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**Minority Business Ownership
in Metropolitan Milwaukee in 1990's:**

**Some Statistical Indicators and Comparisons to the
Nation's Largest Metropolitan Areas**

May 14, 2001

University of Wisconsin-Milwaukee
Center for Economic Development

About this report

This report was produced at the University of Wisconsin – Milwaukee Center for Economic Development (UWMCED), a unit of the College of Letters and Science at the University of Wisconsin – Milwaukee. UWMCED was established by the College in 1990, with the assistance of a grant from the U.S. Department of Commerce, Economic Development Administration’s (EDA) “University Center” program to contribute to the retention and expansion of Southeastern Wisconsin’s employment base by providing university research and technical assistance to community organizations and units of government. The analysis and conclusions presented in this report are solely those of UWMCED and do not necessarily reflect the opinions of UW-Milwaukee or any of the Center’s funders.

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EXECUTIVE SUMMARY

After years of bleak news on minority economic development in Milwaukee, the latest data on minority business ownership in the region offer some grounds for optimism. According to data from the U.S. Bureau of the Census' Survey of Minority-owned Businesses, Milwaukee ranked 13th among the nation's largest 50 metropolitan areas in the growth in the number of Black-owned businesses between 1992 and 1997. More spectacularly, during the same period Milwaukee ranked 1st among the nation's largest metropolitan areas in the growth of payroll and employment at Hispanic-owned businesses.

Nevertheless, despite these gains, Milwaukee continues to lag behind most metropolitan areas on major indicators of minority business ownership. When we control for differences in the racial composition of metropolitan areas, in 1997 Milwaukee ranked 48th among the 50 largest metropolitan areas in Black-owned firms per 1,000 Black population and 49th among the 50 in Hispanic-owned firms per 1,000 Hispanic populations. This is only a modest improvement from 1992, when Milwaukee ranked last in both categories. Clearly, in nurturing minority business development, Milwaukee has a long way to go simply to reach the "middle of the pack" among major metropolitan areas in the United States.

Black-owned Business in Milwaukee at a glance (Milwaukee's rank among the 50 largest metropolitan areas)

Growth in number of Black-owned firms, 1992-1997	13	Growth in Employment in Black-owned firms, 1992-1997	13
Growth in Sales & Receipts of Black-owned firms, 1992-1997	45	Black-owned firms per 1,000 Black Population, 1992	50
Growth in Annual Payroll of Black-owned firms, 1992-1997	25	Black-owned firms per 1,000 Black Population, 1997	48

Hispanic-owned Business in Milwaukee at a glance (Milwaukee's rank among the 50 largest metropolitan areas)

Growth in number of Hispanic-owned firms, 1992-1997	28	Growth in Employment in Hispanic-owned firms, 1992-1997	1
Growth in Sales & Receipts of Hispanic-owned firms, 1992-1997	11	Hispanic-owned firms per 1,000 Hispanic Population, 1992	50
Growth in Annual Payroll of Hispanic-owned firms, 1992-1997	1	Hispanic-owned firms per 1,000 Hispanic Population, 1997	49

INTRODUCTION

Through the early 1990s, Milwaukee ranked toward the bottom of the nation's largest metropolitan areas on virtually all indicators of minority business development. In 1992, for example, metro Milwaukee ranked last among the nation's fifty largest metropolitan areas in the number of black-owned firms (relative to the size of the area's Black population). As we concluded in our 1998 report, *The Economic State of Milwaukee: The City and Region*: "It would appear that Milwaukee is the least hospitable big metropolitan area in the Frostbelt for the development of minority-owned businesses."¹

To what extent has this situation changed during the 1990s? The past decade was one of extraordinary economic growth and prosperity in metropolitan Milwaukee. Real aggregate income in the region rose by 23.4% during the decade, and unemployment declined to the lowest levels since the 1960s. Under these conditions of economic boom, how did minority business development fare during the decade? How well does Milwaukee stack up to the nation's largest metropolitan areas in minority ownership of businesses?

Using the most recent data available, the 1992 and 1997 Surveys of Minority-Owned Businesses of the United States Bureau of the Census, this report provides some answers to these questions. The data from the Census Bureau surveys of 1992 and 1997 permit us to examine trends in the number of minority-owned firms, their sales and receipts, employment, and annual payroll, in Milwaukee and the nation's other large metropolitan areas.²

¹ UW-Milwaukee Center for Economic Development, *The Economic State of Milwaukee: The City and the Region, 1998* (Milwaukee: UWMCED, 1998), p. 102.

² The survey is described by the Census bureau as providing "basic economic data on businesses owned by Blacks, persons of Alaska Native, American Indian, Asian, or Pacific Islander descent, persons of Hispanic or Latin American ancestry, and women. These surveys are based on the entire firm rather than on individual locations of a firm. The published data cover number of firms, gross receipts, number of paid employees, and annual payroll." Further: "All firms operating in 1997, except those classified as agricultural, are represented in these surveys. The lists of all firms (or universe) are compiled from a combination of business tax returns and data collected on other economic census reports." From this universe, the Census bureau then designed a sample and sent out questionnaires. The responses to those questionnaires form the data set for the published survey.

Finally, the Census bureau cautions that "comparisons with 1992 should be carried out with extreme caution due to changes in tax laws causing inconsistencies between the 1992 and 1997 data." This shift, chiefly consolidating multiple "Employer Identification Numbers" for firms in one business, would somewhat deflate the 1997 numbers compared to 1992. On the other hand, the universe for the 1997 survey was expanded to include all corporations, not simply the subchapter S corporations, partnerships, and sole proprietorships included in 1992. This change would, of course, inflate the 1997 numbers relative to 1992.

The upshot is that there is probably a slight inflation in the 1997 numbers, sales, and payroll of minority-owned firms relative to 1992. But, this inflation should not affect comparisons among metropolitan areas: only the precision findings for individual metro areas.

