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October 7, 2013

TO: Alderman Joe Davis, Chairman
FROM: Wallace White, Principal/CEO
SUB: Ordinance 370

I would like to thank the Committee for allowing me time to speak on this important matter. I represent those citizens, taxpayers and primarily African-American businesses in the city of Milwaukee that would benefit from a continuing but modified ordinance 370. It is my understanding that the City Administration is requesting the repeal of the entire Ordinance 370. My purpose today is to ask the Committee not to repeal Ordinance 370 in its entirety but only those sections that have been agreed to between the City and the Hispanic Chamber of Commerce and the American Indian Chamber of Commerce as recommended by the City Attorney. The NAACP, MICAH, the African American Chamber of Commerce, National Association of Minority Contractors, the Wisconsin Black Chamber of Commerce, and several other organizations and businesses are also partners in this effort. I feel that while there may be areas of concern within the Ordinance that, if we were allowed time, we would be able to craft a document for consideration by the Committee which would be fair to not only the African-American business community but the entire city as well. We would work on this document in consultation with all parties who are interested in this matter.

I am an African-American small businessman who has been fighting for and working with the business community and for job development in both government and the private sector for 47 years. I worked for Mayor Richard Daley (the father) in Chicago as the Director of Manpower (which we now call workforce development). Our Chicago program was rated number one in the Midwest region by the US Department of Labor for job development and placement which was achieved through close relationship with the region's business community. I organized the Minority Business Steering Committee in Gary, Indiana. The committee was composed of second-

generation African American businessmen and it aided in increasing the tax base in the city by retaining contract dollars in the city. In Washington, DC I served for ten years as Administrator of Water and Sewer Utility Administration where I had a staff of 1600 people, an operating budget of \$600 million and a capital budget of \$900 million. In DC the Mayor set and the City Council approved a minority contractor participation goal of 35% on all contracts awarded. That goal was met and provided a substantial boost to the local economy. I also served as the Executive Director of the MMSD where we have a small, women's and minority business enterprise program currently.

In other cities across United States including Denver, Atlanta and Houston the advantage of a minority business program has resulted in an increase in jobs and a reduction of poverty.

In the private sector I was the President and Chief Operating Officer of Vaporized Coatings Incorporated, a plastics coating manufacturing company which employed 30 people and was located on Hopkins Avenue near 35th St. and Capitol. We went out of business due to our inability to buy and install the equipment needed to meet new air pollution regulations. I was also a Vice President with Jacobs Engineering Incorporated, the third largest architectural, engineering and construction company in the United States with 60,000 employees worldwide. I was responsible for business development in the eastern half of the United States. Jacobs was an enlightened company and its CEO and Board of Directors committed to substantial minority contractor participation on all projects. Helping our government clients also helped our company.

On the positive side, in this week's Business Journal there is an article regarding Northwestern Mutual's commitment to use small and minority-owned companies in all phases of the \$450 million building construction project according the John Schlitske, CEO. This is the kind of thinking and action that we need to have throughout both government and the private sector to revive our economy, develop jobs and reduce poverty.

Today Wisconsin's average household income, according to the Census Bureau data released two weeks ago, has dropped from \$56,000 a year in 2002, to \$51,000 a year in 2012. Nationwide household income declined 6.6% while in Wisconsin the decline was 9.3%. Nationwide the percentage of people in poverty rose 3.7% while in Wisconsin it was up by 4.3%. In the

That is the first time that I have heard a high-ranking city official take a firm stand on the issue of race—not racism but race. Of course he is correct and we should be working toward full transparency and fairness in our municipal procurement process as well as in broader policy issues.

Ordinance 370 as modified would be a major step-or tool-for the retention and development of African-American businesses in Milwaukee. I would hope that you would allow us to work on creating a strategic approach for the city around ordinance 370 by not recommending repeal of it today. Thank you very much for your time and attention.

Submitted by Wallace White

The Problem of Poverty

Poverty is rising faster in Wisconsin and the city of Milwaukee than nationally.

By Bruce Murphy - Sep 26th, 2013 12:28 pm

Last week the Census Bureau released new data on household incomes in the United States and the news was not good. It was even worse for Wisconsin and the city of Milwaukee.

Incomes were actually rising a bit in the U.S. from 2000 to 2007, but the impact of the Great Recession has been so devastating that average household incomes across America have declined significantly, dropping (in real, inflation-controlled dollars) from an average of \$55,030 in 2000 to \$51,371 in 2012 — a decline of 6.6 percent.

