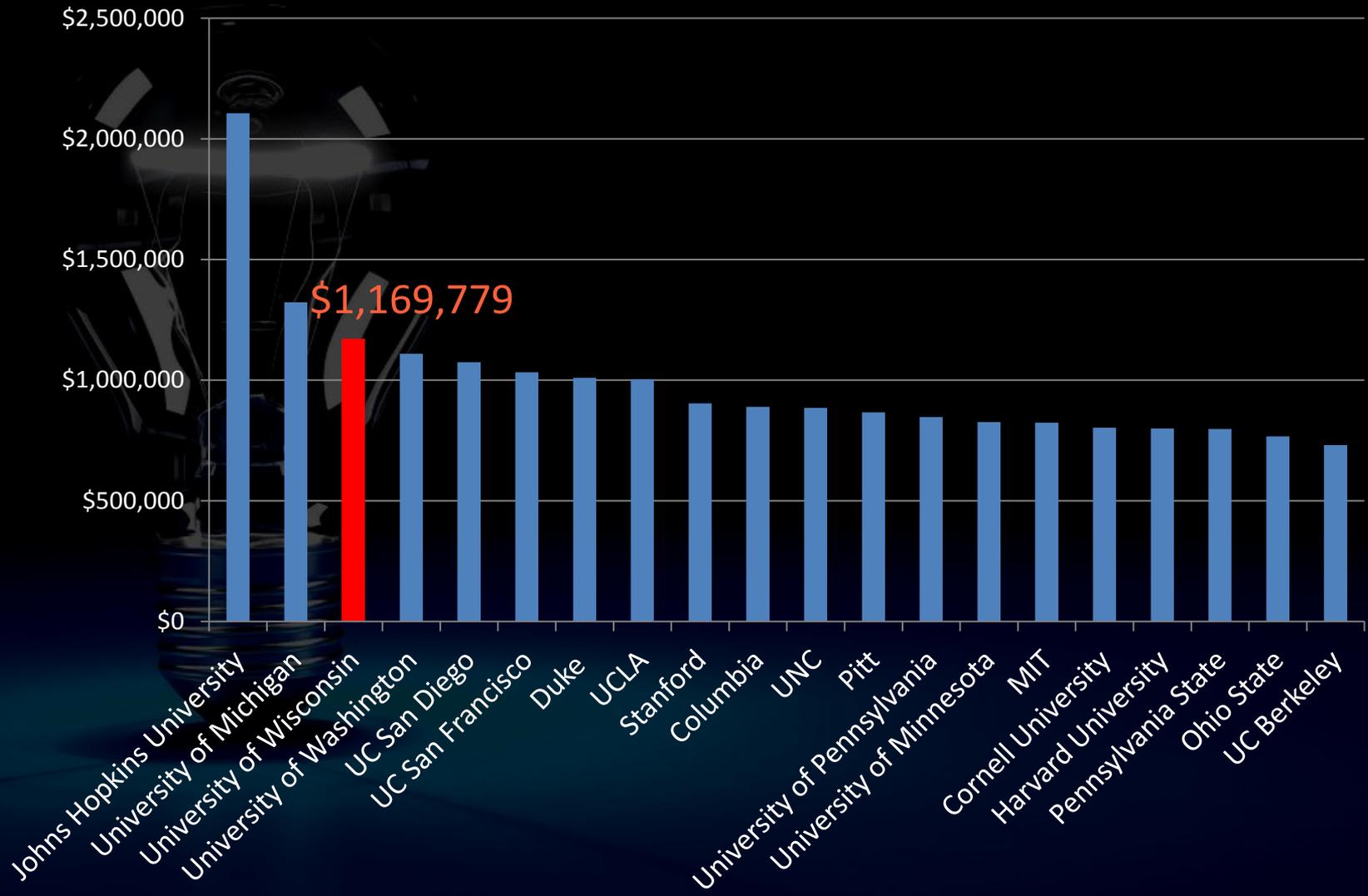
(in \$,000s)



SOURCES: National Science Foundation

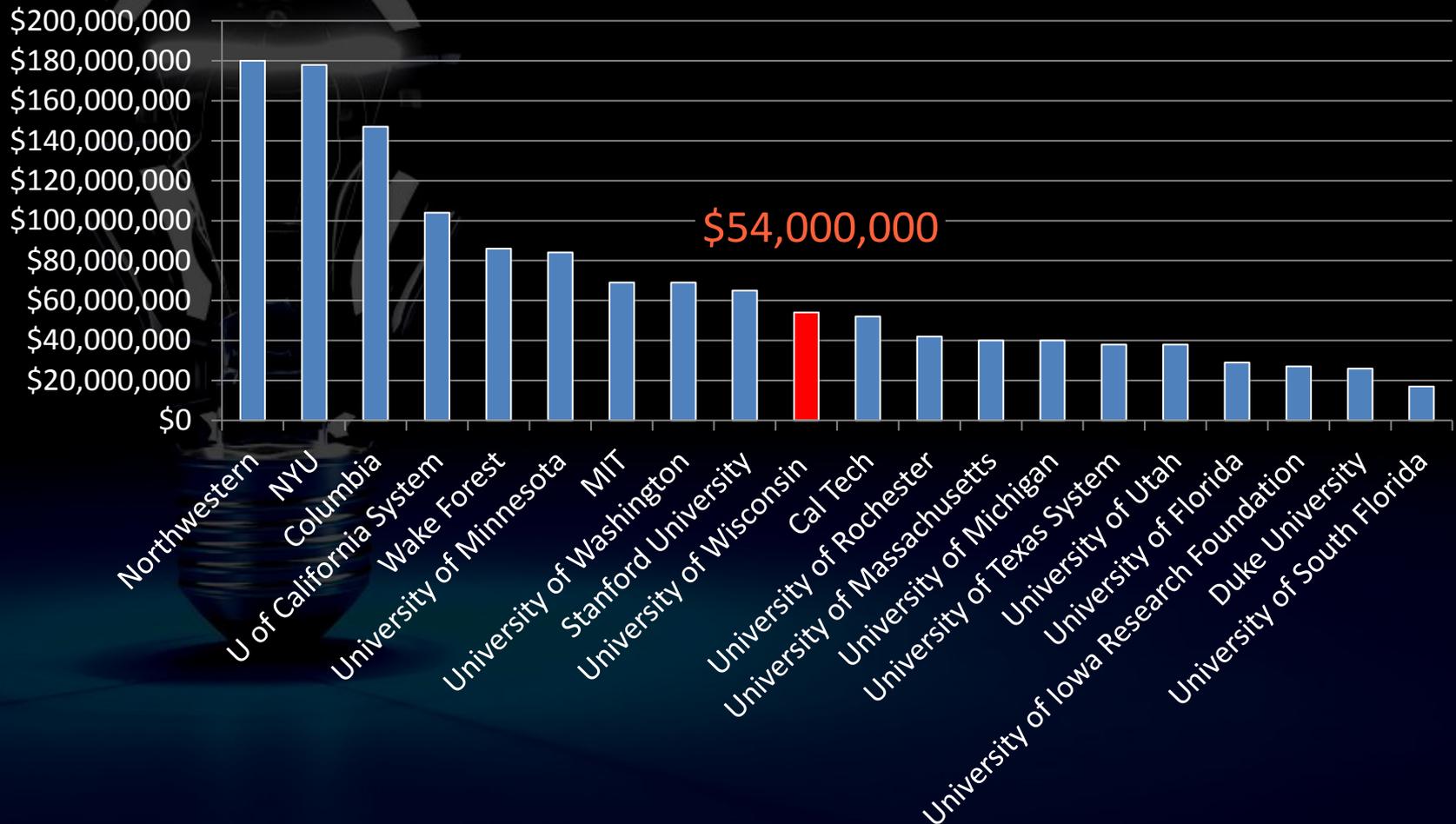
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Top 20 Institutions for Federal Research Spending (2012)



SOURCES: National Science Foundation

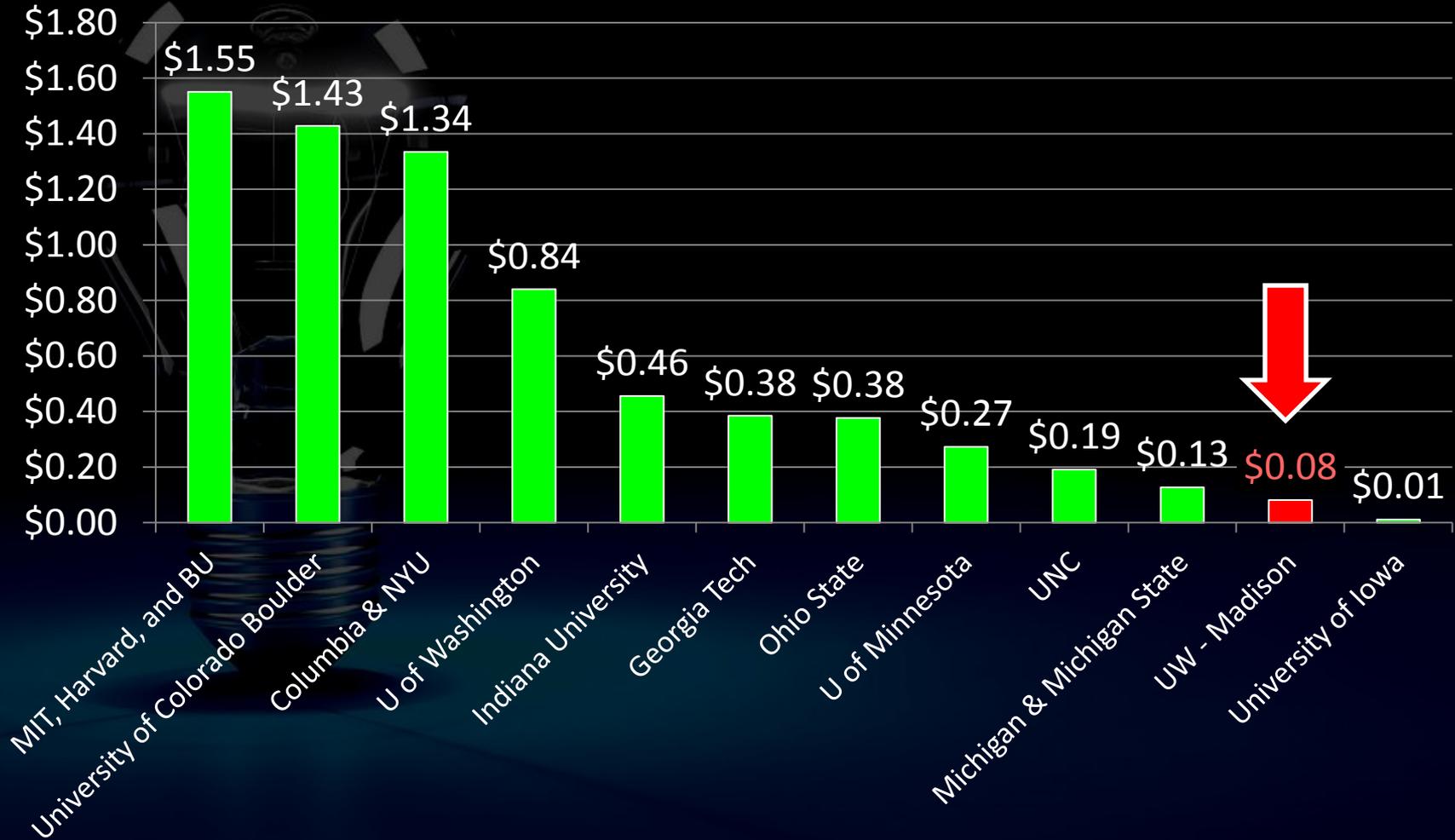
Top 20 Institutions for Tech Transfer – Licensing Income, 2012



SOURCES: Association of University Technology Managers

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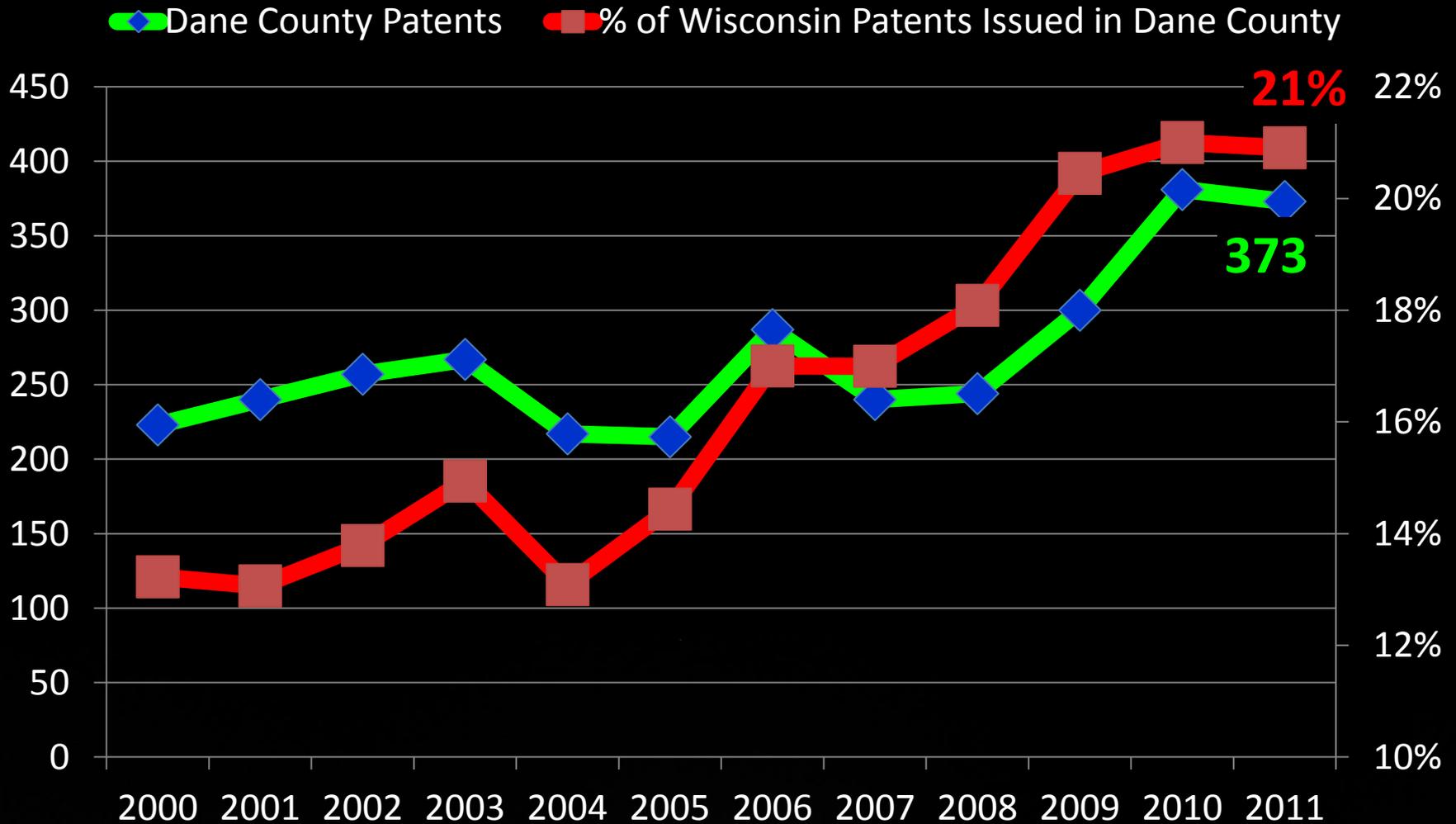
\$VC (\$State)/\$Research



SOURCES: NSF, Entrepreneur.com

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Patents Issued in Dane County (# and % State)



SOURCES: U.S. Patent and Trademark Office



\$1.2 Billion

in annual federal
research dollars
injected into our
economy



\$1.2 Billion

in annual federal
research dollars
injected into our
economy

Can we do more
to leverage this
massive
investment into
economic
growth



A world map rendered in a light blue color, centered on the Atlantic Ocean, set against a dark blue background with a subtle grid pattern. The map shows the outlines of all major continents.

Exports



Exports from the Madison MSA

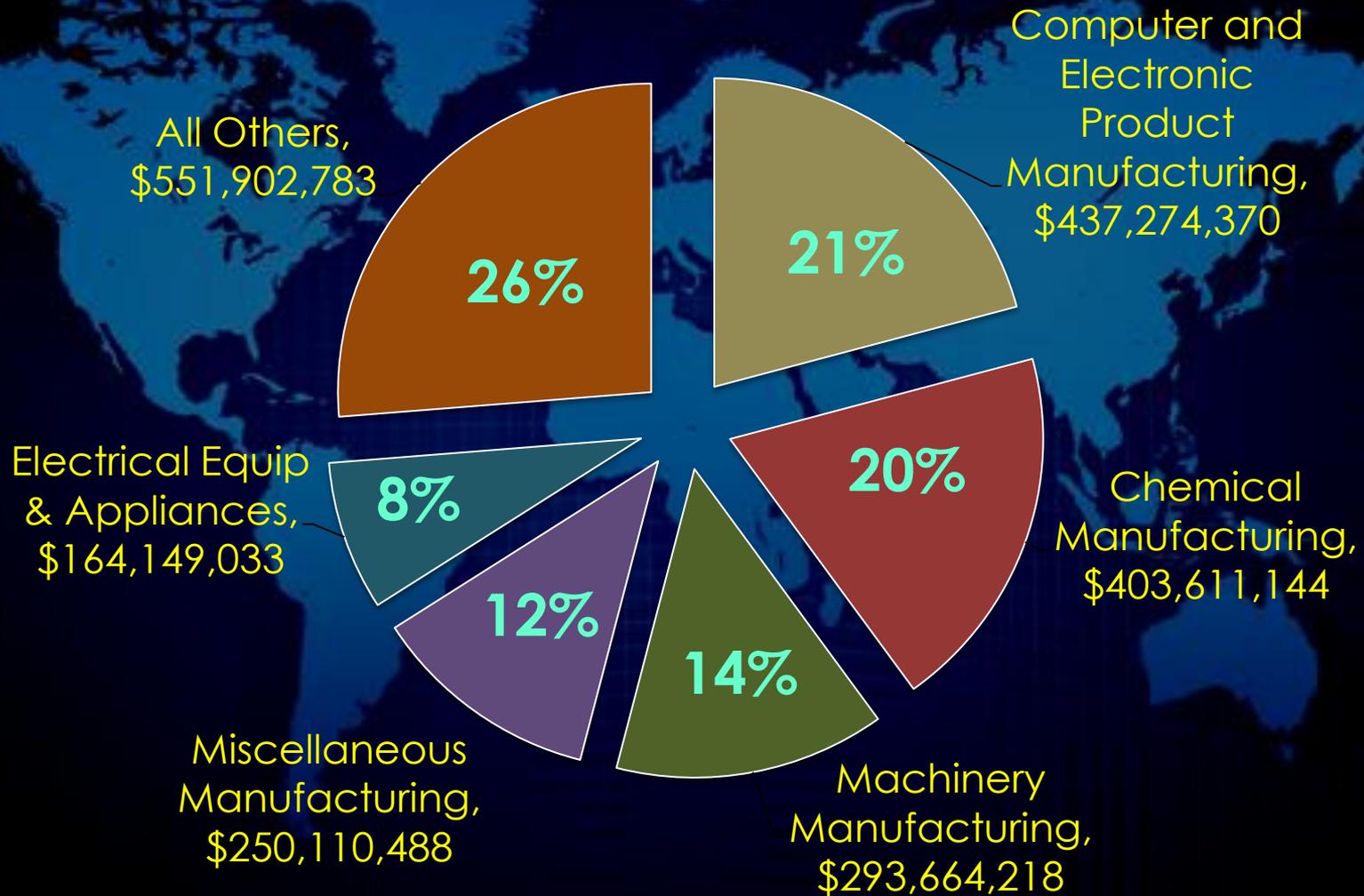
◆ MSA export value ● Percent of State



SOURCES: U.S. International Trade Administration (ITA)



Products Exported from the Madison MSA (2012)



SOURCES: U.S. International Trade Administration (ITA)

A world map in shades of blue with a grid of latitude and longitude lines. A bright green dot is located in the central United States, representing Madison, Wisconsin. From this dot, several thin, curved green lines radiate outwards across the map, symbolizing international trade or export routes.

The Madison MSA exported

\$2.2 Billion

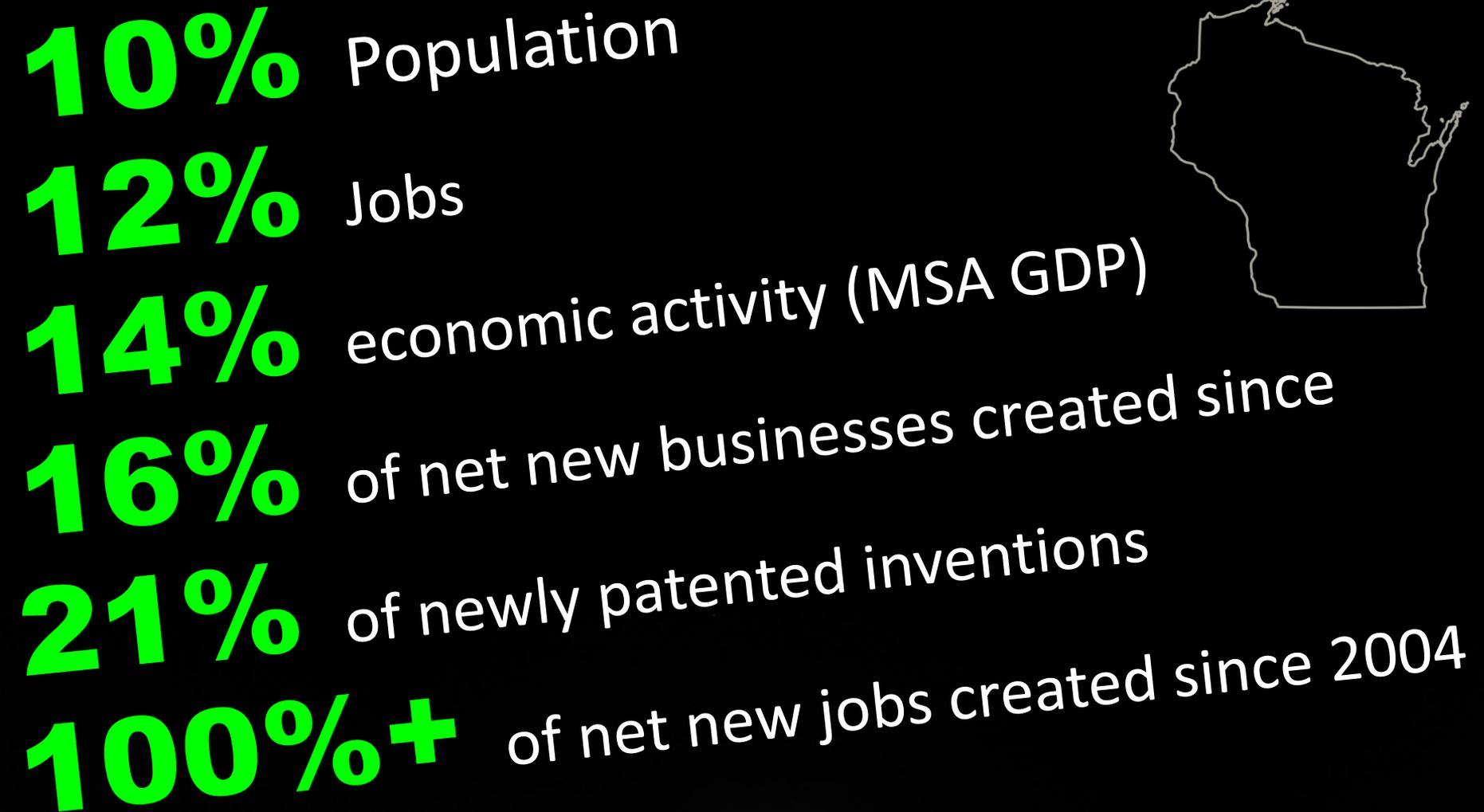
of goods & services in 2012



SOURCES: U.S. International Trade Administration (ITA)

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Dane County as % of Wisconsin



SOURCES: Census, BLS, BEA, USPO, ITA, Census

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Dane County as % of Wisconsin

100%+ of net new jobs created since 2004



SOURCES: Census, BLS, BEA, USPO, ITA, Census

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Dane County as % of Wisconsin

100%+ of net new jobs created since 2004

	2004	2013	Change
WI Jobs	2,804,500	2,818,100	13,600
Madison MSA	336,400	357,900	21,500
Rest of State	2,468,100	2,460,200	-7,900



SOURCES: Census, BLS, BEA, USPO, ITA, Census



What would happen....

If the Madison Area
were carved out of
Wisconsin....





Wisconsin would have a
**Stagnant
Economy**
with sluggish GDP
growth, no long term job
creation, net loss of
large businesses, and
very little innovation



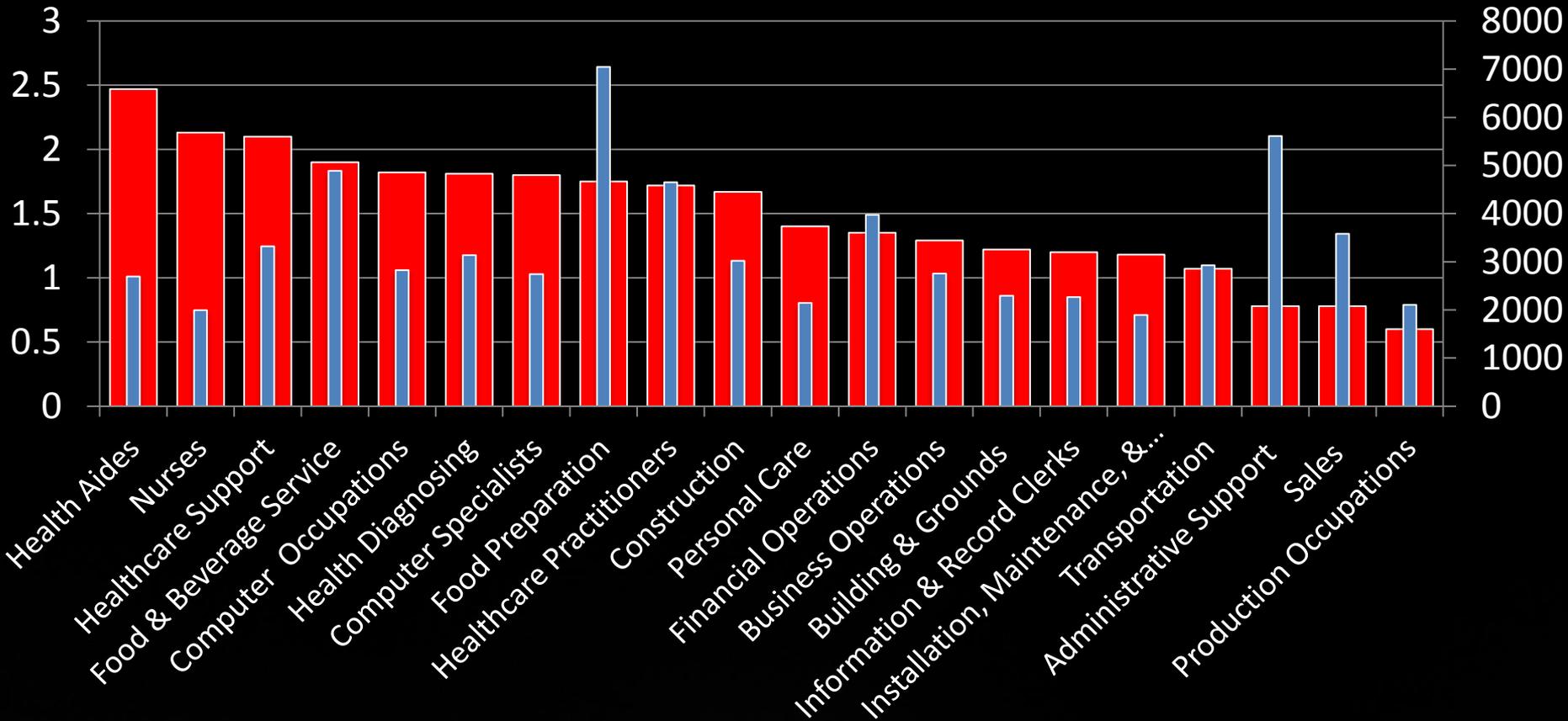
Workforce



Job Projections by Occupation (2010-2020 DWD)

Top 10 Growth Occupations for Dane County

■ Annual Growth Rate ■ Employment Growth



SOURCES: Wisconsin Department of Workforce Development

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Health Related



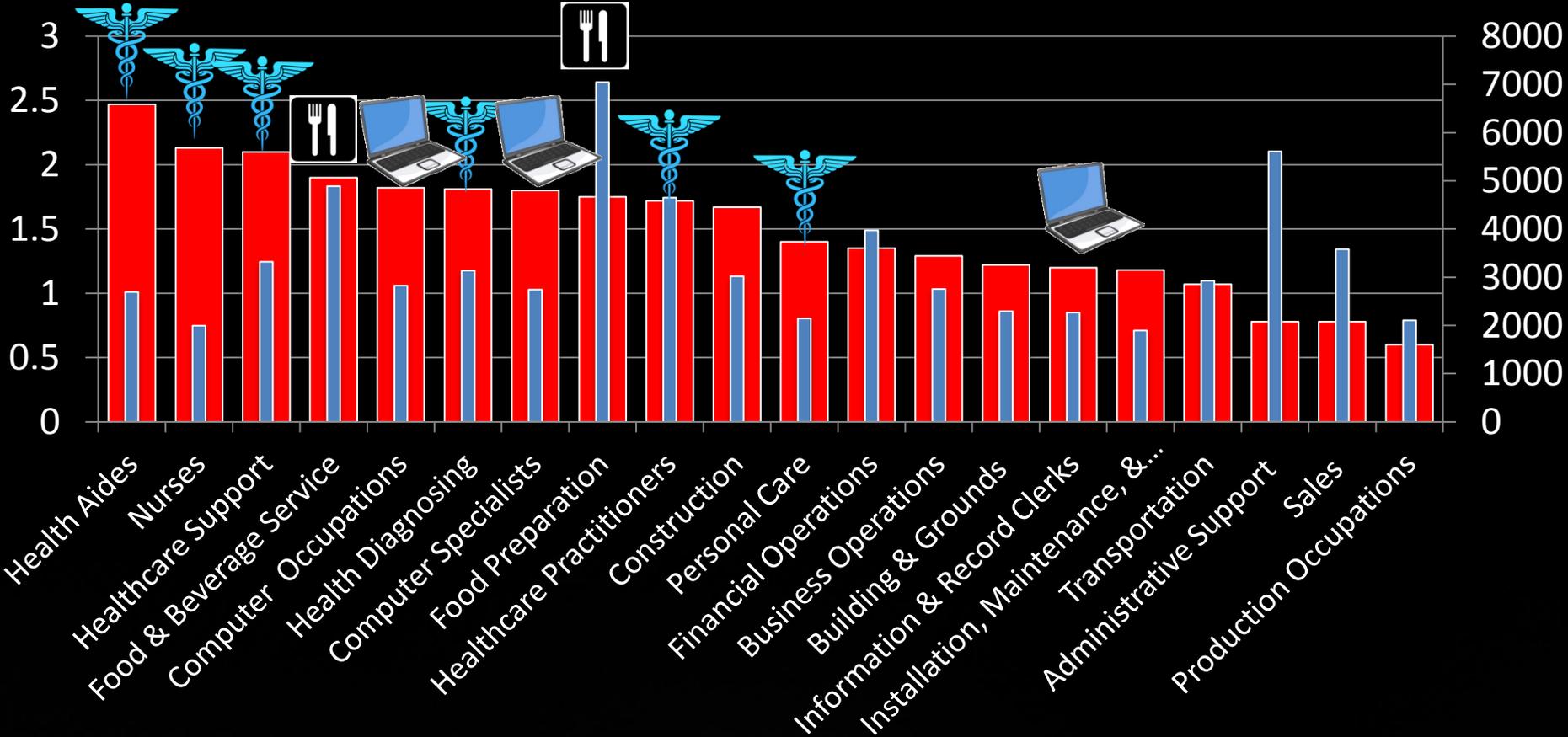
Technology Related



Food Service

■ Annual Growth Rate

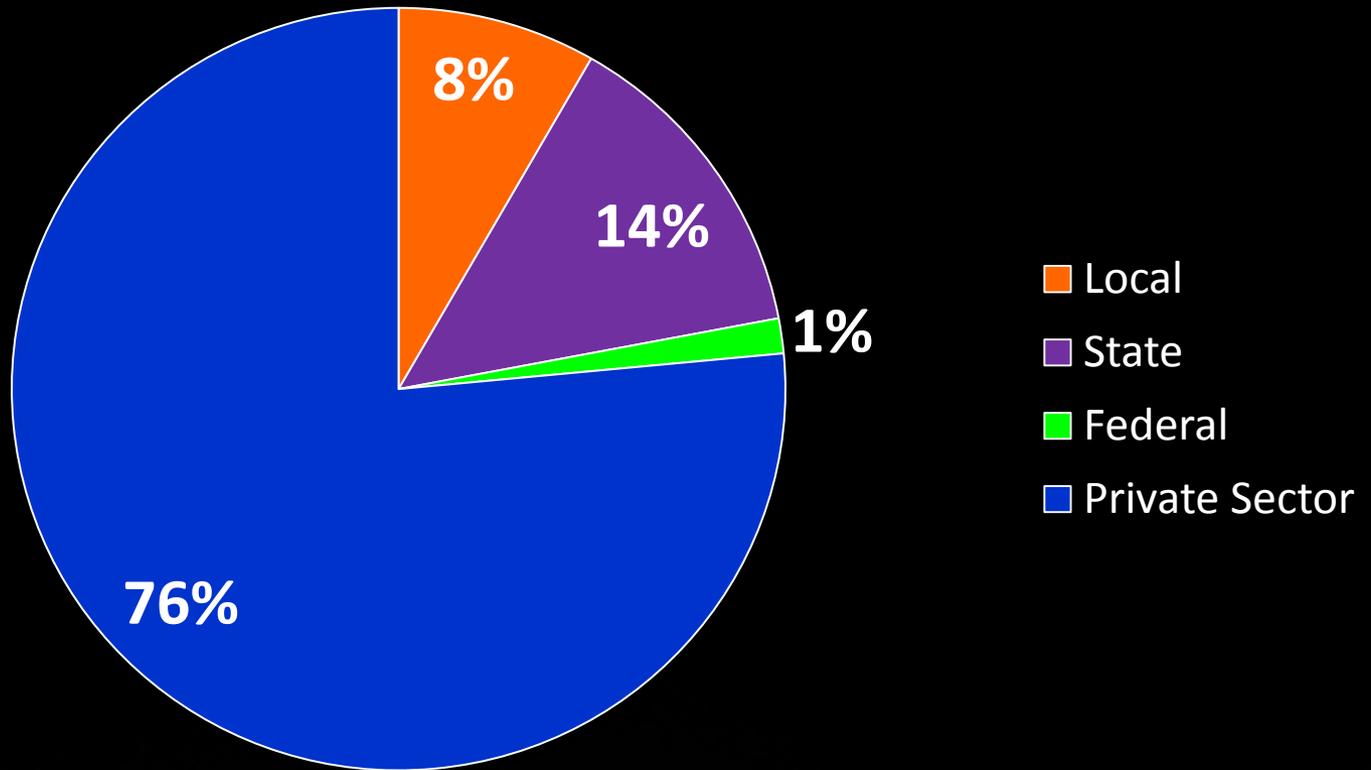
■ Employment Growth



SOURCES: Wisconsin Department of Workforce Development

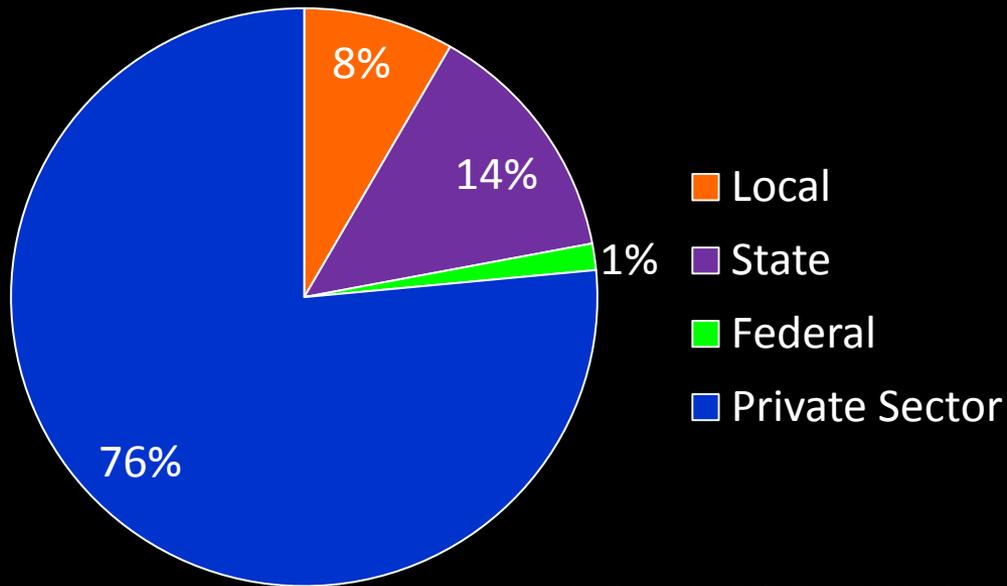
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2013 - Madison MSA Private/Public Job Share

