



**Metropolitan Milwaukee
Association of Commerce**

Barriers facing Black-owned businesses in the Milwaukee Region

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DIAMOND DISCS INTERNATIONAL

CONSTRUCTION TOOLS ♦ EQUIPMENT

Unique Challenges to Black Owned Businesses

Current National & Local Benchmarks

For the third year in a row, Milwaukee and Racine are among the worst cities in the United States for African Americans.

Milwaukee - largest racial disparities in income, health, and other socioeconomic measures in the country.

The typical black household in Milwaukee earns just \$29,928 a year, 43.8% of the median income of \$66,097 among white households.

Milwaukee-Waukesha-West Allis, WI

Black population: 257,895 (16.4%)

Black median income: \$28,928 (43.8% of white income)

Unemployment: 13.9% (black); 3.9% (white)

Homeownership rate: 27.8% (black); 68.2% (white)

The Supplier Diversity Imperative

By Ugo Nwagbaraocha

Current National & Local Benchmarks

**Metro Milwaukee
Ranks 24 out of
26 for Minority
Owned
Businesses.**

Comparable Metro	Minority owned employer firms (number)	Minority population	Min. owned firms per 100,000 min. population
San Jose	15,060	1,242,839	1,211.7
Portland	6,053	556,735	1,087.2
Orlando	9,359	1,077,455	868.6
Baltimore	8,772	1,124,038	780.4
Chicago	33,075	4,339,180	762.2
St. Louis	5,301	708,760	747.9
Raleigh	3,111	439,836	707.3
Pittsburgh	2,116	315,401	670.9
Salt Lake City	1,881	291,370	645.6
San Antonio	9,188	1,443,323	636.6
Minneapolis-St. Paul	4,728	747,630	632.4
Kansas City	3,341	531,844	628.2
Nashville	2,809	449,657	624.7
Cincinnati	2,443	402,781	606.5
Buffalo	1,389	237,764	584.2
Charlotte	4,921	845,507	582.0
Columbus	2,658	469,570	566.0
Detroit	7,847	1,395,550	562.3
Milwaukee	2,725	496,847	548.5
Indianapolis	2,669	487,475	547.5
Cleveland	3,237	592,588	546.2

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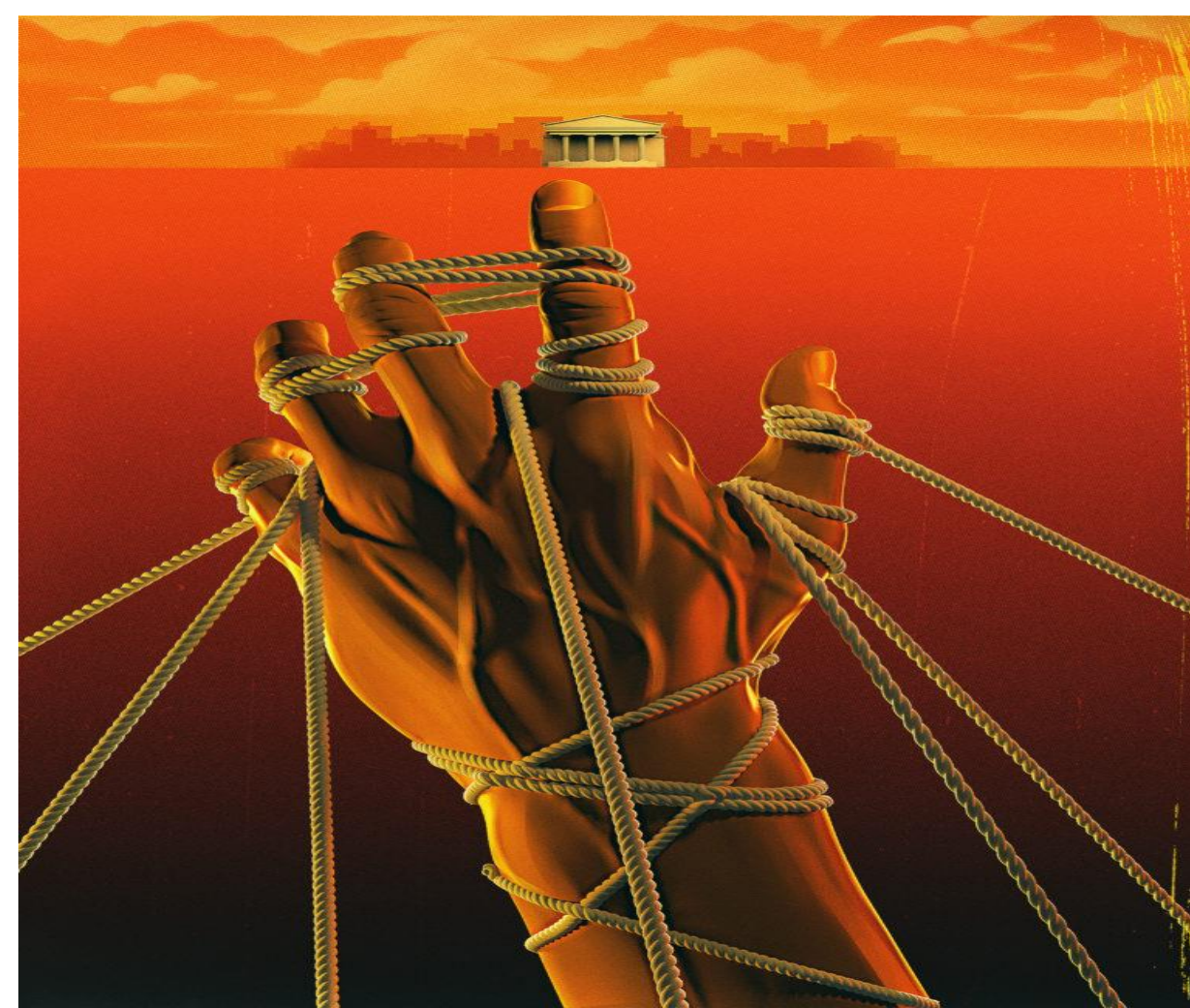