There is good news and bad news for Milwaukee in this report. On the whole, our analysis shows that metro Milwaukee experienced solid growth in minority business ownership during the 1990s, most spectacularly in the payroll of Hispanic-owned firms, which increased tenfold between 1992-1997 (the highest rate of increase among the nation's largest metropolitan areas). The number of Black-owned firms in metro Milwaukee increased by 44.3 percent between 1992-1997, a much faster rate of increase than the national median.³

Nevertheless, on key indicators of minority business ownership, metro Milwaukee continues to rank near the bottom of the nation's largest metropolitan areas. In minority business development, Milwaukee made some progress during the 1990s, but on most indicators Milwaukee has a long way to go simply to reach the median of major metropolitan regions in the United States.

Black business ownership in Milwaukee, 1992-1997

Tables 1 and 2 provide basic data on the growth of Black-owned firms in metropolitan Milwaukee during the 1990s. In 1997, there were 3,872 Black-owned firms in the metropolitan area, an increase of 44.3 percent over the 2,684 Black-owned firms found in the 1992 census. Over half the Black-owned firms in metro Milwaukee continue to be found in the service sector, but Black-owned firms are present in all major sectors of the metropolitan Milwaukee economy. The number of Black-owned firms increased in all sectors between 1992-1997, except in retail trade, where there was a net loss of 52 Black-owned firms, a decline of 9.4 percent. The sales and receipts in black-owned retailers in Milwaukee plummeted by 52.7 percent during this period (although sales grew by triple digits for black-owned firms in construction, services, and wholesale trade).⁴ On the whole, however, sales and receipts among Black-owned firms in metro Milwaukee grew from \$293.1 million in 1992 to \$380.5 million in 1997, an increase of 29.8 percent.⁵

³ Again, this precise figure should be viewed cautiously, given the methodological issues of the Census survey noted above. However, the fact that Milwaukee's rate of growth ranks relatively high among metro areas supports the inference that significant growth in Black-owned businesses occurred here between 1992-1997.

⁴ The decline in the number of Black-owned retailers in metro Milwaukee, or in the sales/receipts of Black-owned retailers, is not part of a national trend. The median "Frostbelt" metro area – a group of 14 regions including Milwaukee, Buffalo, Cleveland, Cincinnati, Baltimore, St. Louis, Chicago, Minneapolis, Philadelphia, Pittsburgh, Boston, Detroit, Indianapolis, and Columbus—saw an increase of 8.6% in the number of Black-owned retailers between 1992-97. The median increase in sales/receipts of Black-owned retailers in these regions was 74.1% during this period. In short, the apparent decline in Milwaukee's Black-owned retail sector in the 1990s runs counter to national trends, and warrants more in depth study. It may well represent a problem in this sector in Milwaukee, or simply an anomaly flowing from the limits of the Census surveys (i.e. sampling errors, or changes in methodology between the 1992 and 1997 surveys).

⁵ When adjusted for inflation between 1992-1997, the real increase in sales and receipts for Black-owned firms in metro Milwaukee during this period was 13.4 percent.

Table 1
Change in the number of Black-owned Firms, 1992-1997
Metropolitan Milwaukee, by sector

Number of Firms

Sector	1992	1997	% Change
All sectors	2,684	3,872	44.3
Agriculture services, Forestry, Fishing, Mining	13	6	-53.8
Construction	171	194	13.5
Manufacturing	37	55	48.6
Transportation, Communications, Utilities	200	311	55.5
Wholesale	16	41	156.3
Retail	586	531	-9.4
FIRE	183	220	20.2
Services	1,355	2,109	55.6
Industries, nec	123	406	230.1

Table 2
Change in the sales and receipts of Black-owned Firms, 1992-1997
Metropolitan Milwaukee, by sector

Sales & Receipts (\$1,000)

Sector	1992	1997	% Change
All sectors	293,050	380,500	29.8
Agriculture services, Forestry, Fishing, Mining	249	D	na
Construction	31,540	77,904	147.0
Manufacturing	1,123	D	na
Transportation, Communications, Utilities	10,730	31,984	198.1
Wholesale	5,822	24,571	322.0
Retail	204,714	96,818	-52.7
FIRE	2,740	6,188	125.8
Services	34,142	118,655	247.5
Industries, nec	1,989	D	na

Tables 3-6 present comparative data on trends in Black business ownership in Milwaukee and the 50 largest metropolitan areas in the United States between 1992 and 1997. The most encouraging finding, illustrated in Table 3, is that the number of Black owned businesses in metro Milwaukee increased by 44.3 percent between 1992 and 1997. On this important measure of Black business vitality and entrepreneurial activity, Milwaukee ranked 13th among the nation's 50 largest metropolitan areas.

Tables 4 and 5 illustrate trends in the size and scale of Black enterprise in Milwaukee. As noted above, between 1992-1997 the sales and receipts of Milwaukee's Black-owned firms grew by a very modest 29.8 percent, ranking Milwaukee 45th among the nation's largest metro areas in growth rate during this period. Payroll at Milwaukee's Black-

owned firms grew by 173.8 percent between 1992-1997, a rate of growth that ranked exactly in the middle of the nation’s largest metro areas.

As Table 6 reveals, employment at Black-owned firms in metro Milwaukee grew by 159.1 percent between 1992-1997, placing the region 13th among the largest metropolitan areas. This is a rather spectacular rate of growth: total employment in metro Milwaukee during the same period, for example, increased by only 9.6 percent. However, although this trend is certainly encouraging, it needs to be put in perspective: the total gain in employment in Black-owned firms –just under 3,900—represented just 5.9 percent of the total employment growth in metro Milwaukee (66,000 jobs) between 1992 and 1997. All told, employment in Black-owned firms (6,320 in 1997) represented just 0.8 percent of metro Milwaukee’s job base in 1997 (up from 0.4 percent in 1992).⁶

Table 3
Growth in Black-owned Firms
(percent change in number of Black-owned firms, 1992-1997)