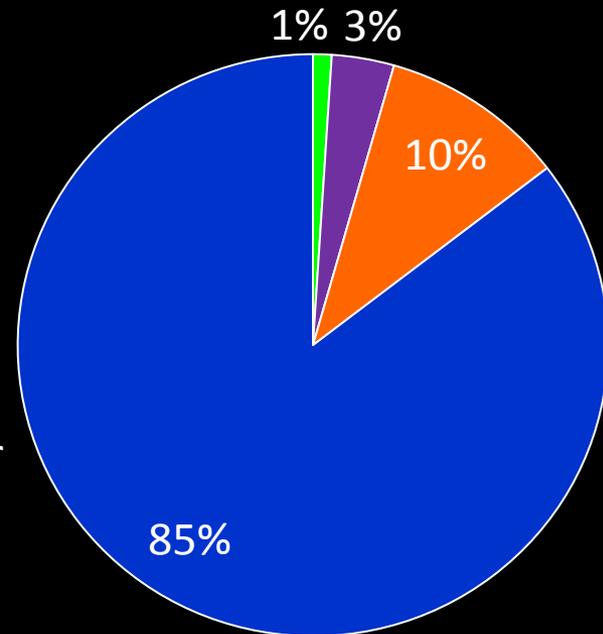


SOURCES: Bureau of Labor Statistics

Madison MSA

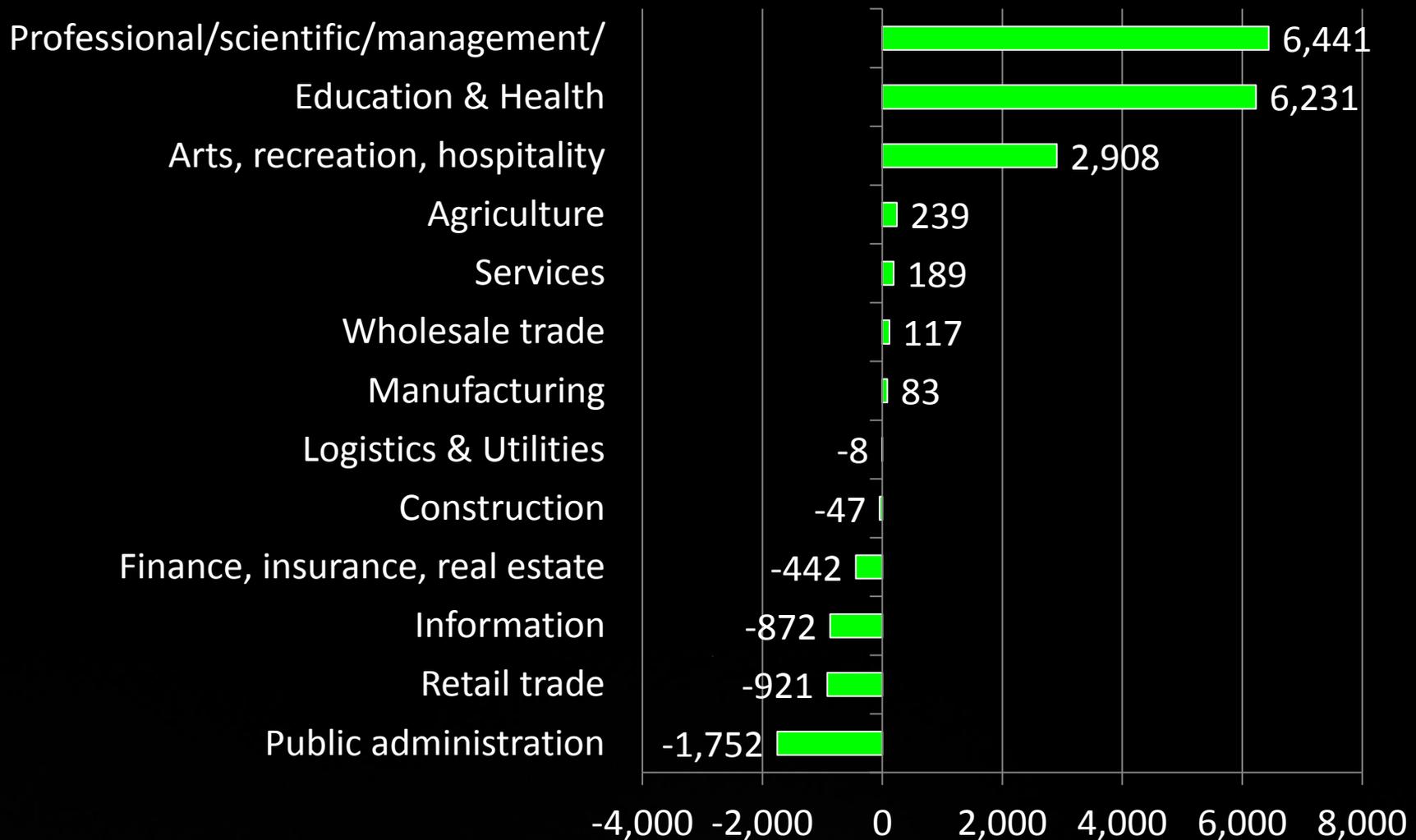


Wisconsin

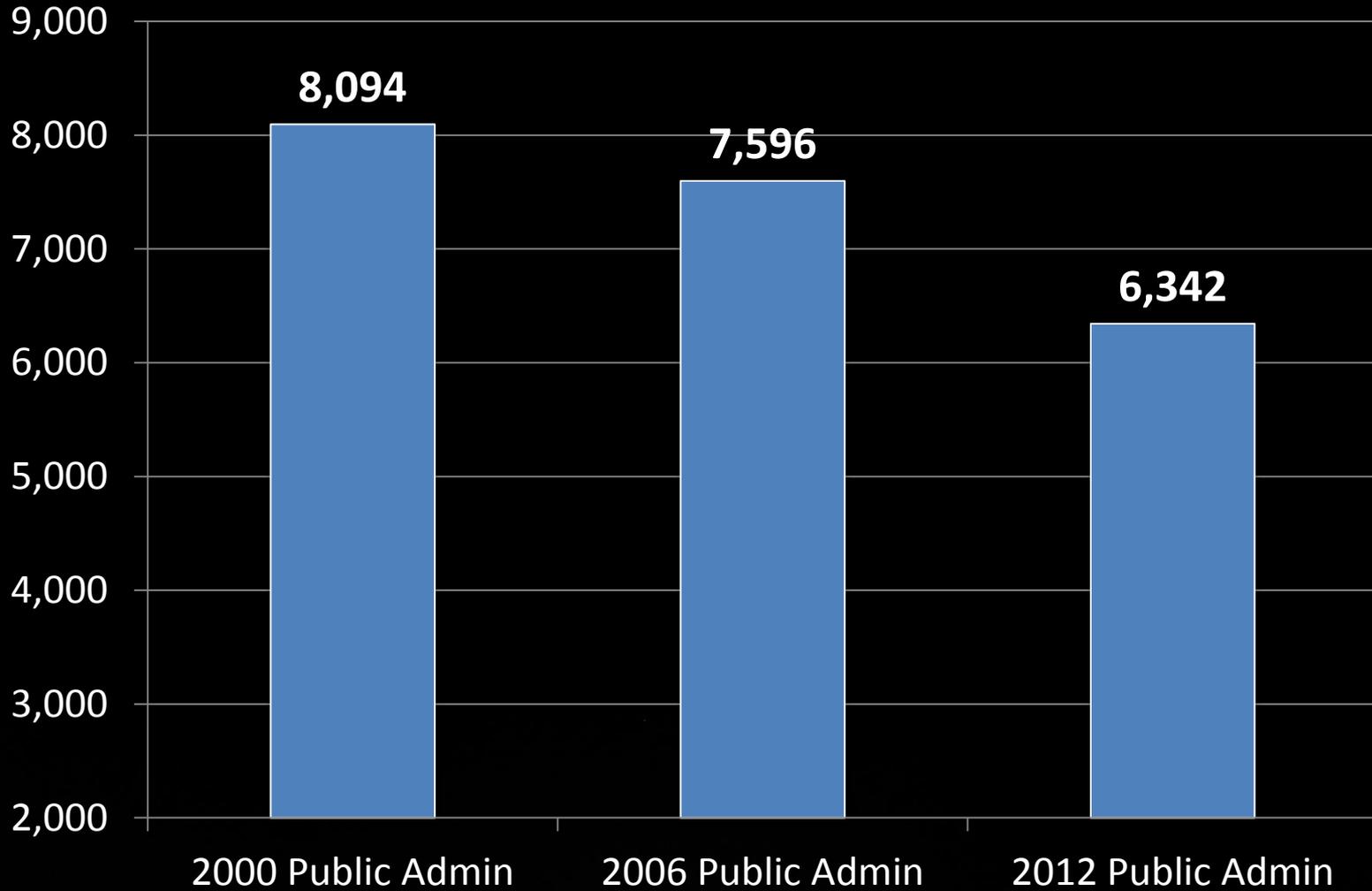


SOURCES: Bureau of Labor Statistics

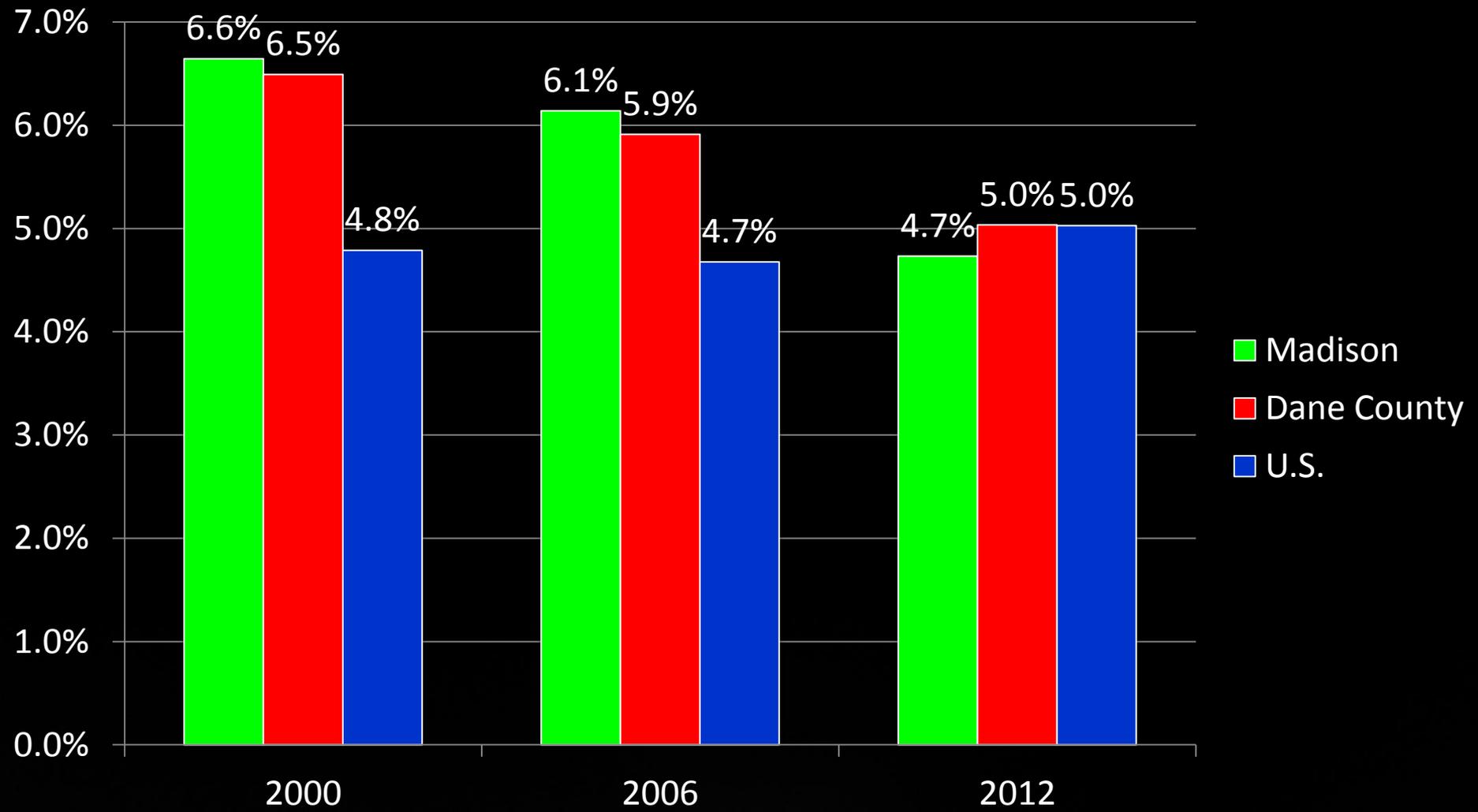
2000 – 2012 Change in # of Jobs for Madison Residents



City of Madison "Public Administration" Workers

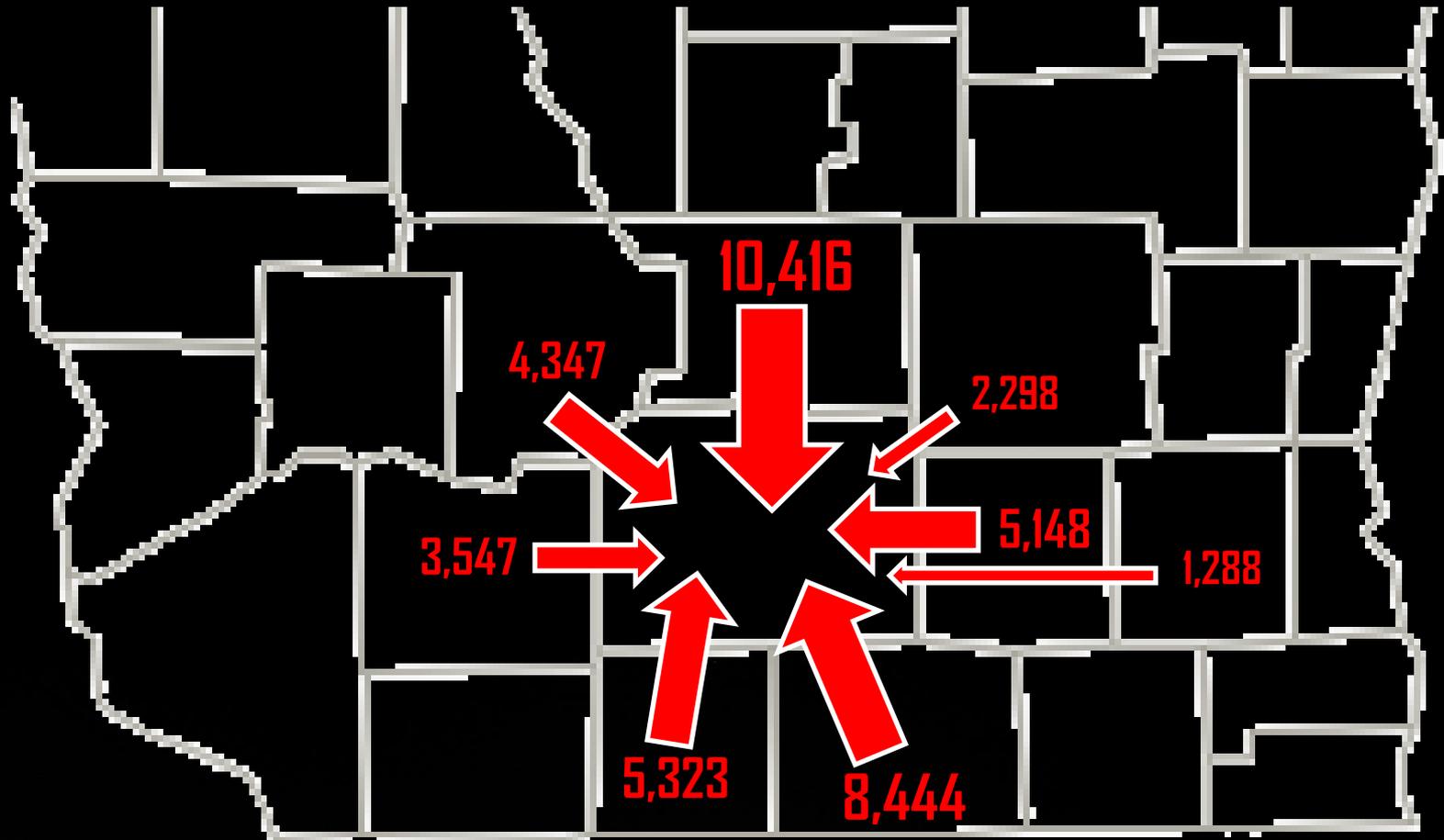


% of Workers Classified as "Public Administration"



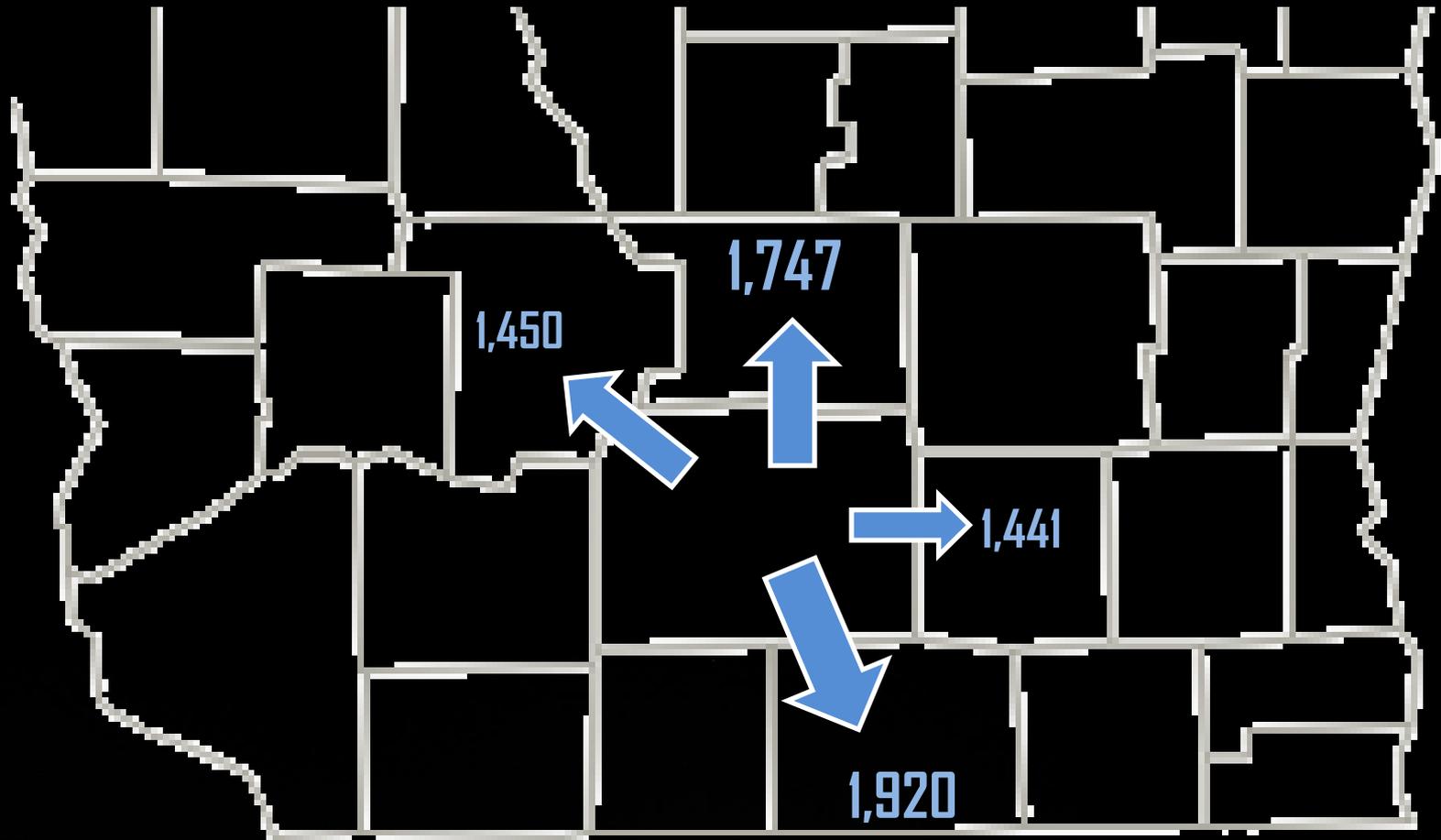


In-Commuters to Dane County (2010 Census)



SOURCES: 2010 Census

Out-Commuters From Dane County (2010 Census)



SOURCES: 2010 Census

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In-Commuters to Dane County

50,500

Out-Commuters from Dane County

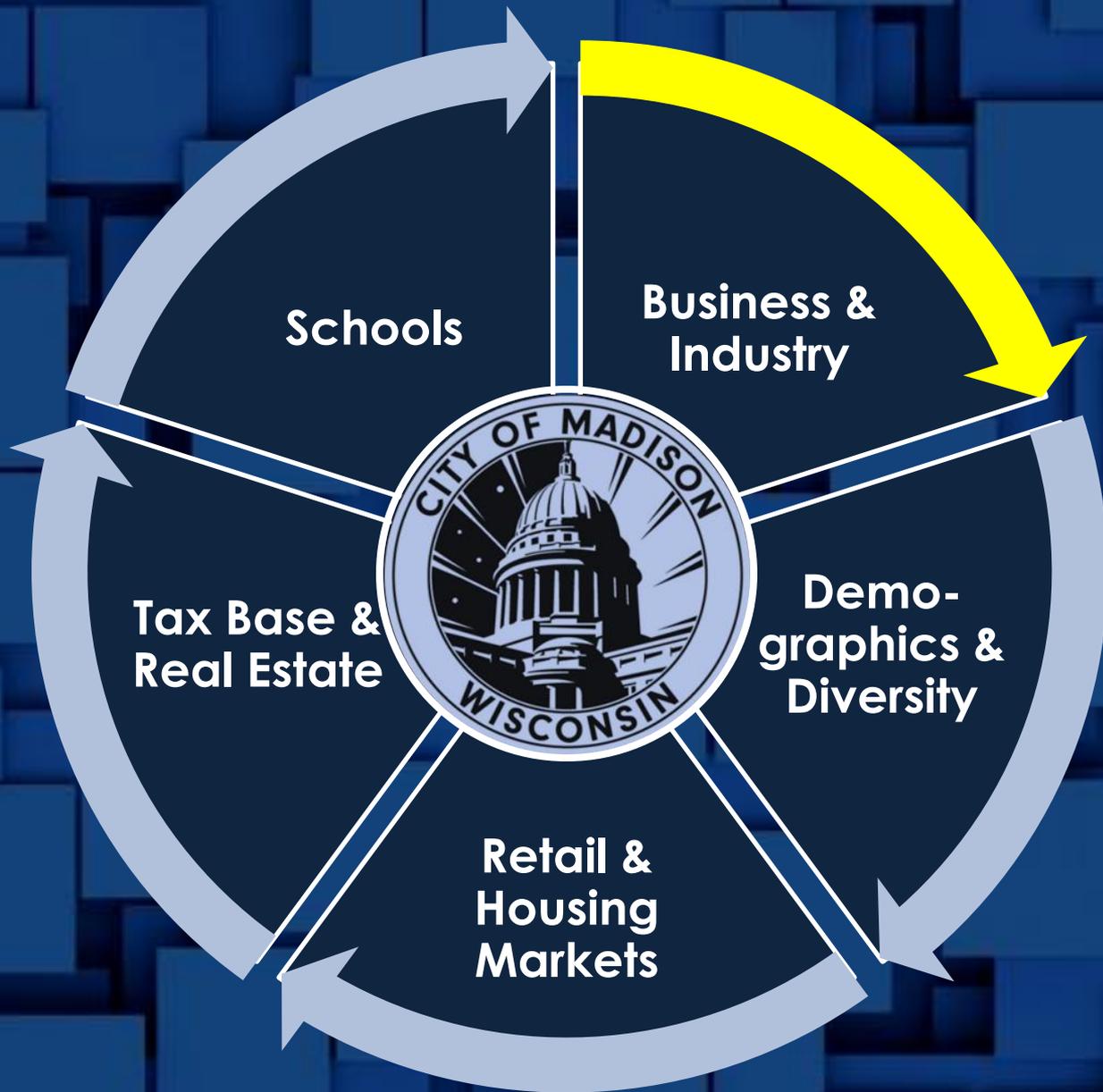
14,000



SOURCES: 2010 Census



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Schools

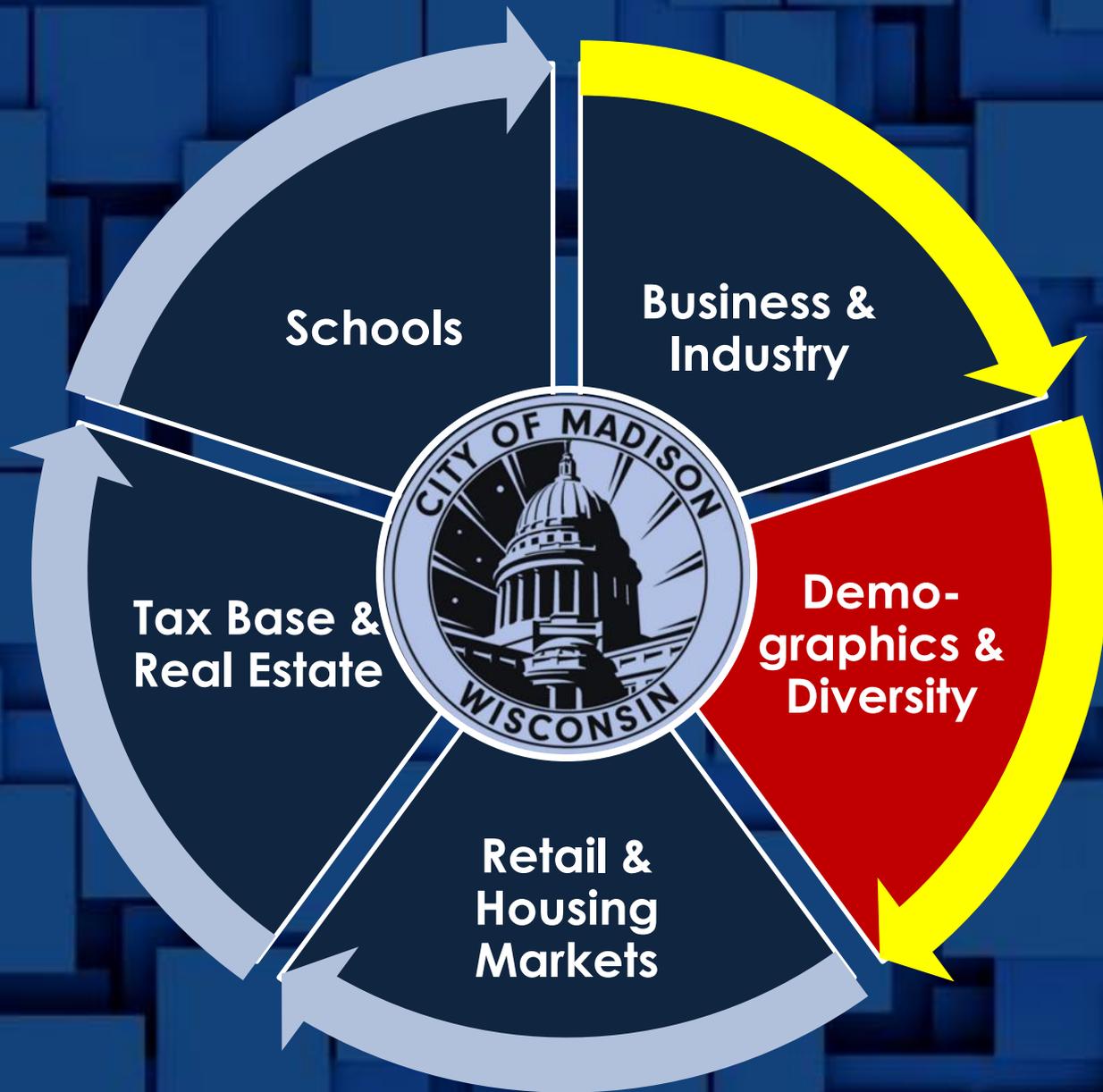
**Business &
Industry**

**Demographics &
Diversity**

**Retail &
Housing
Markets**

**Tax Base &
Real Estate**



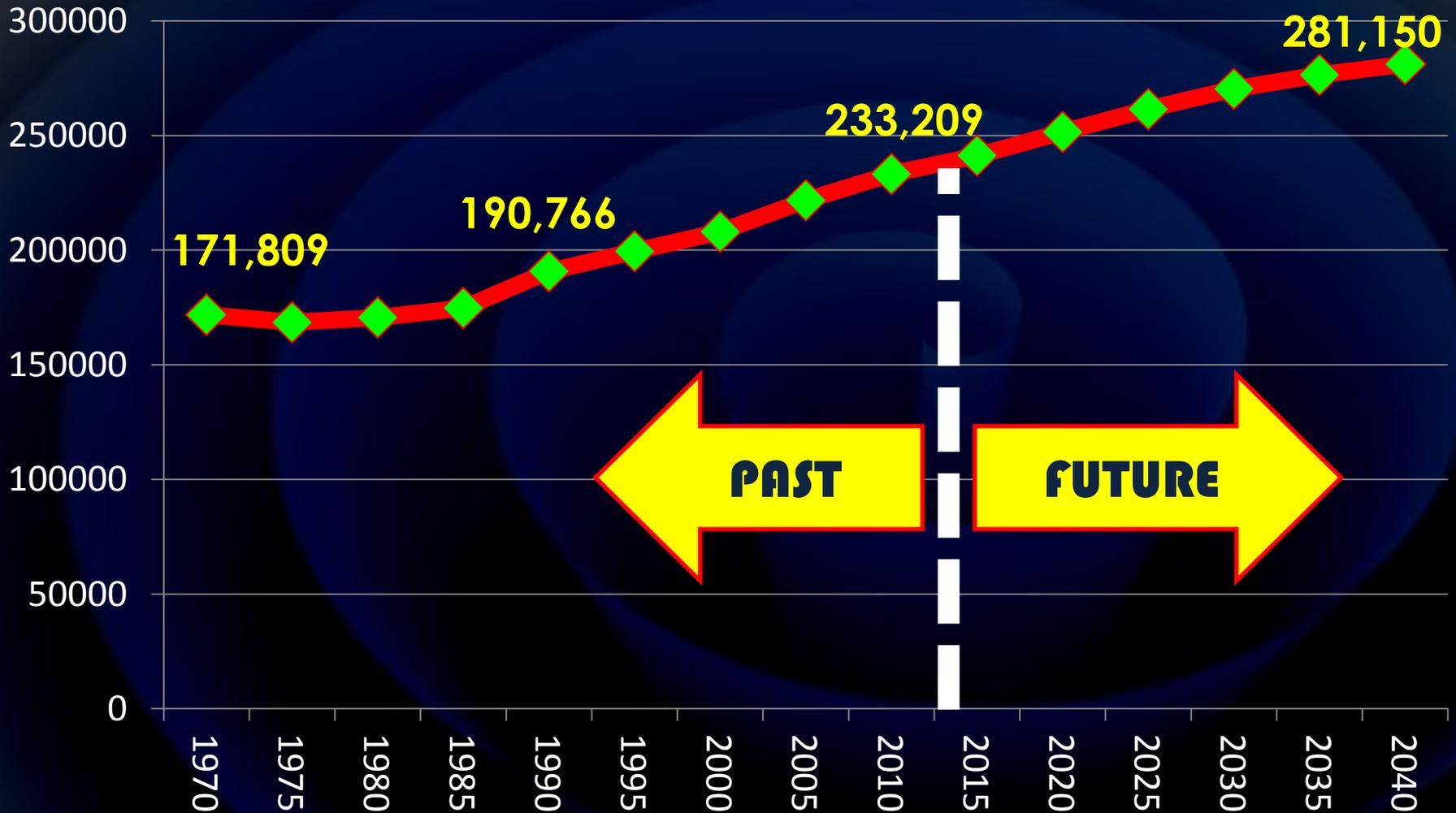


2

Population Growth & Age Distribution



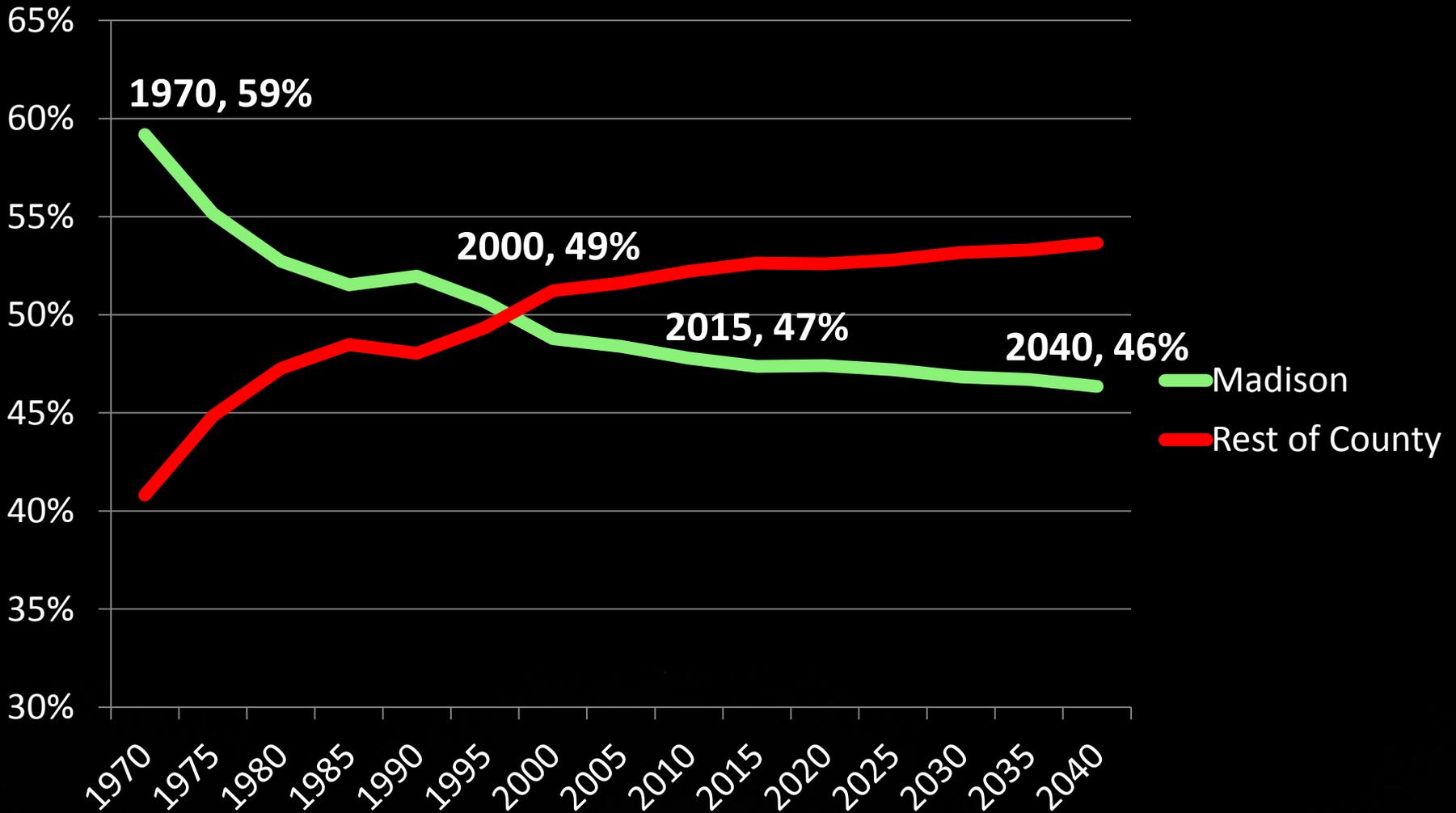
Madison Population (1970-2040)