Two states saw big increases during this time: North Dakota and Wyoming, boosted by all that fracking, saw average household incomes grow by 17 percent and 6.9 percent respectively, while the District of Columbia, boosted by all that government, enjoyed a 23.3 percent increase. Meanwhile, lots of states saw declines, and two of the worst hit were Michigan (down 19.1 percent) and Indiana (down 13.2 percent). Both are big states for manufacturing, which continues to decline.

Seen in that context, the decline in Wisconsin, second only to Indiana in the percent of workers engaged in manufacturing, seems not that bad: Wisconsin's average household income dropped from \$56,269 to \$51,059 from 2000 to 2012, a 9.3% drop, considerably worse than the 6.6 percent decline nationally.

Accompanying the drop in average household income was a rise in poverty. Nationally the percentage of people in poverty rose 3.7%, from 12.2% to 15.9%. Wisconsin saw poverty rise slightly faster, jumping from 8.9% to 13.2%, up by 4.3%.

As for Milwaukee, the news looked even worse. A different part of the census report shows that 29.9% of the city of Milwaukee's people now live in poverty, giving this city the ninth-highest level of poverty in 2012, an analysis by the Milwaukee Journal found. In the same story, Mayor **Tom Barrett** said his administration is trying to fight the problem "on multiple fronts."

As bad as all this sounds, it actually represents slight progress since 2010, when Milwaukee ranked fourth highest in poverty among big cities.

The census report offered no long-term data on urban poverty, but the UW-Milwaukee Employment & Training Institute tracks this, and reports that back in 2000 the census data showed that 21.3 percent of the city's population lived in poverty. So that has risen to 29.9 percent, an alarming hike.

Why such a spike? The combined onslaught of the Great Recession and the continuing decline in manufacturing have had a huge impact. A recent study by the Brookings Institution found that "the population in extreme-poverty neighborhoods—where at least 40 percent of individuals live below the poverty line," rose by one-third from 2000 to 2005–09 nationally but nearly doubled in Midwestern metro areas from 2000 to 2005–09. The Midwest, once the stable backbone of the American economy, has really been fractured by these negative trends.

As I've previously reported, almost all of the income gains since the economic meltdown have gone to the top 1 percent, while the rest of Americans "have hardly started to recover."

As for Milwaukee, it has become a tale of two cities, with alarmingly high poverty in many neighborhoods, even as others are going through a boom in urban redevelopment. It also remains a welcoming place for low-income people while nearby suburbs resist affordable housing and enforce laws (on minimum lot sizes, etc.) intended to keep out the poor. As a result, the census data showed, 71 percent of poor people in the metro area live in the city of Milwaukee. Compared to the nearly 30 percent of people below the poverty line in the city, only about 6 percent of people in Waukesha, Washington and Ozaukee counties live in



Brett Nelson, Contributor

I discuss investing, strategy and management (and poke some fun, too)

ENTREPRENEURS | 3/23/2011 @ 6:10PM | 19,579 views

Best Cities For Minority Entrepreneurs

There are essentially three ways of dealing with America's tattered balance sheet and mounting financial obligations: curbing social services, hiking taxes and generating real, sustainable economic growth—and the first two aren't exactly palatable.



Image via Wikipedia

As for growth, minority entrepreneurs are playing an increasingly important role. Just one data point: In 2010 immigrants accounted for nearly 30% of new business owners, versus 13% in 1996, according to the Kauffman Foundation.

In Atlanta, where half the residents are African American, a host of Hispanic and Asian entrepreneurs have set up shop over the last decade. Atlanta now boasts the second-highest percentage of self-employed minorities among the top 52 metropolitan areas with populations greater than 1 million.

That statistic—combined with a growing population, increasing household incomes and affordable housing—puts Atlanta atop our list of best metro areas for minority entrepreneurs, assembled with help from economist-demographer Joel Kotkin, author of *The Next Hundred Million: America in 2050*. (For more entrepreneurial inspiration, check out Forbes Staff Writer Maureen Farrell's [profile of Rene Diaz](#), owner of Diaz Foods, a \$200 million food-distribution business in Atlanta.)

[Gallery: How To Make \\$1 Million Before You Graduate](#)

The data correspond to 52 metropolitan statistical areas (MSAs), including a core city and its suburbs, with 1 million-plus populations. For each ethnicity (African Americans, Asians and Hispanics), we measured housing affordability (median value divided by household income), population growth (2000–09), income growth (1999–2009) and entrepreneurship (per capita self-employment). Each ethnicity received a rank, with entrepreneurship weighted one-half and the other half split evenly among the other variables. Those scores were then averaged to calculate overall city rankings.

Atlanta's foreign-born population nearly doubled, to 710,000, between 2000 and 2008. Meanwhile, the ratio of the median house value divided by median

household income for minorities remains one-half or less that of San Francisco, New York City and Los Angeles.