RANK	Metropolitan Area	% Change	RANK	Metropolitan Area	% Change
1	Fort Lauderdale, FL	80.0	26	Washington, DC	28.2
2	New York, NY	76.1	27	Philadelphia, PA	28.0
3	Miami, FL	62.9	28	Kansas City, MO	27.3
4	Las Vegas, NV	62.4	29	Detroit, MI	27.2
5	Riverside, CA	60.6	30	Greensboro, NC	25.1
6	Boston, MA	59.7	31	Cleveland, OH	24.7
7	Providence, RI	55.0	32	New Orleans, LA	24.2
8	Portland, OR	52.3	33	Dallas, TX	23.0
9	Raleigh-Durham, NC	51.0	34	Phoenix, AZ	20.9
10	Nassau-Suffolk, NY	50.4	35	Cincinnati, OH	20.4
11	Atlanta, GA	47.3	36	Austin, TX	19.7
12	Chicago, IL	44.3	37	Oakland, CA	19.3
13	Milwaukee, WI	44.3	38	Bergen-Passaic, NJ	19.2
14	Charlotte, NC	43.8	39	Seattle, WA	18.9
15	Minneapolis-St. Paul, MN	41.5	40	Pittsburgh, PA	17.3
16	Norfolk, VA	38.6	41	Los Angeles, CA	17.3
17	Orlando, FL	37.4	42	San Francisco, CA	17.0
18	Indianapolis, IN	35.7	43	Columbus, OH	16.1
19	Nashville, TN	35.6	44	Denver, CO	11.3
20	Newark, NJ	34.8	45	San Diego, CA	4.2
21	Baltimore, MD	33.8	46	Fort Worth, TX	-3.8
22	Salt Lake City, UT	32.6	47	San Antonio, TX	-5.2
23	St. Louis, MO	32.2	48	Orange County, CA	-23.9
24	Tampa-St. Petersburg, FL	29.7	49	San Jose, CA	-25.3
25	Houston, TX	28.9	50	Sacramento, CA	-25.8
				MEDIAN	28.6

⁶ It is important to note that fewer than 20% of Black-owned firms report having any paid employees. “Self-employed” individuals, of course, run the vast majority of small businesses.

Note: 50 largest Metropolitan Areas based on US Census data for 2000

Table 4
Growth in size of Black-owned Firms
Sales & Receipts
(percent change in sales & receipts, 1992-1997)

RANK	Metropolitan Area	% Change	RANK	Metropolitan Area	% Change
1	Fort Worth, TX	792.5	26	Providence, RI	215.1
2	Portland, OR	423.7	27	Austin, TX	215.1
3	Fort Lauderdale, FL	317.0	28	Chicago, IL	110.6
4	Cincinnati, OH	307.2	29	Pittsburgh, PA	110.1
5	Detroit, MI	270.3	30	Las Vegas, NV	103.7
6	Norfolk, VA	257.4	31	San Francisco, CA	99.3
7	Kansas City, MO	255.3	32	Sacramento, CA	92.9
8	Columbus, OH	251.8	33	Newark, NJ	90.4
9	St. Louis, MO	226.0	34	Minneapolis-St. Paul, MN	89.3
10	Greensboro, NC	219.1	35	Seattle, WA	83.5
11	Washington, DC	217.0	36	San Antonio, TX	75.3
12	Charlotte, NC	215.1	37	Orlando, FL	73.0
13	Atlanta, GA	182.1	38	Nassau-Suffolk, NY	72.8
14	Baltimore, MD	174.3	39	San Jose, CA	69.9
15	Cleveland, OH	163.8	40	Indianapolis, IN	59.3
16	Dallas, TX	156.3	41	Denver, CO	54.2
17	Riverside, CA	139.2	42	Philadelphia, PA	49.6
18	New York, NY	136.7	43	Oakland, CA	47.1
19	Phoenix, AZ	133.6	44	Miami, FL	33.8
20	New Orleans, LA	130.3	45	Milwaukee, WI	29.8
21	Houston, TX	121.9	46	Orange County, CA	28.3
22	Boston, MA	121.8	47	Bergen-Passaic, NJ	28.1
23	Tampa-St. Petersburg, FL	116.4	48	Los Angeles, CA	-8.2
24	Nashville, TN	215.1	49	San Diego, CA	-26.1
25	Raleigh-Durham, NC	215.1	50	Salt Lake City, UT	-63.2
				MEDIAN	121.8

Table 5
Growth in size of Black-owned Firms, 1992-1997
Payroll
(percent change in annual payroll, 1992-1997)

RANK	Metropolitan Area	% Change	RANK	Metropolitan Area	% Change
1	Fort Worth, TX	2293.6	26	Austin, TX	166.1
2	Phoenix, AZ	529.1	27	Newark, NJ	152.0
3	Charlotte, NC	482.1	28	Seattle, WA	147.2
4	New Orleans, LA	469.6	29	Miami, FL	138.8
5	Detroit, MI	459.1	30	Indianapolis, IN	130.8
6	St. Louis, MO	410.7	31	Minneapolis-St. Paul, MN	128.8
7	Cleveland, OH	400.8	32	Baltimore, MD	127.9
8	Raleigh-Durham, NC	393.5	33	Chicago, IL	123.4
9	Portland, OR	389.7	34	Boston, MA	121.1
10	Houston, TX	336.2	35	Orange County, CA	84.5
11	Washington, DC	323.8	36	Nassau-Suffolk, NY	75.7
12	Nashville, TN	320.9	37	Denver, CO	74.0
13	Kansas City, MO	318.3	38	San Francisco, CA	62.5
14	New York, NY	303.5	39	Philadelphia, PA	56.6
15	Greensboro, NC	293.6	40	Oakland, CA	38.6
16	Dallas, TX	287.3	41	Orlando, FL	23.7
17	San Jose, CA	276.3	42	Los Angeles, CA	23.1
18	Atlanta, GA	251.4	43	San Diego, CA	11.4
19	Pittsburgh, PA	248.3	44	Bergen-Passaic, NJ	-8.5
20	Tampa-St.Petersburg, FL	235.6	45	Cincinnati, OH	na
21	Sacramento, CA	187.3	46	San Antonio, TX	na
22	Riverside, CA	185.2	47	Norfolk, VA	na
23	Columbus, OH	182.0	48	Las Vegas, NV	na
24	Fort Lauderdale, FL	178.9	49	Salt Lake City, UT	na
25	Milwaukee, WI	173.8	50	Providence, RI	na
				MEDIAN	183.6

In order to compare meaningfully the state of minority business ownership in Milwaukee to other metropolitan areas in the United States, we need to control for the differing size of minority communities in metro areas. For example, in 1997 there were 34,592 Black-owned firms in metropolitan Atlanta, compared to 3,872 in Milwaukee. In other words, there were almost *nine* times as many Black-owned firms in Atlanta than in Milwaukee. However, this should not be surprising: metro Atlanta also has a much higher proportion of Blacks in the population than does Milwaukee, and it is therefore logical that Atlanta would produce higher numbers of Black-owned businesses. However, the Black population of metro Atlanta (1,202,260) is roughly *five* times greater than metro Milwaukee's black population (240,859). Thus, the *rate* of Black business ownership in

Atlanta is greater than in Milwaukee, even when controlling for the fact that Atlanta has a much larger African American community than does Milwaukee.

