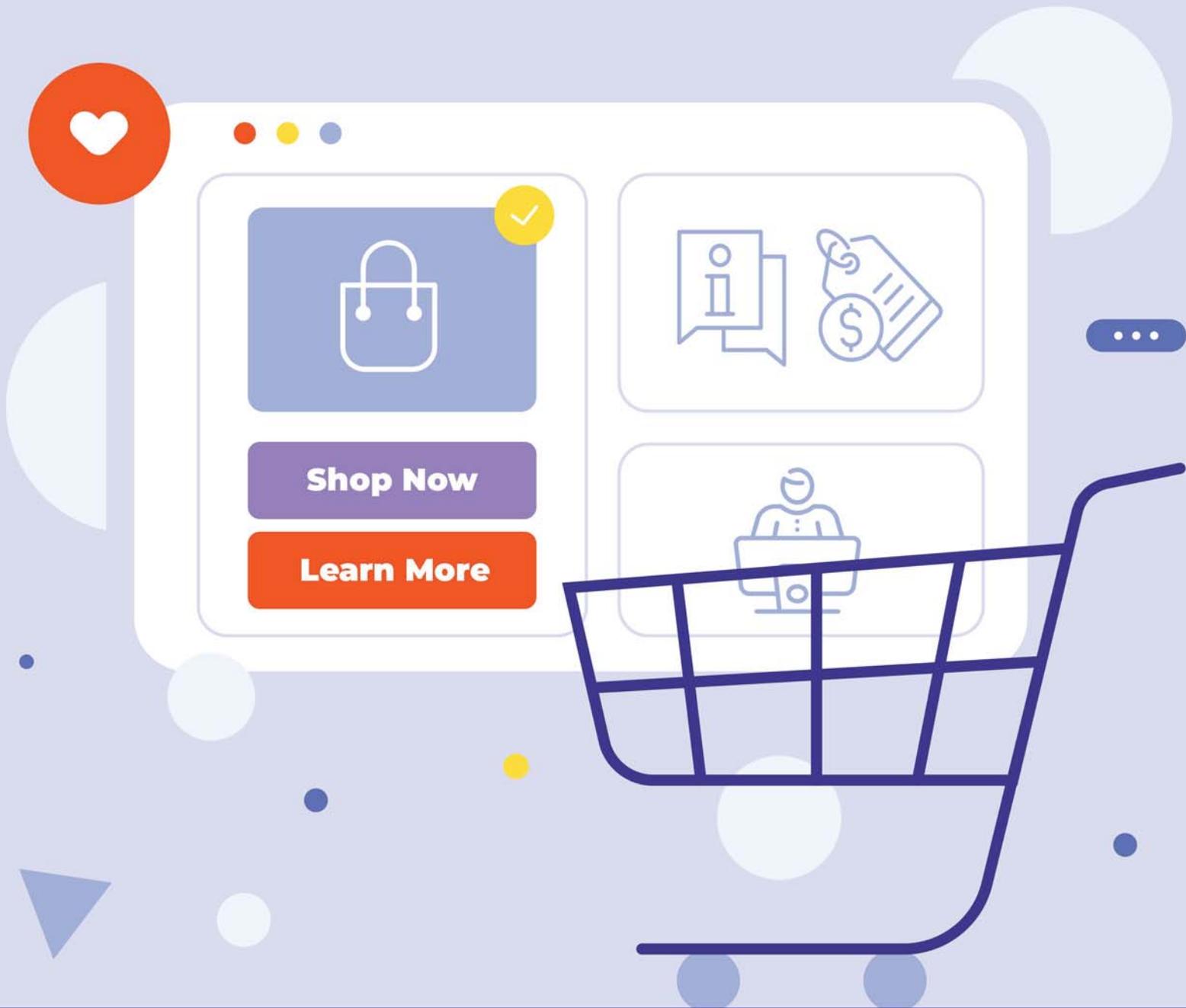


# UP TO SPEED

*Technology challenges facing  
Milwaukee's small businesses*



WISCONSIN  
**POLICY FORUM**

## **ABOUT THE WISCONSIN POLICY FORUM**

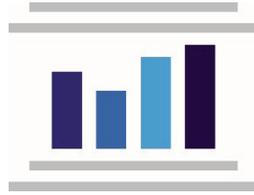
The Wisconsin Policy Forum was created on January 1, 2018, by the merger of the Milwaukee-based Public Policy Forum and the Madison-based Wisconsin Taxpayers Alliance. Throughout their lengthy histories, both organizations engaged in nonpartisan, independent research and civic education on fiscal and policy issues affecting state and local governments and school districts in Wisconsin. The Wisconsin Policy Forum is committed to those same activities and to that spirit of nonpartisanship.

## **PREFACE AND ACKNOWLEDGMENTS**

This report was undertaken to paint a clearer picture of the ways small business owners in Milwaukee, and particularly small business owners of color, use technology: how they use it to operate and grow their businesses and what challenges do they face in doing so. We hope that this research will inform and help guide stakeholders in the small business atmosphere, as well as local and state policymakers, when it comes to crafting policy and continuing growth.

Report authors would like to thank the small business owners who shared information by responding to our survey, as well as key informants who provided additional insight. In addition, we are grateful to the many organizations that helped to distribute the survey to small business owners, as well as the translators who helped to make the survey more accessible to Spanish and Hmong speakers.

Finally, we wish to thank the Greater Milwaukee Committee for spearheading this initiative, as well as Scale Up Milwaukee and LISC Milwaukee for their contributions that helped make this research possible.



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Milwaukee's small businesses*

October 2021

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# INTRODUCTION

The COVID-19 pandemic has impacted nearly every aspect of our lives. The ways we work, shop, and spend our leisure time were changed almost overnight by the onset of the pandemic and subsequent public health restrictions and economic downturn. The pandemic also has necessitated a shift in how many businesses operate, requiring many to implement new practices like online ordering and no-contact pickups and delivery.

In some cases, it was relatively easy for businesses to make these changes because of technology used prior to the pandemic, including websites, apps, and contactless payment systems that made it easier for customers to find and continue to patronize them. Some small businesses did not have this technological infrastructure in place, however, making it more difficult for them to pivot to the new normal. Moreover, just as previous Forum [research](#) has pointed to the disproportionate impact of the “digital divide” on K-12 students of color, concerns have been raised that small businesses owned by people of color may be impacted more greatly by the pandemic due to a lack of access to necessary technology. While many gaps in access and success were created or exacerbated by the pandemic, many disparities in Milwaukee’s small business community have existed for decades.

This report – commissioned by the Greater Milwaukee Committee – examines the use of technology by small businesses in the city of Milwaukee, particularly as they attempt to respond to challenges posed by the pandemic and the related economic recession. Specifically, we attempt to quantify and provide greater perspective on how technology currently is and is not being used by Milwaukee small businesses, with a specific emphasis on small businesses owned by people of color.

Our primary research questions include the following:

- To what extent do small business owners in Milwaukee have access to the kinds of technology that would logically be needed for them to operate effectively?
- What are the foremost barriers to accessing such technology for small businesses in Milwaukee and what solutions have been proposed or tried?
- To what extent are there gaps in technology use between small business owners of color and white small business owners?
- What policy options exist to bridge gaps?