SOURCES: Census, Wisconsin DOA projections

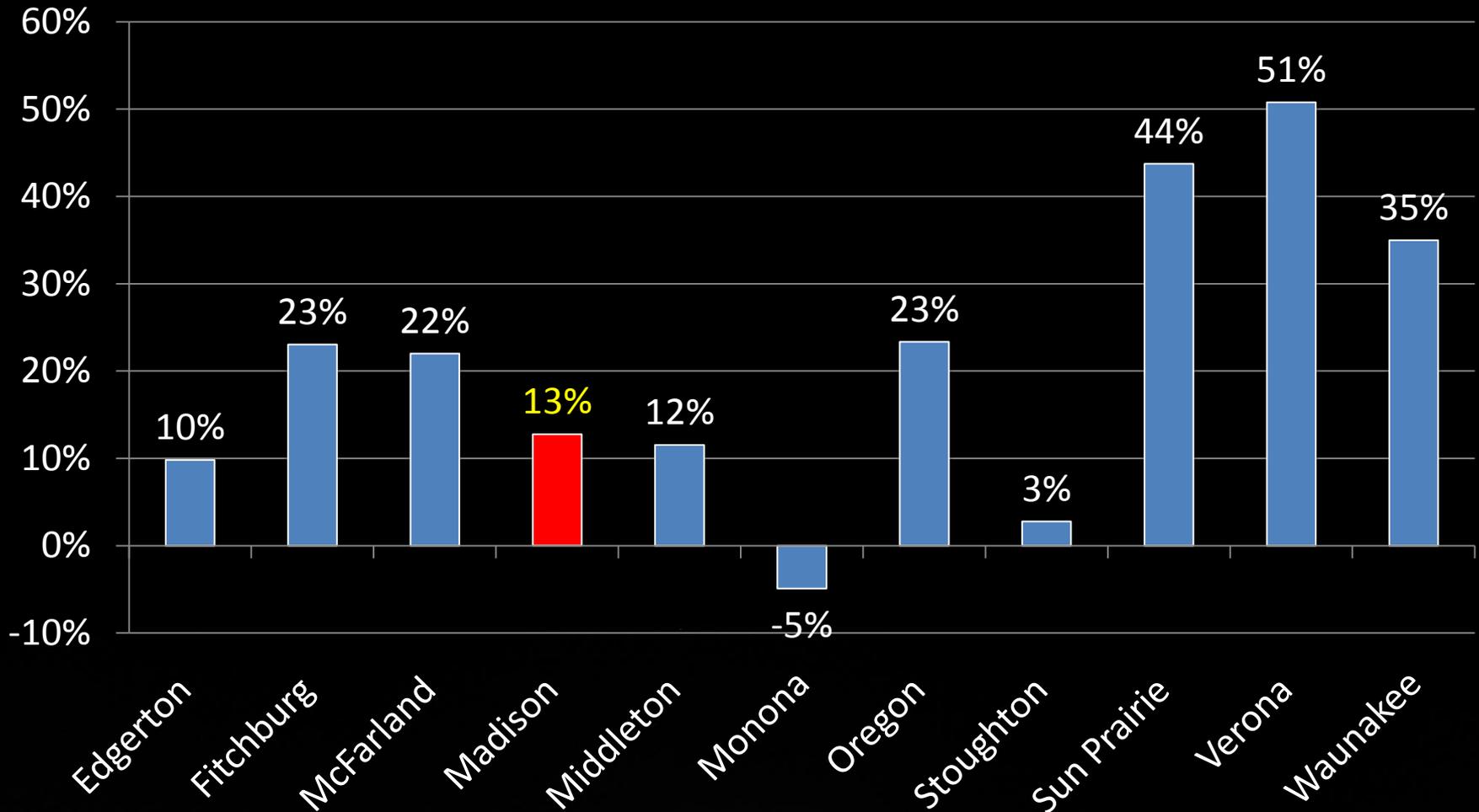


Madison and Non-Madison - % of Dane County Population



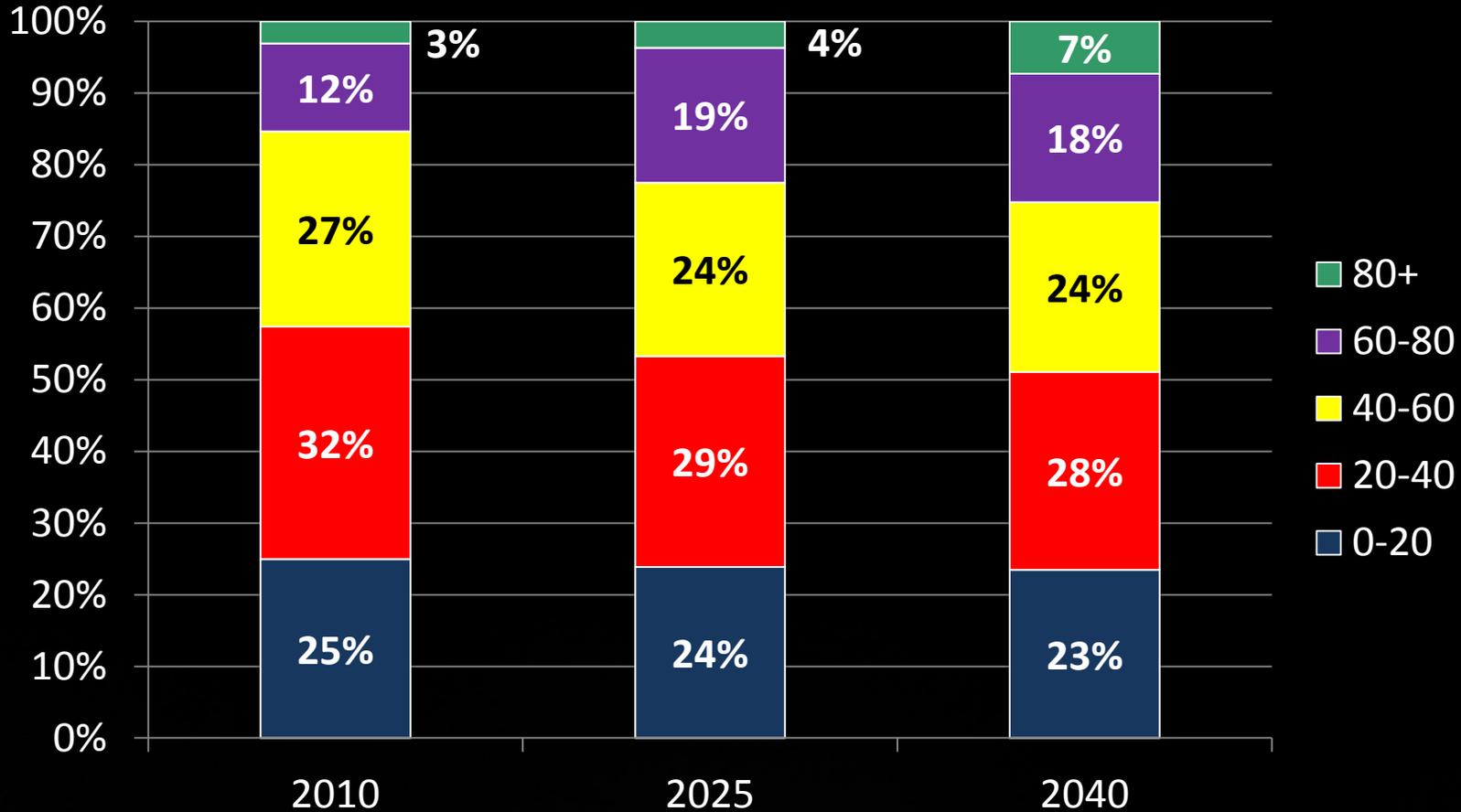
SOURCES: Census, Wisconsin DOA projections

2000 to 2012 % Population Change for Dane County Municipalities



SOURCES: 2000 Census and 2012 ACS

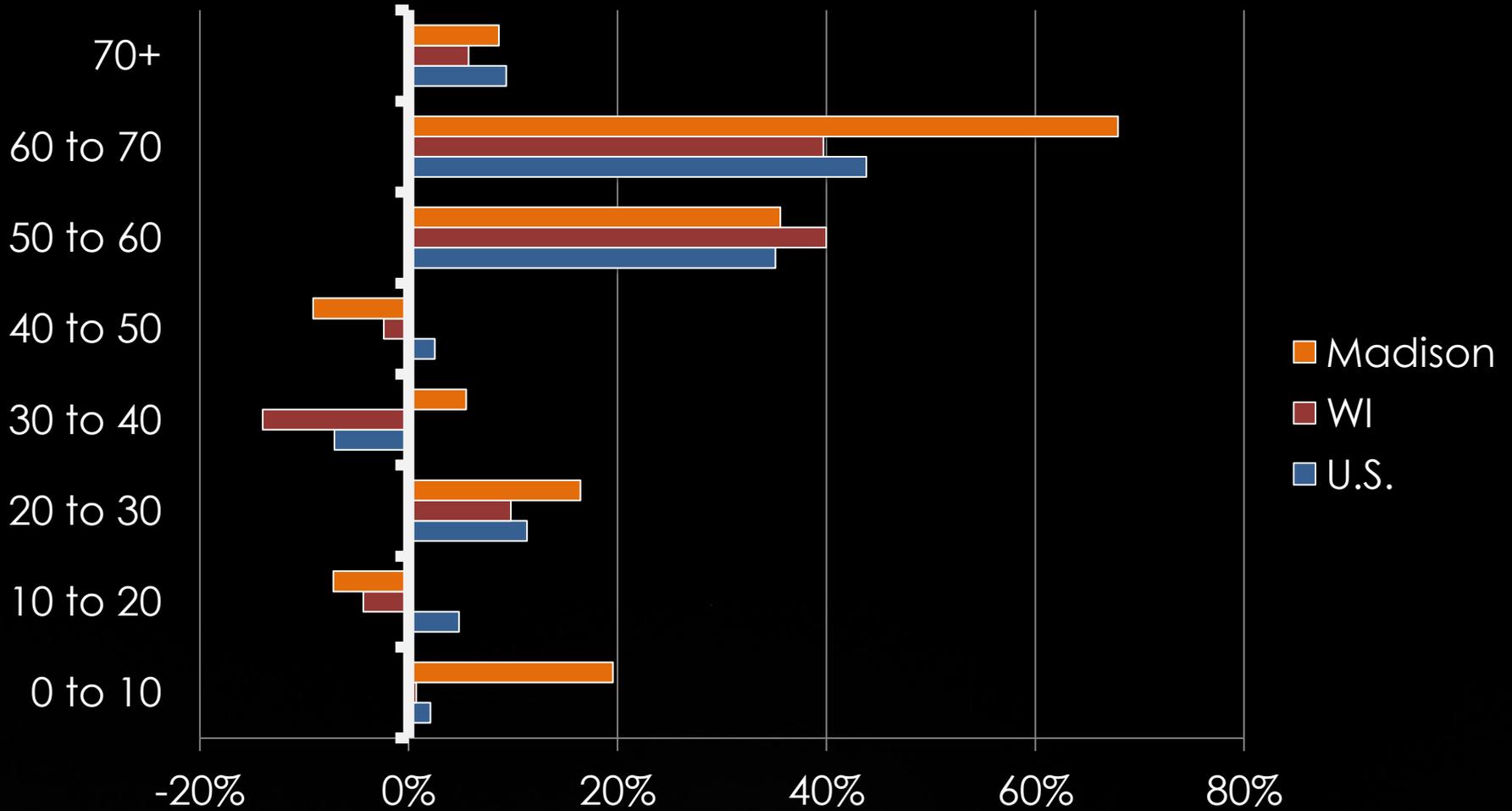
City of Madison Distribution of Population by Age (2010, 2025, 2040)



SOURCES: Census, Wisconsin DOA projections



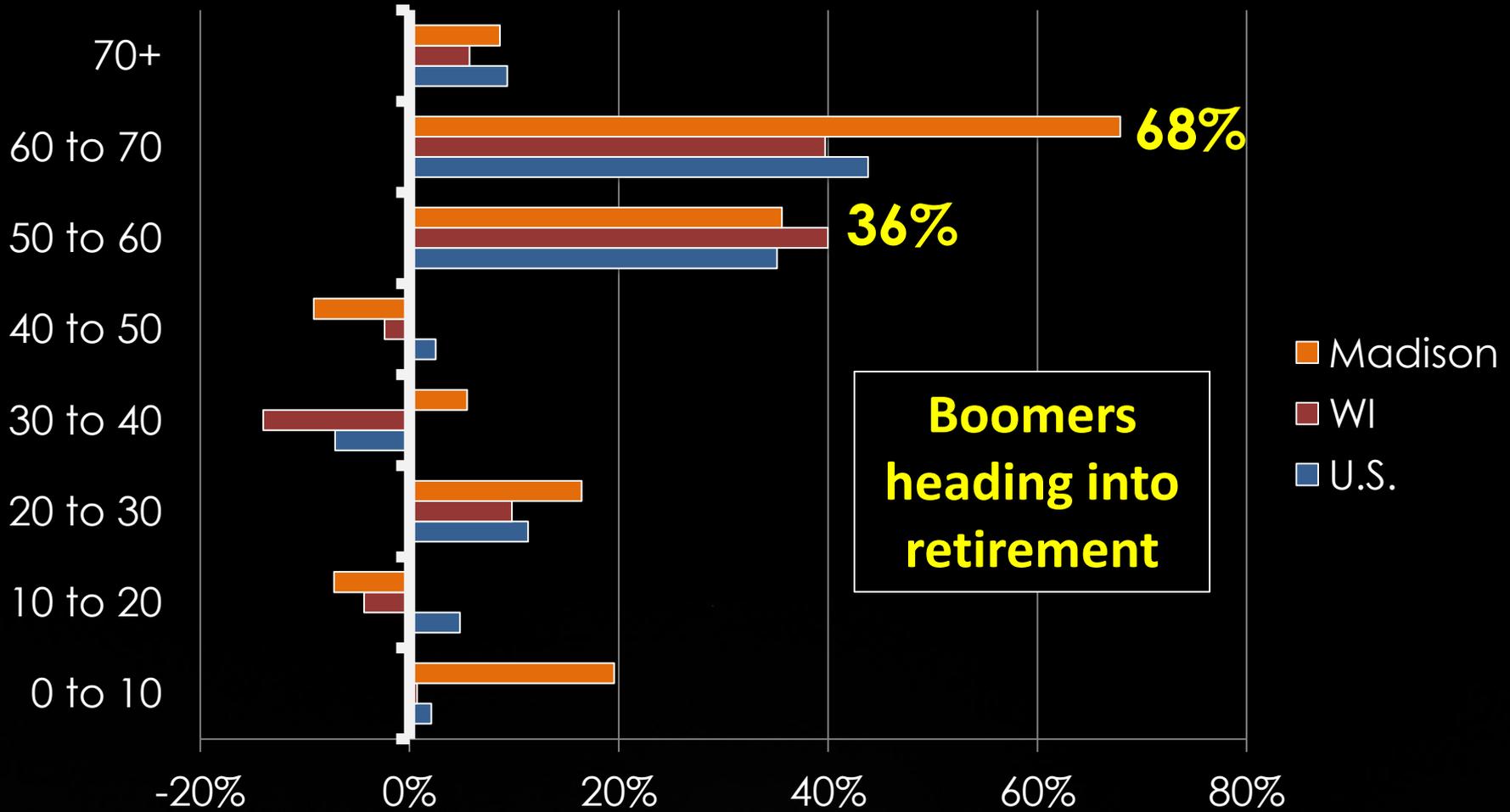
Madison Growth/Decline of Population by Age (2000-2010 Census)



SOURCES: Census 2000 and 2010 DC



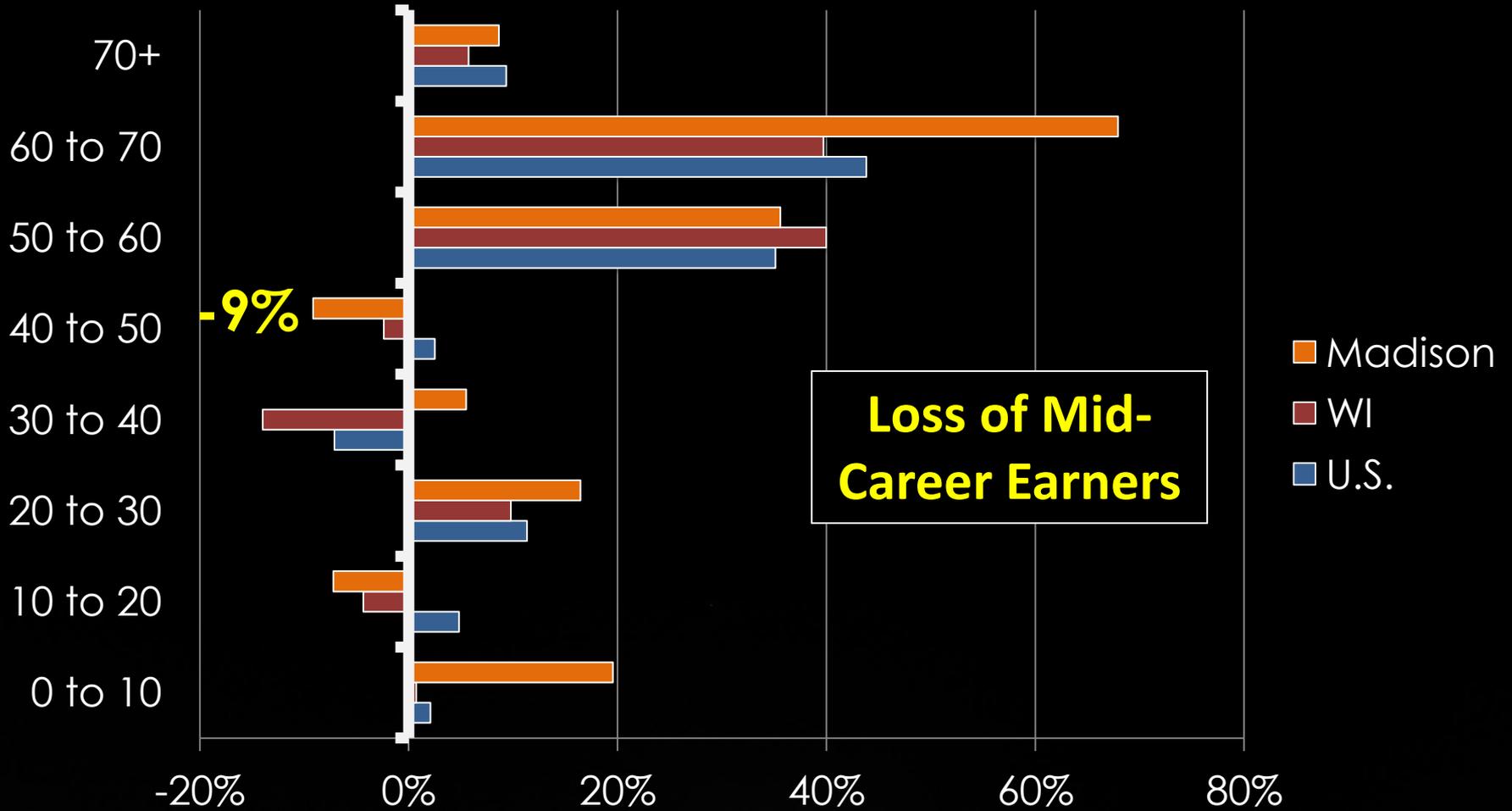
Madison Growth/Decline of Population by Age (2000-2010 Census)



SOURCES: Census 2000 and 2010 DC



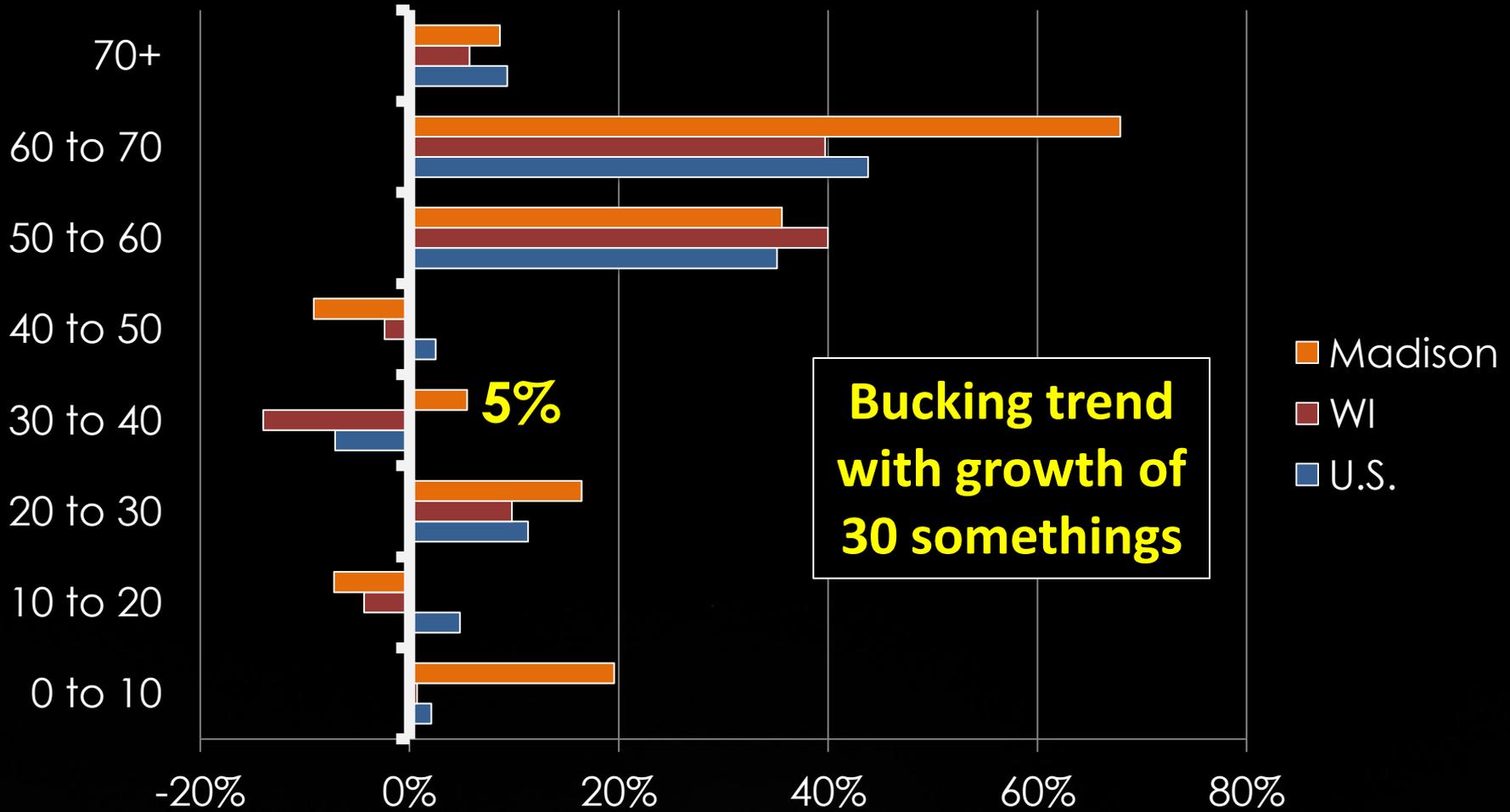
Madison Growth/Decline of Population by Age (2000-2010 Census)



SOURCES: Census 2000 and 2010 DC



Madison Growth/Decline of Population by Age (2000-2010 Census)

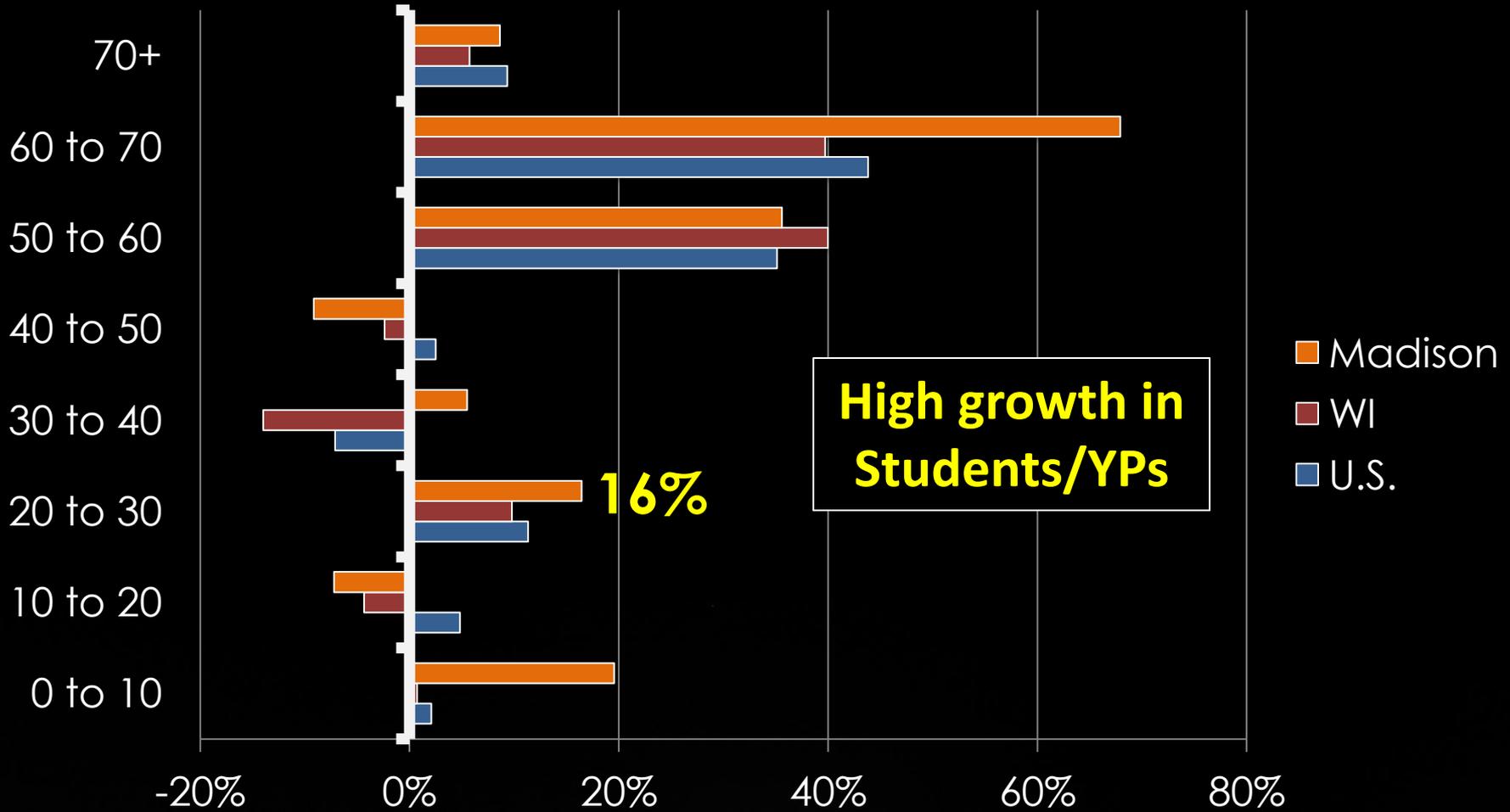


Bucking trend with growth of 30 somethings

SOURCES: Census 2000 and 2010 DC



Madison Growth/Decline of Population by Age (2000-2010 Census)



SOURCES: Census 2000 and 2010 DC



Madison gained
10,385

20 to 40 Year olds ('00-'10)

Wisconsin lost
45,141



SOURCES: Census 2000 and 2010 DC

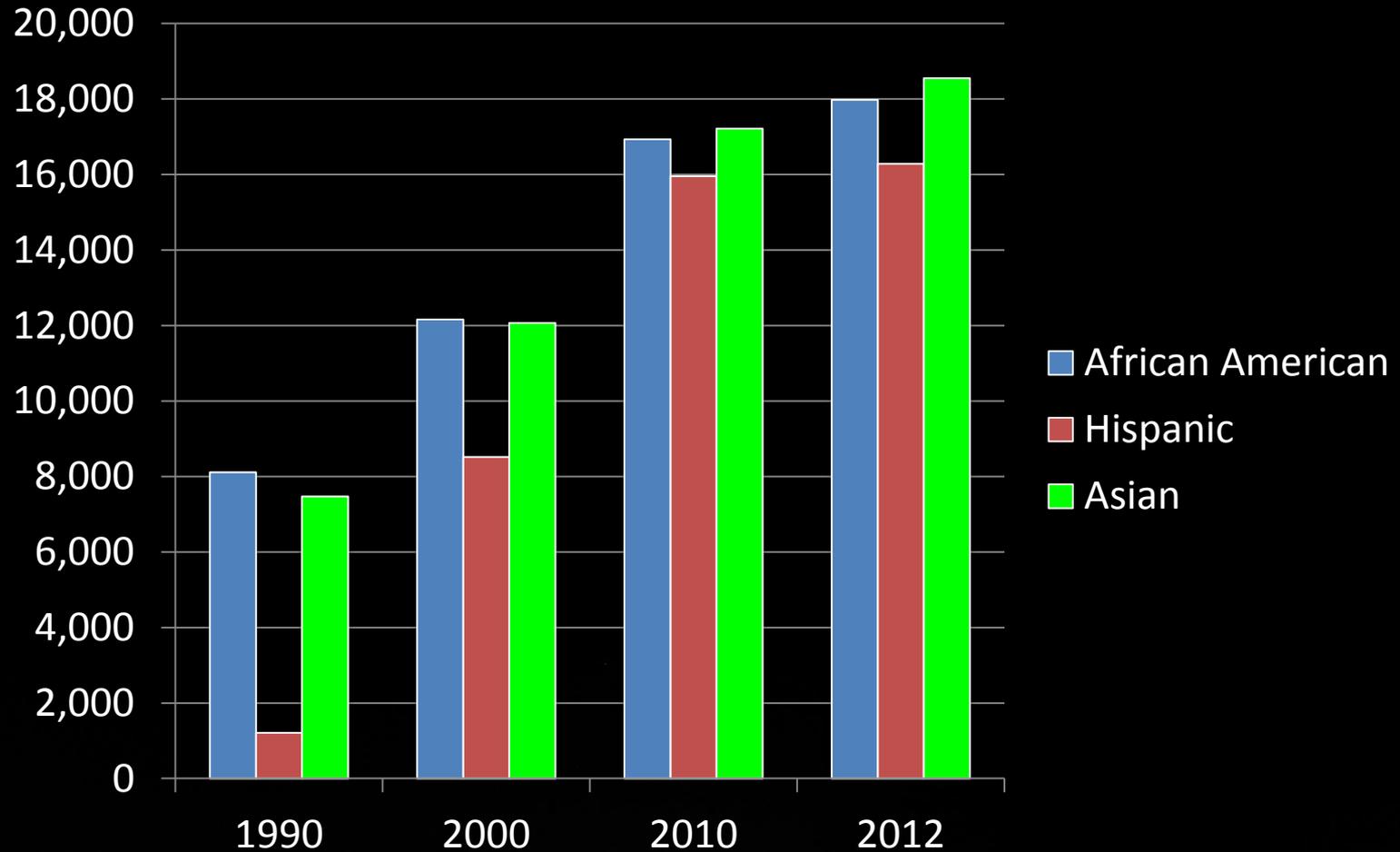
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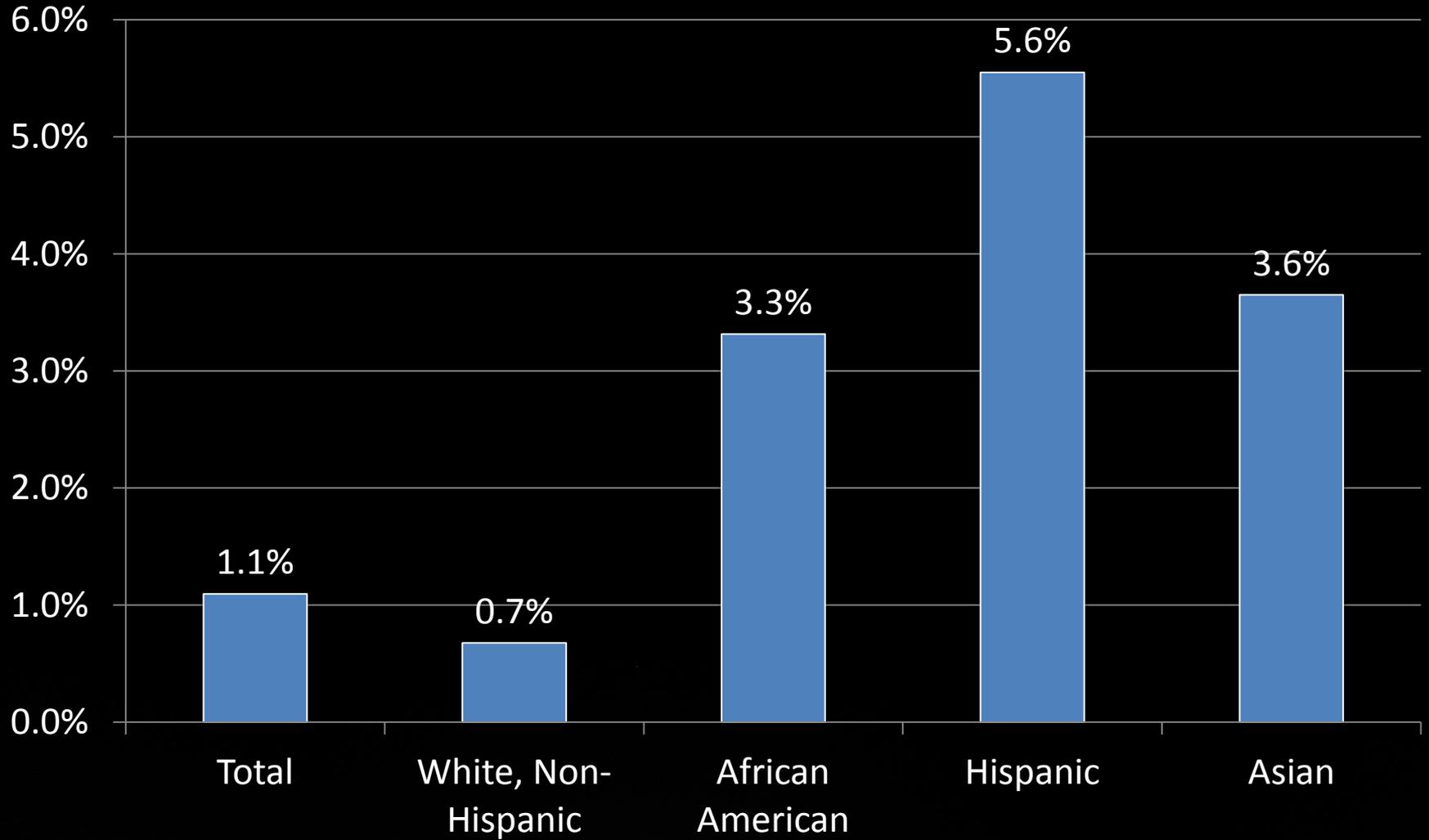
Racial/Ethnic Diversity Trends



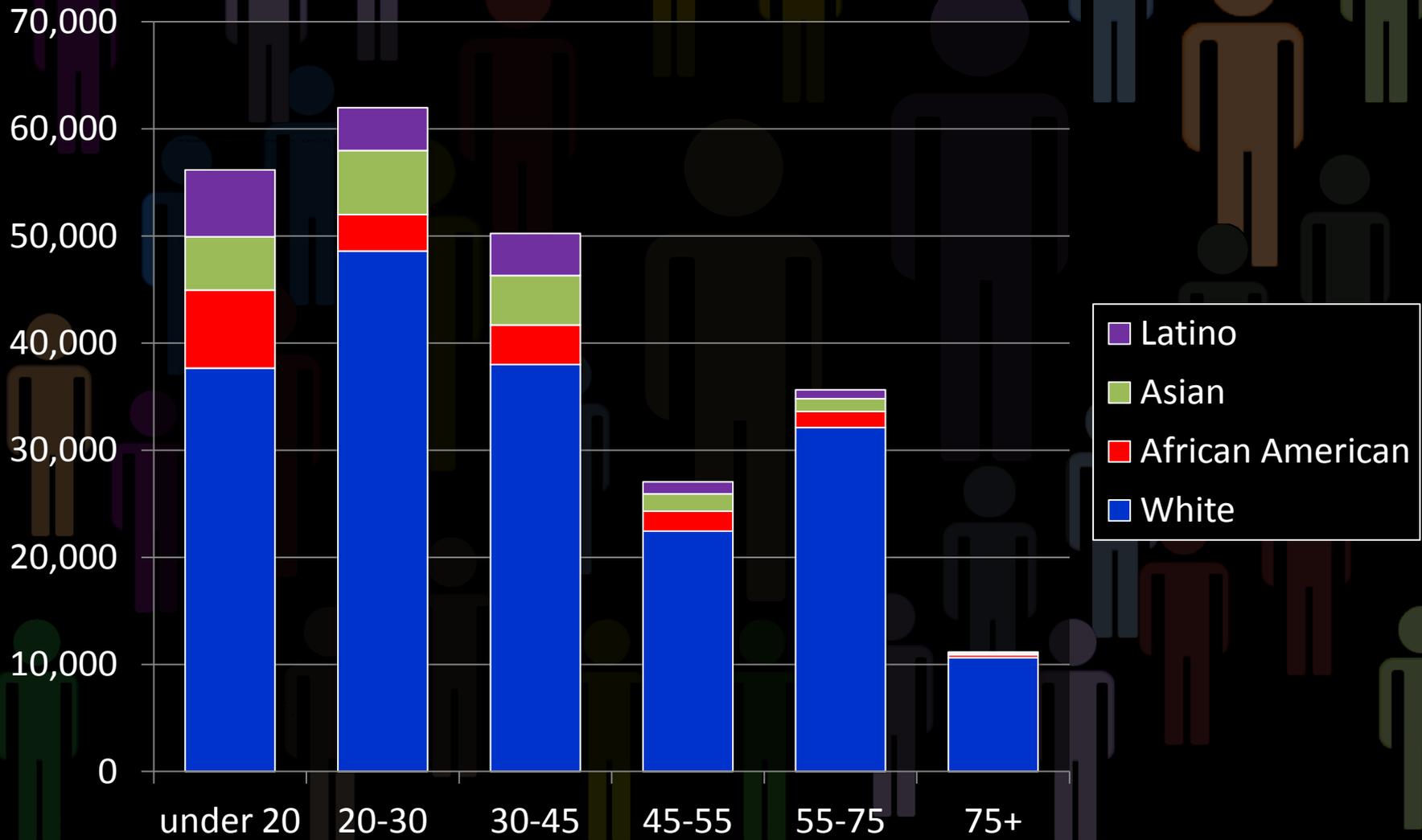
Number of Madison Residents in Selected Race/Ethnicity Categories



2000-2012 Annual Growth Rate



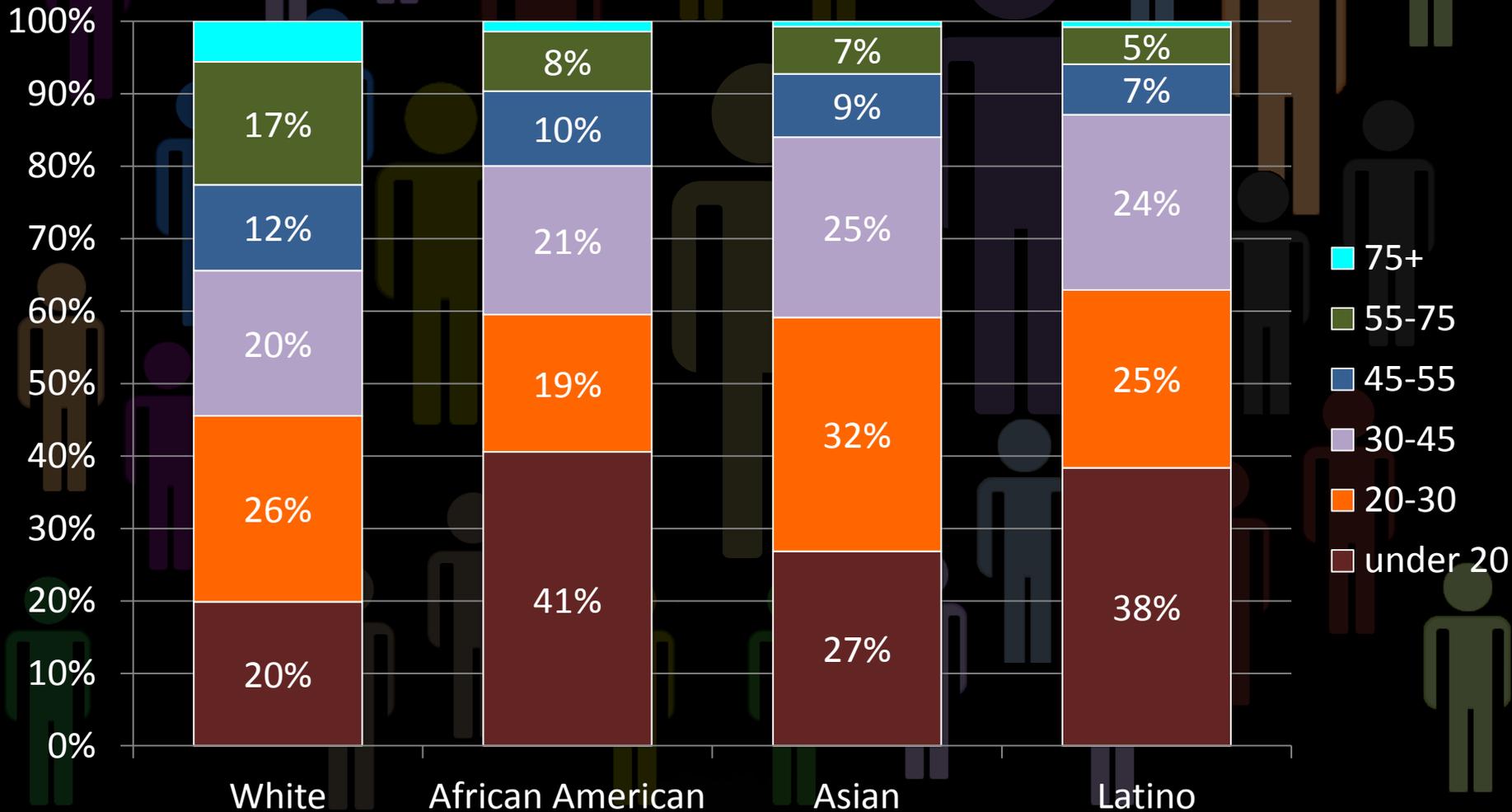
Distribution of Population by Age/Race (2012 ACS)



SOURCES: Census, 2012 ACS 3-yr Est.