Table 6
Employment growth in Black-owned Firms
(percent change in number of paid employees in Black-owned firms, 1992-1997)

RANK	Metropolitan Area	% Change	RANK	Metropolitan Area	% Change
1	Fort Worth, TX	1082.0	26	Nassau-Suffolk, NY	91.3
2	Phoenix, AZ	417.8	27	Chicago, IL	89.8
3	Raleigh-Durham, NC	409.6	28	Indianapolis, IN	81.8
4	Charlotte, NC	363.4	29	Austin, TX	78.7
5	St. Louis, MO	277.2	30	Columbus, OH	59.9
6	New Orleans, LA	254.5	31	Minneapolis-St. Paul, MN	59.4
7	New York, NY	253.5	32	Riverside, CA	51.7
8	Sacramento, CA	230.8	33	Philadelphia, PA	38.2
9	Portland, OR	211.2	34	Tampa-St. Petersburg, FL	34.1
10	Detroit, MI	207.1	35	Denver, CO	30.3
11	Pittsburgh, PA	202.3	36	Los Angeles, CA	28.7
12	Houston, TX	168.8	37	Orange County, CA	27.0
13	Milwaukee, WI	159.1	38	Oakland, CA	24.9
14	Nashville, TN	157.9	39	San Francisco, CA	19.4
15	Greensboro, NC	155.8	40	Bergen-Passaic, NJ	4.2
16	Atlanta, GA	152.3	41	San Jose, CA	-4.8
17	Washington, DC	149.3	42	San Diego, CA	-7.4
18	Newark, NJ	137.9	43	Orlando, FL	-31.3
19	Dallas, TX	131.4	44	Baltimore, MD	-42.6
20	Kansas City, MO	128.4	45	Cincinnati, OH	na
21	Boston, MA	126.5	46	San Antonio, TX	na
22	Cleveland, OH	121.3	47	Norfolk, VA	na
23	Seattle, WA	112.6	48	Las Vegas, NV	na
24	Fort Lauderdale, FL	110.4	49	Salt Lake City, UT	na
25	Miami, FL	100.6	50	Providence, RI	na
MEDIAN					117.0

Tables 7 and 8 present data on Black ownership of firms, controlled for differences in the racial composition of metropolitan areas. On this key indicator of minority business ownership, Milwaukee ranked last among the 50 largest metropolitan areas in 1992; by 1997, Milwaukee had modestly improved to 48th among the 50. Regions such as Oakland, Portland, Boston, and Houston all have black ownership rates nearly twice that of metro Milwaukee; even in “rustbelt” regions such as Cleveland, St. Louis, or Baltimore, the rate of black business ownership remains over 20 percent higher than Milwaukee’s.

Table 7
Black-owned Firms per 1,000 Black population, 1992

RANK	Metro Area	Firms per 1,000 pop.	RANK	Metro Area	Firms per 1,000 pop.
1	Orange County, CA	57.6	26	Nashville, TN	25.5
2	San Jose, CA	42.1	27	Bergen-Passaic, NJ	25.4
3	Fort Lauderdale, FL	38.1	28	San Diego, CA	25.3
4	Seattle, WA	36.4	29	Boston, MA	25.3
5	Washington, DC	35.8	30	Fort Worth, TX	24.9
6	Denver, CO	35.7	31	Orlando, FL	24.7
7	Los Angeles, CA	34.5	32	Greensboro, NC	23.5
8	Riverside, CA	32.9	33	Las Vegas, NV	22.4
9	Nassau-Suffolk, NY	32.1	34	Indianapolis, IN	22.1
10	San Francisco, CA	32.0	35	Tampa-St. Petersburg, FL	21.8
11	Atlanta, GA	31.4	36	Charlotte, NC	21.2
12	Portland, OR	31.4	37	Cincinnati, OH	20.7
13	Houston, TX	31.2	38	Baltimore, MD	20.4
14	Salt Lake City, UT	30.4	39	Kansas City, MO	19.9
15	Oakland, CA	30.4	40	New York, NY	19.6
16	Minneapolis-St. Paul, MN	30.1	41	Newark, NJ	19.0
17	Sacramento, CA	28.6	42	Norfolk, VA	18.4
18	Miami, FL	27.9	43	Cleveland, OH	18.2
19	Phoenix, AZ	27.5	44	New Orleans, LA	17.7
20	Dallas, TX	27.3	45	Chicago, IL	17.5
21	Raleigh-Durham, NC	27.2	46	St. Louis, MO	17.3
22	Austin, TX	27.2	47	Philadelphia, PA	15.0
23	Providence, RI	26.5	48	Pittsburgh, PA	15.0
24	Columbus, OH	26.1	49	Detroit, MI	14.8
25	San Antonio, TX	25.7	50	Milwaukee, WI	13.7
				MEDIAN	25.6

Clearly, though, some progress was made in the 1990s. For example, the number of metro areas with a Black business ownership rate double Milwaukee's fell from 19 to 12 between 1992-97. The number of metro areas with a Black business ownership rate 50 percent higher than Milwaukee's declined from 37 in 1992 to 23 in 1997.