We attempt to answer these questions through a survey of small business owners and a series of interviews with both business owners and organizations that assist small businesses in Milwaukee. We also include analysis of possible strategies that could be implemented at the local level to address the technology needs of the city’s small businesses, again with specific emphasis on businesses owned by people of color.

The success of small businesses is central to the health of Milwaukee’s post-pandemic economy. We hope our findings will be informative to business and civic leaders, community members, and policy makers and will prompt consideration of new strategies to assist small business owners as they navigate the new challenges and opportunities posed by the pandemic.



# METHODOLOGY

The main data source for this report was a 25-question internet-based survey that was sent to small business owners in the Milwaukee area, with the intention of targeting two main groups: small businesses owned by people of color (POC) and small businesses operated within the boundaries of the city of Milwaukee.

To reach these two groups, the Greater Milwaukee Committee (GMC) gathered a diverse list of partners that have good working relationships with Milwaukee's small businesses to distribute the survey. These partners were deliberately selected to ensure widespread distribution throughout all parts of the city. We also sought to meet that goal by offering versions of the surveys translated into Spanish and Hmong and by distributing paper copies to those with limited or no internet access. A list of distribution partners can be found in **Appendix A**. We would like to give special thanks to the partners of the Brew City Match Collaboration, including LISC Milwaukee, the Legacy Redevelopment Corporation, MKE United, the Hmong Wisconsin Chamber of Commerce, the Wisconsin Women's Business Initiative Corporation, the Milwaukee Economic Development Corporation, and the City of Milwaukee, as well as MKE Black, for their collaboration on this project.

The total number of survey responses we received was 136. However, we excluded responses in certain cases, including incomplete surveys (7), surveys associated with a franchised or multi-level marketing businesses (5), duplicate responses (2), surveys not associated with a business (2), and surveys associated with businesses not located in the city of Milwaukee (34). This reduced the total response number to 86. We do not identify businesses or individuals by name in this report.

The other key data source we utilize is a series of key informant interviews. Over the course of four weeks, we conducted nine interviews: four with small business owners who had completed the survey, and five with individuals from organizations that work closely with Milwaukee's small business community.

## Limitations

A number of limitations are worth noting when it comes to the data we use for this report. First, while we received 86 valid responses, that relatively small total means that any subgroup analysis in this report involves very small sample sizes. Certain age and race/ethnicity groups had very few responses, including Hispanic or Latino owners (8) and owners ages 18-24 (2) and over age 65 (5). Consequently, any insights gained from the survey results should be treated as just that and not as statistically valid conclusions that can be applied with certainty to the larger Milwaukee small business community (or to entire subgroups in the case of our subgroup analyses).

Additionally, despite our best efforts, certain demographics of business owners are not sufficiently represented in our analysis. For example, we received two or fewer survey responses from every racial/ethnic group other than white, African American or Black, and Hispanic or Latino. Though we received responses from the Spanish and Hmong versions of the survey and from nonbinary or gender nonconforming small business owners, they did not meet the criteria for inclusion. Future studies in this area of research should pay special attention to these groups, as both the challenges



they face and the solutions to address those challenges may differ from those that we discuss in this report.

## A SURVEY OF SMALL BUSINESSES

The goal of our survey was to capture basic information about use of technology by small businesses in Milwaukee, including demographic information about small business owners and general details about the businesses themselves. The bulk of the survey asked small business owners to elaborate on their uses of hardware, software, and social media – what technology was being utilized, as well as how the pandemic altered usage.

Our survey captured responses from 86 unique small businesses that produce a variety of products and provide a wide range of services in the city of Milwaukee. The owners of these small businesses represent a diverse makeup of racial and ethnic identities and their businesses are geographically dispersed throughout the city.

**Gender.** Of the 86 valid survey responses, 70 (81.4%) were women and 16 (18.6%) were men. It is unclear why the survey captured so many more responses from female small business owners, but we do not have reason to suspect this makes the survey itself any less valid. That said, comparisons by gender are a bit more difficult with only a small sample of responses from men.

**Race/Ethnicity.** The overwhelming majority of small business owners captured by the survey identified either as African American or Black (67.4%) or white (25.6%). A smaller portion of respondents identified as Hispanic or Latino (9.3%) or another race/ethnicity (4.7%). Survey respondents were able to select more than one racial or ethnic identity.

Figure 1: Survey Respondents by Race/Ethnicity

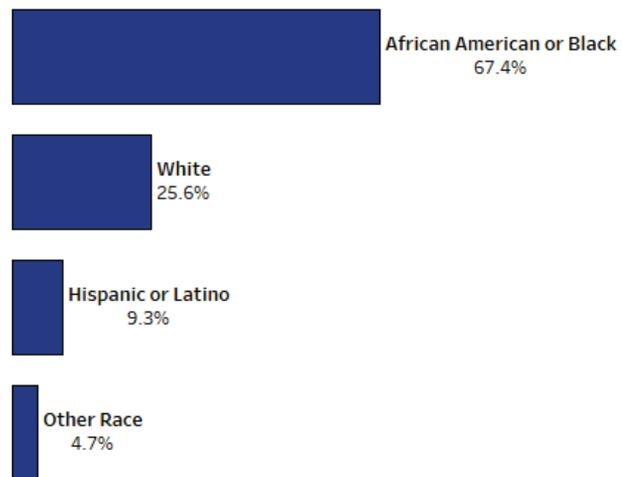
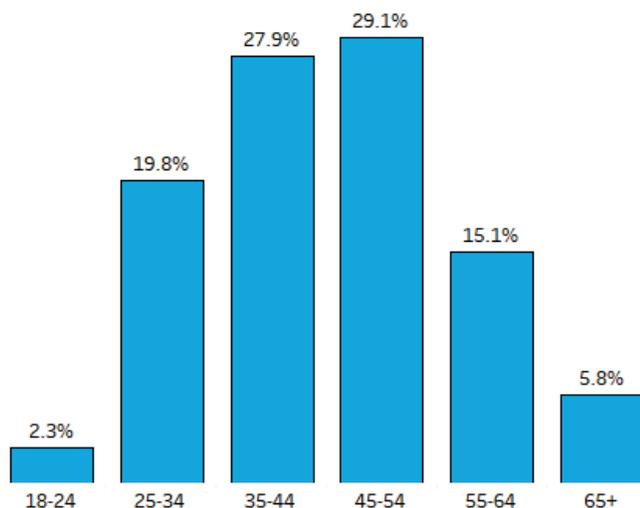


Figure 2: Survey Respondents by Age Bracket



**Age.** The ages of small business owners in the survey were normally distributed, with the highest makeup of respondents between ages 45-54 (29.1%) and 35-44 (27.9%). Slightly fewer responses came from those ages 25-34 (19.8%) and 55-64 (15.1%), and a small number were from small business owners on the youngest and oldest ends of the age spectrum.