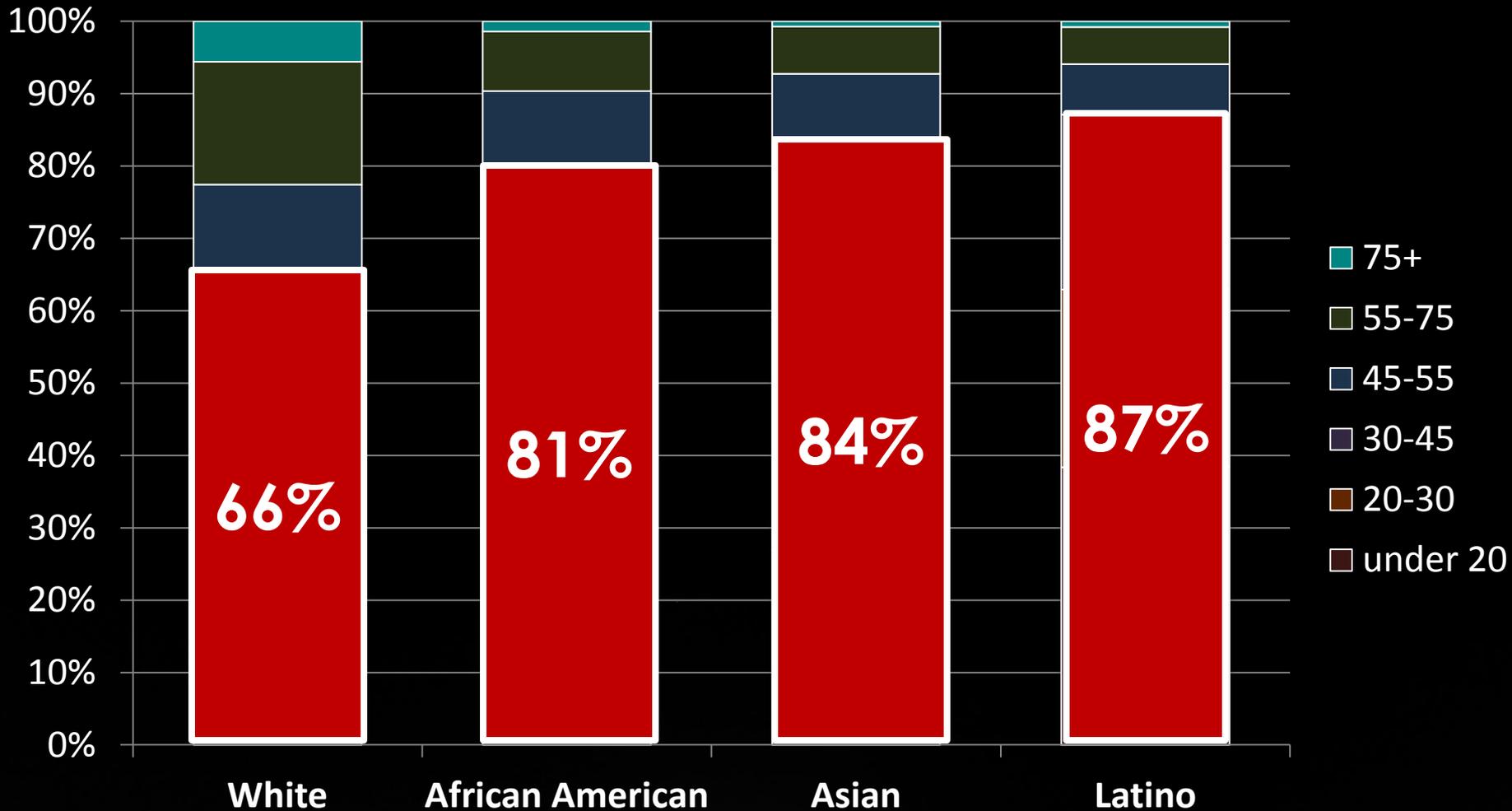
City of Madison Distribution of Population by Age/Race (2012 ACS)



SOURCES: Census, 2012 ACS 3-yr Est.



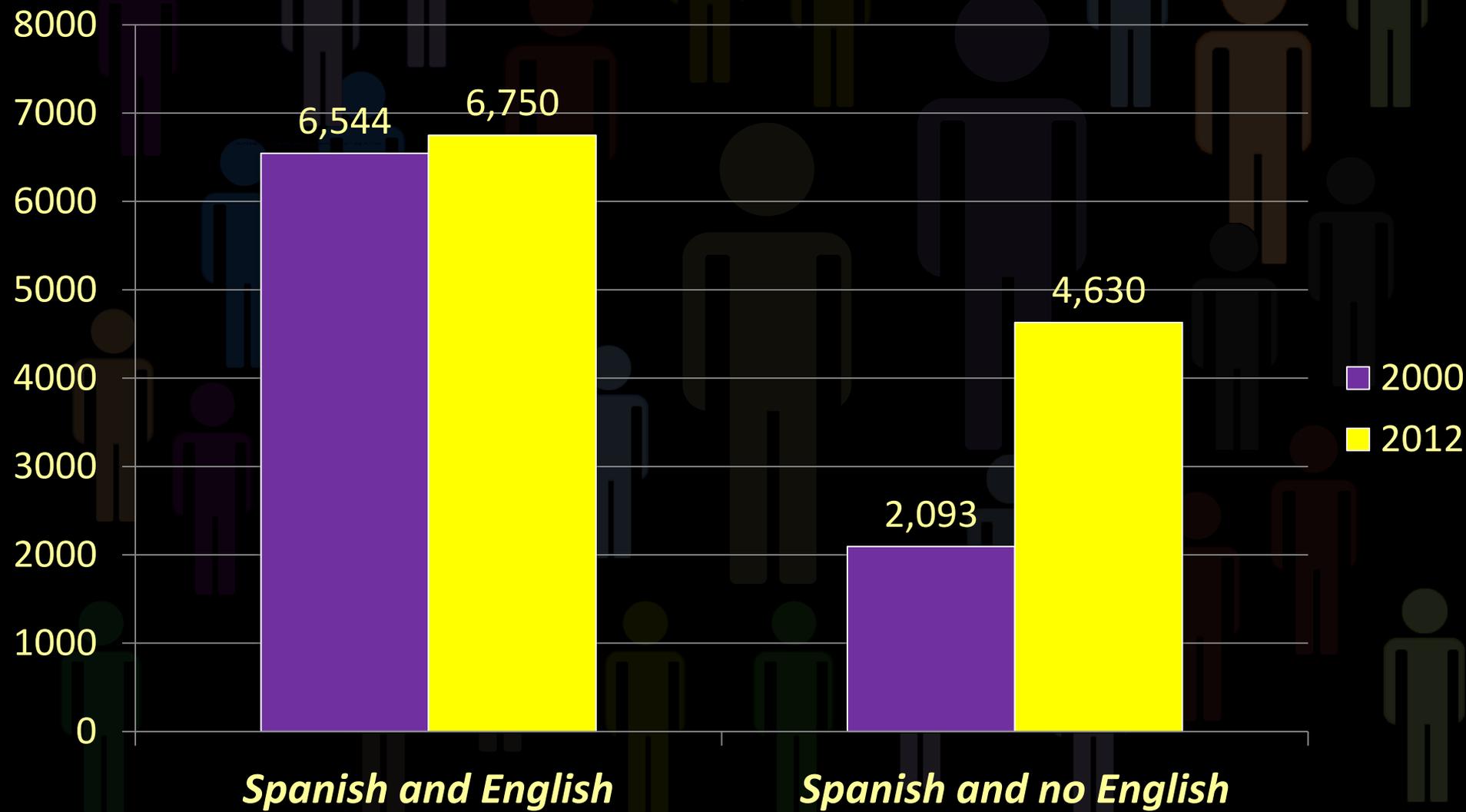
Whose Under 65 in 2032?



SOURCES: Census, 2012 ACS 3-yr Est.



Spanish-Speaking Madison Residents (5+ years old 2000 to 2012)



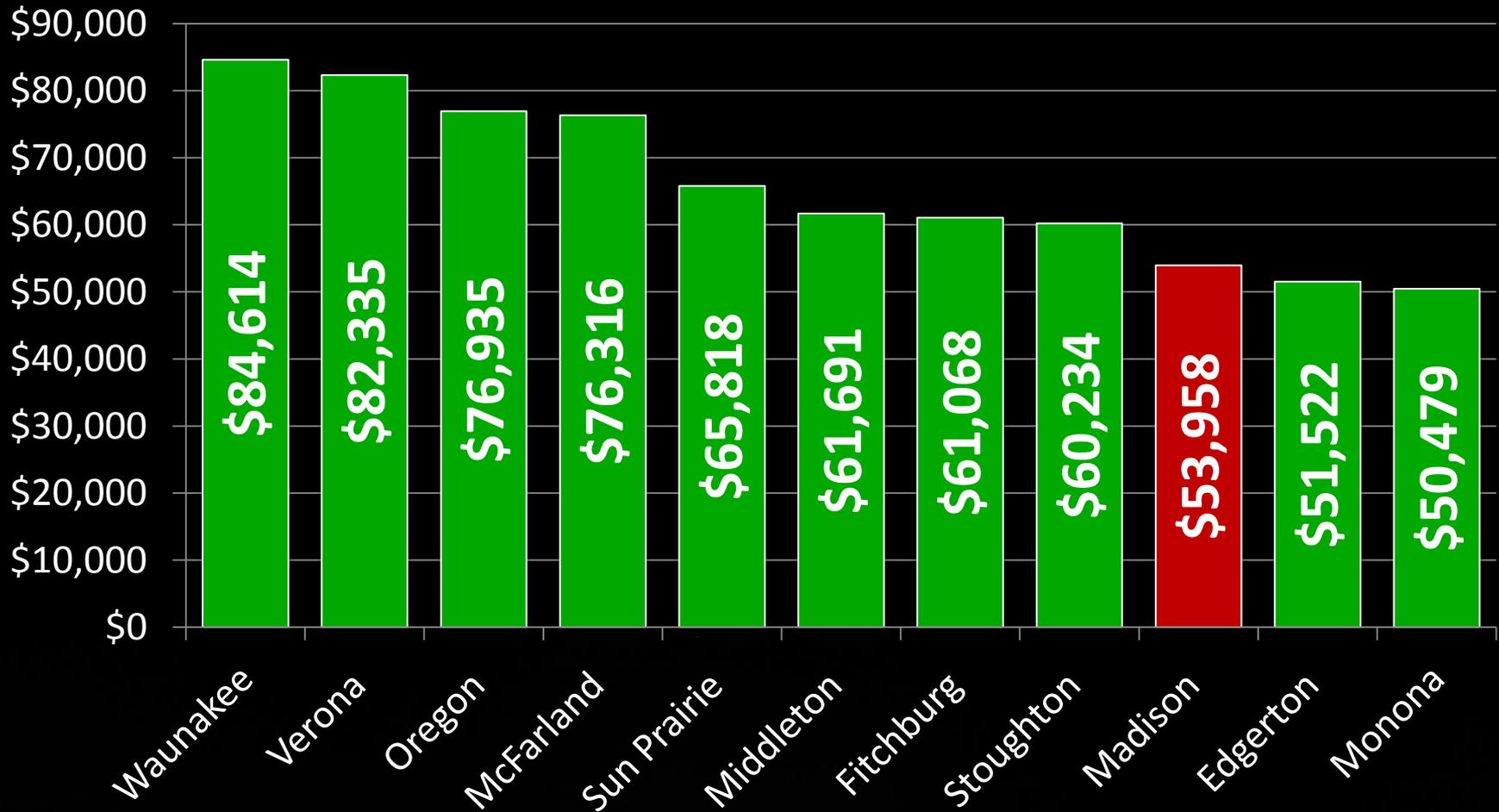
SOURCES: Census, 2000 DC and 2012 ACS 3-yr Est.



Income & Poverty

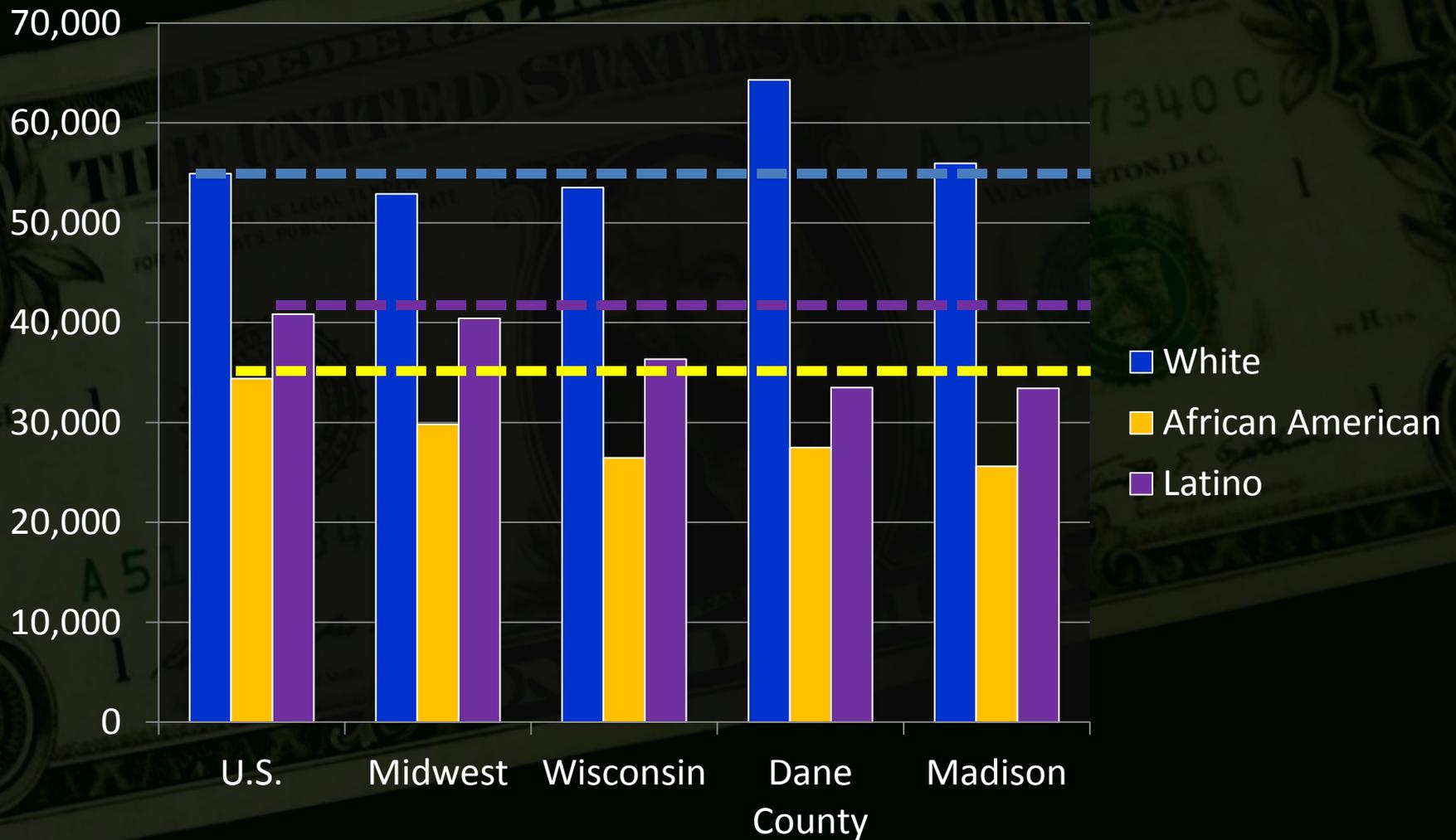


2012 Med HH Inc



SOURCES: 2012 Census ACS 3-yr Est.

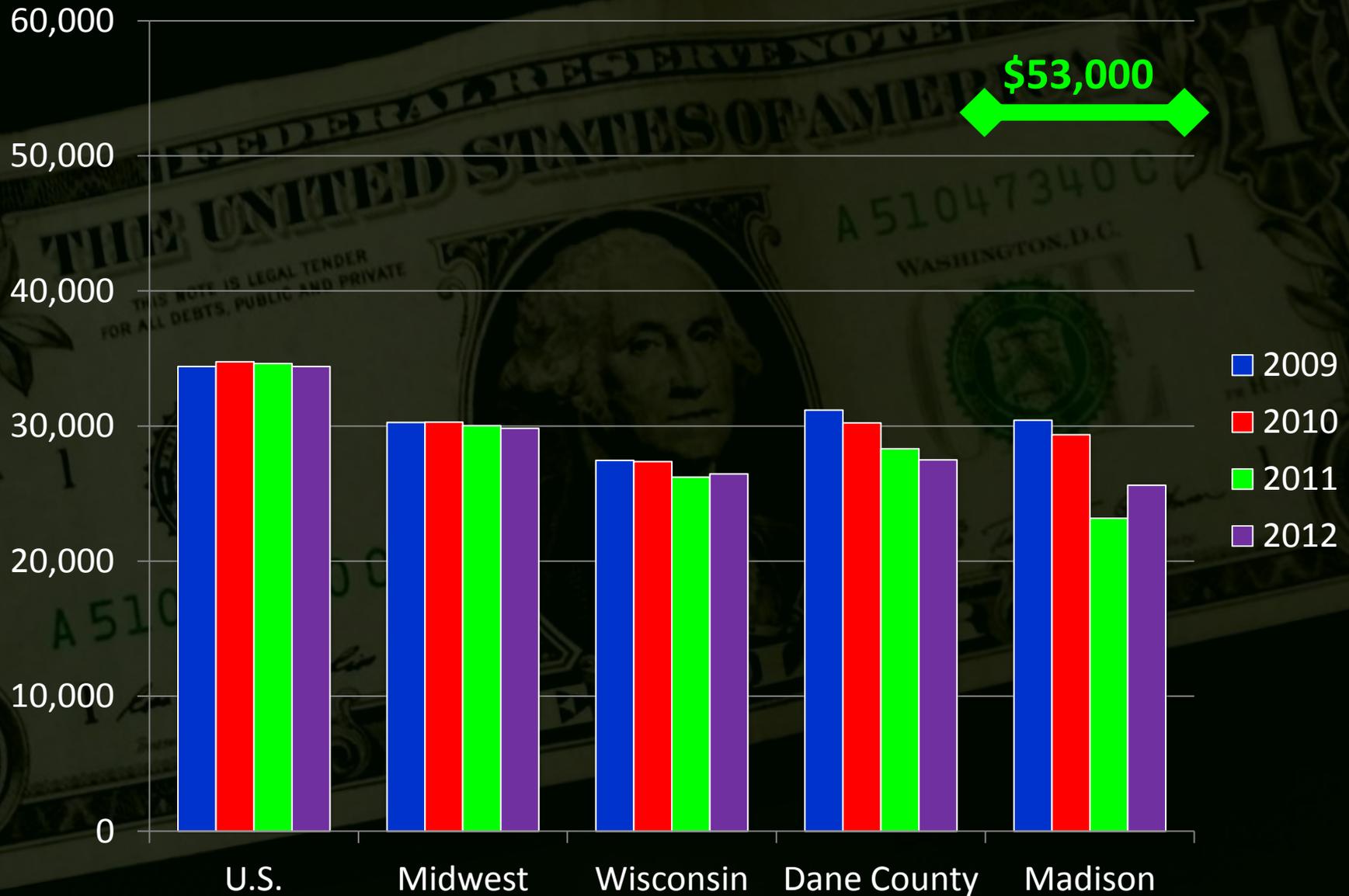
Median Household Income (2012 ACS)



SOURCES: 2012 Census ACS 3-yr Est.

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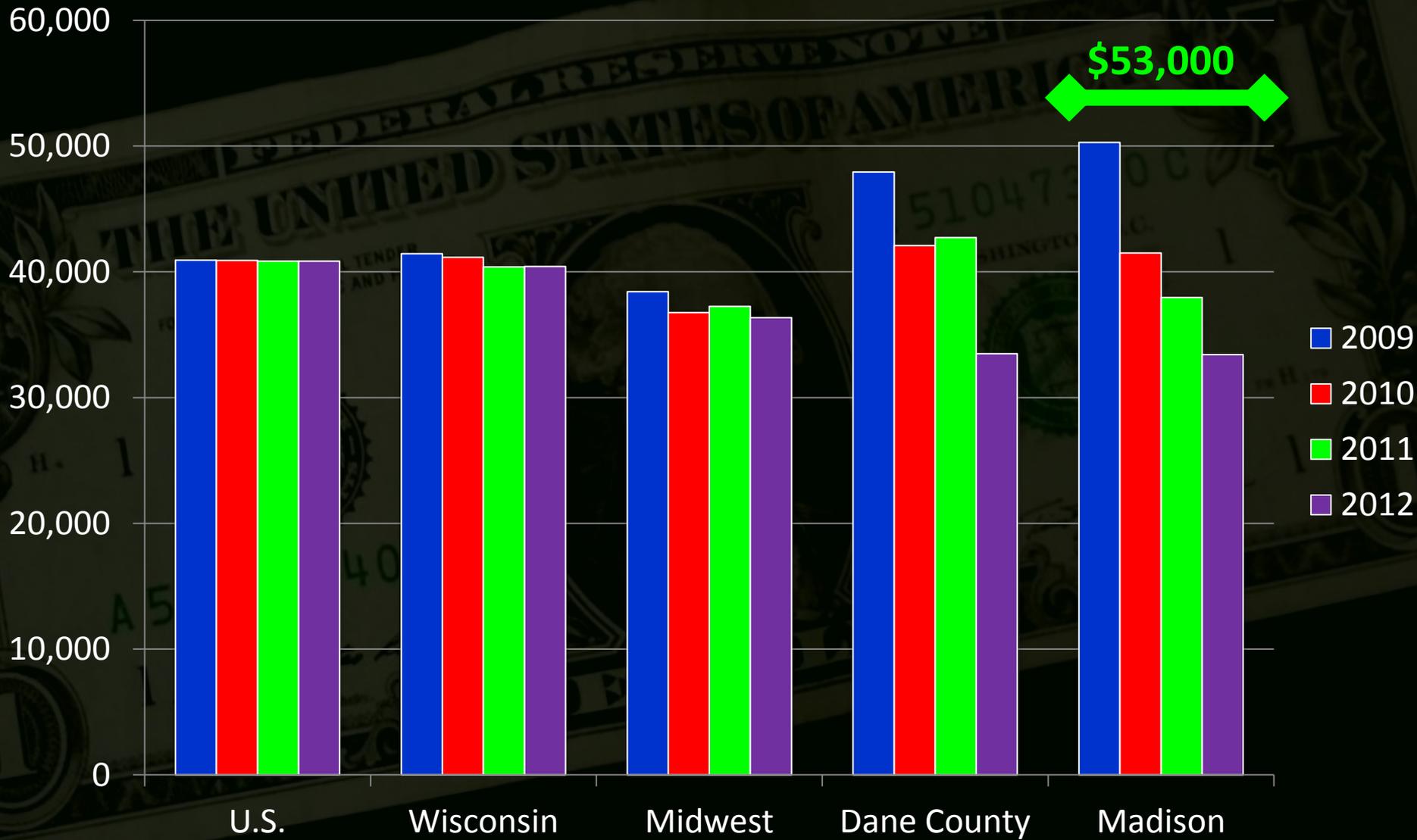
African American Median Household Income (ACS 3-yr)



SOURCES: Census, 2009-2012 ACS 3-yr Est.



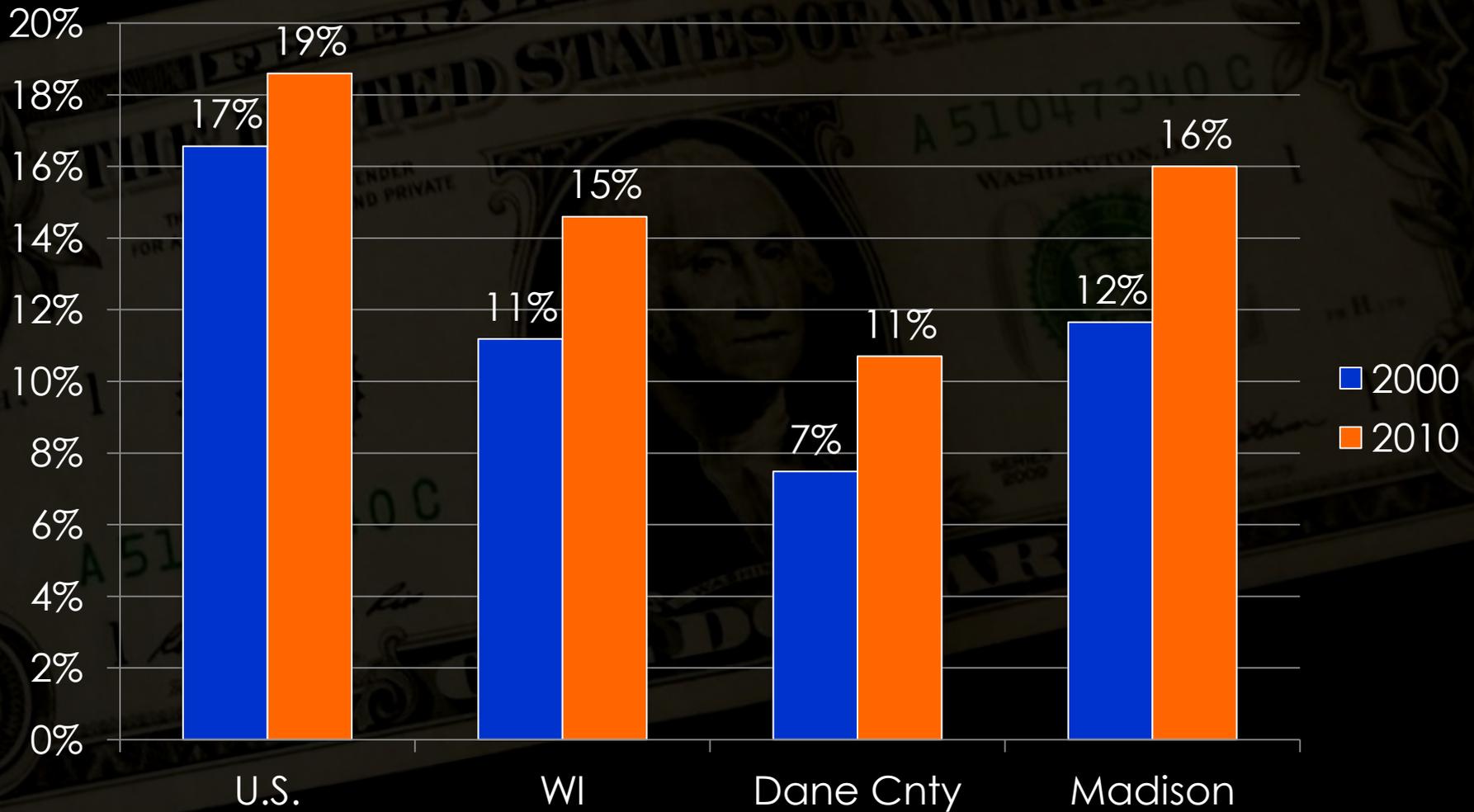
Latino Median Household Income (ACS 3-Year Est)



SOURCES: Census, 2009-2012 ACS 3-yr Est.



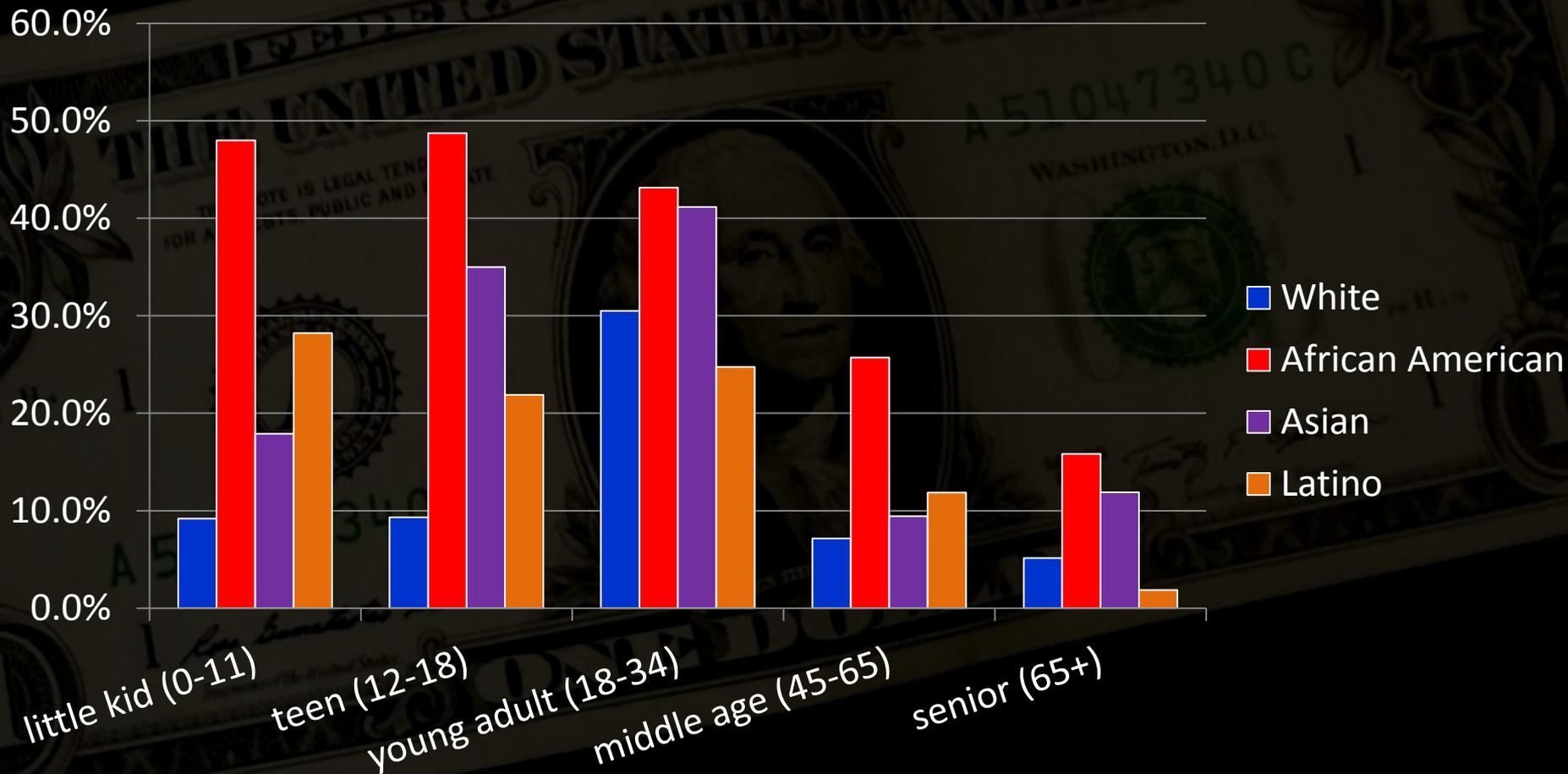
% of Children in Poverty



SOURCES: Census, 2000 and 2010 DC



City of Madison Poverty by Age/Race (2012 ACS)



SOURCES: Census, 2012 ACS 3-yr EST.