Table 8
Black-owned Firms per 1,000 Black population, 1997

RANK	Metro Area	Firms per 1,000 pop	RANK	Metro Area	Firms per 1,000 pop
1	San Francisco, CA	44.6	26	Greensboro, NC	23.3
2	Los Angeles, CA	40.3	27	Newark, NJ	23.0
3	Miami, FL	37.7	28	San Diego, CA	22.8
4	Nassau-Suffolk, NY	37.4	29	Columbus, OH	22.7
5	Fort Lauderdale, FL	36.8	30	Charlotte, NC	22.6
6	Riverside, CA	34.2	31	Chicago, IL	22.6
7	Oakland, CA	33.7	32	Cincinnati, OH	21.5
8	Orange County, CA	33.3	33	Kansas City, MO	21.5
9	Washington, DC	33.1	34	Salt Lake City, UT	21.3
10	Houston, TX	33.1	35	Orlando, FL	20.9
11	Boston, MA	32.5	36	Norfolk, VA	20.9
12	San Jose, CA	32.3	37	Minneapolis-St. Paul, MN	20.8
13	New York, NY	31.3	38	Tampa-St. Petersburg, FL	20.6
14	Portland, OR	31.3	39	Cleveland, OH	20.1
15	Raleigh-Durham, NC	30.9	40	St. Louis, MO	19.9
16	Denver, CO	29.5	41	Phoenix, AZ	19.7
17	Atlanta, GA	28.8	42	San Antonio, TX	19.7
18	Seattle, WA	27.6	43	New Orleans, LA	19.4
19	Nashville, TN	26.7	44	Las Vegas, NV	19.0
20	Dallas, TX	26.1	45	Fort Worth, TX	17.6
21	Bergen-Passaic, NJ	26.0	46	Philadelphia, PA	17.2
22	Providence, RI	25.7	47	Detroit, MI	17.0
23	Austin, TX	24.8	48	Milwaukee, WI	16.1
24	Baltimore, MD	23.5	49	Pittsburgh, PA	15.7
25	Indianapolis, IN	23.5	50	Sacramento, CA	14.9
				MEDIAN	23.4

In short, although Milwaukee continues to lag toward the bottom of U.S. metropolises in the rate of Black business ownership, the gap is beginning to close. One of the impediments to more rapid growth, however, may be the segregated nature of metropolitan Milwaukee. Recent studies based on the 2000 population census confirm that Milwaukee remains among the most segregated metropolitan areas in the United States. Similarly, in business development, Black ownership remains highly concentrated in the central city. As Table 9 shows, 85.9 percent of Black-owned firms in metro Milwaukee in 1997 were located in the central city; by contrast, only 36.7 percent of Black-owned firms in metro Minneapolis were located in the central city. The rate of “central city concentration” in Milwaukee far exceeded places such as Cleveland, Baltimore, St. Louis, Seattle, or Chicago. The bulk of economic growth in metro

Milwaukee—as elsewhere—has been occurring in the suburbs since the 1970s. Thus, the inability of Black-owned firms in Milwaukee to establish a presence in these markets can be viewed as an important obstacle to minority business development in this region.

Table 9
Proportion of Metro Area Black-owned Firms located in Central City, 1997

RANK	Metro Area	% of Metro Area Black firms located in City	RANK	Metro Area	% of Metro Area Black firms located in City
1	Fort Lauderdale, FL	10.0	26	Boston, MA	52.7
2	Riverside, CA	10.1	27	Dallas, TX	54.6
3	Kansas City, MO	15.4	28	Phoenix, AZ	55.2
4	Norfolk, VA	16.1	29	San Diego, CA	57.1
5	Miami, FL	17.5	30	Sacramento, CA	59.2
6	Newark, NJ	20.3	31	Denver, CO	59.4
7	Washington, DC	22.4	32	Cincinnati, OH	63.1
8	Atlanta, GA	22.7	33	Chicago, IL	63.5
9	Raleigh-Durham, NC	30.1	34	Detroit, MI	63.8
10	Orlando, FL	32.8	35	New Orleans, LA	65.9
11	Tampa-St. Petersburg, FL	34.2	36	Charlotte, NC	68.4
12	St. Louis, MO	35.5	37	Austin, TX	69.0
13	Minneapolis-St. Paul, MN	36.7	38	Houston, TX	69.4
14	Greensboro, NC	39.3	39	Nashville, TN	75.2
15	Cleveland, OH	40.5	40	Portland, OR	75.9
16	Pittsburgh, PA	41.1	41	San Antonio, TX	76.9
17	Fort Worth, TX	42.3	42	San Francisco, CA	78.8
18	Baltimore, MD	43.4	43	Columbus, OH	82.4
19	Oakland, CA	43.7	44	Milwaukee, WI	85.9
20	Las Vegas, NV	44.8	45	Indianapolis, IN	90.7
21	Los Angeles, CA	46.0	46	New York, NY	91.2
22	San Jose, CA	49.5	47	Orange County, CA	na
23	Providence, RI	50.8	48	Nassau-Suffolk, NY	na
24	Seattle, WA	50.9	49	Bergen-Passaic, NJ	na
25	Philadelphia, PA	52.0	50	Salt Lake City, UT	na
				MEDIAN	50.8

In sum, Milwaukee made meaningful progress in Black business development during the 1990s. But further progress will depend not only on expanding business opportunities and nurturing untapped markets in the central city, but on desegregating the region so that Black entrepreneurs and would-be business owners can obtain better access to expanding markets in the Milwaukee suburbs.

Table 10
Black-owned Business in Milwaukee at a glance
(Milwaukee's rank among the 50 largest metropolitan areas)

Growth in number of Black-owned firms, 1992-1997	13	Growth in Employment in Black-owned firms, 1992-1997	13
Growth in Sales & Receipts of Black-owned	45	Black-owned firms per 1,000 Black Population,	50

firms, 1992-1997		1992	
Growth in Annual Payroll of Black-owned firms, 1992-1997	25	Black-owned firms per 1,000 Black Population, 1997	48

Hispanic business ownership in Milwaukee, 1992-1997

The number of Hispanic-owned firms in metropolitan Milwaukee increased significantly in the 1990s, as did the gross sales of these firms. Between 1992-1997, the number of Hispanic-owned firms in metropolitan Milwaukee increased from 835 to 1,304, an increase of 56.4 percent. Similarly, sales and receipts among Hispanic-owned firms jumped from \$139.7 million in 1992 to \$515.1 million in 1997, an increase of 268.6 percent.