Illustration by Daniel Downey

“Why Many Black-Owned Businesses Are on The Brink”

Milwaukee Magazine 11-2-2-2020

- National Bureau of Economic Research 41% of Black-owned businesses closed at least temporarily during the pandemic.
- Nwagbaraocha says PPP was “inherently designed to not focus on diverse-owned businesses,” since there were no guidelines or requirements calling on banks to prioritize small businesses –
- Only about 12% of Black- and Latinx-owned businesses had their PPP applications approved, according to a survey from equal-rights organizations; a separate Census survey found small businesses’ overall approval rate at 38%.
- “Even the healthiest Black firms were financially disadvantaged at the onset of COVID-19.”
- “These historical denials of access to capital and security have “caused that wealth building to not occur” in many Black communities,”

What is Supplier Diversity?

Supplier Diversity refers to the proactive business programs that promotes the purchasing of goods and services from previously underrepresented communities.

These suppliers may include minority-owned, women owned, veteran owned, LGBT-owned, service disabled veteran owned, disabled-owned, and Small Business Administration (SBA)-defined small business concerns.

“On average supplier diversity programs add \$3.6 million to the bottom line for every \$1 million in procurement operation costs. A recent report shows that minority-owned business contribute \$400 billion to the nation’s economy and over 2.2 million jobs.

“(Supplier Diversity) efforts to create economic opportunity, - is a core tenet for improving conditions for health and equity in our communities,”

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Impact of Supplier Diversity

Increased ROI to Major Corporations

More Competitive Value

Offering in Niche Segmented

Markets

Increases Specialized Market

Job Creation

-Lowers Unemployment Rate

Community Investment

Lowers Crime

Increased Tax Base in Local Communities

April 2017 - Diamond Discs International to purchase a 21,366-square-foot building located at 9300 W. Heather Ave., for its growing company.



Nearly 1.9 million of the 2 million Black-owned businesses do not have paid employees. If each of these were able to hire just one or two employees, experts say that would be a huge solution to Black unemployment.

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Intentional

Ecosystem

Deliberate

Large Corporations

Financial Institutions

Local & Federal Govt.

Educational Systems

Strategic

Diverse Businesses

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- Corporation Engagement
- Supplier Diversity
 - Supplier Diversity Module (TBC)
 - Green Bay Packers Mentor Protégé
 - Golden Shovel, Marketplace,
 - NAMC-WI, EDBC



- Industry Based Regional Development
 - The Water Council, Haribo, Foxconn, Etc.
 - Long Term Investment Opportunities for Diverse Businesses
 - Annual Review of Diverse Business Expansion - Growth

Supplier Diversity is a tool for economic development

Strengthens and improves the health, safety and economic viability of consumer and future employee base

Creation of Wealth and Investment and ownership in local and inner city communities



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