62%

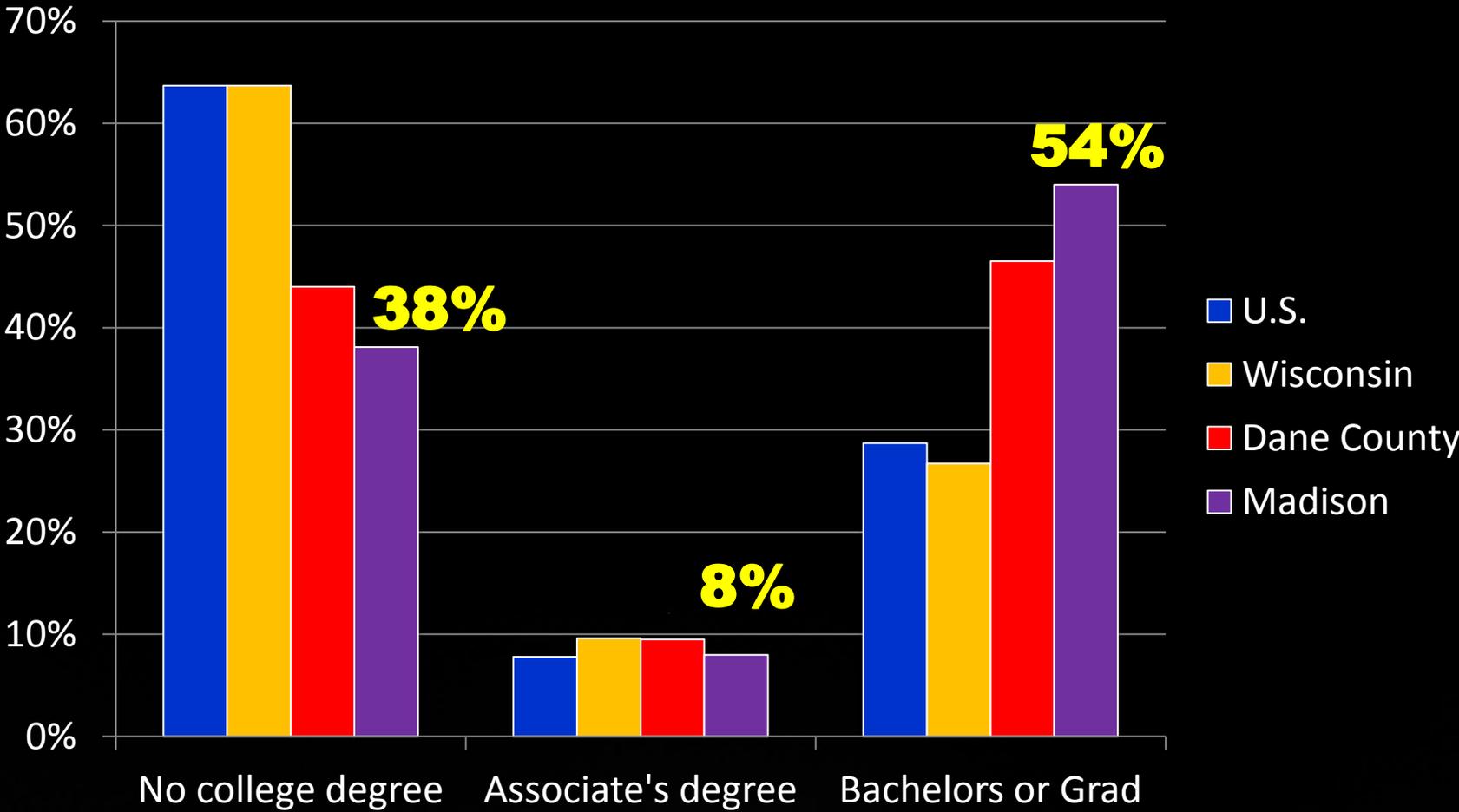
**Likelihood of being poor if you are a
15 to 18 year old African American in Madison**



Educational Attainment

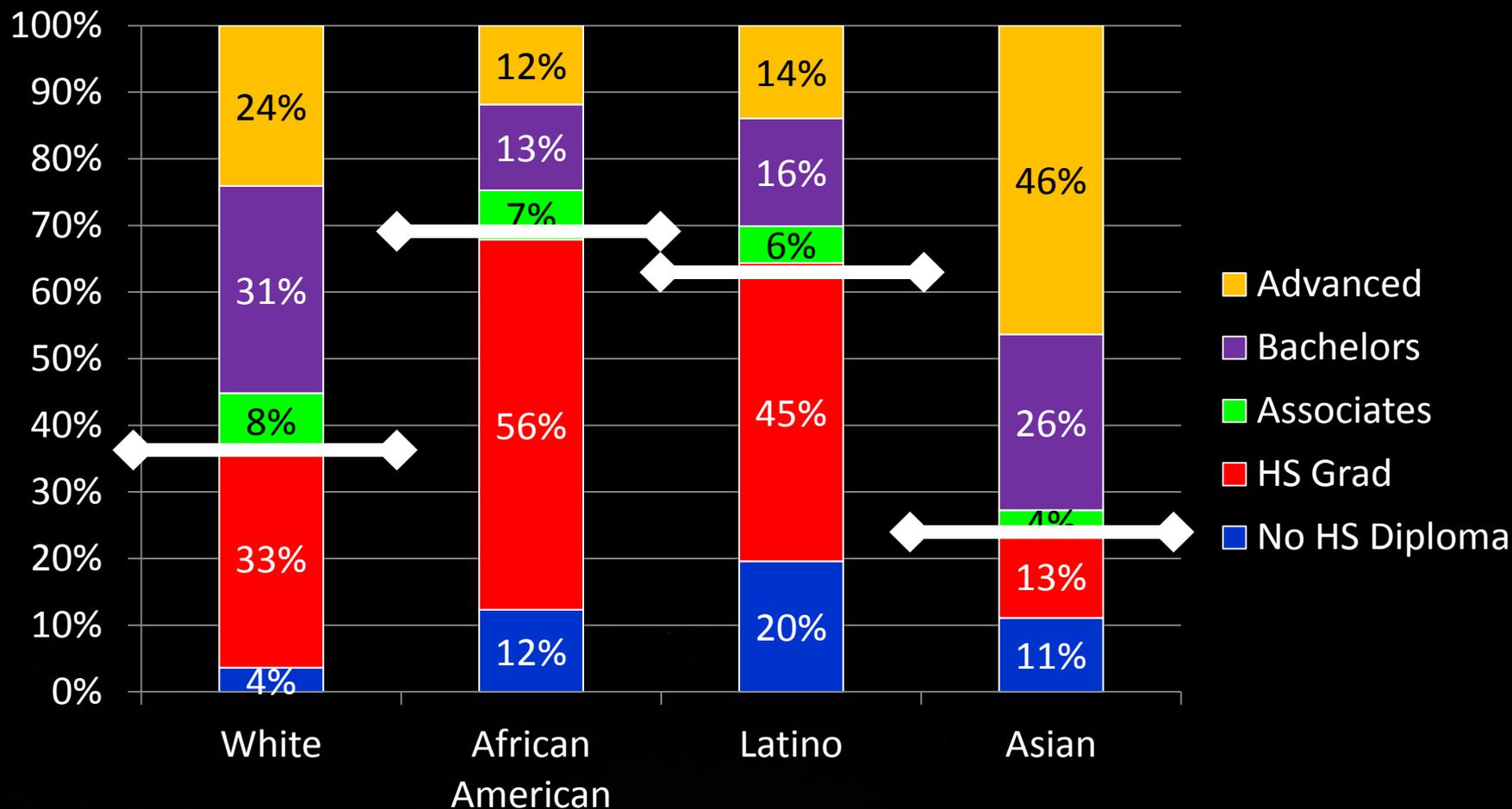


Educational Attainment for 25 yr old+ population (2012 ACS)



SOURCES: Census, 2012 ACS 3-yr EST.

Educational Attainment for 25 and older Madison Residents by Race/Ethnicity (2012)



SOURCES: Census, 2012 ACS 3-yr EST.



**Madison is far above
average in residents
with bachelors
degrees or higher**

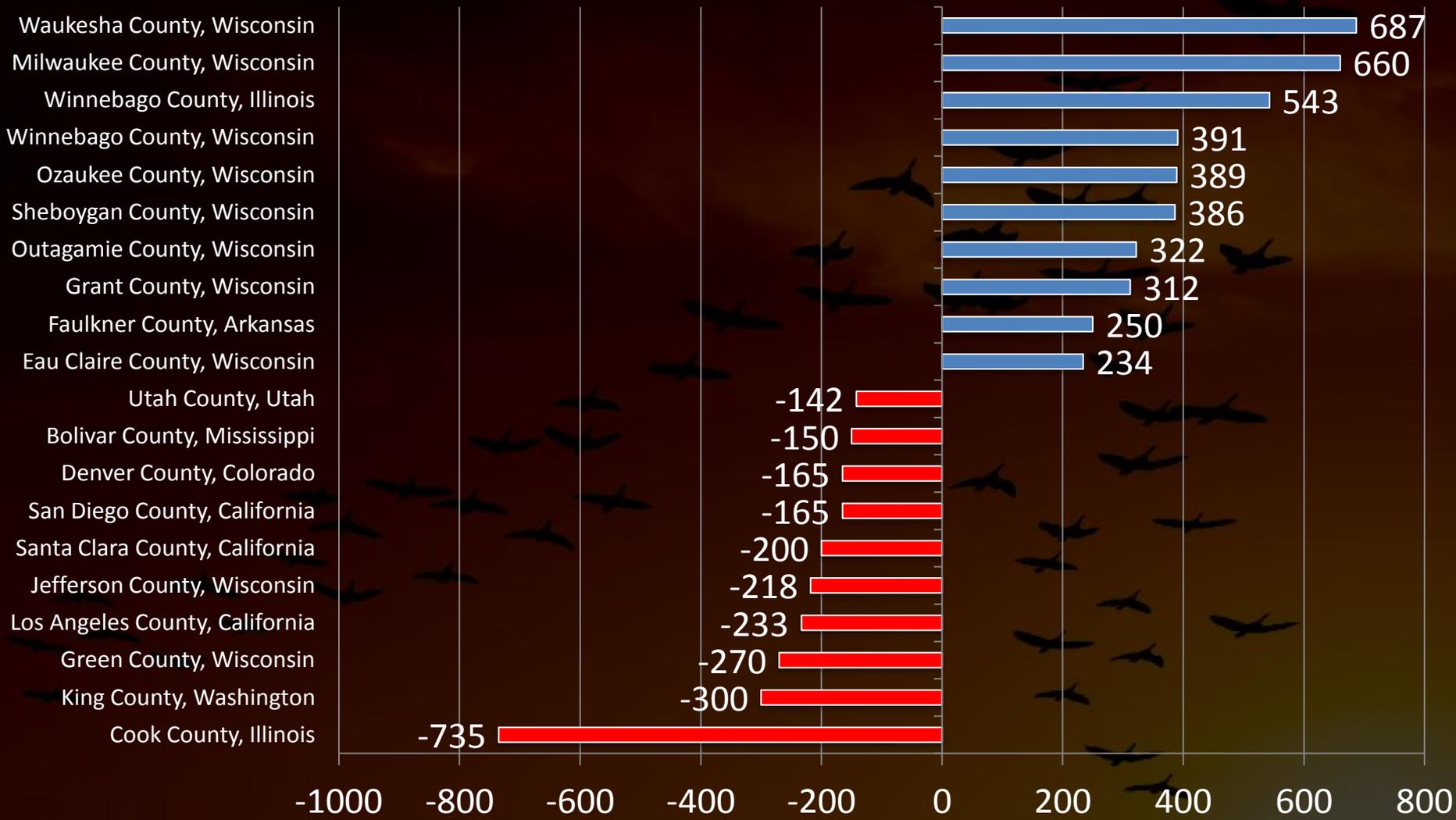
**Madison is
below
average in
residents
with
Associates
Degrees**



Migration



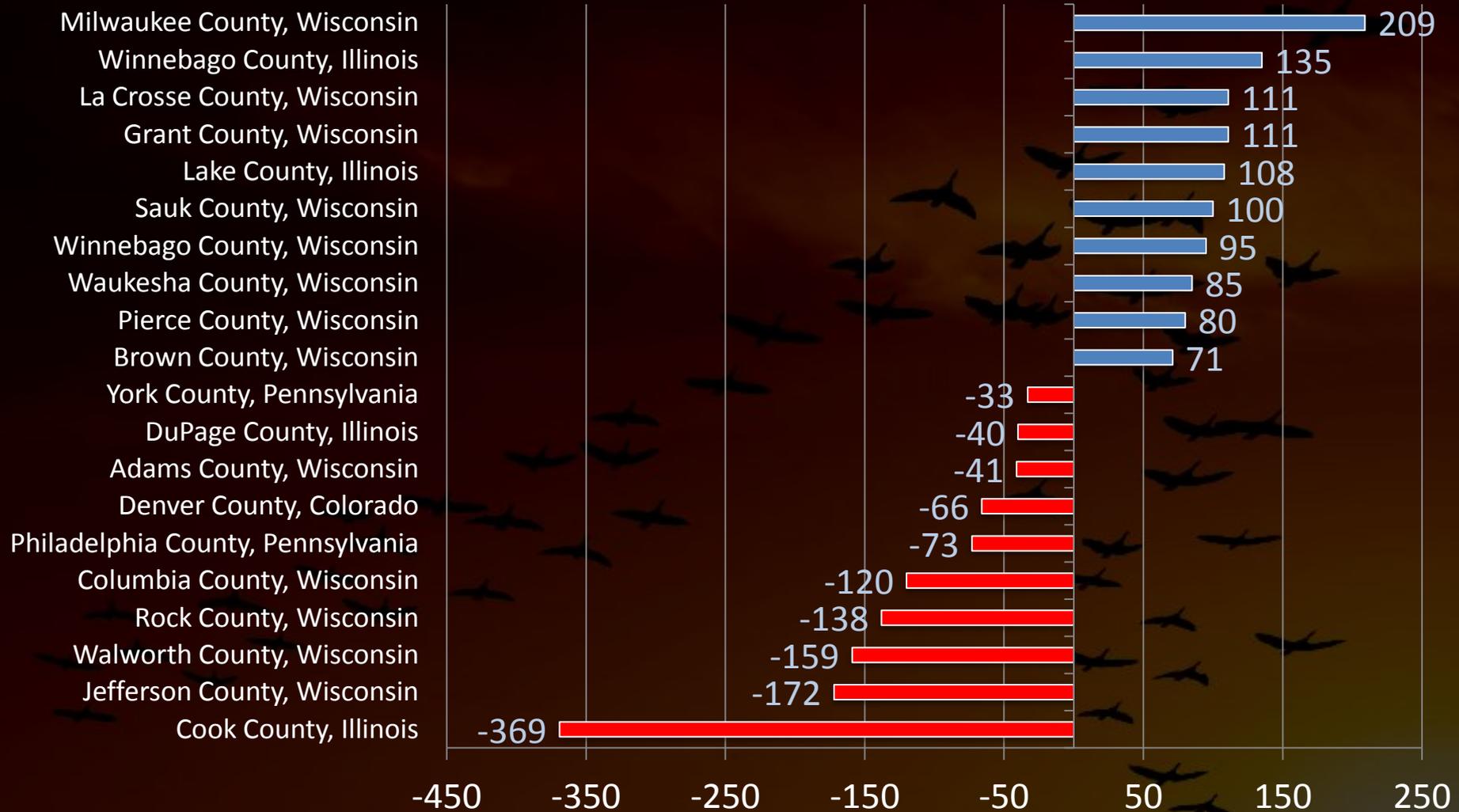
Net Basis - Top 10 Inbound Counties and Top 10 Outbound Counties (2007-2011)



SOURCES: 2012 Census Flows Mapper

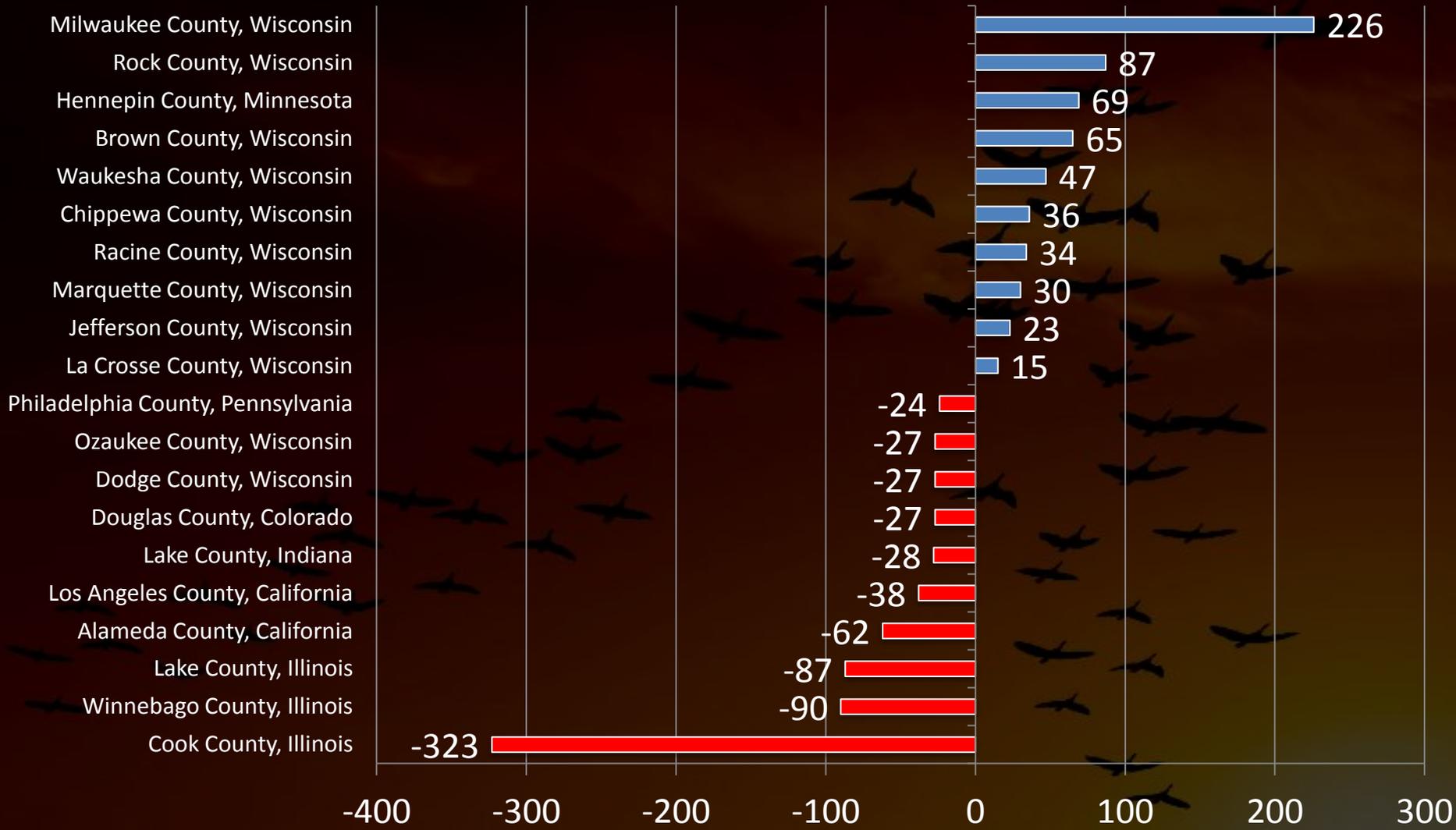
MADISON
Economic Development Strategy

Net Low Income Migration to/from Dane County (<\$25K HH Income 2007-2011)



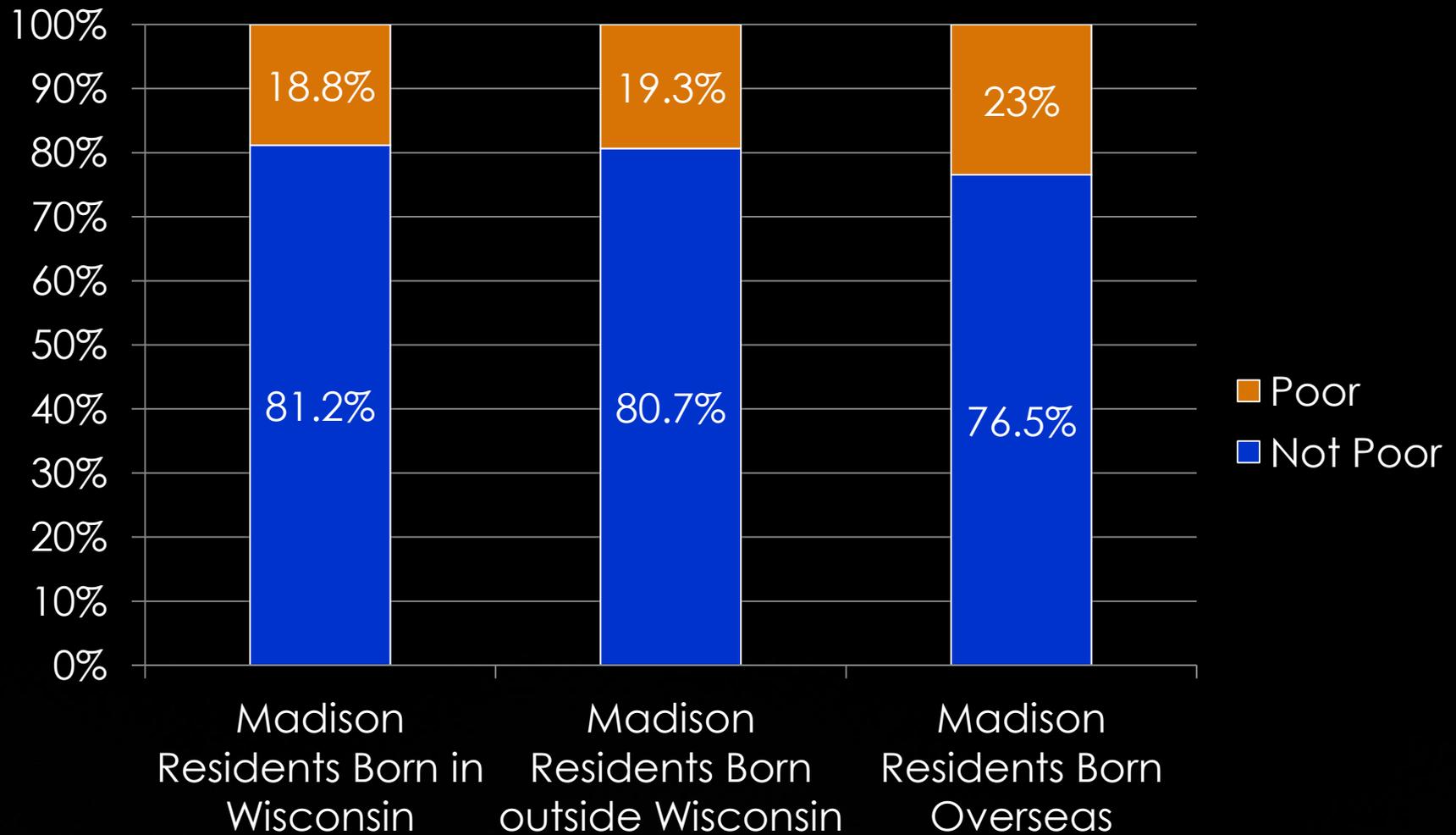
SOURCES: 2012 Census Flows Mapper

Top 10 Counties for net African American In & Out Migration (2007-2011)



SOURCES: 2012 Census Flows Mapper

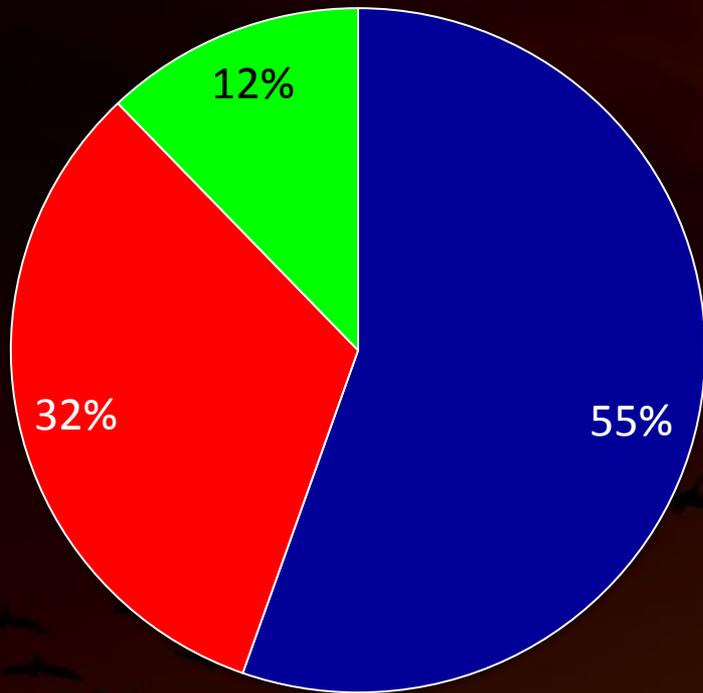
Poverty Among Madison Residents by Place of Birth



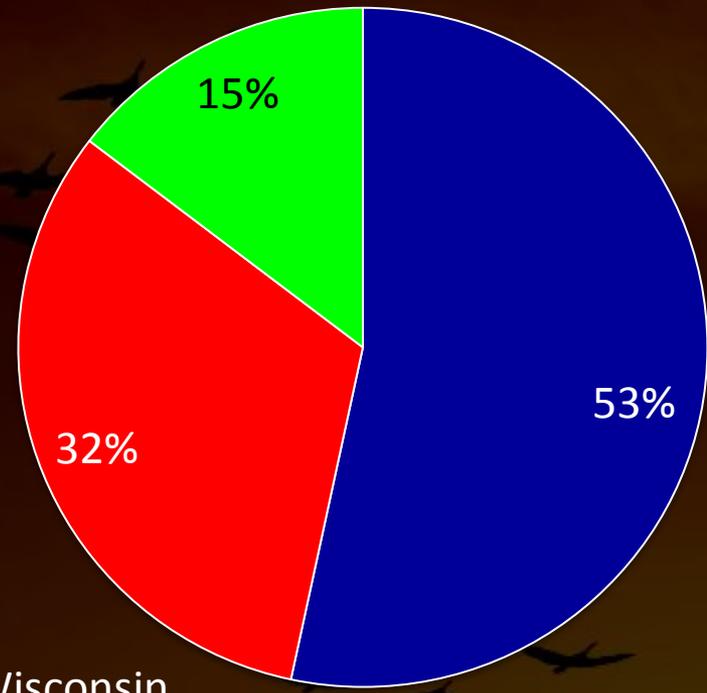
SOURCES: Census, 2012 ACS 3-yr EST.



All Madison Residents



Poor Madison Residents

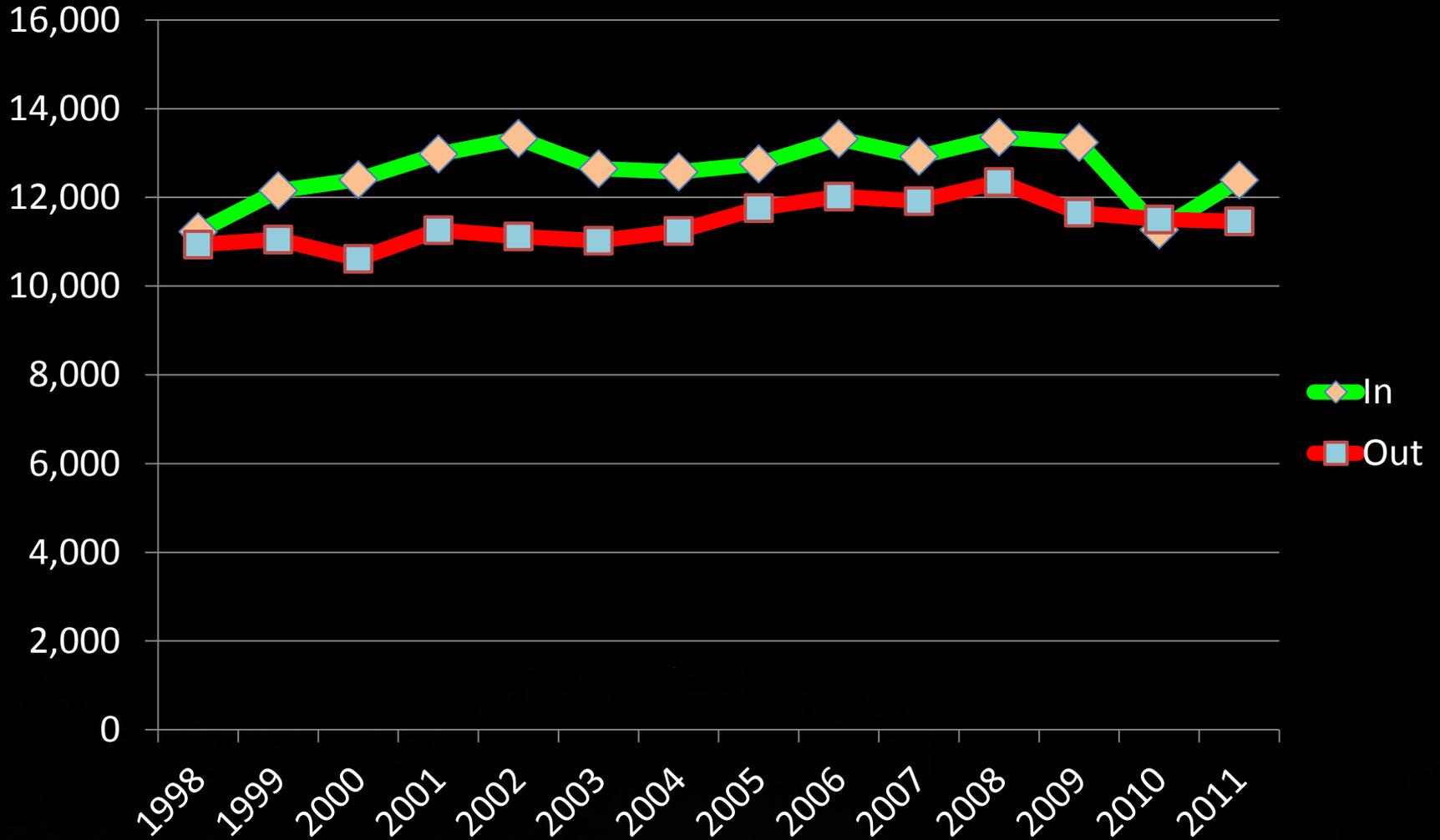


- Born in Wisconsin
- Born in Another State
- Born Overseas



SOURCES: Census, 2012 ACS 3-yr EST.

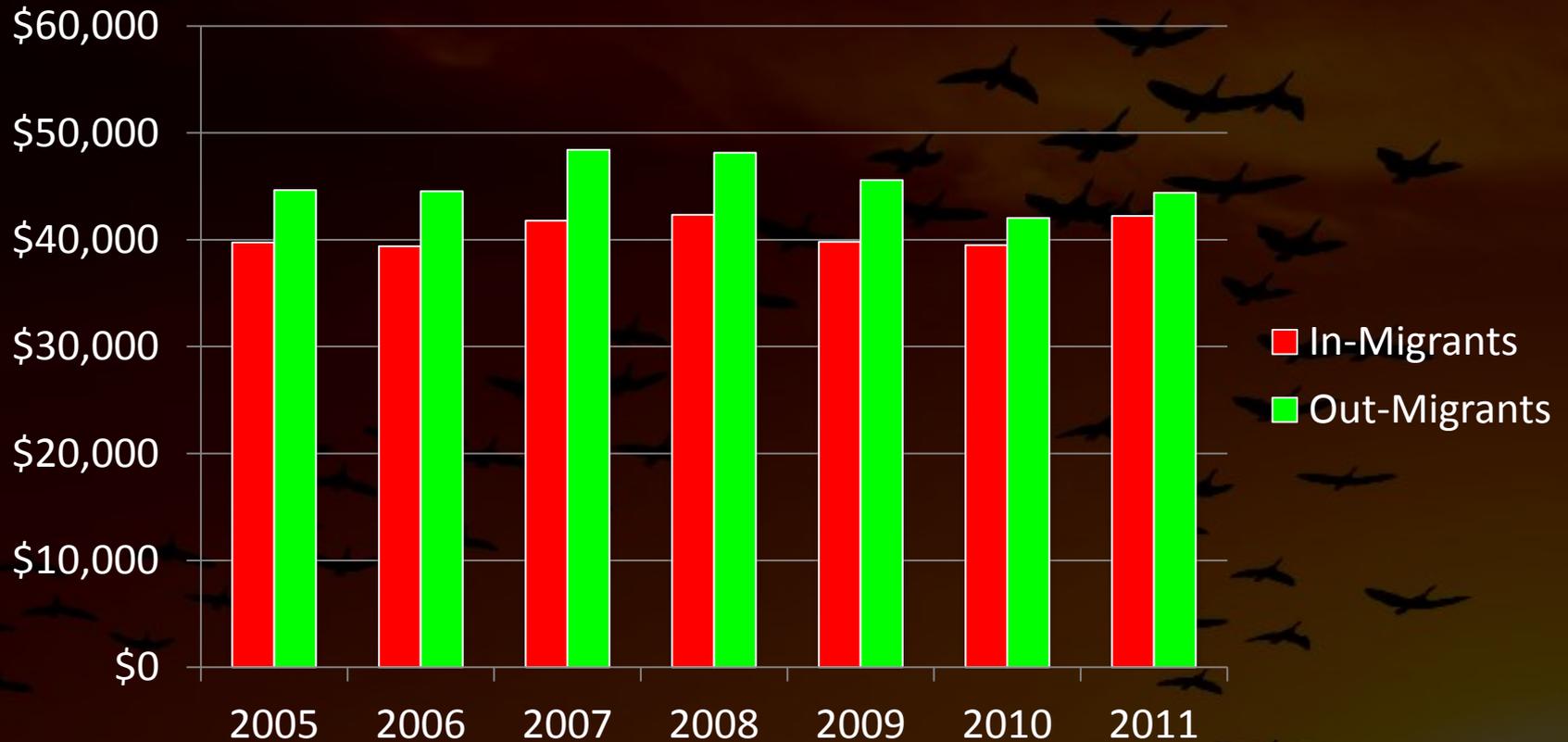
Total Annual In/Out Migration for Dane County



SOURCES: IRS

MADISON
Economic Development Strategy

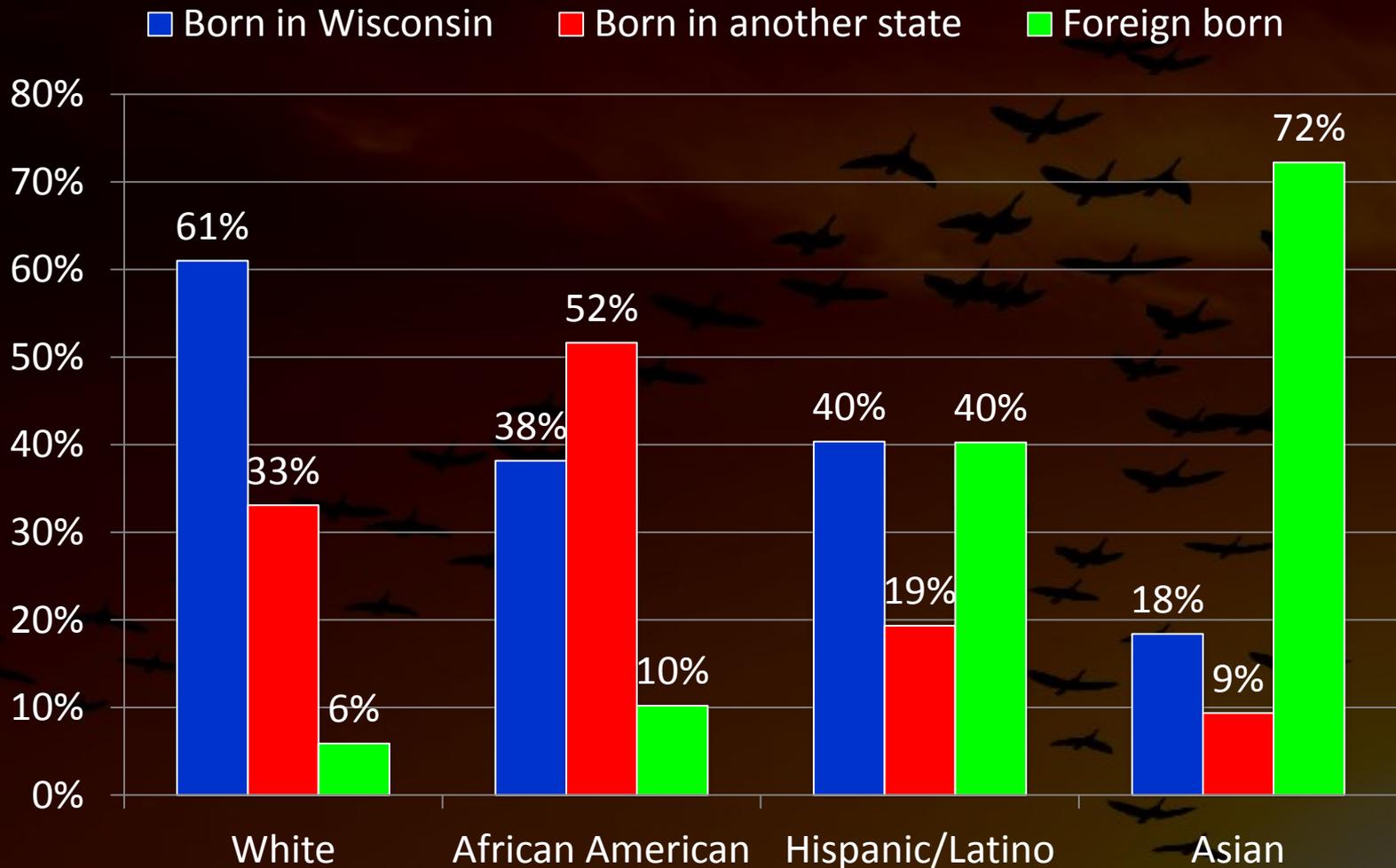
Average Adjusted Gross Income for In and Out Migrants to/from Dane County