Tables 11-14 put these trends in comparative perspective. Milwaukee's growth rate between 1992-1997 in the number of Hispanic-owned firms ranked 28th among the nation's 50 largest metropolitan areas – almost precisely at the median (Table 11). Encouragingly, Milwaukee ranked 11th out of the 50 largest metro areas in percentage growth in sales and receipts of Hispanic-owned firms between 1992-1997.

Table 11
Growth in Hispanic-owned Firms
(percent change in number of Hispanic-owned firms, 1992-1997)

RANK	Metro Area	% Change	RANK	Metro Area	% Change
1	Raleigh-Durham, NC	175.9	26	Portland, OR	57.9
2	New York, NY	116.7	27	Austin, TX	57.6
3	Fort Lauderdale, FL	113.3	28	Milwaukee, WI	56.2
4	Charlotte, NC	108.2	29	Miami, FL	56.0
5	Boston, MA	106.9	30	Providence, RI	55.5
6	Greensboro, NC	97.1	31	Kansas City, MO	53.7
7	Nashville, TN	95.8	32	Washington, DC	52.7
8	Atlanta, GA	93.9	33	Newark, NJ	51.8
9	Salt Lake City, UT	91.8	34	Riverside, CA	50.6
10	St. Louis, MO-IL	91.8	35	San Diego, CA	48.0
11	Orlando, FL	91.0	36	Philadelphia, PA	44.9
12	Minneapolis-St. Paul, MN	90.3	37	Fort Worth, TX	44.1
13	Baltimore, MD	89.3	38	Norfolk, VA	42.8
14	Tampa-St. Petersburg, FL	81.5	39	Indianapolis, IN	41.9
15	Phoenix, AZ	76.9	40	Pittsburgh, PA	37.1
16	Bergen-Passaic, NJ	75.8	41	New Orleans, LA	37.0
17	Sacramento, CA	75.5	42	Denver, CO	33.9
18	Seattle, WA	72.3	43	Orange County, CA	25.5
19	Detroit, MI	70.4	44	San Jose, CA	25.5
20	Las Vegas, NV	70.0	45	Los Angeles, CA	25.3
21	Cincinnati, OH	69.3	46	Houston, TX	23.7
22	Dallas, TX	66.1	47	Oakland, CA	23.0
23	Chicago, IL	64.9	48	San Francisco, CA	18.9
24	San Antonio, TX	64.0	49	Columbus, OH	18.5

25	Nassau-Suffolk, NY	61.3	50	Cleveland, OH	9.0
				MEDIAN	59.6

Table 12
Growth in size of Hispanic-owned Firms
Sales & Receipts
(percent change in sales & receipts, 1992-1997)

RANK	Metro Area	% Change	RANK	Metro Area	% Change
1	Greensboro, NC	655.4	26	Indianapolis, IN	136.1
2	Fort Worth, TX	503.2	27	Minneapolis-St. Paul, MN	130.5
3	Orange County, CA	436.4	28	New York, NY	129.3
4	San Jose, CA	403.4	29	Philadelphia, PA	123.2
5	Houston, TX	368.4	30	Atlanta, GA	120.1
6	San Antonio, TX	365.7	31	Seattle, WA	110.1
7	Riverside, CA	337.2	32	Tampa-St. Petersburg, FL	109.4
8	Raleigh-Durham, NC	326.7	33	Los Angeles, CA	107.1
9	Boston, MA	269.7	34	Kansas City, MO	106.4
10	Portland, OR	269.5	35	Oakland, CA	101.4
11	Milwaukee, WI	268.6	36	Newark, NJ	99.0
12	San Diego, CA	246.1	37	Nassau-Suffolk, NY	77.0
13	Baltimore, MD	190.2	38	St. Louis, MO	76.7
14	Pittsburgh, PA	188.1	39	Dallas, TX	74.1
15	Phoenix, AZ	188.0	40	Providence, RI	67.5
16	Washington, DC	179.1	41	Cleveland, OH	53.6
17	Las Vegas, NV	176.3	42	Sacramento, CA	48.0
18	Detroit, MI	164.5	43	San Francisco, CA	45.6
19	Nashville, TN	158.6	44	Bergen-Passaic, NJ	32.9
20	Austin, TX	156.3	45	Orlando, FL	27.7
21	Chicago, IL	153.6	46	Columbus, OH	24.2
22	Fort Lauderdale, FL	149.9	47	New Orleans, LA	23.1
23	Salt Lake City, UT	149.4	48	Charlotte, NC	2.0
24	Miami, FL	144.1	49	Norfolk, VA	-32.8
25	Denver, CO	141.9	50	Cincinnati, OH	-33.5
				MEDIAN	139.0

Table 13
Growth in size of Hispanic-owned Firms: Payroll
(percent change in annual payroll, 1992-1997)

RANK	Metro Area	% Change	RANK	Metro Area	% Change
1	Milwaukee, WI	925.8	26	Oakland, CA	161.3
2	Chicago, IL	453.2	27	Nashville, TN	154.5
3	Kansas City, MO	444.8	28	Norfolk, VA	135.1
4	Greensboro, NC	441.7	29	New York, NY	130.1
5	Boston, MA	412.5	30	St. Louis, MO	129.0
6	Orange County, CA	390.6	31	Austin, TX	123.4
7	Fort Worth, TX	387.9	32	Miami, FL	122.4
8	San Jose, CA	379.1	33	Indianapolis, IN	116.8
9	Raleigh-Durham, NC	375.8	34	Orlando, FL	116.2
10	San Antonio, TX	359.7	35	Seattle, WA	104.1
11	Riverside, CA	345.2	36	Newark, NJ	102.3
12	San Diego, CA	260.9	37	Philadelphia, PA	100.4
13	Portland, OR	260.4	38	Atlanta, GA	98.8
14	Tampa-St. Petersburg, FL	253.4	39	Dallas, TX	94.5
15	Baltimore, MD	252.6	40	Sacramento, CA	68.4
16	Washington, DC	252.1	41	Cleveland, OH	56.6
17	Las Vegas, NV	249.5	42	Charlotte, NC	53.7
18	Pittsburgh, PA	237.2	43	Nassau-Suffolk, NY	46.0
19	Phoenix, AZ	216.7	44	Providence, RI	44.9
20	Detroit, MI	205.1	45	Bergen-Passaic, NJ	31.8
21	Salt Lake City, UT	198.8	46	San Francisco, CA	29.2
22	Houston, TX	193.5	47	New Orleans, LA	-5.8
23	Denver, CO	189.6	48	Columbus, OH	-28.4
24	Fort Lauderdale, FL	169.4	49	Minneapolis-St. Paul, MN	na
25	Los Angeles, CA	166.0	50	Cincinnati, OH	na
				MEDIAN	163.6