More nettlesome, fear business leaders, is the recent cry for strict anti-immigration policy. One bill, proffered by Representative Matt Ramsey (R-Ga.), would force companies to use a federal database to confirm an employee's eligibility and also allow police officers to ask for proof of citizenship during traffic stops.

The Baltimore metro area—at No. 2 on our list—ranked third in the percentage of self-employed Asians (8.4 per 100). HBO's *The Wire*, set in urban Baltimore, featured less-than-legal entrepreneurship, but legitimate minority enterprise is thriving in the greater surrounding areas—crucial, given the city's 13.6% and 5.8% declines in its white and African American populations since 2000.

In No. 3 Nashville, the immigrant population soared 83%, to 107,000, between 2000 and 2008—the fastest growth rate among the nation's largest cities. Just 20% of the population in 2000, minorities accounted for 44% of the city's overall growth during the next decade. Plenty have hung out their own shingles: Of the 52 metros with populations over 1 million, the capital of country music (and health care) ranked sixth in self-employment among Asians and fourth among Hispanics.

Over the last decade Houston (No. 4) has created more jobs than most big urban areas, all while keeping rents down. Its expanse of strip malls teems with ethnic businesses. Architect Tim Cisneros, who builds offices and town houses there, calls Houston “my favorite Third World city.” Houston also ranked second in housing affordability for minorities, and it is home to the nation's second-largest Hindu and fourth-largest Latino church congregations.

The booby prize went to the Milwaukee metro area. The former beer-brewing capital ranks in the bottom eight—or worse—in self-employment among all three major minority groups.

One big problem: fewer customers. The city has shed residents in each of the last six censuses. Another: “Milwaukee has had among the worst job-creation records of any big city in the U.S. for over a decade,” says Mark Levine, executive director of the Center for Economic Development at the University of Wisconsin-Milwaukee.

Here is the full ranking of the top 52 metros for minority entrepreneurs, according to Kotkin and his tag team of researchers, Wendell Cox and Erika Ozuna:

1. Atlanta-Sandy Springs-Marietta, GA
2. Baltimore-Towson, MD
3. Nashville-Davidson-Murfreesboro-Franklin, TN
4. Houston-Sugar Land-Baytown, TX
5. Miami-Fort Lauderdale-Pompano Beach, FL
6. Oklahoma City, OK
7. Riverside-Sand Bernardino-Ontario, CA
8. Washington-Arlington-Alexandria, DC-VA-MD-WV
9. Orlando-Kissimmee, FL
10. Phoenix-Mesa-Scottsdale, AZ

11. Memphis, TN-MS-AR
12. Dallas-Fort Worth-Arlington, TX
13. San Antonio, TX
14. Tampa-St. Petersburg-Clearwater, FL
15. Austin-Round Rock, TX
16. Charlotte-Gastonia-Concord, NC-SC
17. Indianapolis-Carmel, IN
18. Los Angeles-Long Beach-Santa Ana, CA
19. Richmond, VA
20. New Orleans-Metairie-Kenner, LA
21. Jacksonville, FL
22. Tucson, AZ
23. Portland-Vancouver-Beaverton, OR-WA
24. Raleigh-Cary, NC
25. Louisville-Jefferson County, KY-IN
26. Birmingham-Hoover, AL
27. Seattle-Tacoma-Bellevue, WA
28. Cincinnati-Middletown, OH-KY-IN
29. Sacramento-Arden-Arcade-Roseville, CA
30. Pittsburgh, PA
31. Kansas City, MO-KS
32. Columbus, OH
33. Las Vegas-Paradise, NV
34. Virginia Beach-Norfolk-Newport News, VA-NC
35. San Francisco-Oakland-Fremont, CA
36. Denver-Aurora-Broomfield, CO
37. St. Louis, MO-IL
38. Buffalo-Niagara Falls, NY
39. New York-Northern New Jersey-Long Island, NY-NJ-PA
40. Rochester, NY
41. Hartford-West Hartford-East Hartford, CT
42. Salt Lake City, UT
43. Providence-New Bedford-Fall River, RI-MA
44. Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
45. Boston-Cambridge-Quincy, MA-NH
46. San Jose-Sunnyvale-Santa Clara, CA
47. Detroit-Warren-Livonia, MI
48. San Diego-Carlsbad-San Marcos, CA
49. Minneapolis-St. Paul-Bloomington, MS-WI
50. Chicago-Naperville, Joliet-IL-IN-WI
51. Cleveland-Elyria-Mentor, OH
52. Milwaukee-Waukesha-West Allis, WI



Have a trenchant observation about which economic-development efforts are working, which aren't and what to do about it? Post a comment!