**Location.** The small businesses captured by our survey represent nearly every corner of the city of Milwaukee. Of the 28 zip codes with at least some addresses in the city, we heard from business owners in 22 (78.6%). Five zip codes had at least five responses, including three that had at least seven: 53212, 53216, and 53207.

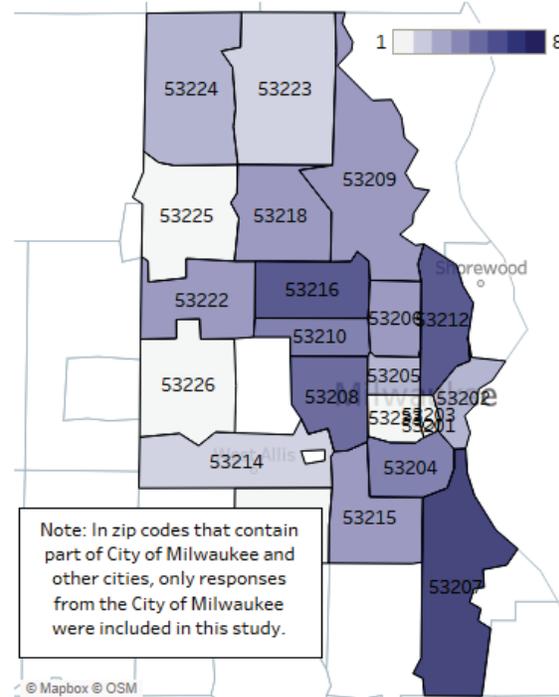
### Survey respondents own businesses of all shapes and sizes

Though our survey focused on small business owners, we also wanted to include those who recently owned or were planning to start a small business. That said, nearly all survey respondents (95.3%) said they currently own a small business.

**Type of Business.** Survey respondents operate a variety of small business types. Our sample includes 16 consulting businesses (18.6%), 14 food and beverage businesses (16.3%), 12 manufacturing businesses (14.0%), 10 retail businesses (11.6%), 10 service businesses (11.6%), nine arts and culture businesses (10.5%), five businesses in construction, transportation, or contracting (5.8%), five health-based businesses (5.8%), three event-based businesses (3.5%), and one media business (1.2%), with one response that was not applicable to any categorization. The following gives a sense of some of the specific types of small businesses operated by survey respondents, in their own words:

- Produce “a line of modern, sculptural leather bags, accessories, and backpacks made for the intrepid and fashionable”
- Run a media organization that “covers online positive news through articles and video interviews,” as well as providing “PR & Communication services to help businesses increase their presence in the media”
- Provide “piano lessons to students in the city of Milwaukee by partnering with after school programs at local schools”
- “Design, [manufacture and distribute] bicycles, bicycle parts and bicycle accessories”
- “Provide a portfolio of services including coaching, knowledge expert, professional development, public speaking, business development, notary public and signing agent”

**Figure 3: Survey Respondents by Zip Code**



**Number of Employees.** Another key focus of the survey was looking at challenges specifically surrounding *small* businesses. Although we did not use any specific criteria to define small businesses, respondents to the survey overwhelmingly reported leading very small businesses. In total, 28 (32.6%) businesses employed just one person (the business owner), and another 42 (48.8%) had between two and five total employees. Fewer than one of 10 respondents employed 10 or more individuals.

**Survey respondents reach customers in many ways**

**Websites.** More than three out of four survey respondents (76.7%) said they had a website for their small business, including 75.7% of women-owned small businesses, 80.4% of Black-owned small businesses, and 77.8% of small businesses owned by individuals over the age of 54.

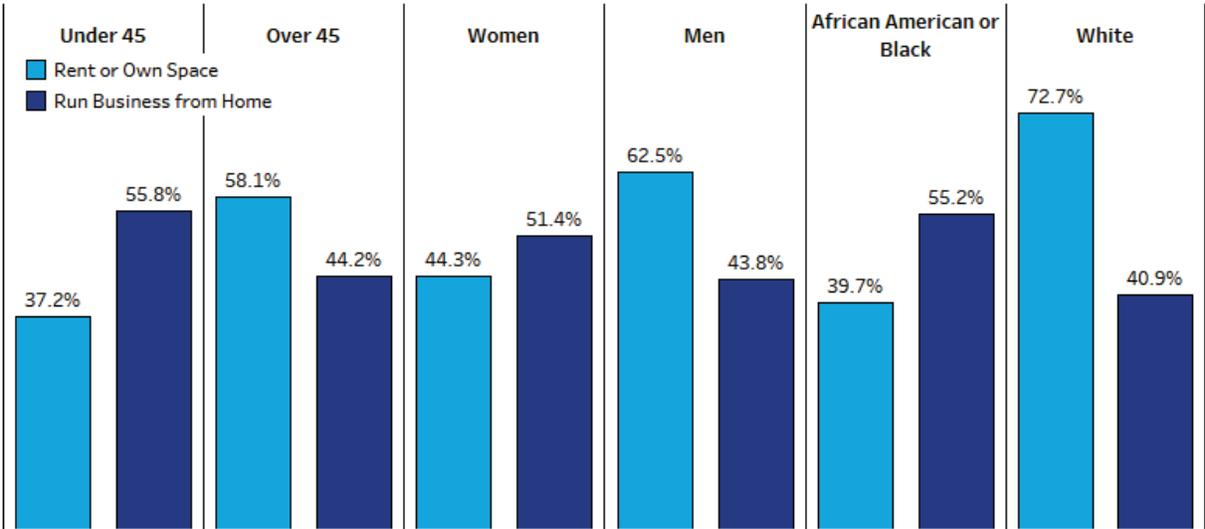
**Type of Work Space.** We asked business owners to identify the type of environment in which they run their small business. For the most part, respondents said they either run their small business from home (50.0%) or own or rent space (47.7%). A smaller percentage said they utilize pop-up locations (12.8%) and farmer’s markets (8.1%). Respondents were able to make more than one selection for this question.

There was a direct relationship between age and whether or not a small business owner in our survey rents or owns space or runs their business from home. Only 37.2% of those below the age of 45 rent or own their own spaces, while 55.8% run their business from home. Conversely, 44.2% of business owners over 45 run their business from home, while 58.1% rent or own space.

A higher proportion of men (62.5%) than women (44.3%) rent or own space, while a higher proportion of women (51.4%) run their business from home compared to men (43.8%). Every respondent that utilizes a pop-up or farmers market was female.

The same gaps persisted when it came to race/ethnicity. While 39.7% of Black-owned businesses reported renting or owning space, 72.7% of white-owned businesses said the same. Meanwhile,

**Figure 4: Main Business Location by Subgroup**



55.2% of Black-owned businesses were run from home compared to just 40.9% of white-owned businesses. Our finding – limited by the size of our respondent pool – that older, whiter, and male-owned businesses are more likely to rent or own space while younger, woman- and POC-owned businesses are more likely to be run from home may be worthy of deeper analysis by Milwaukee leaders. It might suggest, for example, that widely-replicated societal differences in access to capital can play out in the small business space when it comes to whether or not a very small business can afford (or will prioritize having) office space.