SOURCES: 2012 Census ACS

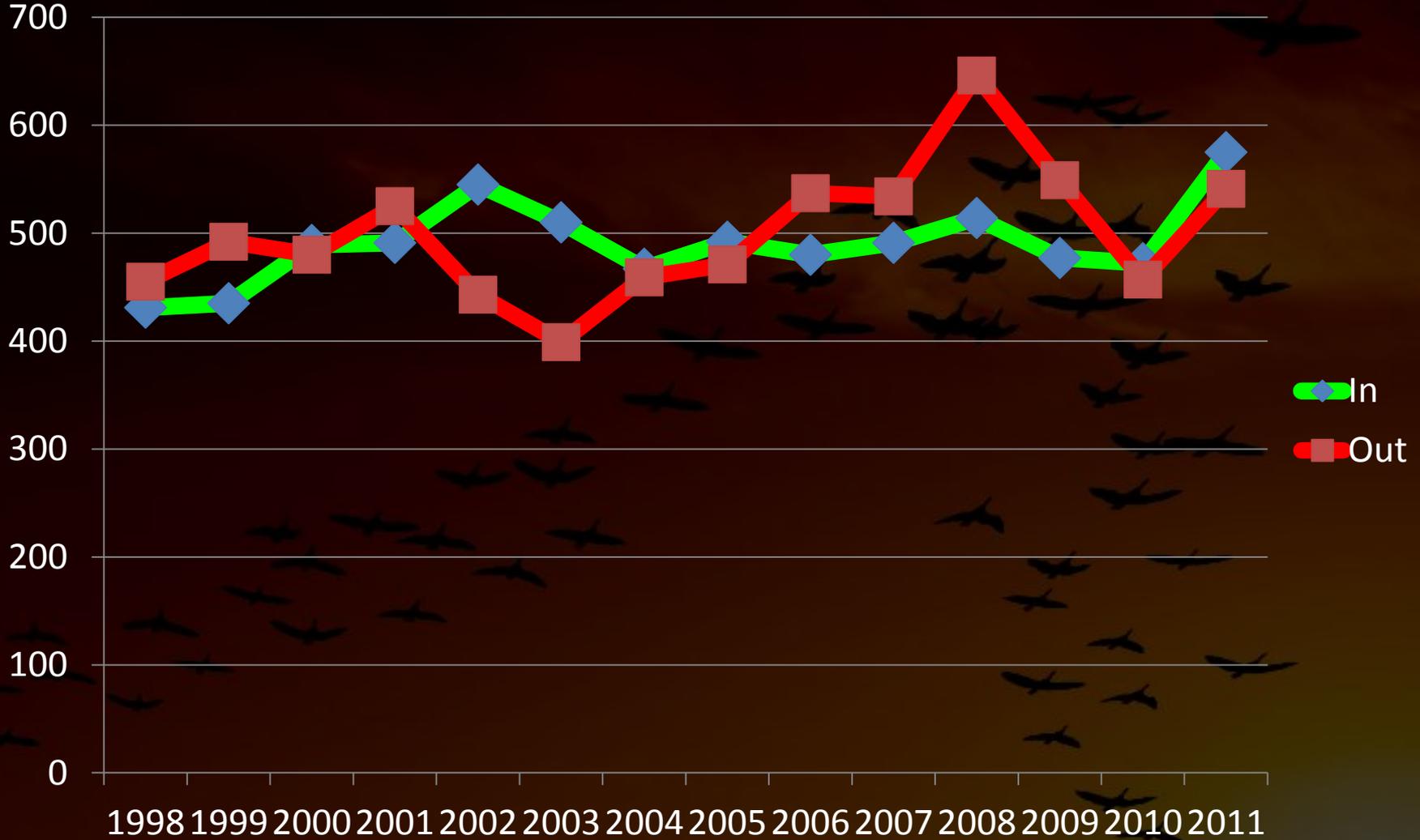
MADISON
Economic Development Strategy

Place of Birth for Madison Residents by Race/Ethnicity



SOURCES: 2012 Census ACS

Migration Between Dane County and Cook County



SOURCES: IRS

MADISON
Economic Development Strategy

Net Migration Between Dane County and Cook County



SOURCES: IRS

MADISON
Economic Development Strategy

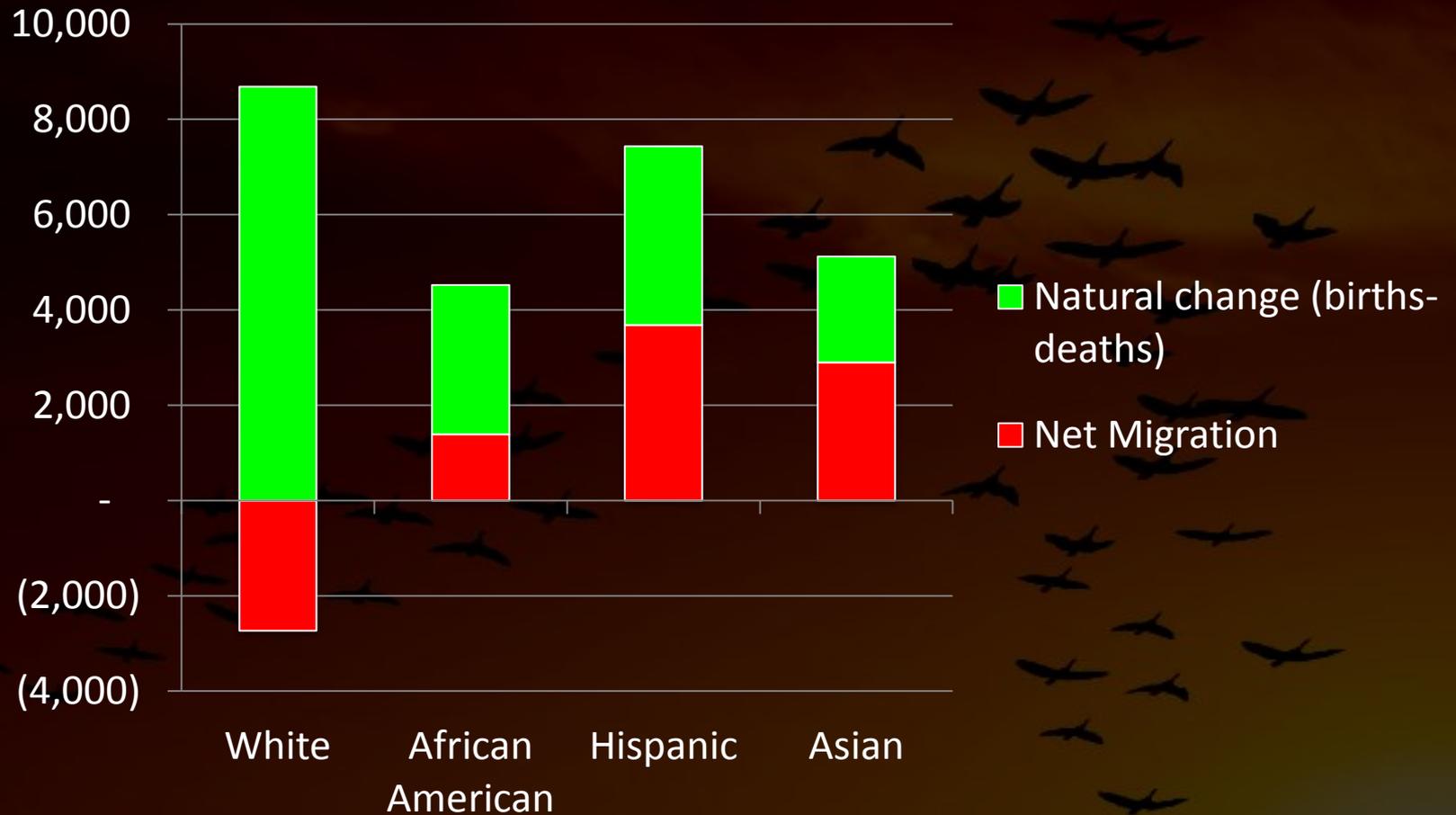
■ Average Income of In-Migrants from Cook County
■ Average Income of Out-Migrants to Cook County

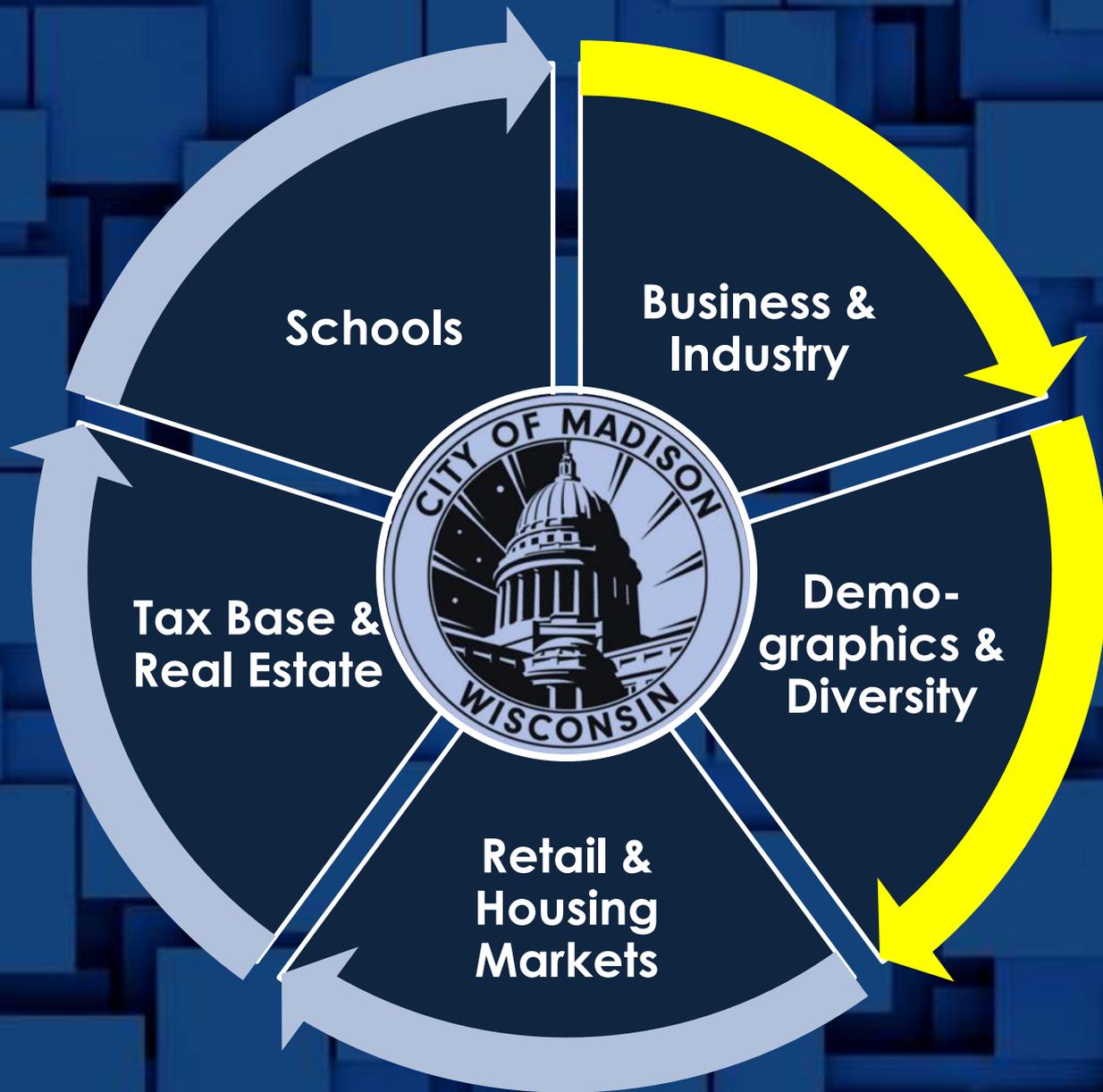


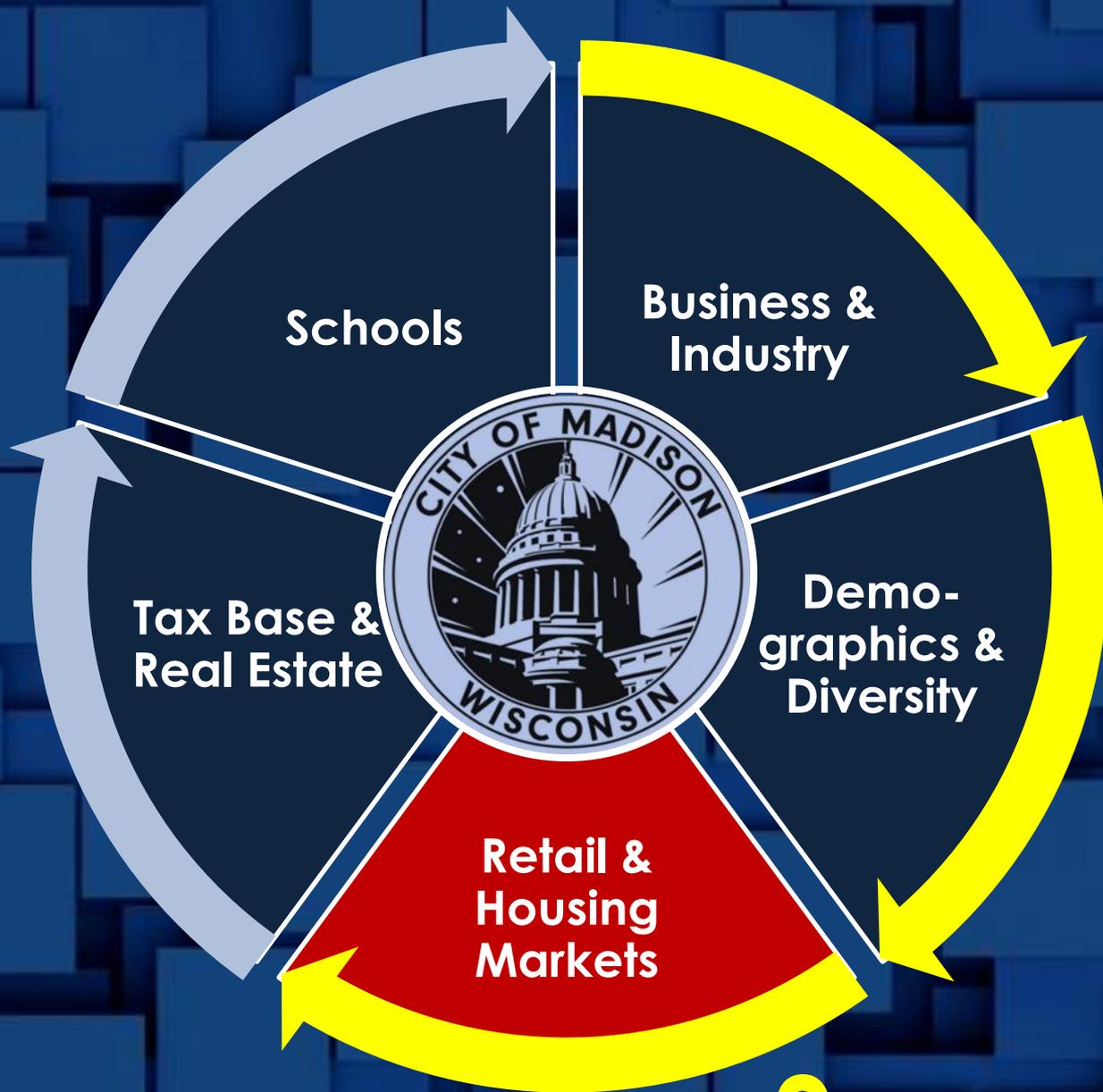
SOURCES: IRS

MADISON
Economic Development Strategy

Composition of Madison's 2000 to 2010 Population Change







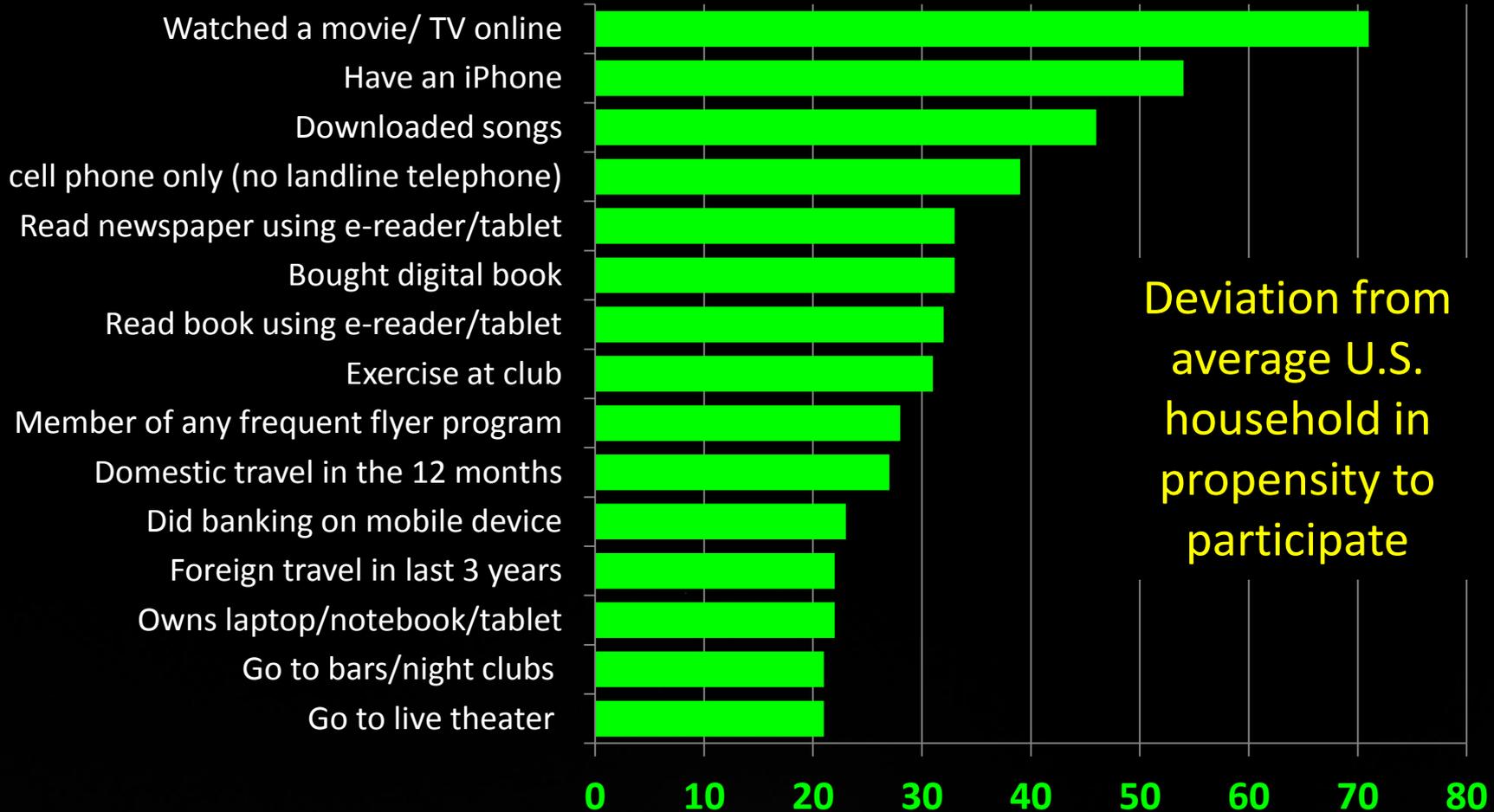
3

MADISON RETAIL CONSUMER

1234567890



15 Things Madison Consumers are More Likely to Do/Buy



SOURCES: ESRI Business Analyst – Custom Retail Market Report

MADISON
Economic Development Strategy

15 Things Madison Consumers are More Likely to Do/Buy

Madison Consumers are:

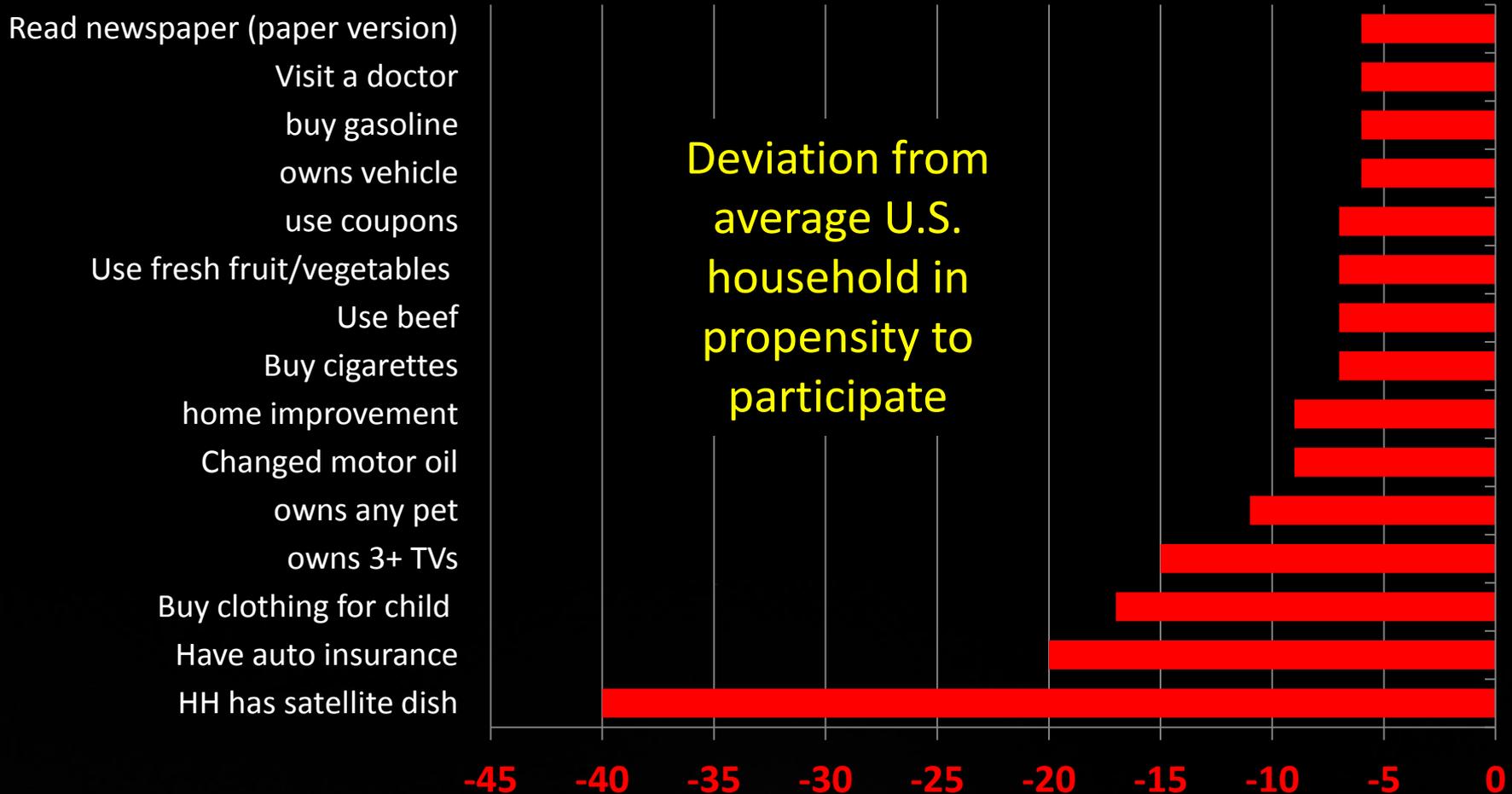
Digital
Worldly
Healthy
Fun



SOURCES: ESRI Business Analyst – Custom Retail Market Report

MADISON
 Economic Development Strategy

15 things Madison Consumers are Less Likely to do/buy



SOURCES: ESRI Business Analyst – Custom Retail Market Report

MADISON
Economic Development Strategy

15 things Madison Consumers are Less Likely to do/buy



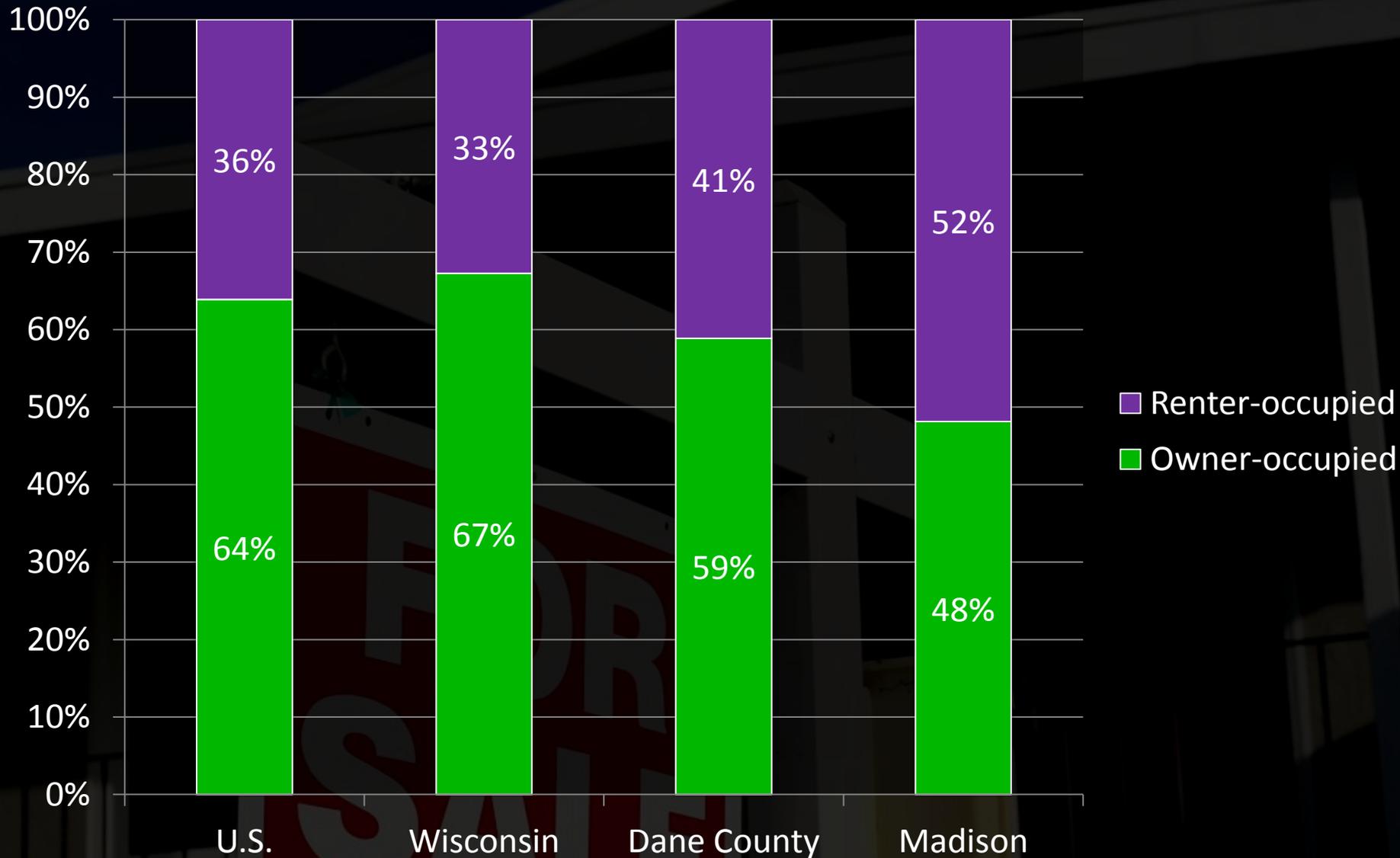
SOURCES: ESRI Business Analyst – Custom Retail Market Report



Housing

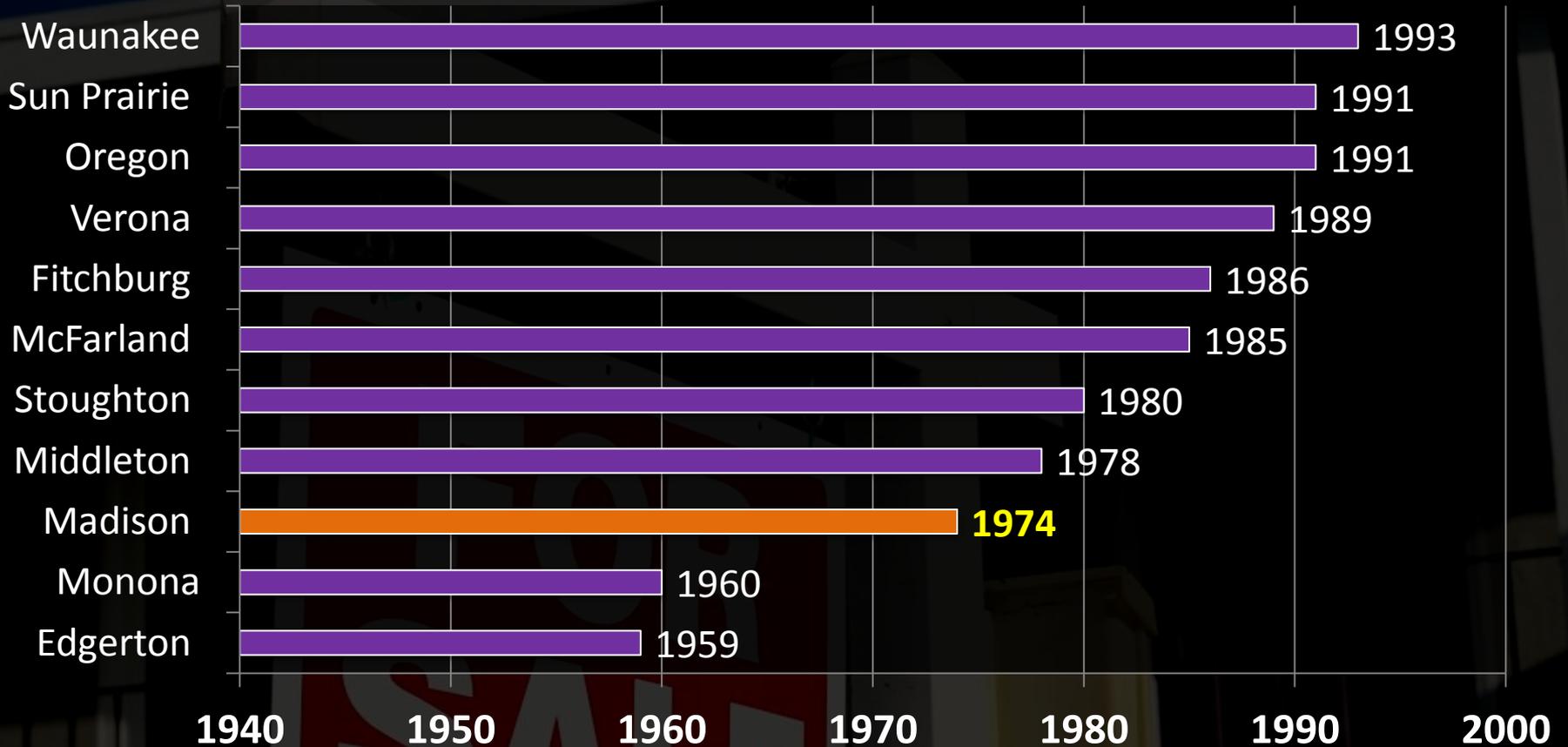
**FOR
SALE**

Owner/Renter Ratio (Census ACS 2012)



SOURCES: Census, 2012 ACS 3-yr EST.

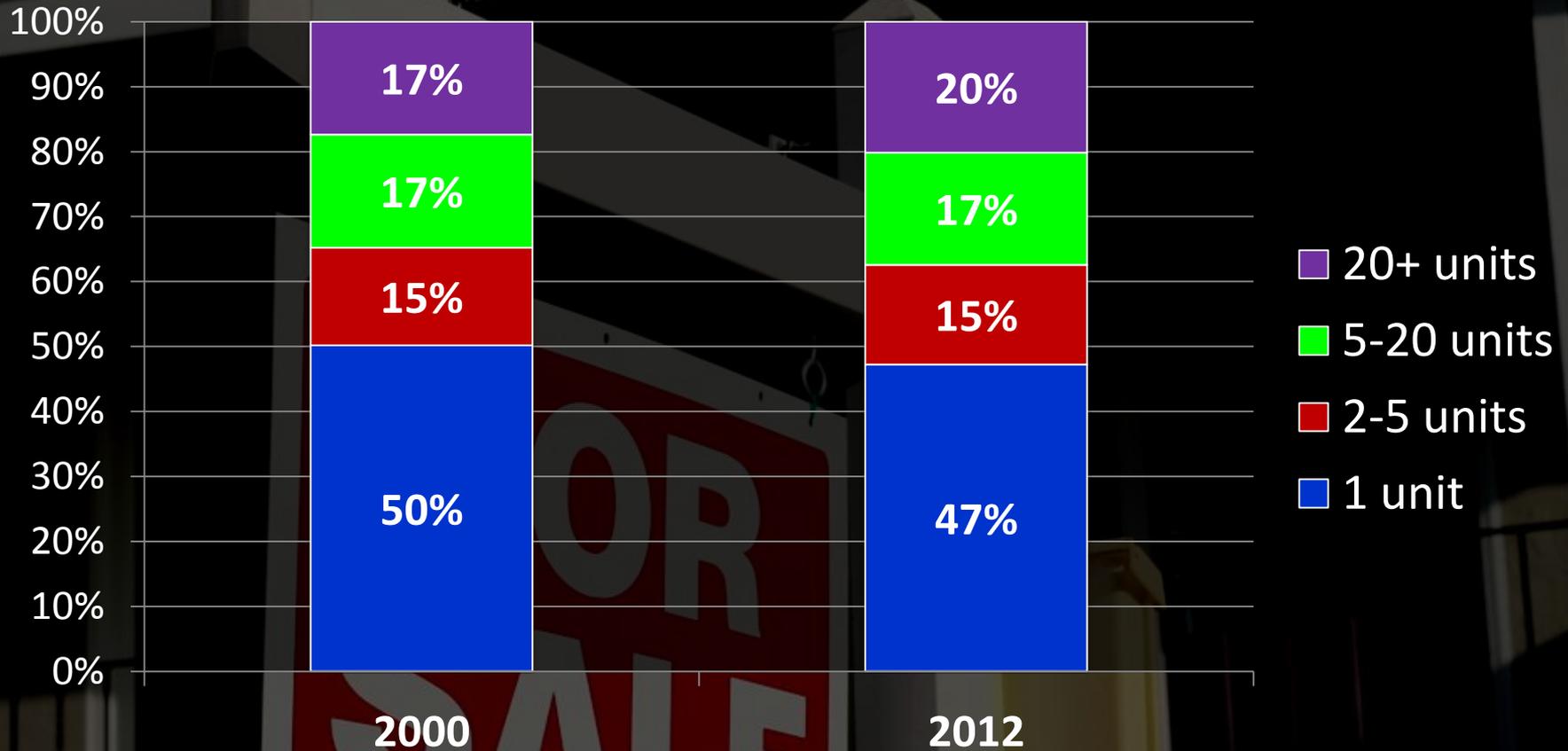
Median Yr Built for Housing Units in Dane County Munis (2012)



SOURCES: Census, 2012 ACS 3-yr EST.