Table 14
Employment growth in Hispanic-owned Firms, 1992-1997
(percent change in number of employees in Hispanic-owned firms, 1992-1997)

RANK	Metro Area	% Change	RANK	Metro Area	% Change
1	Milwaukee, WI	452.1	26	Norfolk, VA	78.6
2	Orange County, CA	422.6	27	Providence, RI	76.9
3	Fort Worth, TX	400.1	28	Newark, NJ	76.0
4	Chicago, IL	361.8	29	Tampa-St. Petersburg, FL	75.6
5	Kansas City, MO	323.4	30	Miami, FL	71.0
6	Boston, MA	296.2	31	Austin, TX	282.0
7	Raleigh-Durham, NC	212.1	32	Fort Lauderdale, FL	65.6
8	Riverside, CA	202.3	33	Houston, TX	59.1
9	San Jose, CA	185.1	34	Philadelphia, PA	57.5
10	Salt Lake City, UT	175.3	35	Indianapolis, IN	55.0
11	Washington, DC	170.9	36	Oakland, CA	52.5
12	Detroit, MI	170.3	37	Dallas, TX	48.1
13	Greensboro, NC	156.8	38	Atlanta, GA	36.9
14	Las Vegas, NV	151.8	39	Charlotte, NC	34.8
15	San Diego, CA	137.0	40	Orlando, FL	27.6
16	Portland, OR	131.5	41	San Francisco, CA	22.3
17	Baltimore, MD	119.2	42	St. Louis, MO	4.2
18	Phoenix, AZ	115.8	43	New Orleans, LA	-2.4
19	San Antonio, TX	111.8	44	Sacramento, CA	-9.3
20	Pittsburgh, PA	105.4	45	Nassau-Suffolk, NY	-11.5
21	Los Angeles, CA	98.7	46	Bergen-Passaic, NJ	-36.5
22	Seattle, WA	96.2	47	Cleveland, OH	-54.0
23	Nashville, TN	89.9	48	Columbus, OH	-62.3
24	New York, NY	84.7	49	Minneapolis-St. Paul, MN	na
25	Denver, CO	82.4	50	Cincinnati, OH	na
				MEDIAN	83.6

Most impressively, Milwaukee ranked 1st among the largest 50 metropolitan areas in the growth in payroll at Hispanic-owned firms between 1992 and 1997, as well as first in paid employment growth in these firms. Although undeniably impressive, these rankings should be kept in perspective. In 1992, only 551 employees worked at Hispanic-owned firms in metro Milwaukee; thus, the jump of 452.1 percent between 1992-97 represents an increase to just 3,042 employees. Similarly, the boost in payroll (from \$9.1 million in 1992 to \$95.3 million in 1997), while substantial, looks spectacular because of the low starting point in 1992. Nevertheless, there is no gainsaying the obvious gains in Hispanic-owned enterprise in metro Milwaukee represented by these figures.

Notwithstanding these trends, however, the extent of Hispanic-owned enterprise in metro Milwaukee through 1997 –compared to other metropolitan areas—remains limited. In 1992, Milwaukee ranked last among the nation’s 50 largest metropolitan areas in the number of Hispanic-owned firms per 1,000 Hispanic population. In 1997, despite the impressive growth of the preceding five years, Milwaukee’s rank had risen only to 49th. (See Tables 15 and 16). This is an improvement –but hardly cause for major celebration.

Table 15
Hispanic-owned Firms per 1,000 Hispanic population, 1992

RANK	Metropolitan Area	Firms per 1,000 Hisp Pop	RANK	Metropolitan Area	Firms per 1,000 Hisp Pop
1	Fort Lauderdale, FL	86.7	26	San Diego, CA	38.1
2	Miami, FL	81.4	27	Sacramento, CA	37.0
3	Atlanta, GA	79.9	28	Denver, CO	36.3
4	Nashville, TN	75.9	29	Fort Worth, TX	35.7
5	Columbus, OH	70.1	30	Providence, RI	34.7
6	Charlotte, NC	67.1	31	Orange County, CA	34.6
7	Tampa-St. Petersburg, FL	63.7	32	Minneapolis-St. Paul, MN	34.2
8	Greensboro, NC	61.4	33	San Antonio, TX	34.0
9	New Orleans, LA	58.4	34	Las Vegas, NV	34.0
10	Pittsburgh, PA	58.1	35	San Jose, CA	33.6
11	Cincinnati, OH	58.0	36	Newark, NJ	33.0
12	Washington, DC	57.4	37	Los Angeles, CA	33.0
13	Orlando, FL	55.8	38	Detroit, MI	32.7
14	San Francisco, CA	54.6	39	Bergen-Passaic, NJ	32.1
15	Baltimore, MD	53.5	40	Riverside, CA	31.6
16	Indianapolis, IN	52.3	41	Norfolk, VA	30.3
17	Seattle, WA	48.5	42	Kansas City, MO	28.7
18	Houston, TX	48.4	43	Boston, MA	26.9
19	Nassau-Suffolk, NY	47.7	44	Cleveland, OH	26.8
20	Raleigh-Durham, NC	46.9	45	Salt Lake City, UT	26.4
21	Oakland, CA	43.7	46	Phoenix, AZ	23.3
22	Dallas, TX	40.6	47	Philadelphia, PA	23.1
23	Austin, TX	40.5	48	New York, NY	21.3
24	St. Louis, MO	40.2	49	Chicago, IL	20.3
25	Portland, OR	38.5	50	Milwaukee, WI	17.3
				MEDIAN	38.3