**Customer Interaction.** We also asked small business owners how they tend to interact with their customers. Nearly all respondents said they do so in person (95.3%), and most also use social media (80.2%), email (79.1%), and a business website (68.6%). A smaller share also communicates with their customers through a newsletter (25.6%), through e-commerce platforms (15.1%), or via some other system (16.3%). Popular free response answers to this question included Zoom or other videoconferencing, by phone, or via a platform specific to their industry (such as a trade show or conference).

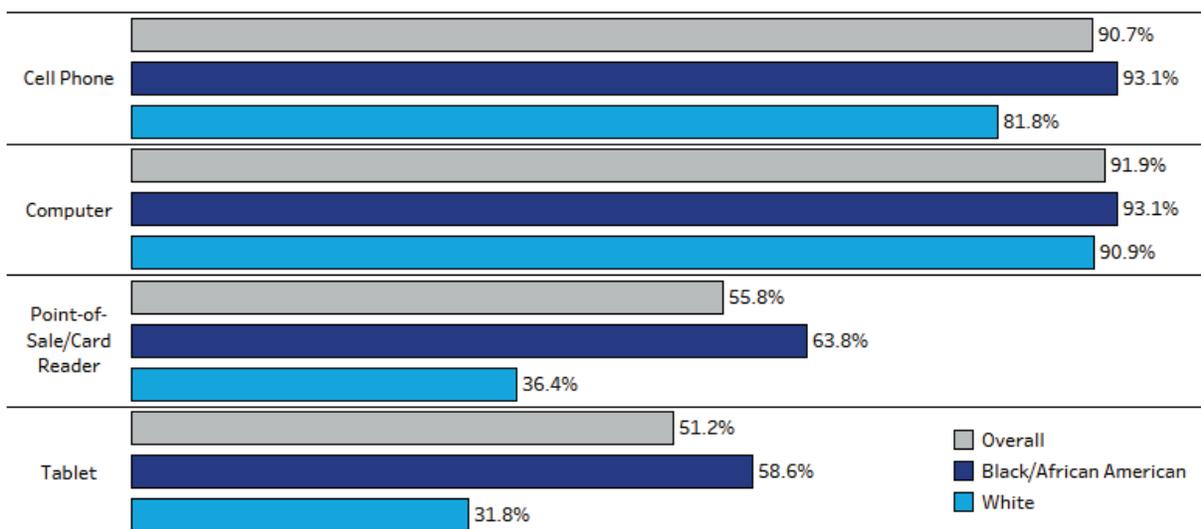
Social media use was generally higher among younger small business owners: 93.0% of those below the age of 45 utilize social media to interact with customers, compared to 67.4% of those above the age of 45. Additionally, more women (82.9%) than men (68.8%) use social media to communicate with customers, as well as more Black business owners (86.2%) compared to white business owners (68.2%).

### Phones and laptops are key hardware items used by small business owners

**Types of Hardware Used.** Nearly all survey respondents said they make use of a computer (91.9%) or a cell phone (90.7%), including at least 80% of respondents in every gender, race/ethnicity, and age group.

A smaller percentage, but still a majority, said they use either a point-of-sale system or card reader (55.8%) or tablet (51.2%) to conduct business. These items are both used less frequently and

**Figure 5: Hardware Usage by Type and Race/Ethnicity**



relatively new when it comes to hardware technology. In accordance, business owners ages 25-34 said they use both at the highest rate out of all ages (64.7% for both items). Additionally, Black business owners are more likely than white business owners to use point-of-sale systems/card readers and tablets.

The two least-used hardware items among our survey sample were landline phones (23.3%) and cash registers (10.5%). While 41.9% of business owners above 45 said they use a landline, just two aged 44 or younger (4.7%) said the same. As point-of-sale systems and card readers become more commonly used, less than 20% of business owners in every major subgroup reported using cash registers.

Outside of these items, certain small business owners reported using other types of hardware related to their industry. For example, media and photography businesses make use of audio/visual gear and lighting equipment, while a business that does screen printing and embroidery mentioned a need for requisite pieces of technology.

**Hardware Use – Change During Pandemic.** Nearly half (48.8%) of survey respondents noted that they increased their use of hardware during the pandemic. Notably, a higher rate of both Hispanic/Latino (87.5%) and Black (56.3%) small business owners said they increased hardware usage compared to white small business owners (31.8%), who may have already been using their hardware at a high rate.

A significant proportion of survey respondents (37.2%) purchased new hardware in response to the COVID-19 pandemic. Despite evidence that emerged over time that the virus that causes COVID-19 was not typically spread through surface contact, [data](#) suggests that many businesses may have moved to point-of-sale systems or card readers early on and continued to use that type of hardware going forward. Higher shares of Black (43.1%) and Hispanic/Latino (37.5%) business owners said they purchased new technology than white owners (18.2%), as did more mid-to-late career owners. In fact, while 45.2% of small business owners ages 35-64 said they purchased new hardware during the pandemic, only 16.7% of owners above 64 or below 35 said the same.

Conversely, slightly fewer (29.1%) respondents said they made no changes to their hardware usage due to the pandemic. This included a higher rate of those below age 35 or above age 64 (41.7%) and white small business owners (45.5%). Other ways that owners changed hardware usage included buying lockers for contactless pickup, as well as buying supplementary equipment to facilitate virtual meetings.

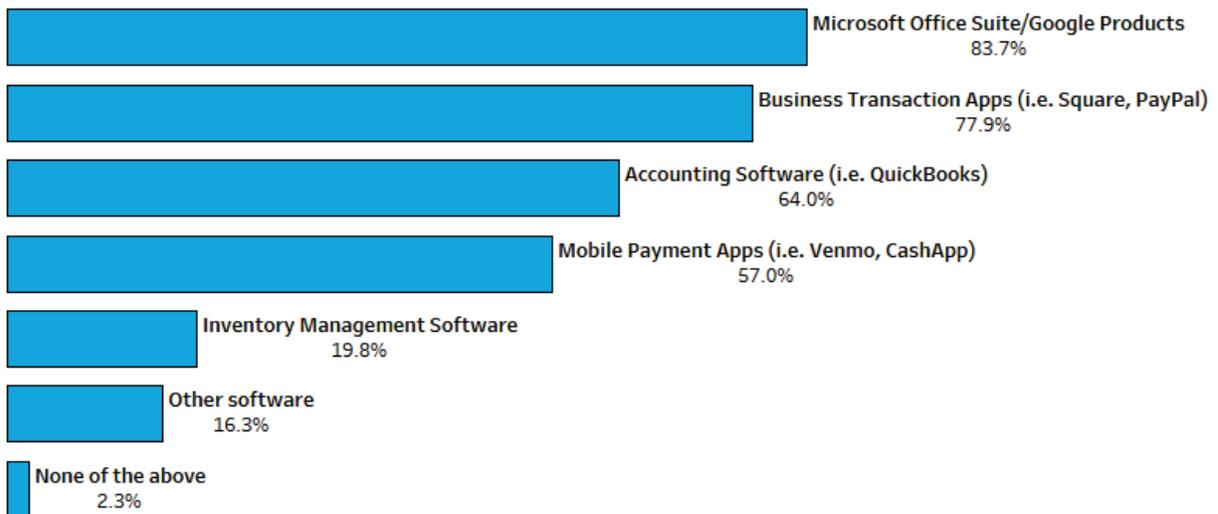
## Small businesses use software for all aspects of operations

**Types of Software Used.** Across all types of software, the most commonly used (83.7%) is the Microsoft or Google Office Suite – products like Word, Excel, Google Docs, and more. These products are used at a rate of at least 75% across all major subgroups, including 88.9% of business owners over the age of 54. These results indicate that across all business types, being able to utilize basic computational and word processing software is key.