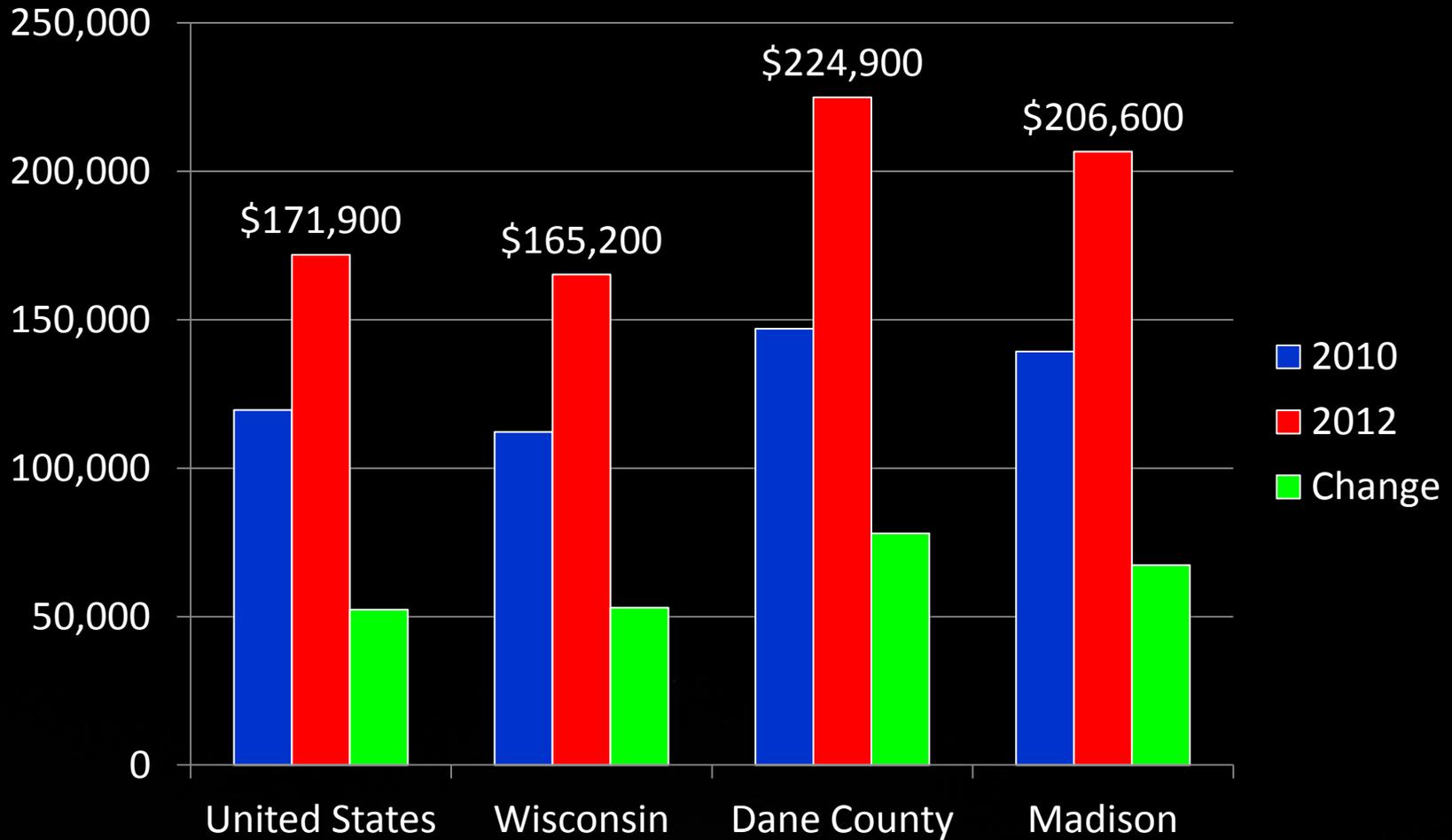
City of Madison Housing Units by Units in Building (2000 DC, 2012 ACS)



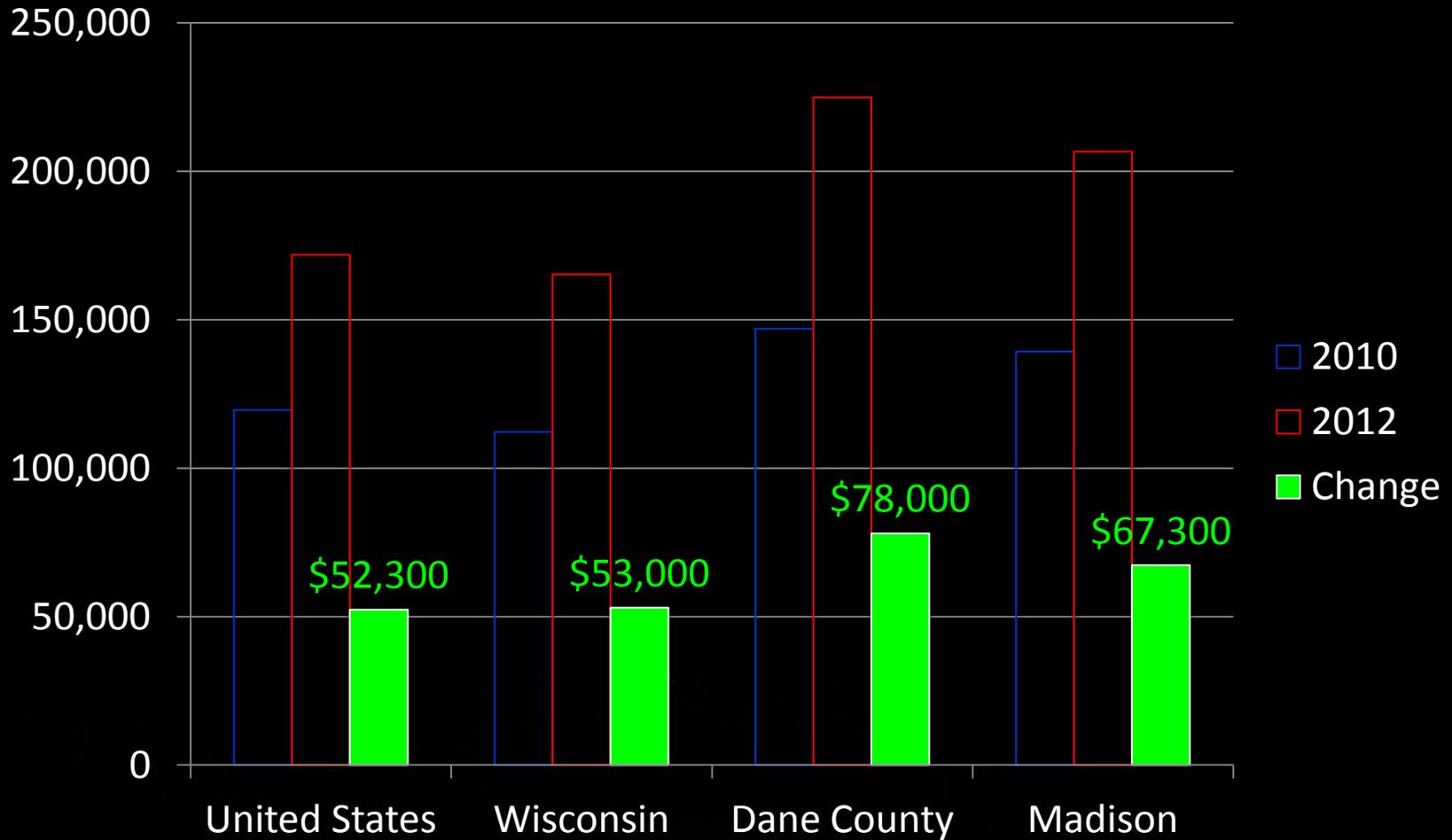
SOURCES: Census, 2012 ACS 3-yr EST.

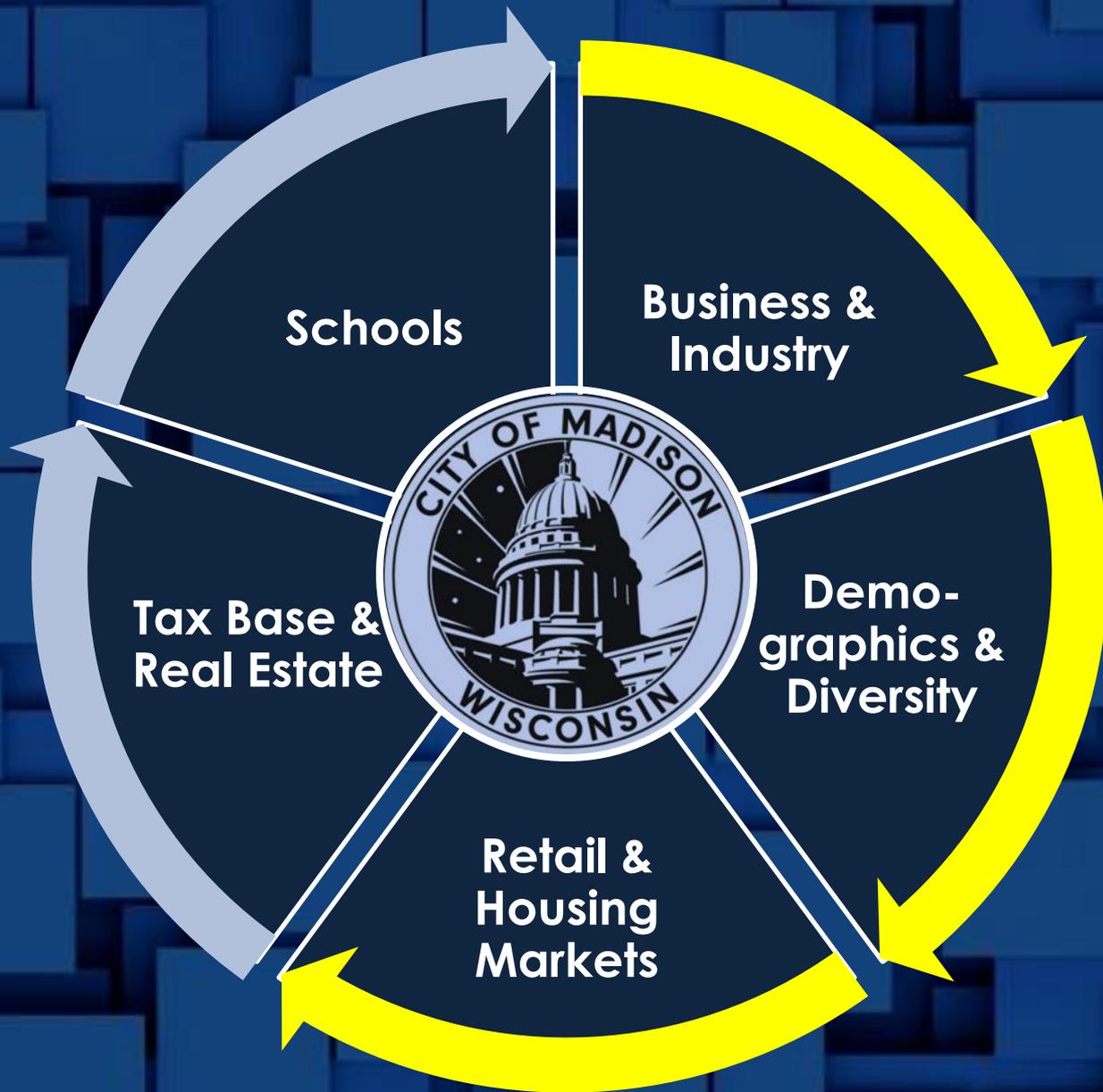


Median Home Value (2000 DC, 2012 ACS)

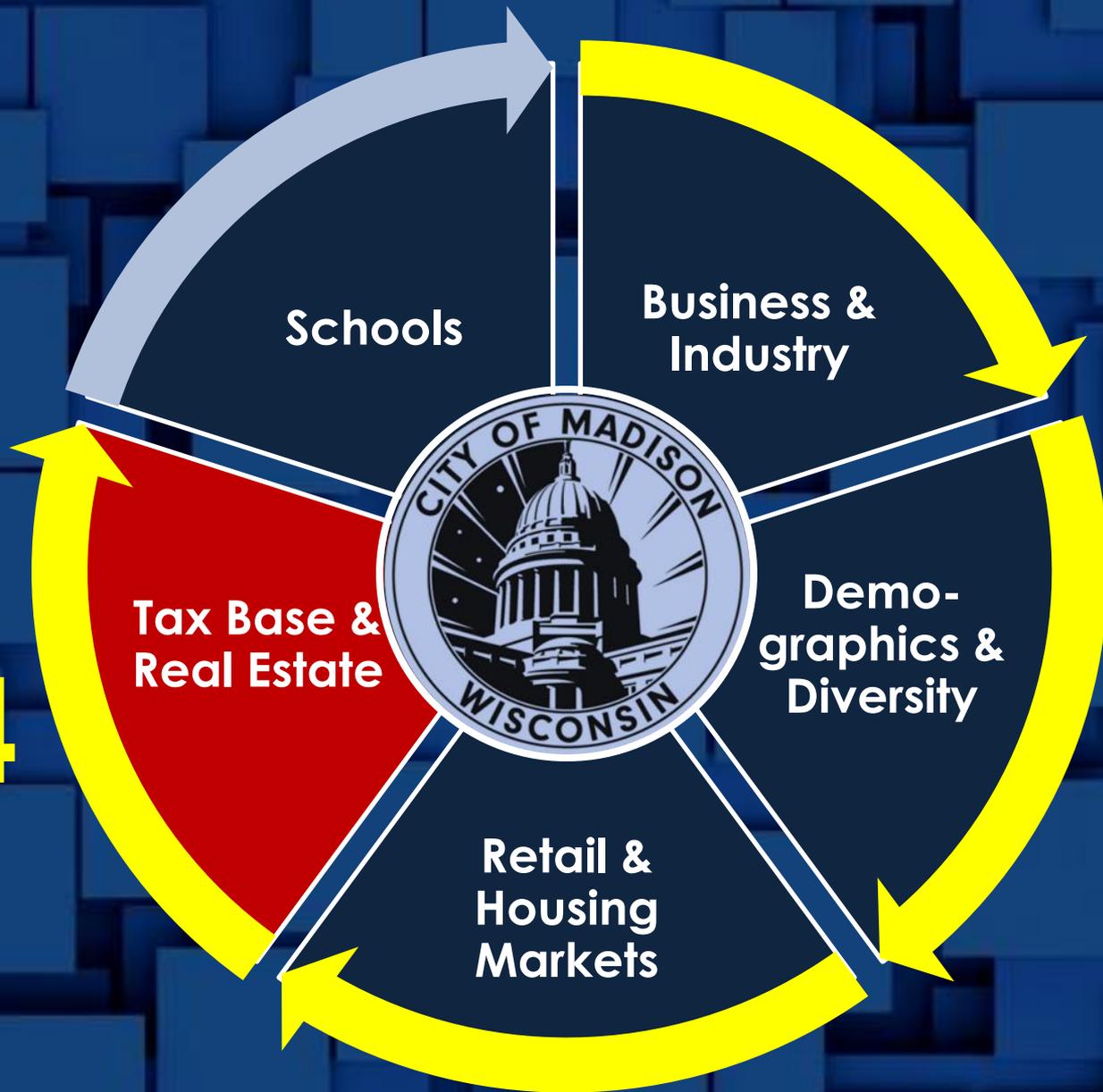


Median Home Value (2000 DC, 2012 ACS)





4



Schools

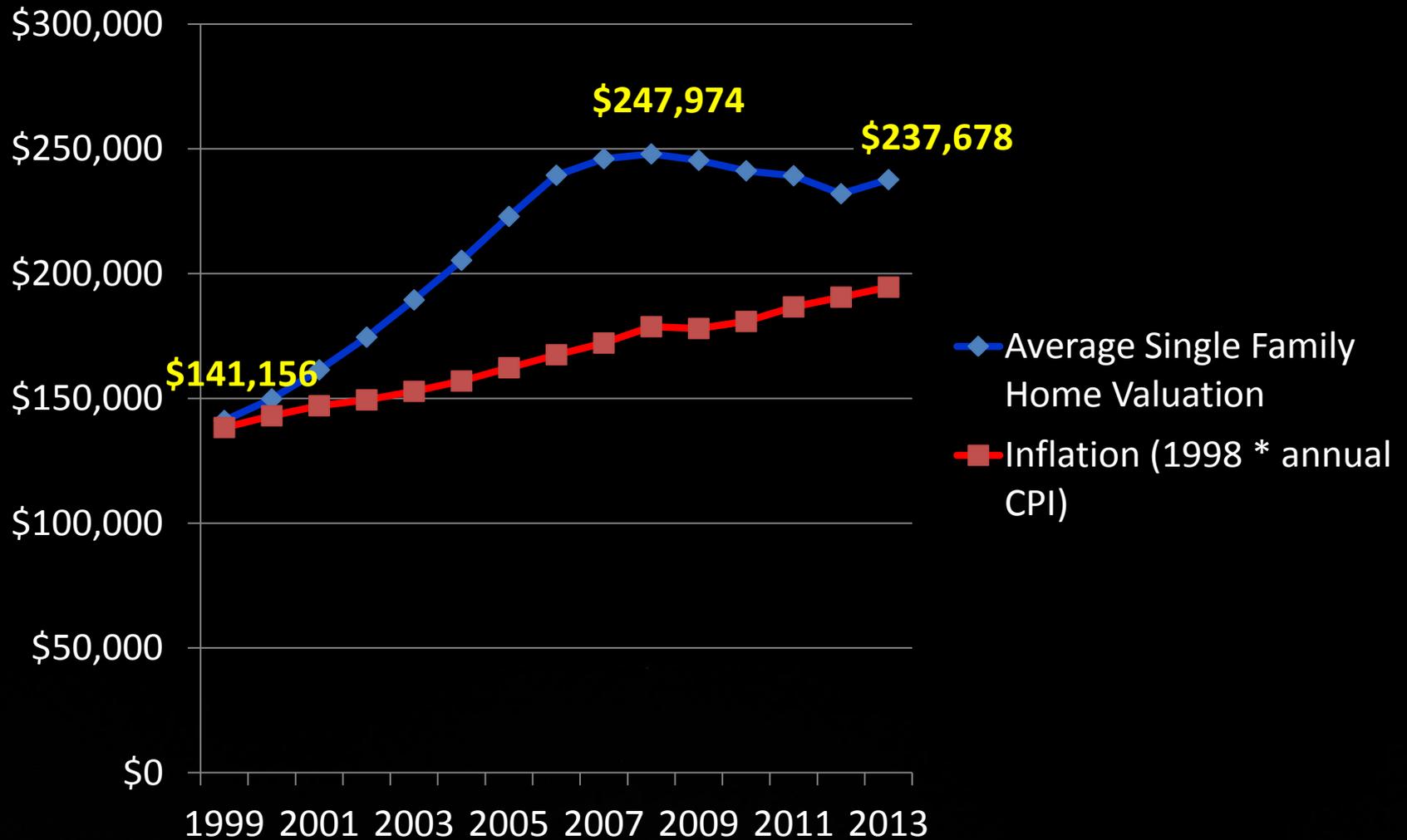
Business &
Industry

Demographics &
Diversity

Retail &
Housing
Markets

Tax Base &
Real Estate

Average Single Family Home Value (1999-2012)



SOURCES: Madison Assessor's Office

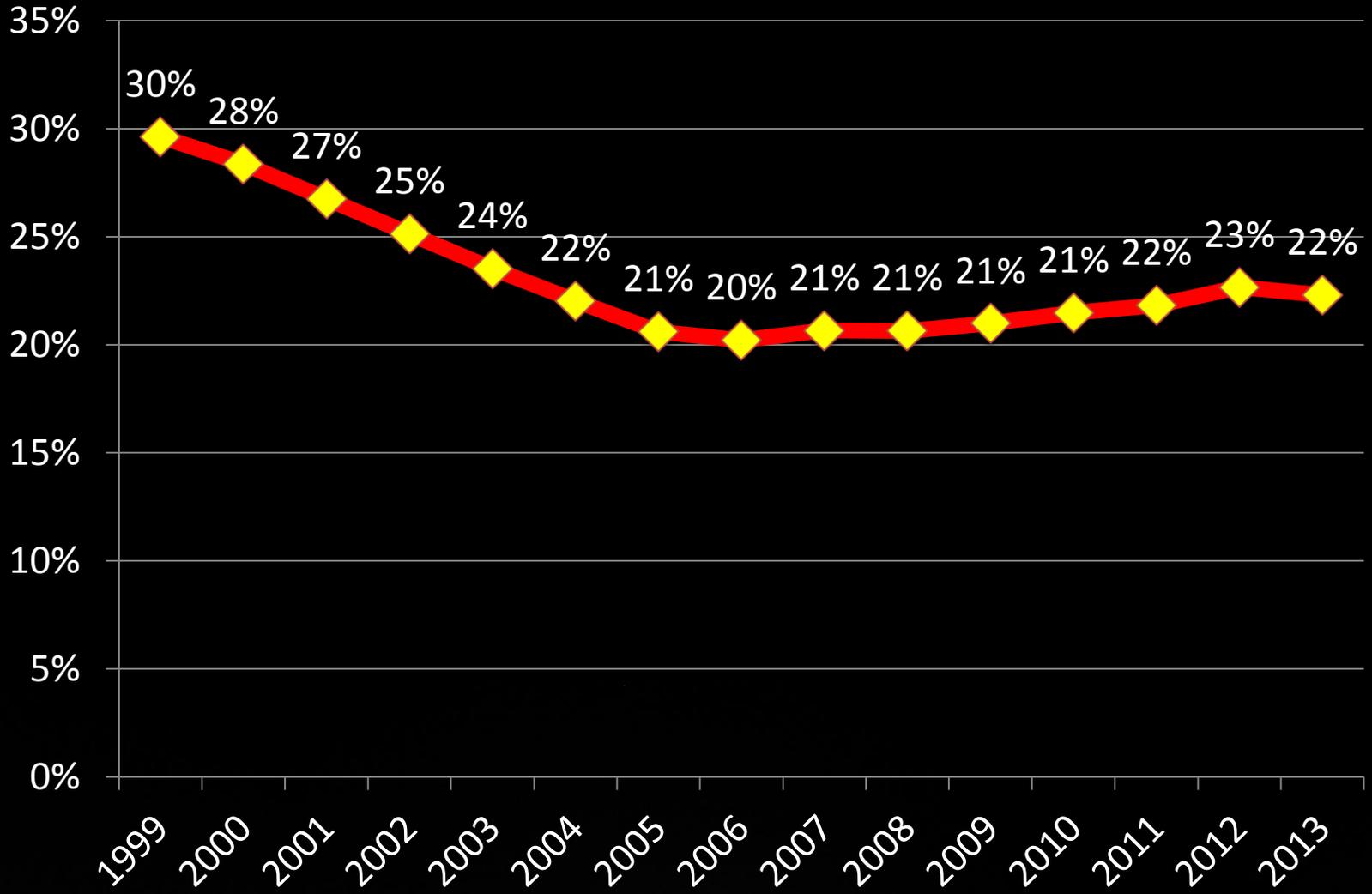
% Change in Average Home Value From Previous Year



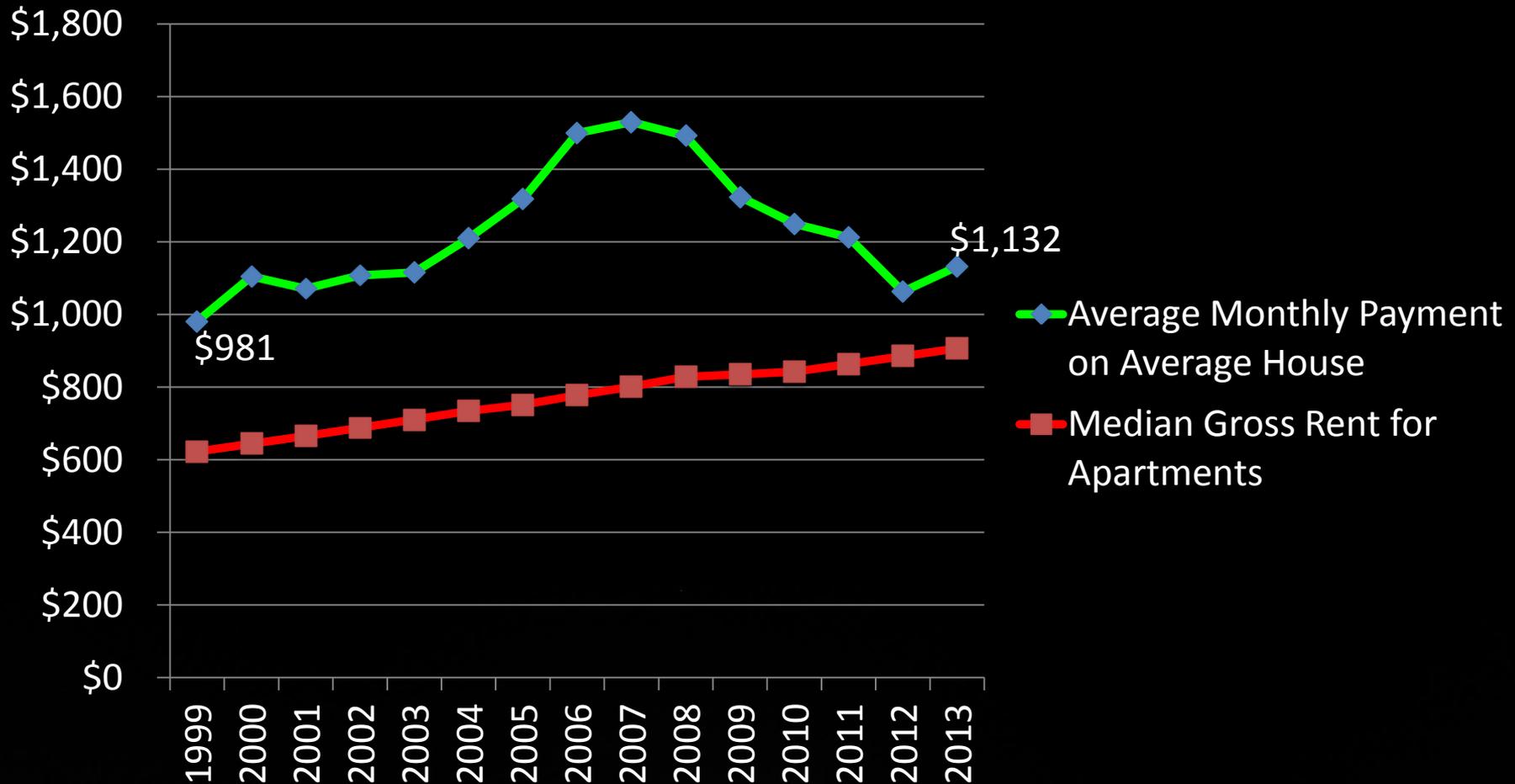
SOURCES: Madison Assessor's Office

MADISON
Economic Development Strategy

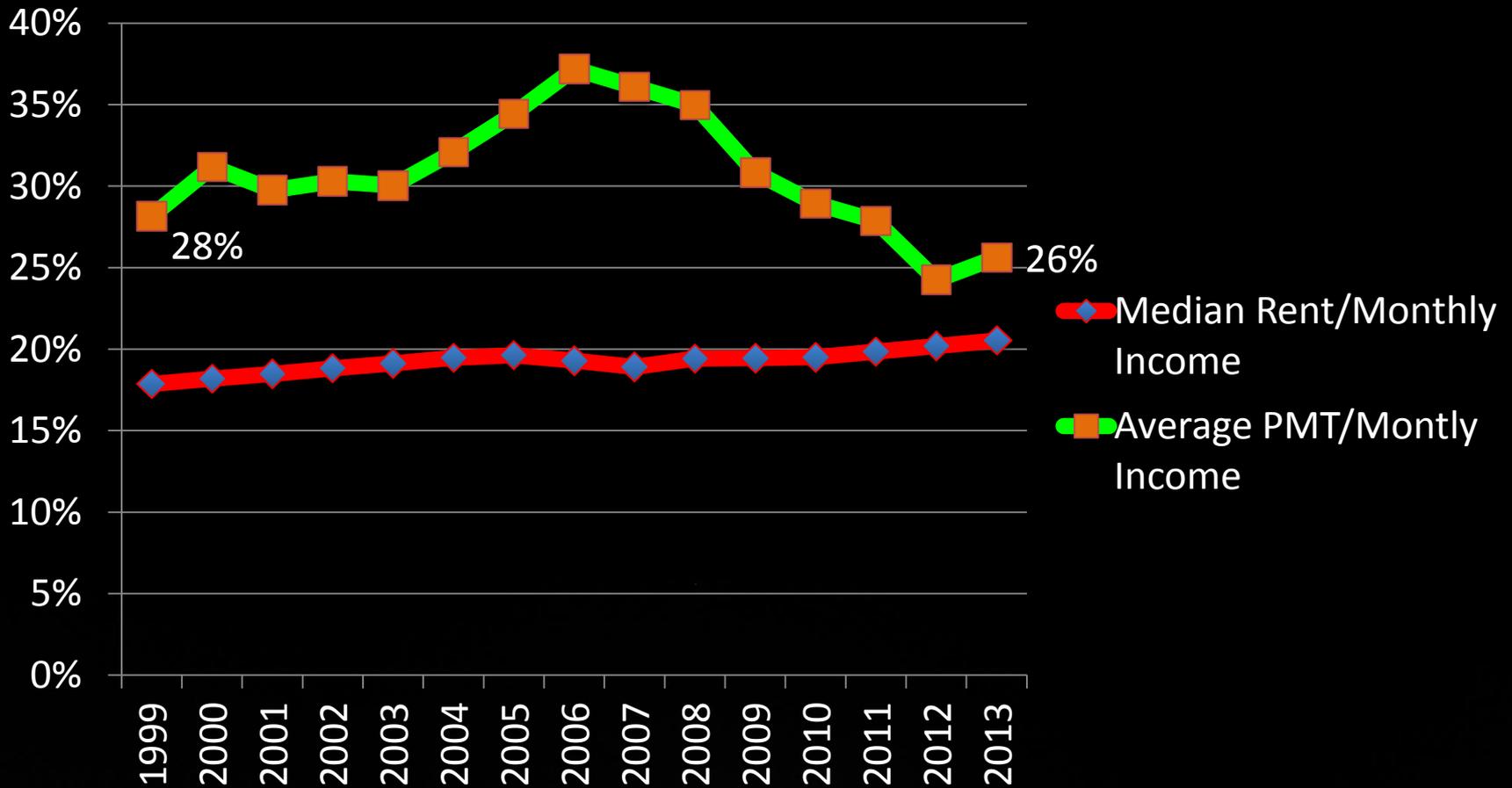
Median HH Income/Ave Home Value



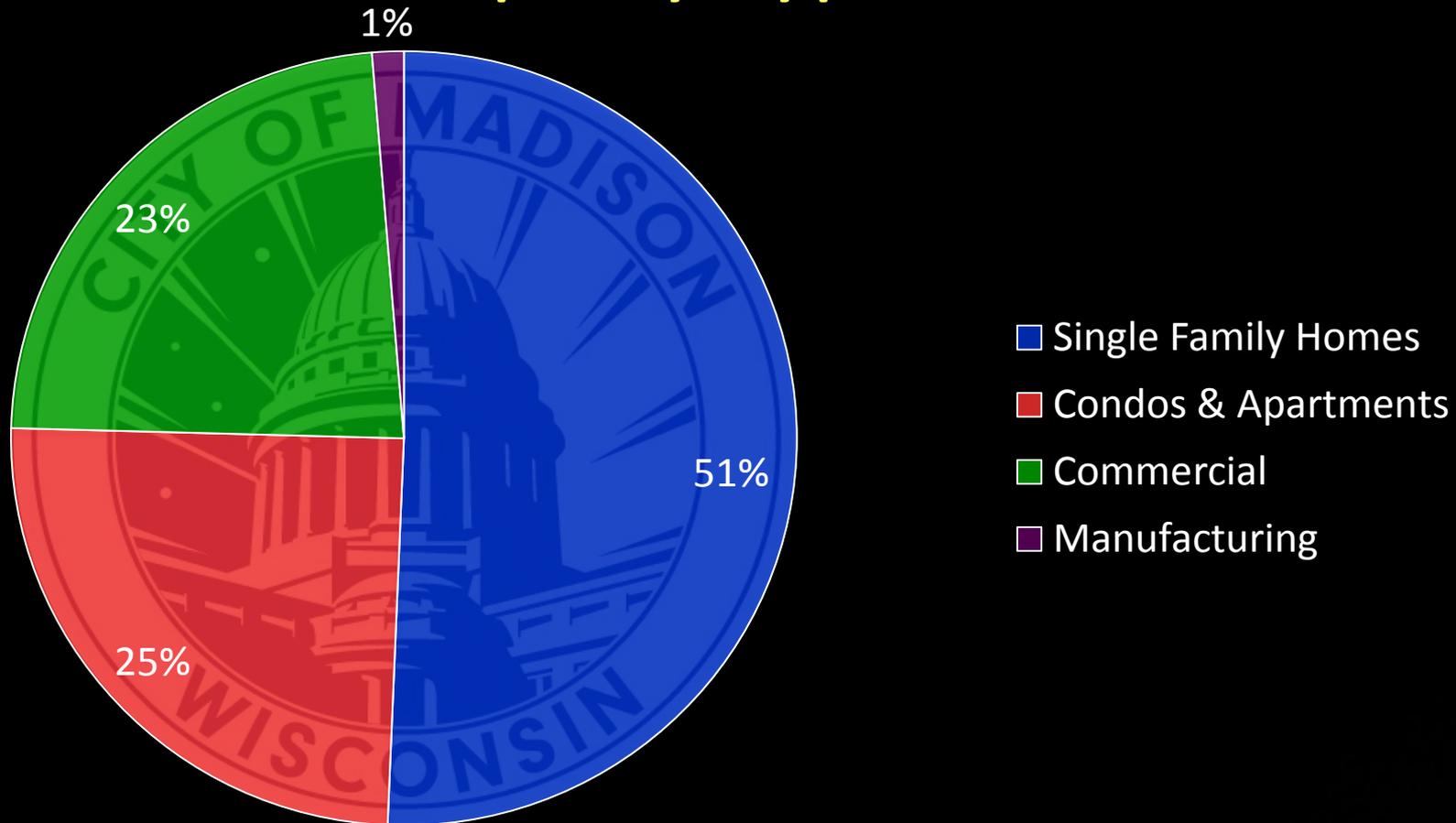
Comparison of Average Monthly Mortgage Costs (for average home at average 30-yr rate) to Median Gross Rent



Comparison of Average Monthly Mortgage Costs (for average home at average 30-yr rate) to Median Gross Rent as a Percentage of Median Household Income



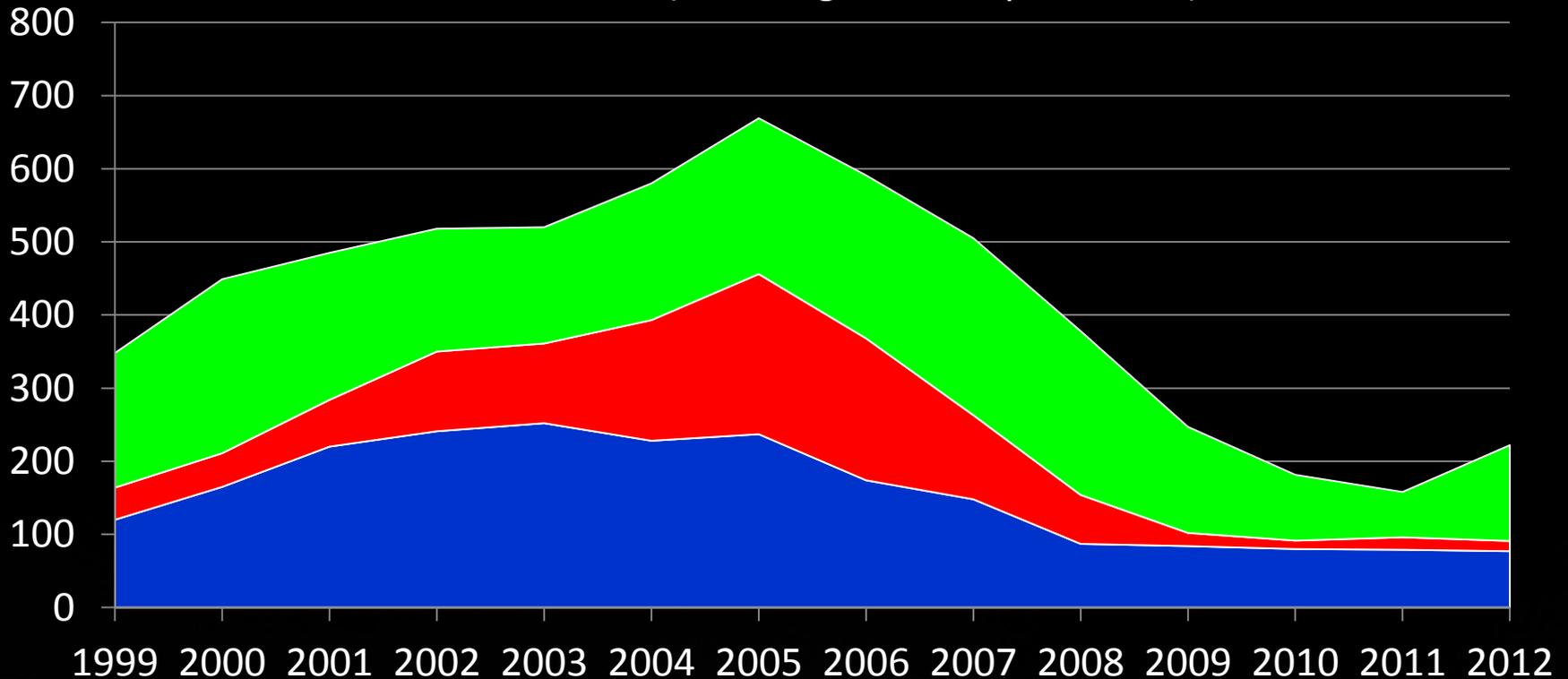
Distribution of Tax Base By Property Type



SOURCES: Madison Assessor's Office

New Construction Added Value in \$m

- Single Family Homes
- Condos & 2-7 Unit Apartments
- Commercial (including 8-unit+ apartments)