Table 16
Hispanic-owned Firms per 1,000 Hispanic population, 1997

RANK	Metropolitan Area	Firms per 1,000 Hisp Pop	RANK	Metropolitan Area	Firms per 1,000 Hisp Pop
1	Miami, FL	93.4	26	San Jose, CA	32.0
2	Fort Lauderdale, FL	71.9	27	Atlanta, GA	31.8
3	New Orleans, LA	71.8	28	Dallas, TX	30.3
4	Tampa-St. Petersburg, FL	63.3	29	Columbus, OH	29.8
5	Baltimore, MD	56.4	30	Norfolk, VA	27.9
6	Pittsburgh, PA	55.3	31	Orange County, CA	27.6
7	San Francisco, CA	50.5	32	Nashville, TN	26.8
8	St. Louis, MO	49.6	33	Riverside, CA	26.2
9	Washington, DC	44.9	34	Providence, RI	25.9
10	Nassau-Suffolk, NY	42.8	35	Denver, CO	25.5
11	San Antonio, TX	42.7	36	Fort Worth, TX	24.5
12	Cincinnati, OH	42.3	37	Minneapolis-St. Paul, MN	22.5
13	Orlando, FL	38.8	38	Philadelphia, PA	21.5
14	Sacramento, CA	38.8	39	Salt Lake City, UT	21.5
15	San Diego, CA	37.4	40	Kansas City, MO	21.5
16	New York, NY	36.3	41	Portland, OR	21.0
17	Boston, MA	36.2	42	Indianapolis, IN	20.6
18	Seattle, WA	35.3	43	Chicago, IL	19.4
19	Bergen-Passaic, NJ	34.4	44	Cleveland, OH	19.3
20	Detroit, MI	34.2	45	Phoenix, AZ	18.9
21	Newark, NJ	34.1	46	Charlotte, NC	17.8
22	Austin, TX	34.0	47	Raleigh-Durham, NC	17.7
23	Houston, TX	33.5	48	Las Vegas, NV	15.5
24	Oakland, CA	32.4	49	Milwaukee, WI	13.8
25	Los Angeles, CA	32.2	50	Greensboro, NC	13.3
				MEDIAN	32.1

Moreover, despite the impressive 1992-97 increases in the sales and payroll of Hispanic-owned firms in metro Milwaukee, the gap does not appear to be closing between Milwaukee and other large metro areas in the rate of Hispanic business ownership. As Tables 15 and 16 show, between 1992 and 1997, the number of metro areas reporting rates of Hispanic-owned businesses double Milwaukee's remained unchanged at 30. The number of metro areas with rates 50 percent higher than Milwaukee's fell only slightly, from 45 to 41. As Table 16 shows, Milwaukee's rate of Hispanic business ownership would have to more than double simply to reach the median level of the fifty largest metropolitan areas.

In short, Hispanic business development in metro Milwaukee –while making undeniable strides during the 1990s—still lags far beyond the pace of other regions. Unlike Black-owned businesses in metro Milwaukee, Hispanic-owned firms are not as overwhelmingly concentrated in the central city; in fact, over 62 percent are located outside the city of Milwaukee. Thus, in tandem with commercial revitalization associated with the growing Hispanic consumer market on Milwaukee’s near South Side, this modest penetration of suburban markets may augur well for the growth of Hispanic-owned firms in Milwaukee in the years ahead.

Table 17
Hispanic-owned Business in Milwaukee at a glance
(Milwaukee’s rank among the 50 largest metropolitan areas)

Growth in number of Hispanic-owned firms, 1992-1997	28	Growth in Employment in Hispanic-owned firms, 1992-1997	1
Growth in Sales & Receipts of Hispanic-owned firms, 1992-1997	11	Hispanic-owned firms per 1,000 Hispanic Population, 1992	50
Growth in Annual Payroll of Hispanic-owned firms, 1992-1997	1	Hispanic-owned firms per 1,000 Hispanic Population, 1997	49

Conclusion

The preceding pages present a mixed picture of the state of minority business development in Greater Milwaukee. Clearly, some important gains occurred between 1992 and 1997: the increased number of Black- and Hispanic-owned businesses, and growth in the sales, payroll, and employment in minority-owned firms in metropolitan Milwaukee. While the precise growth rates may be inflated because of changes in the way the 1997 Census survey was conducted, the fact that Milwaukee ranked 13th nationally in the growth in the number of Black-owned businesses, and at the top in the growth of Hispanic-owned business payrolls and paid employment is encouraging.

After years of bleak news on minority economic development, these findings are cause for some optimism. Moreover, the 1997 data probably fail to capture the full impact of major projects such as Miller Park or the Midwest Express Center, whose MBE contracting undoubtedly gave a boost to minority-owned firms in the region. Clearly, by the end of the 1990s, minority-owned businesses were participants in the region’s decade-long economic boom.

During the 1990s, leadership at Milwaukee's major business organizations – the Greater Milwaukee Committee and the Metropolitan Milwaukee Association of Commerce—was increasingly vocal in expressing support for minority business development. This improved climate at the top of the region's business establishment may have contributed to the growth in minority business ownership that occurred between 1992 and 1997. In addition, local foundations, community groups, government agencies, and non-profit organizations all made minority business development a priority in the 1990s –these efforts as well have apparently begun to bear fruit.

Yet, we should not overstate the gains of the 1990s. When all is said and done, Milwaukee's rank in 1997 among the nation's largest metropolitan areas in the rate of minority business ownership was barely higher than in 1992. Despite all of the growth in the 1990s, Milwaukee remains among the metro areas with the lowest rates of minority business ownership (relative to the size of the region's minority population). In particular, the concentration of Black-owned businesses in Milwaukee's central city remains of vivid sign of the economic racial segregation that continues to plague this region.

This is a descriptive study: although the data are clear on Milwaukee's continuing lag in minority business ownership, this report does not analyze the *reasons* for this disparity. The degree to which such issues as discrimination, access to capital, differential rates of entrepreneurialism, education, or overall patterns of segregation are to blame for the racial and ethnic disparities that exist in this region will require extensive and exhaustive analysis. In turn, once such an analysis is conducted, Milwaukee should identify policies to attack the causes of racial disparities in business development, and embark on a sustained effort to boost minority business development in the community. A worthy community goal would be for Milwaukee's rates of minority business ownership to approach the national median of metropolitan areas within the next decade. Some small progress toward that goal was made between 1992 and 1997, but there is much work to be done.