**Fiscal Facts: Milwaukee Last Amid Peers in Venture Capital Investing, Lags in Business Creation**

Metro Milwaukee ranked last among 11 comparison metro areas in 2023 in one key metric of economic dynamism, venture capital investment, and it lags most peer metros in business creation.

These challenges come despite Milwaukee’s strength relative to comparison metros in other areas. Those include the educational attainment of its workforce, its concentration of knowledge workers, including scientists and engineers, and its recent growth in household income.

These findings come from the Wisconsin Policy Forum’s newly released annual update to its Metro Milwaukee Innovation DataTool. The tool tracks the four-county Milwaukee metro over the last decade -- and in relation to comparison metros -- on 17 key indicators of innovation and economic growth. Available to all as an online interactive at the Forum’s website, it is meant to help the region’s leaders identify its economic strengths and weaknesses, and set priorities for improvement.

Metro Milwaukee ranks in the top half of the 11-metro comparison group in the educational attainment of its workforce. In 2023, over 40% of metro Milwaukee adults had a bachelor’s or advanced degree for the first time, surpassing both a majority of the comparison metros and the U.S. average. In a long-term strength for the area, metro Milwaukee had a higher concentration of scientists and engineers than all but two of our comparison metros in 2023.

Promising income growth also emerged in metro Milwaukee in 2023 after the region struggled in this area in previous years. It resulted in metro Milwaukee reaching the fourth fastest growth rate among our 11 comparison metros between 2013 and 2023.

However, venture capital investing, which typically supports startup companies, has been a longstanding area of weakness for metro Milwaukee. Venture capital (VC) investing is concentrated in a few metros on the west and east coasts. However, metro Milwaukee trails even its Midwestern peers. On a per capita basis, metro Milwaukee fell to the bottom of the 11 comparison metros in the amount of VC investment it attracted in 2023.

New for this year, the tool’s data show that of the nearly $313 million in venture capital funding that Milwaukee area startups attracted between 2021 and 2023, less than 20% went to companies with at least one female founder. That includes 6.8% for companies founded solely by women, which is actually higher than the national rate of 2.1%.

Business creation is a metric we track via U.S. Census Bureau data on the number of businesses that open (births) and close (exits). Despite business births exceeding exits in metro Milwaukee for the fourth consecutive year in 2022, its birth-to-exit ratio (1.05) was at the bottom of the comparison group. This marked a change from previous years, when Milwaukee fell near the middle of the pack.

Job creation in metro Milwaukee has recovered somewhat since the COVID-19 pandemic but remains well below its 2019 peak; it also is in the bottom tier among our comparison metros in employment growth during the last decade. The region’s job losses may be partially explained by a recent decline in its working age population.

Until recently, metro Milwaukee was competitive with its peers on a key productivity metric: per employee gross domestic product. But in 2022 it ranked second-to-last among comparison metros on this indicator.

*This information is a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at* [*wispolicyforum.org*](https://wispolicyforum.org/research/state-tax-burden-up-but-overall-burden-still-falling/)*.*