More than three-quarters (77.9%) of our respondents also said they use business transaction apps, such as Square, PayPal, and Cash Drop. As mentioned previously, as the pandemic forced



**Figure 6: Software Usage by Survey Respondents**



businesses to adopt contactless options in order to sell products, many of these apps prospered. At least 60% of all major subgroups said they use at least one of these apps, including a slightly higher concentration of Black business owners (82.8%) than white business owners (68.2%).

A majority of respondents said they use some sort of accounting software (64.0%) and mobile payment apps (57.0%) to run their business. More men (81.3%) than women (60.0%) use accounting software, however, and it is most popular among respondents between the ages of 35 and 54: 73.5% of individuals in that age group said they use accounting software, compared to 51.4% of respondents younger and older.

Mobile payment apps, unlike traditional business transaction apps, allow customers to pay for items without being physically present at the business location. These include popular apps like Venmo and CashApp. Interestingly, while the use of these apps is more universal across the diverse range of business owners in our survey, mobile payment apps are used at a much higher rate among those ages 25-34 (88.2%), as well as female business owners (62.9% compared to 31.3% of men) and Black business owners (74.1% versus 31.8% of white owners).

Of the major software items about which we surveyed business owners, the least used is inventory management software (19.8%). No age, racial/ethnic, or gender group reported using inventory management software at a rate above 25%. It is likely that this kind of software may be both more expensive and provide less overall utility than other types of software; with limited time and resources, small business owners may be eschewing software solely focused on managing inventory and instead turning to a product with broader uses like Excel.

Answers for other types of software that businesses use again reflected the specific needs of a diverse group of industries. The most popular “other” answer was anything from the Adobe suite of services, including Photoshop and Illustrator. Also mentioned was software such as CAD, DocuSign, Slack, and more.



**Software Use – Change During Pandemic.** We also asked survey respondents how their use of software changed because of the pandemic. As with hardware, a majority of respondents (52.3%) said they increased their use of software.

Slightly fewer respondents said they purchased or downloaded new software (45.3%). This group skewed younger: 53.5% of those below age 45 said they purchased or downloaded new software, compared to 37.2% above that age. There was also a higher concentration of African American or Black (51.7%) and Hispanic/Latino (50.0%) small business owners than white small business owners (22.7%) that said they purchased or downloaded new software. This may reflect groups who had less access to capital and did not download software until it became necessary.

A smaller percentage of small business owners said they shifted their operations online during the pandemic (23.3%) or had no major change in their software usage (20.9%). However, 40.9% of white small business owners surveyed said their software usage did not change at all during the pandemic.

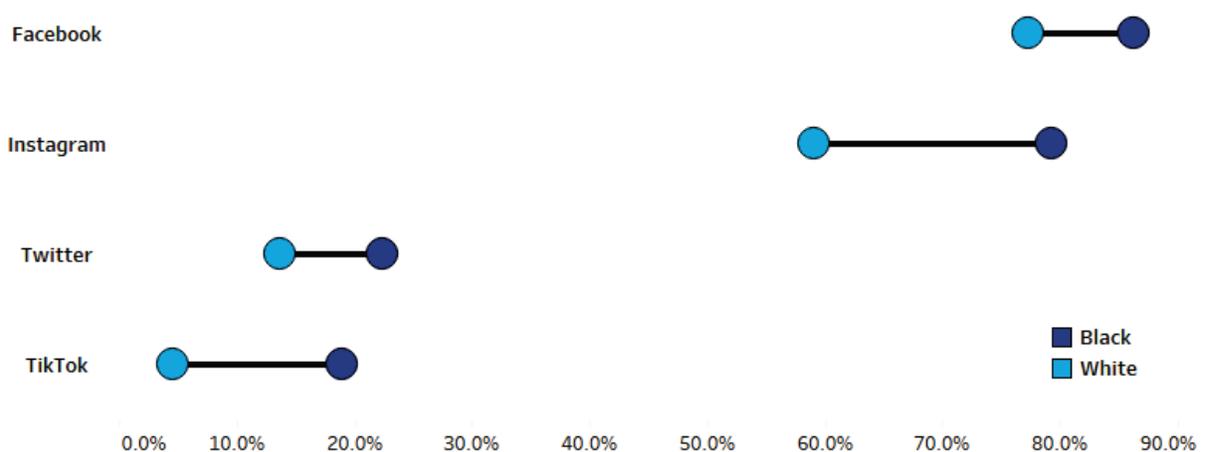
### Younger business owners more likely to prioritize social media, but useful to all

Among all survey respondents, 91.9% said they use social media. This is the same percentage that said they use computers and is higher than the share that said they use cell phones. These responses clearly suggest that social media plays a key role in both the growth and operations of small businesses in Milwaukee.

**Types of Social Media Used.** When asked what specific social media applications they use, a majority of small business owners said they use Facebook (84.9%) and Instagram (73.3%). Nearly half (46.5%) use LinkedIn, while smaller shares use YouTube (26.7%), Twitter (22.1%), and TikTok (15.1%). Very few respondents use Pinterest (9.3%), Clubhouse (5.8%), Snapchat (4.7%), or some other social media platform (7.0%).

Older business owners are less likely to use social media. For example, while 93.0% of survey respondents under the age of 45 said they use Facebook for their business, only 76.7% of those above 45 said the same. Nearly nine out of 10 (88.4%) business owners under age 45 use

**Figure 7: Social Media Usage by Race/Ethnicity**



Instagram for their business, compared to only 58.1% of those above 45. Of the seven respondents who said they do not use social media, six are above the age of 45.

That said, LinkedIn and Twitter seem to be used at a higher rate among older survey respondents. Respondents over 45 reported using LinkedIn at a rate of 58.1% (versus 34.9% for younger respondents) and Twitter at a rate of 27.9% (versus 16.3% for younger respondents).

