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Where the brainpower is: Madison tops the list

Milwaukee ranks 37th in new Bizjournals study

The Business Journal of Milwaukee - by G. Scott Thomas

Theodore Roosevelt saw the world in crisp blacks and whites. Others might launch into windy soliloquies about the value of a college degree, but he preferred a simple equation.

"A man who has never gone to school may steal from a freight car," he thundered. "But if he has a university education, he may steal the whole railroad."

The U.S. Census Bureau has reinforced Roosevelt's argument with more gentility and greater precision. A recent federal report shows that a worker holding a doctorate will earn 70 percent more, on average, than a colleague with a bachelor's degree and 215 percent more than someone who never progressed beyond high school.

And this gap is growing wider by the year, increasing the importance of higher education and brainpower. Workers who don't keep pace are destined to pay the price.

"The decline of labor unions and a decline in the minimum wage in constant dollars have contributed to a relative drop in the wages of less educated workers," warns a separate analysis by the Census Bureau.

But the outlook is considerably brighter in Madison, which ranks as the U.S. metropolitan area with the strongest brainpower, according to a new Bizjournals study of the nation's 100 largest markets. Milwaukee ranked 37th in the study.

The study's objective was to identify those metros that have the highest levels of collective brainpower, as indicated by their residents' educational attainment.

Madison is blessed with three employment sectors that place a premium on education. It's the home base for the 42,000-student University of Wisconsin, the state government of Wisconsin and an expanding number of biotechnology firms.

The result is a broadly educated work force. Seventy-five percent of Madison's adults have attended college, which is three percentage points ahead of any other market. And its high-school dropout rate of 4.3 percent is easily the lowest in the study.

The University of Wisconsin's chancellor, John Wiley, has been emphasizing the link between education and economic success since assuming office in 2001.

"Wisconsin has a mature, slow-growth economy," Wiley has written. "As a state, we are increasingly looking at high-growth strategies built on brainpower, research and technology."

The payoff is evident in recent economic statistics. Madison's per capita income of \$38,993 is 13 percent higher than the national average, while its 2007 year-end unemployment rate of 3.3 percent was far better than the nation's 5.0 percent.

Other rankings

Bizjournals used U.S. Census Bureau data to analyze the educational attainment of adults in 100 metros, ranging in size from New York City to Lancaster, Pa. Its formula assigned points to the six rungs of an education ladder, then generated scores on a 100-point scale. The higher the score, the higher a market's collective brainpower.

Washington, D.C., and San Jose, Calif., are the runners-up in Bizjournals' study. Washington boasts the nation's largest share of adults with advanced degrees, 22.2 percent, while San Jose follows close behind in that category, a shade under 20 percent.

Rounding out the top five in the national brainpower rankings are two New England metros, Bridgeport-Stamford, Conn., and Boston.

Bizjournals followed Census Bureau guidelines in developing its education ladder. The following are the six rungs, with average annual earnings for adults at each level (as of 2005) in parentheses:

- Advanced degree, including professional degree (\$119,009), doctoral degree (\$92,863) or master's degree (\$67,898)

- Bachelor's degree (\$54,689)
- Associate degree (\$37,990)
- Attended some college, but no degree (\$31,421)
- High school graduate (\$29,448)
- High school dropout (\$19,915)

Washington, as already noted, has the highest percentage of adults on the top rung, with 22.2 percent holding advanced degrees.

Madison and San Francisco-Oakland are tied on the next rung. They have the biggest share of adults who left school after earning bachelor's degrees, 28.1 percent each.

At the opposite end of the rankings are several Texas and California markets where college graduates are outnumbered by high school dropouts. Last place belongs to McAllen-Edinburg, Texas, where 36 percent of adults departed high school without receiving diplomas.

For more on the survey, please visit www.bizjournals.com/milwaukee.

MAGNET FOR BRAINPOWER

Madison has become a powerful magnet for brainpower. Not only is it home to state government and the University of Wisconsin, it's an emerging biotechnology center. Three-quarters of Madison's adults have attended college, a proportion that no other U.S. market can match.

Percentage of adults who stopped at each level of the education ladder

	Madison Milwaukee	
Earned a graduate and/or professional degree	17.0	10.6
Earned a bachelor's degree	28.1	21.5
Earned an associate degree	11.3	8.2
Went to college, but didn't earn a degree	18.5	21.1
Graduated from high school	20.9	28.6
Dropped out of high school	4.3	10.0

Source: Bizjournals (an affiliate of The Business Journal Serving Greater Milwaukee)

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