SOURCES: Madison Assessor's Office





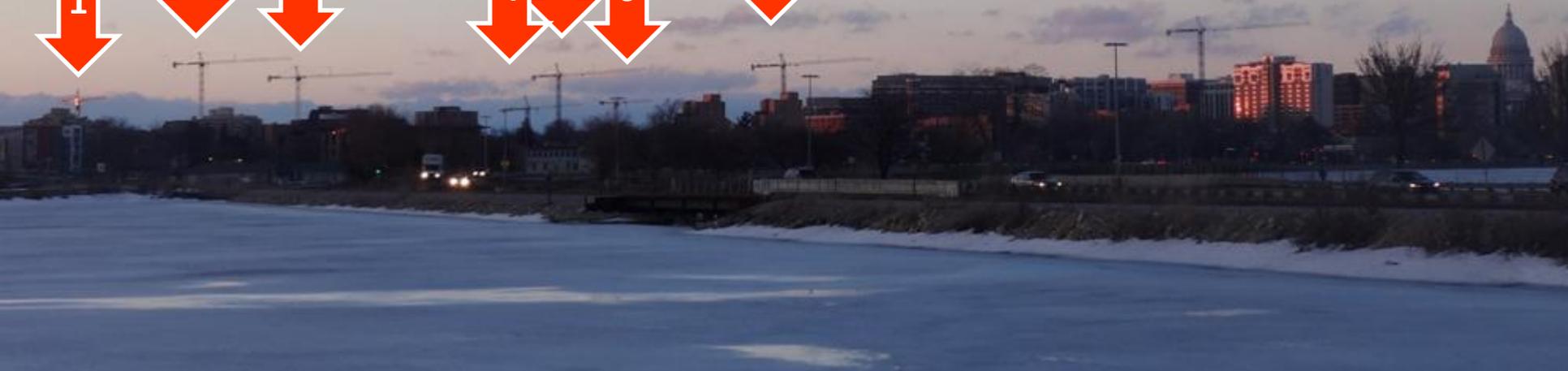
2012 to 2013:

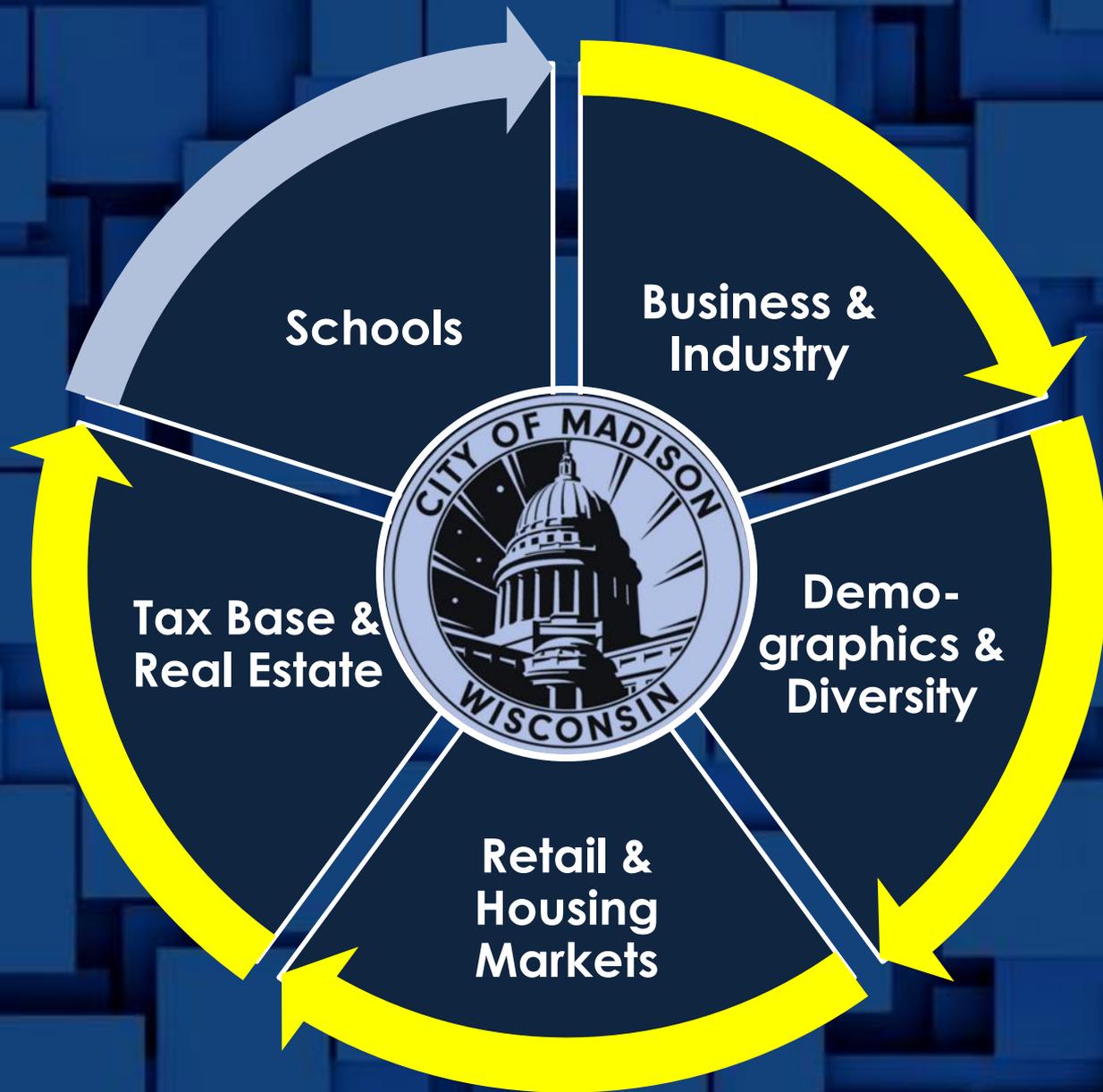
\$171,000,000

new tax base categorized as
20-unit + apartments

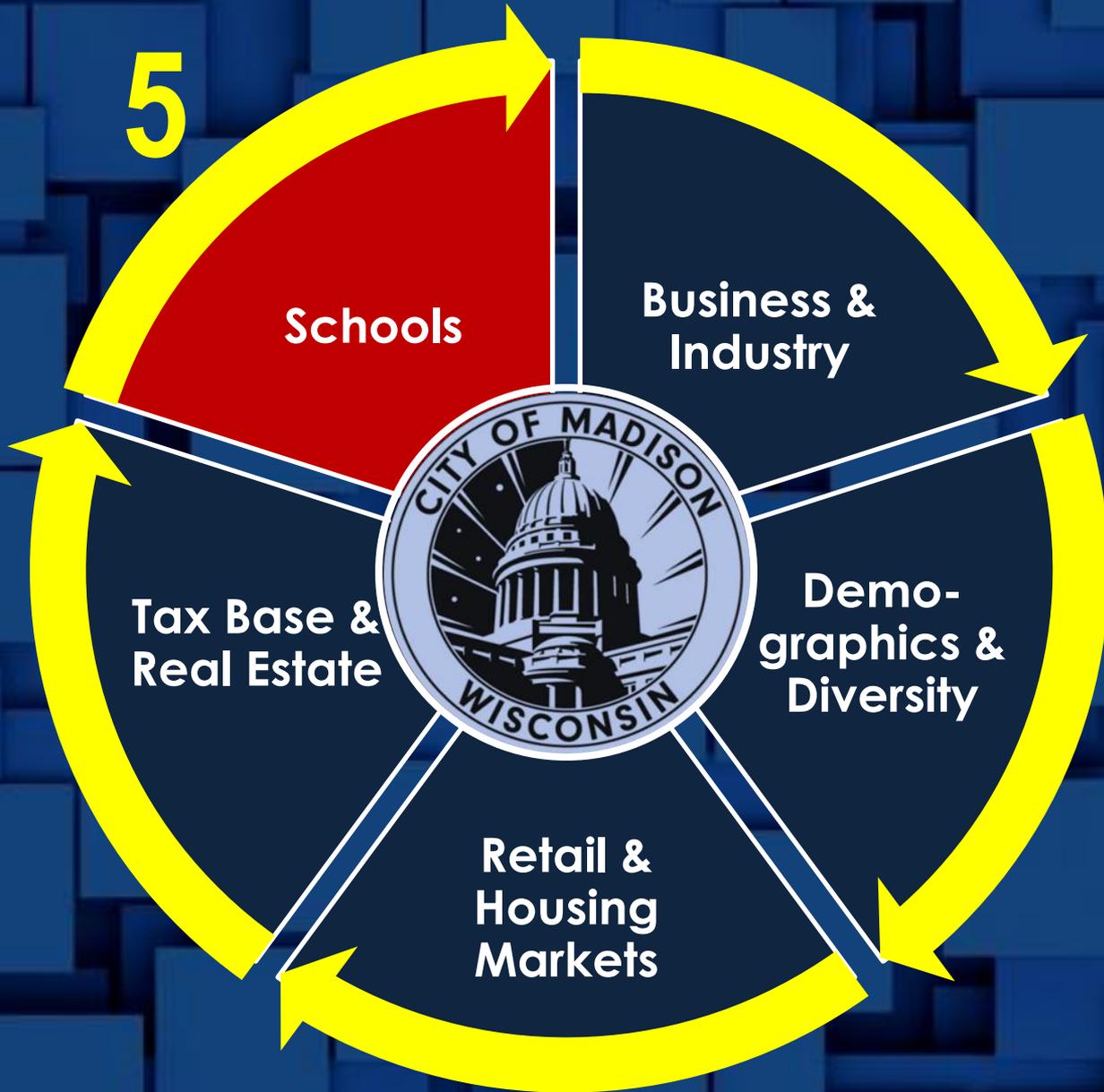
Construction cranes visible from my yard

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8





5



Schools

**Business &
Industry**

**Demographics &
Diversity**

**Retail &
Housing
Markets**

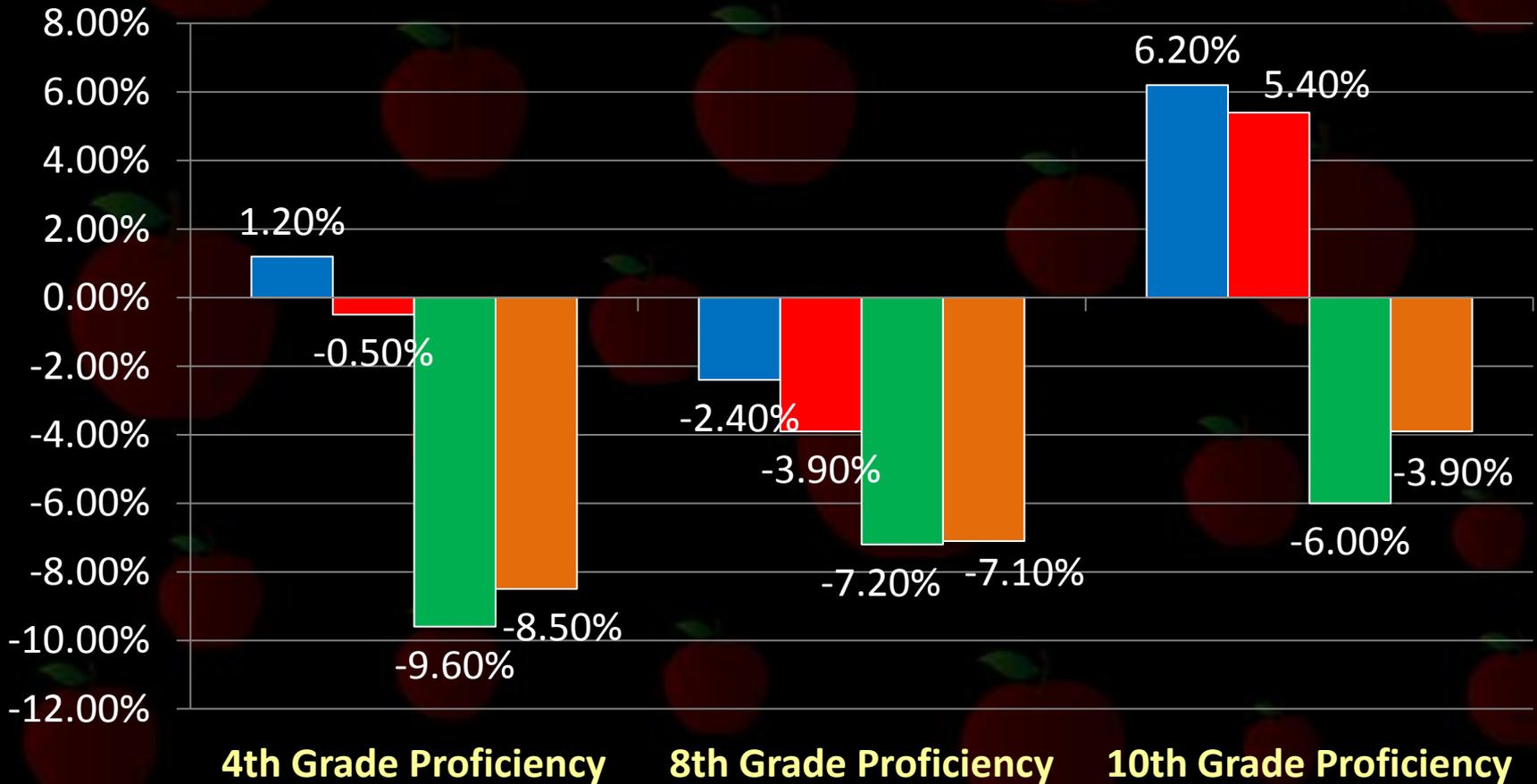
**Tax Base &
Real Estate**

Schools



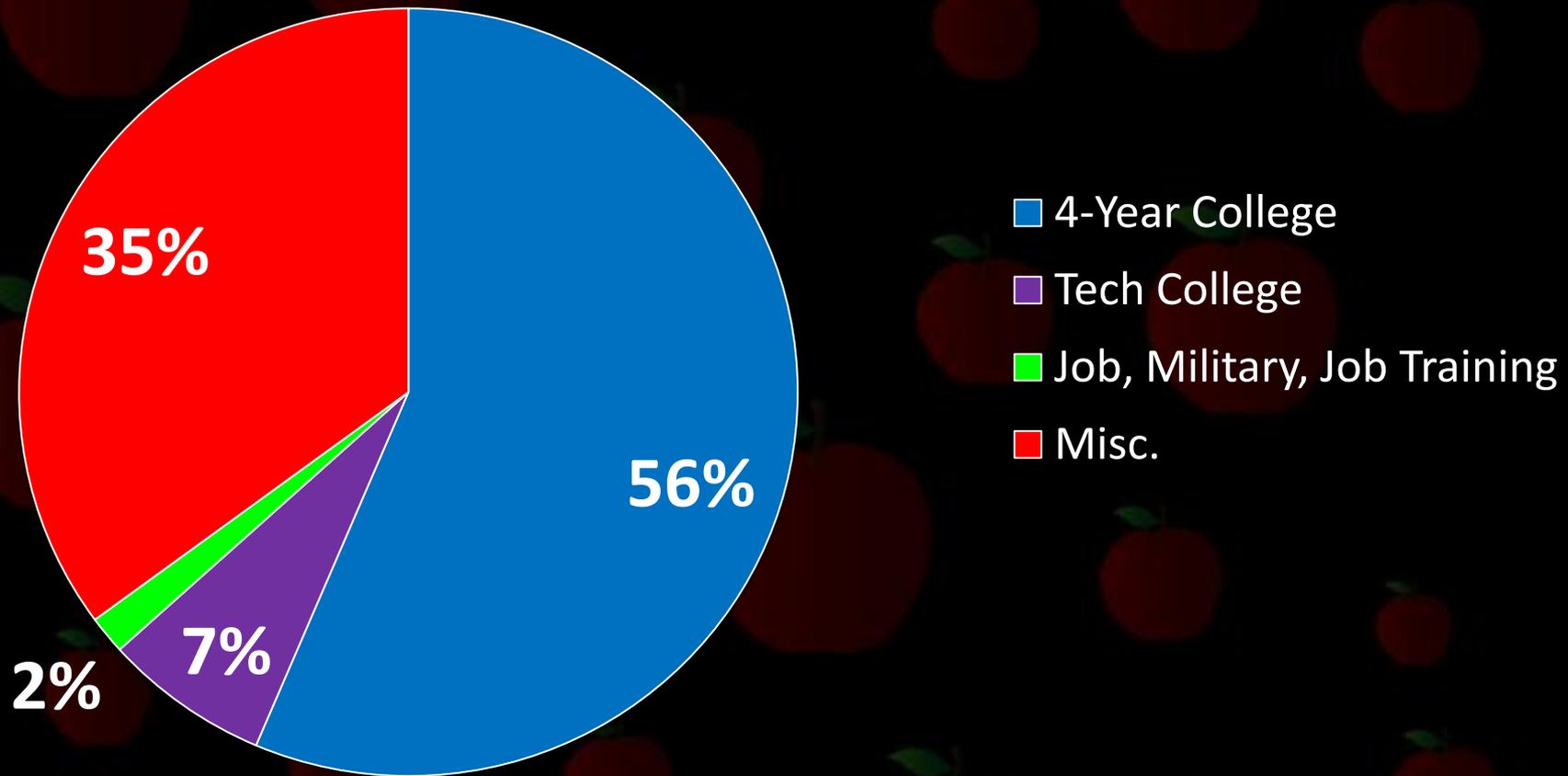
How MMSD Compares to State in Subject Proficiency by Grade (2012-13)

■ Reading
 ■ Math
 ■ Science
 ■ Social Studies



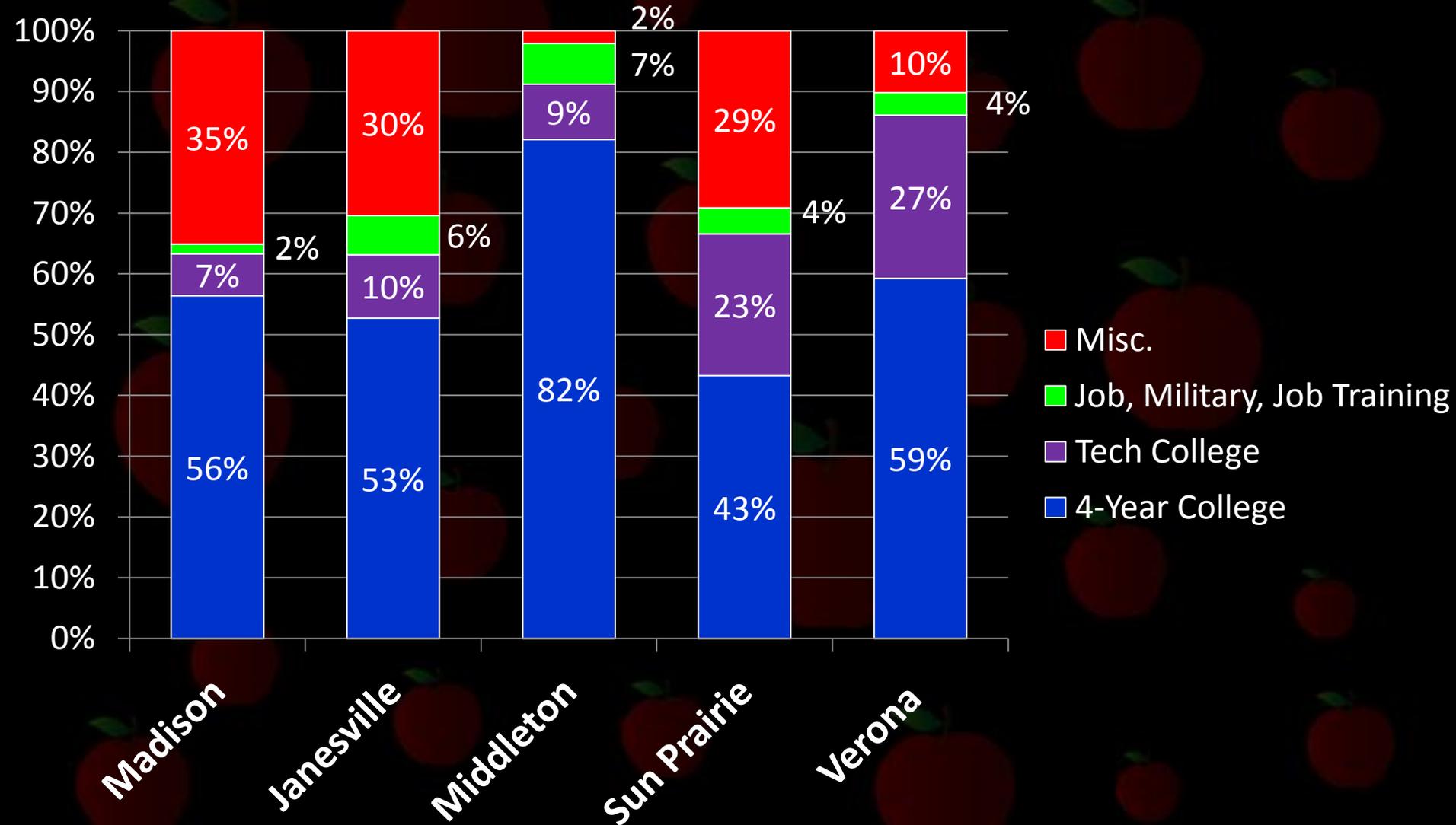
SOURCES: Wisconsin Dept. of Public Instruction

Post Graduation Plans for MMSD High School Students (2012)



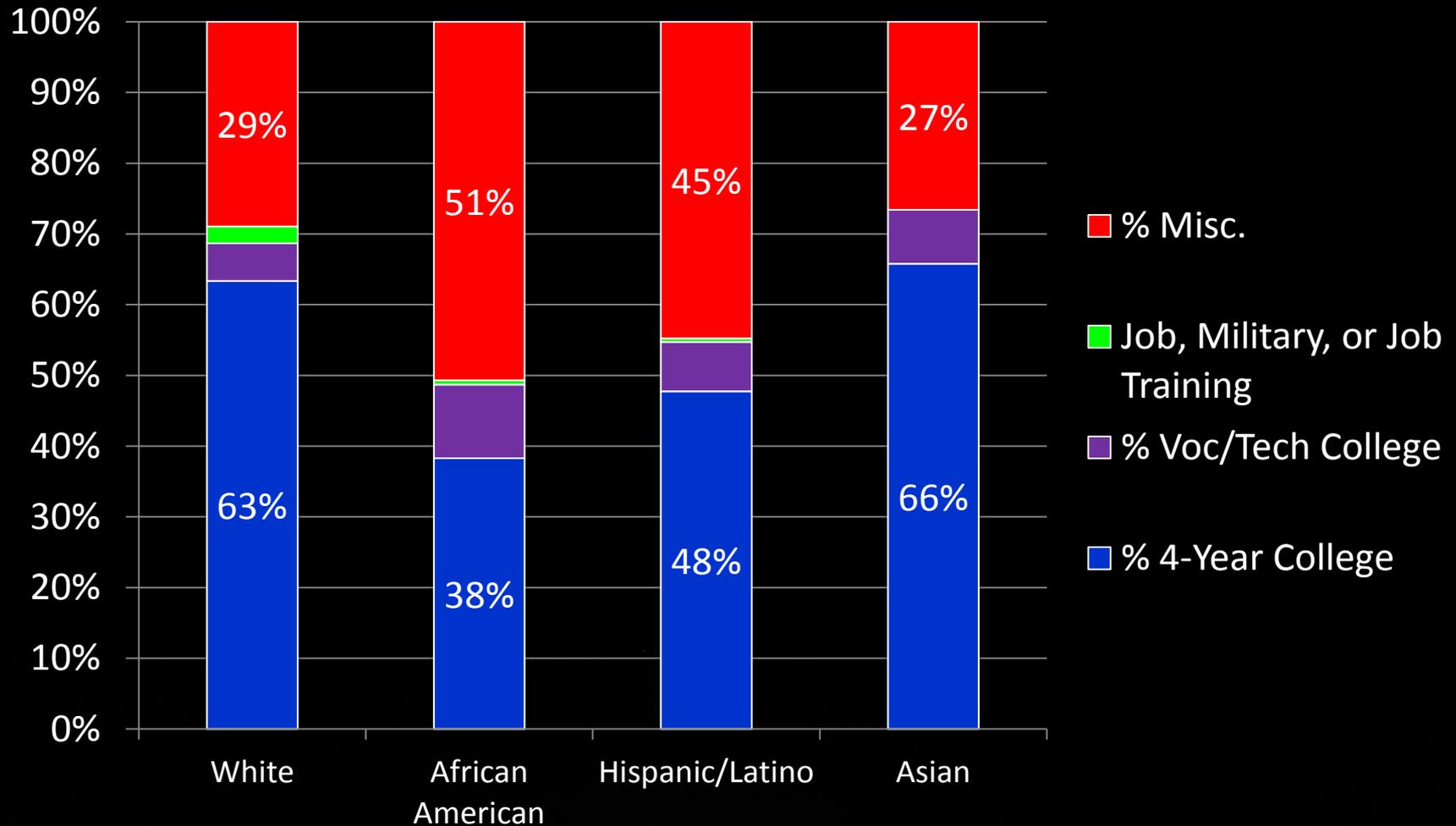
SOURCES: Wisconsin Dept. of Public Instruction

Post Graduate Plans (2012/2013)



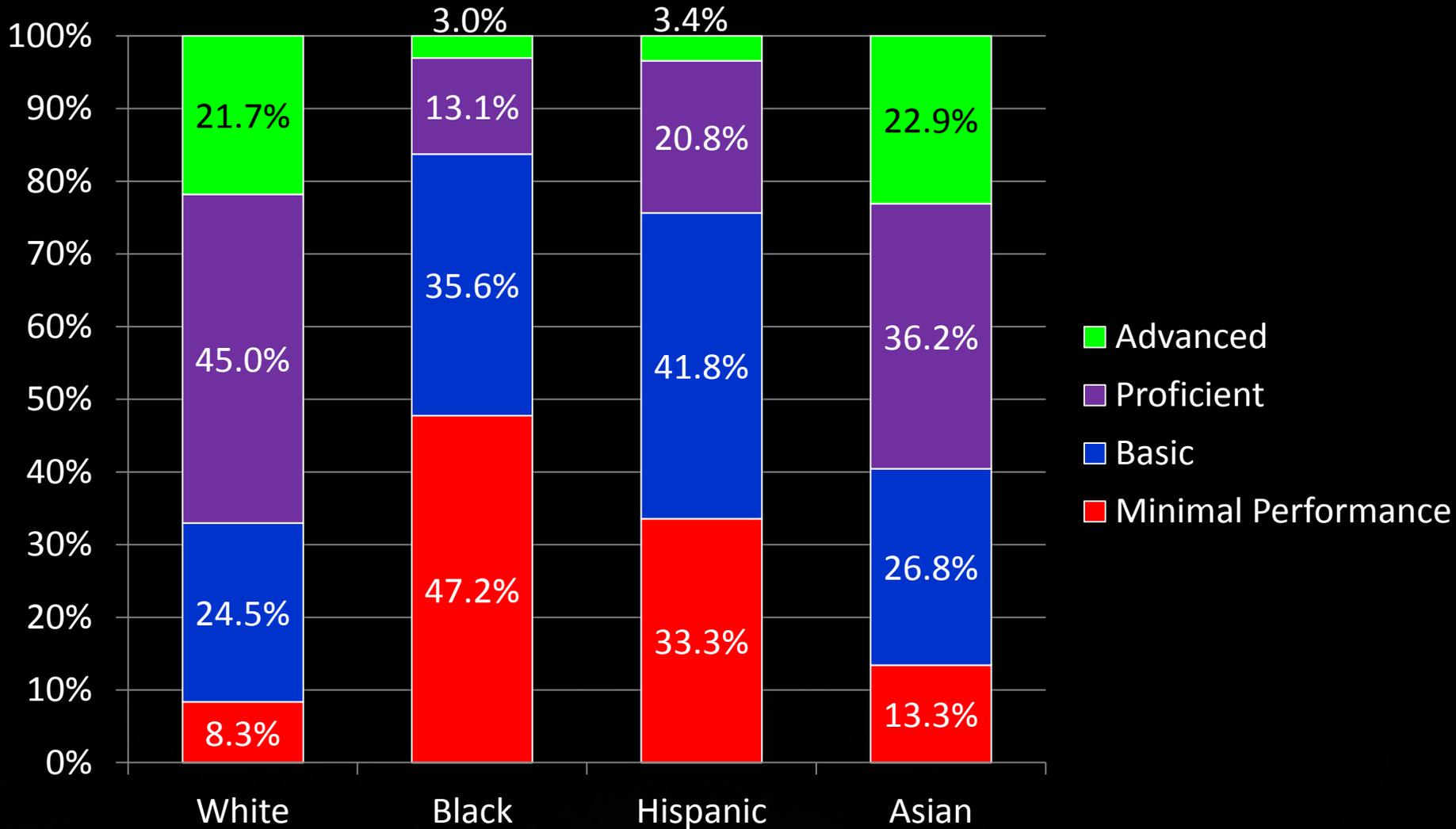
SOURCES: Wisconsin Dept. of Public Instruction

Post Graduation Plans for MMSD 2011/12 HS Graduates



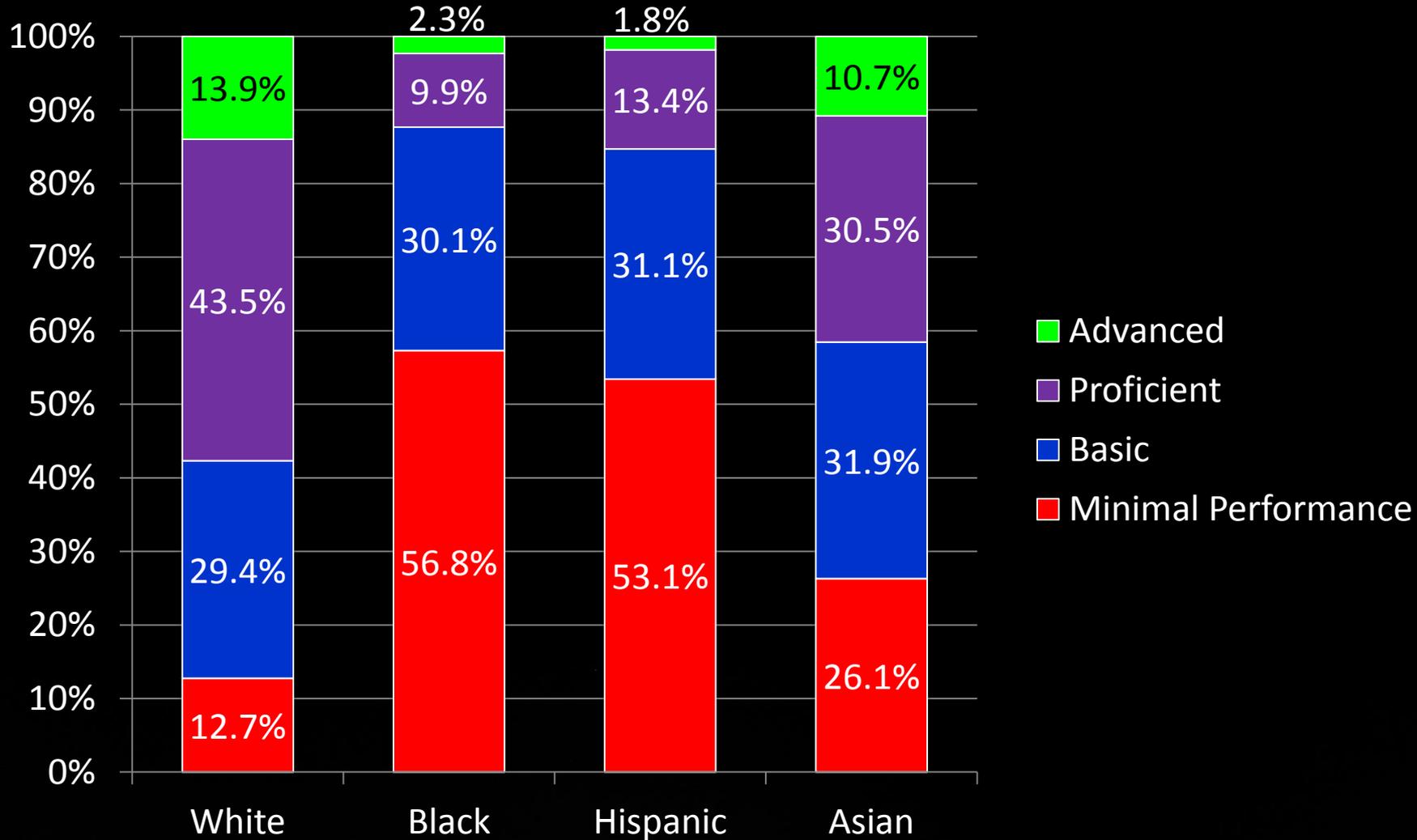
SOURCES: Wisconsin Dept. of Public Instruction

2012 MMSD Math (all grades)



SOURCES: Wisconsin Dept. of Public Instruction

2012 MMSD Reading (all grades - 2012-13)



SOURCES: Wisconsin Dept. of Public Instruction

Average ACT Scores:

West: 25.4

East: 22.3

Memorial: 24.4

LaFollette: 20.9

MMSD: 23.6



Average ACT Scores:

MMSD: 23.6

Middleton: 25.5

Sun Prairie: 22.7

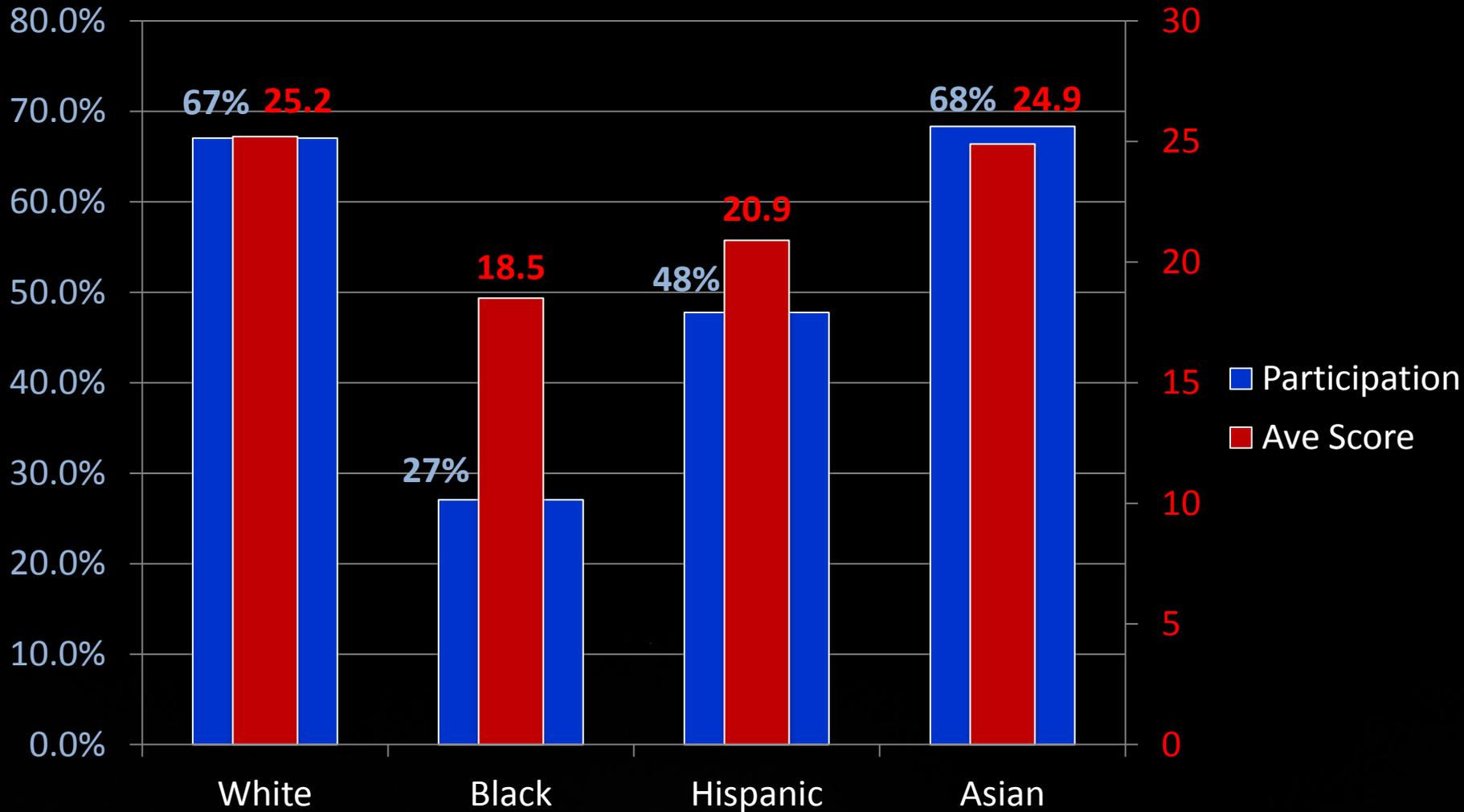
Verona: 23.1

State: 22.1

U.S: 20.9



MMSD ACT Participation and Average Score (2012-2013)



SOURCES: Wisconsin Dept. of Public Instruction



Madison Economic Development Strategy



1.Data

2.Vision

3.Strategies

4.Action Plan