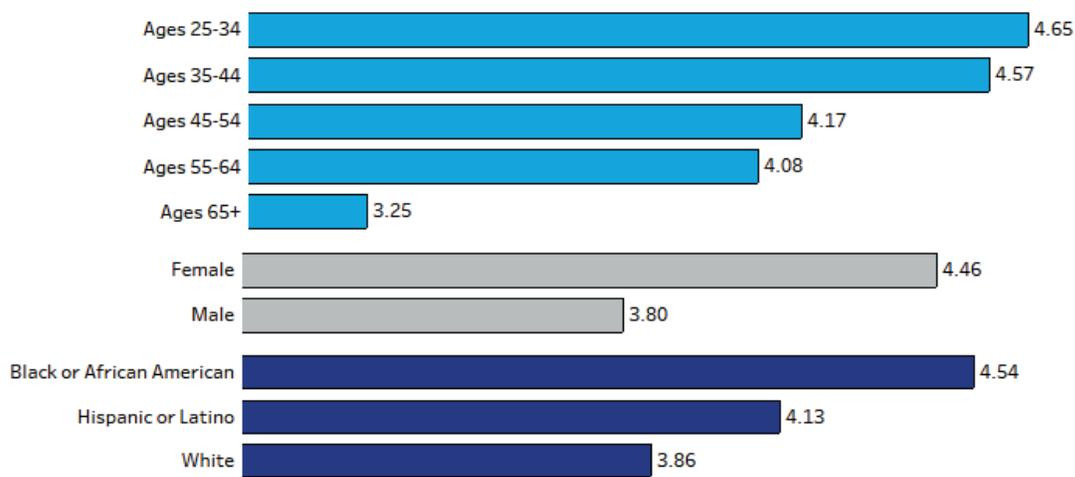
Black small business owners reported using social media at higher rates than white small business owners across platforms. Social media usage is nearly identical across genders, with the exception of LinkedIn: more male respondents use LinkedIn (75.0%) than female (40.0%).

**Reasons for Using Social Media.** One key takeaway from our survey is that those who use social media say it is important for a large range of activities. Large majorities of social media users said they use social media to connect with current customers (79.1%), have a presence/build a brand (75.6%), find new customers (75.6%), answer questions (69.8%), and provide updated information on their business (65.1%). Additionally, nearly a third of survey respondents (31.4%) said they use social media to take orders for their products. As social media continues to evolve, Milwaukee’s small business owners appear to be taking advantage of it in all aspects of their business.

While there were few differences in terms of the utility of social media across age, one particular facet stood out. Compared to 93.0% of those under the age of 45 that said they use social media to have a presence or build a brand, just 58.1% of those over the age of 45 said the same. This represents a potentially notable shift in the way that individuals view the role social media plays in growing a small business.

Social media utilization was also generally higher among Black respondents than white respondents in our survey sample. Black small business owners said they use social media more than white small business owners to find new customers (1.4 percentage points higher), answer questions (+8.8), take orders (+16.3), provide updated information (+13.8), and have a presence/build a brand (+18.5).

**Figure 8: Social Media Utility Rating (1 to 5), Major Subgroups**



Note: Does not include subgroups with fewer than five individuals (other racial/ethnic groups, ages 18-24)



**Importance of Social Media.** We also asked small business owners to rate, on a scale of 1 to 5 (with 5 being the most important) how important social media use is to them. Among social media users, the average rating was 4.3, and the median rating was 5. Mirroring a trend mentioned earlier, the average rating declined with age, averaging 5.0 for the youngest age bracket compared with just 3.3 for the oldest. Women respondents viewed social media as more important than men (averaging 4.5 vs. 3.8), and Black (4.5) and Hispanic or Latino (4.1) small business owners viewed social media as more important than white small business owners (3.9). That said, gender and race/ethnicity disparities in social media utility may have more to do with age, as both the male and white respondents to the survey skewed a bit older than their female and POC counterparts.

**Social Media Use – Change During Pandemic.** Finally, we wanted to know how the pandemic changed small business owners' use of social media. While a large group said they did not change their usage at all (23.3%), many joined new forms of social media (27.9%) and, as was the case for both hardware and software, a majority increased their use of social media (65.1%). The increase in usage was again concentrated in younger small business owners: 74.4% of those below the age of 45 said they increased their use of social media, compared to 55.8% above 45. Additionally, more Black small business owners (74.1%) said they increased usage than did white (50.0%) or Hispanic or Latino small business owners (37.5%). A higher concentration of both Black (34.5%) and Hispanic or Latino (37.5%) respondents also said they joined new forms of social media compared to white respondents (9.1%).

## Money, time most prevalent barriers for Milwaukee's small business owners

**Barriers to Technology Use.** In addition to asking small business owners about the types of technology they used, we also asked: "What barriers prevent you from using technology for your business or make using technology for your business more difficult?" By far, the two most common responses to that question were fees (66.3%) and initial cost (57.0%).

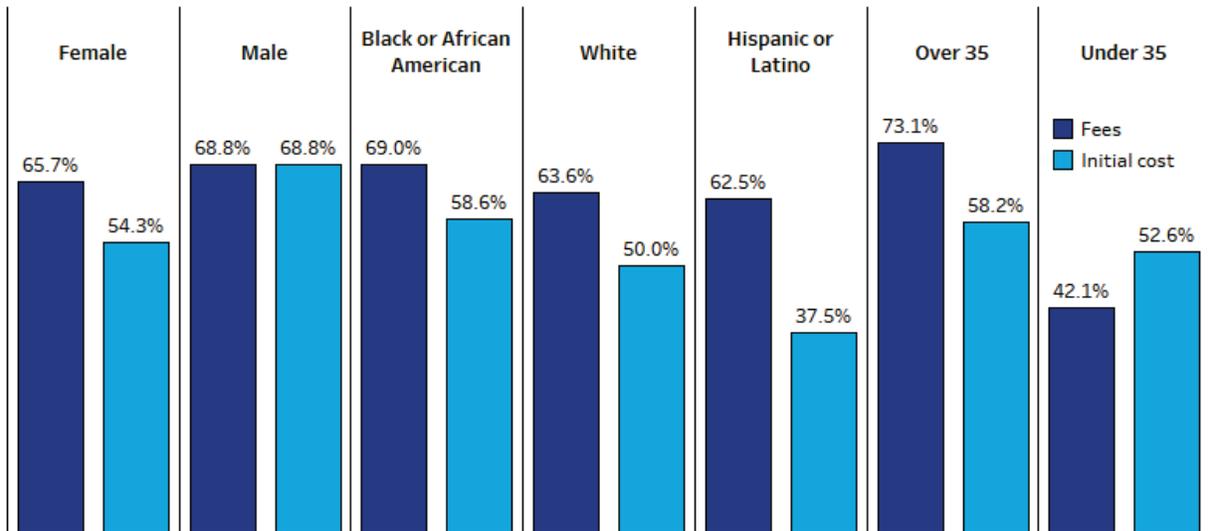
Between 60-70% of most major subgroups in the survey said fees are a key barrier. However, fees are more of a barrier for older small business owners: 73.1% of those above the age of 35 said fees are an issue, compared to 42.1% of those below 35. Initial cost of various sorts of technology was a barrier cited by a majority of respondents in most age, racial/ethnic, and gender groups as well.

Access to information or training (33.7%) and comfort with technology (27.9%) are also barriers for sizeable percentages of respondents. These two barriers were also more commonly cited by older small business owners: of those above age 55, 38.9% said comfort with technology and 50.0% said access to information or training are major barriers, compared to 25.0% and 29.4% of those below age 55, respectively. Women cited these two barriers at a rate of about 10 percentage points higher than men, and they were also more commonly cited by Black small business owners than white small business owners.

