

Milwaukee Civic Action Economic Recovery Team
Small Business & Employment Lead Work Group

11/22/2022

City of Milwaukee Elected and Appointed Officials
c/o Mayor Cavalier Johnson and Common Council President José Pérez
City Hall - 200 E. Wells St.
Milwaukee, WI 53202
Via: e-mail communication

RE: Supporting Ethnically Diverse Businesses Through \$2.5 Million *American Rescue Plan Act* (ARPA) Allocation to Maximize Economic Benefit & Minimize Public Health Harm

Dear Mayor Johnson, President Pérez, and Other Honorable Officials:

The 15+ member organizations of the Ethnic & Diverse Business Coalition improve Wisconsin's business environment by building stronger ethnically diverse businesses who can compete in a global economy. In partnership with the undersigned organizations, we seek your support for Milwaukee's ethnic and diverse small businesses, which faced extraordinary challenges from the COVID-19 pandemic and related economic recession.

For diverse and ethnic populations, creating and managing a small business has long been a viable path to the American Dream. However, these businesses are also fragile: Like all small businesses, they lack equitable access to capital, technical assistance and other capacity-building resources. But they must also contend with the compounding impacts of racism, discrimination and structural inequity. These businesses support individual families which in turn stabilize ethnically and racial diverse neighborhoods plagued by economic divestment.

Current projections estimate that approximately 35% of Milwaukee's ethnic and diverse businesses have failed due to the pandemic, which mirrors national trends.ⁱ They also struggled to access Federal supports, such as the *Paycheck Protection Program*.ⁱⁱ Often these businesses are in the service and retail sectors, which were especially impacted by COVID-19.ⁱⁱⁱ

ARPA provides the City of Milwaukee with a unique opportunity to address our community's dual public health crises: racism^{iv} and lead poisoning.^v By investing in the preparation, development and support of ethnic and diverse small businesses as vendors within the Milwaukee Health Department's \$26M investment in lead abatement, the City can:

- Create a sustainable workforce (largely of Milwaukeeans of color) earning family-sustaining wages
- Empower the Health Department's need to serve children impacted by lead exposure in our community
- Grow a diverse, entrepreneurial class of business leaders within the City
- Promote the economic stability of its underserved neighborhoods
- Achieve equity by ensuring those communities most severely impacted by the presence of lead will gain financial stability from its abatement.

In the immediate term, we respectfully request your support for a \$2.5 million allocation of American Rescue Plan Act (ARPA) funding to support these businesses as key linkages within the City of Milwaukee's lead abatement supply chain.

A modest investment of \$2.5 million in the lead abatement training and business development efforts of partners such as chambers of commerce and community development financial institutions that work with Social Development Commission, Revitalize Milwaukee and Habitat for Humanity and serve ethnic and diverse businesses would offer a unique, innovative approach to addressing the physical and economic wellbeing of our ethnically and racially diverse communities. Given both the current economic insecurity of these business as well as the lead time needed to build their capacity, we urge you to mobilize these resources as soon as possible.

The result would be a more equitable ecosystem that supports both small businesses and families facing lead exposure. It elevates impacted communities, maximizes the impact of public resources, and makes strides towards economic and racial justice. We ask that you share our enthusiasm for this vision, and that you provide this proposed use of ARPA funding with your highest consideration.

Sincerely,

Joel Brennan, President
Greater Milwaukee Committee

Lamont Davis, Executive Director
Milwaukee Community Land Trust

Richard Diaz, Chairperson
Coalition on Lead Emergency (COLE)

Ellen Gilligan, President & CEO
Greater Milwaukee Foundation

Dr. George Hinton, Chief Executive Officer
Social Development Commission

Lynnea Katz-Petted, Chief Executive
Officer
Revitalize Milwaukee

Kristi Luzar, Executive Director
Urban Economic Development
Association of Wisconsin, Inc. (UEDA)

Marjorie Rucker, Chair & Executive
Director
The Business Council and The Ethnic and
Diverse Business Coalition

Jeremy Simon, Director of Government
Relations & Advocacy
United Way of Greater Milwaukee and
Waukesha County

ⁱ <https://www.cbsnews.com/news/black-owned-businesses-46-percent-close-lack-federal-aid/>

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ⁱⁱⁱ <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19s-effect-on-minority-owned-small-businesses-in-the-united-states>

^{iv} <https://eji.org/news/milwaukee-county-declares-racism-public-health-crisis/>

^v <https://www.usnews.com/news/best-states/wisconsin/articles/2021-07-24/health-commissioner-calls-milwaukees-lead-crisis-imperative>