Interestingly, only three out of 86 survey respondents (3.5%) said that internet access is a major barrier for them. In May 2020, we [highlighted](#) the fact that many Wisconsinites still do not have internet access in their homes, including in urban areas like Milwaukee. It is notable, then, that very few business owners indicated that internet access is a barrier. That said, given that our survey was conducted mostly online and that in-person outreach was restricted due to the pandemic, we may



**Figure 9: Fee and Initial Cost as Barriers, by Subgroup**



have failed to capture a fully representative group of small business owners that includes those with little or no internet access.

**Other Challenges.** At the end of the survey, we also asked small business owners if there was anything else they would like to share about “common challenges limiting their access to and use of technology.” By far, the three most common themes among respondents were cost, time, and training.

When it came to cost, one small business owner noted that “our company finds ourselves facing an ever growing list of subscriptions, percentage margins and upgrades to run our business.” A number of small business owners also mentioned startup costs: one noted that “launching new software is expensive in terms of money and time and our staff to learn,” while another said that “the biggest barriers are initial and ongoing costs.” The theme of expenses when it came to “scaling up” was noted in numerous responses. A number of small business owners also mentioned a need for grant or loan opportunities, with one mentioning “having access to forgivable capital would help in acquiring technology to better serve and operate,” and another asking, “Will there be grant money for technology in the future?”

Though we did not specifically ask about whether respondents felt they had sufficient opportunity to learn about or implement new technology, a number of small business owners brought up this concern in their free response answers. For example, one small business owner said “If I had more time, which I think is one of the biggest hits on using more tech, I would invest time and energy into learning how to create more video work to document my process and provide additional content to my followers.” Another said that “learning new tech takes a lot of time and energy – both seem hard to come by during this pandemic.”

In some cases, owners know where to find information, but may not have the time to devote to learning: “I think the tools are accessible, it’s the time it takes to learn and support to teach that [sic] needed.” Additional barriers exist when only one person is responsible for all operations within the



organization: “I love using technology. My barrier is I don’t have the time to watch tutorials, read and test out the technology being a staff of one (and currently unable to hire additional staff).”

Apprehension about the complexities of new technology also was a common theme. One small business owner said, speaking about using social media and building a website: “I would like to do more with it, but don’t have the time to figure it out and not sure where to go for relevant training.” Another stated that “Although our existing software is old, it does the job and starting over is daunting.”

Another common issue that came up with regard to training was the idea that, unlike for larger organizations, small businesses do not have a “tech support” person or office they can go to. One owner mentioned that “it’s hard for small businesses to network computers and handles [sic] computer issues because we do not have tech support.” Another, discussing costs, noted that “after you stack all these costs, we find ourselves doing all the heavy lifting and never having the amount of tech support or ease of use that we’d expect for the costs.”



# KEY INFORMANT INTERVIEWS

In conducting in-depth interviews with a select group of key informants, we hoped to delve more deeply into the technology-related challenges and barriers facing small business owners in Milwaukee. These interviews built off of the information that we gathered in our survey. We talked with small business owners about how they use technology, how their use of technology had changed over the life of their business, how they learn about and implement new technology, and the barriers they face along the way, as well as creative ways to address them.

We also spoke with leaders from organizations that work closely with small businesses in Milwaukee and learned about challenges facing their members and clients, their existing programs to assist small businesses with technology needs, and potential policy solutions.

## A Need for Learning and Training

In order to realize the potential of new technologies, small business owners first need to know what kinds of technological solutions are available to meet their needs. Learning how to implement them comes next and is another hurdle. The small business owners with whom we spoke said they learned about new technology in a variety of ways, including from other small business owners, at trade or industry shows, from existing relationships with tech companies, and from their own research. Each of our interviewees noted the importance of using technology in their business, but each also acknowledged that there were challenges to incorporating it efficiently.

One small business owner told us that finding the right technology helped to scale up his business by automating or streamlining tasks that had previously been very time-consuming, such as tracking inventory, customer rewards and retention, and finances. Another said he moved through three different methods of managing inventory and staff resources before landing on the program that worked best for his business, with each change bringing improvements to the business.

Many of our survey respondents, however, were the sole employee of their business, and for them and other very small businesses time is a particularly critical resource. We heard from several interviewees that after spending their time producing the goods and services that are essential to their business, they did not have much time left over for learning new technology or researching what else may be available. However, they do realize the important role technology can play in helping to run and grow their business.

To facilitate continued learning, several small business owners expressed a desire for easily accessible and short videos on common technology-related topics. Ideally, these videos would be available to watch on-demand.

Additionally, one of our interviewees noted that when he started his business, there were many resources and mentors available to him. As his business has grown and he faces new challenges, however, he has found that fewer relevant resources are available to him. He also said he is being asked to provide mentorship to new business owners, which he is happy to do, but he has not been able to find mentors for himself as a mid-career business owner.

Others noted that sometimes they are not - and do not need to be - an expert on a technological matter, and that it can be easier to have someone else handle it. This could take the form of an



intern, but often is a more informal arrangement with a friend, family member, or even tech-savvy children.

## A Need for Better Access to Finances

As in the survey, small business owners we interviewed said access to more grants and other sources of capital is important to their businesses and the ways they incorporate technology. The upfront costs of technology can be difficult for businesses, but can sometimes be offset by start-up grants or loans. Some small business owners and organizational leaders said there is a lack of assistance available to help cover the cost of upgrading technology or paying ongoing fees, both of which can present issues for small businesses trying to grow.

In terms of hardware, laptops were among the most discussed technologies in both our survey and our interviews. Though their cost may seem small when it comes to the yearly profit or revenue of a small business, some individuals noted disparities in terms of who had access to them versus who conducted most business from their phone.

Another issue raised in interviews was a lack of existing relationships between small business owners (particularly small business owners of color) and banks. For example, some said this presented an issue for businesses trying to secure PPP loans during the pandemic, as some banks would only provide PPP loans to businesses with whom they had an existing relationship. Additionally, some businesses operating without official banking lacked appropriate documentation to apply for PPP loans and other pandemic-related relief. Even during pre- and post-pandemic times, having a relationship with a bank helps small business owners stay informed about their financial options.

## A Need for Cultural Recognition

Each Black, Hispanic/Latino, and Hmong business owner and organizational leader we interviewed expressed that at times, participating in existing entrepreneurial initiatives can feel daunting because they are being centered in or led by the white Milwaukee community. This theme was reinforced by our survey responses as well. Fear and embarrassment were mentioned as potential reasons why a POC-owned small business may not take a class or participate in an event such as a farmer's market.

Interview subjects also told us that Black small business owners are more likely to attend a workshop or tutorial if it is being taught by someone who looks like them or has a similar background. Additionally, when it comes to loans and grants, many said POC-owned small businesses are more likely to be in the loop if those in their communities know about the process of securing those new revenue streams.

Language is another barrier for some communities. Spanish- and Hmong-speaking leaders noted that language barriers can present real obstacles. For Spanish- and Hmong-speaking business owners, English language resources can be intimidating or impossible to utilize.

One small business owner noted that when he went to an industry-specific trade conference, he was the only Spanish speaker there. While many small business owners are bilingual, they may be more comfortable conducting business or learning in their native language.



Even for those who are comfortable using English in those contexts, they may prefer to work with business contacts such as bankers who have a shared cultural understanding. One organizational leader mentioned the difficulty some business owners experience in accounting for their transactions, as they are acquiring goods through family in other countries and there are no formal receipts to submit for record keeping.

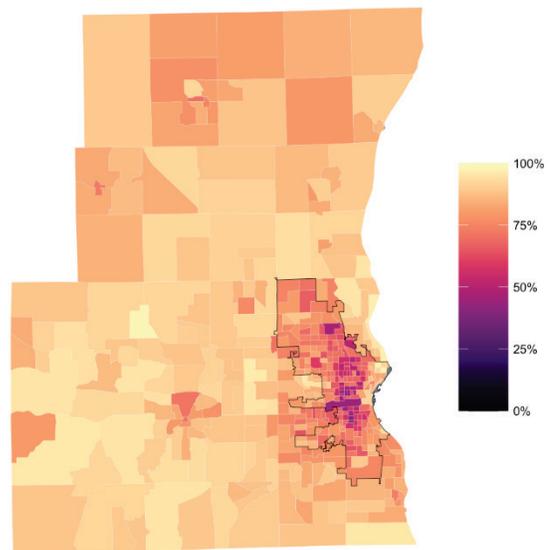
## A Need for Better Internet Access

Internet access is crucial for small business owners who maintain websites, social media, and accept non-cash payments. In our survey, half of all respondents indicated that they run their business from home. One small business owner we interviewed amplified the challenges posed by that approach. He noted that during the pandemic, all five individuals in his home were on the same WiFi network while working and attending school, and that the fastest broadband speed available in his neighborhood was not fast enough for what he needed in order to run his business from home.

Using 2018 ACS data from the U.S. Census Bureau, researchers at the Brookings Institution verified that concern, finding that Milwaukee's predominantly-Black northwest side had both a lower broadband adoption rate than their suburban neighbors (Figure 10) and a higher share of households with cellular data plan-only internet than in most other parts of the city (Figure 11). Researchers also found that census tracts on the northwest side have higher rates of individuals with only a cellular data plan than census tracts in the rest of the city.

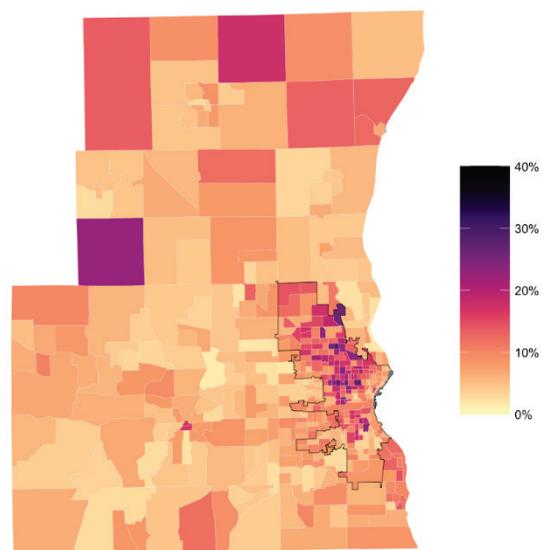
Some of our interviewees cited farmer's markets as locations that often have inadequate WiFi; that can be a problem because many business transaction apps need internet access to work. One small business owner said she sometimes gives items to customers for free when payment apps do not have sufficient connection to the internet to process their payment. Food trucks, pop-up shops and restaurants, street vendors, and other operations outside of a home or physical store all can experience similar issues.

Figure 10  
**Broadband Adoption Rate**  
Share of households with any broadband



Source:  
U.S. Census Bureau, American Community Survey 2018 5-year Estimates, Table B28002

Figure 11  
**Cellular Data Plan Only**  
Share of households with cellular data plan and no other internet subscription



Source:  
U.S. Census Bureau, American Community Survey 2018 5-year Estimates, Table B28002



# POLICY CONSIDERATIONS AND CONCLUSION

Our survey results and conversations with business owners and organizational leaders revealed several small business-related challenges – particularly for small business owners of color – that converged around the themes we covered in the previous section. In this section, we consider potential solutions in the context of those themes. Additionally, we note that while many key issues raised by small business owners were not necessarily related to *technology*, they were issues that, in many cases, technology could be used to resolve.

Local business support organizations whose mission includes help for small businesses could take the lead in seeking to implement these ideas, and local philanthropic organizations also might be logically approached for support. There also may be a public sector role in terms of funding or implementation for some of the potential solutions we discuss, including the possible use of funds directly from federal American Rescue Plan Act (ARPA) allocations or from local resources freed up by the use of ARPA monies for other purposes.

## A Need for Learning and Training

Across different kinds of businesses, perhaps the most common concern voiced by business owners was their desire to continue to learn. The solutions discussed below evolve out of those concerns.

**Solution 1: Short, Virtual, On-Demand Videos.** In an increasingly digitized world, the first resources many business owners seek to learn new skills are online videos. However, common rejoinders were the lack of time with which to watch these videos, as well as difficulty accessing them.

One potential solution would be for Milwaukee stakeholders whose mission includes assistance for small businesses to team to devise strategies to make videos on a wide range of subjects more readily and widely available to Milwaukee’s small business community. These videos may already exist, but one solution would be to host them in one place to reduce confusion and cut down on time spent finding the videos. Any database with videos should be easily searchable; one interview subject mentioned a site called [SkillShare](#) as a potential source for videos. Stakeholders in Milwaukee’s small business community also should consider whether licenses for a site or service that already exists would be more cost effective than creating a new source for videos.

Additionally, any videos made or curated should be short: many small business owners – both in free response survey questions and follow-up conversations – mentioned a lack of large blocks of time to watch video tutorials. Videos on quick, easy topics (i.e. “how to open Excel”) could be kept to just a few minutes, while longer videos on more in-depth subjects (i.e. AI, blockchain, etc.) could be kept to a half hour or less.

Videos should also be available on-demand. Many small businesses and local organizations mentioned the availability of webinars, which are typically tied to a specific time. For small businesses, a one-person enterprise may mean that certain dates and times will not work. Any videos with a live component should be recorded.



In terms of video content, topics mentioned include social media, marketing, and “second step” technologies that allow small businesses that have already experienced a modicum of success with basic tools to move to the next level.

Once these videos are well-established, a number of individuals mentioned the desire for “microcredentialing,” or the ability to earn small credentials to add to a résumé or website. For those who may need an extra push to take up training/learning opportunities, interview subjects also mentioned the potential of financial incentives.

**Solution 2: Sharing Knowledge and Skills.** A number of survey respondents and interview subjects noted that fellow small business owners often were the best sources for information about new skills or technologies. Consequently, the creation of meeting opportunities or spaces – both general and industry-specific – for these connections to be built could be considered, such as happy hour events that are offered virtually and/or in-person. These events and spaces could focus on small businesses or allow small business owners to seek advice and conversation from executives from larger enterprises.

Equally important, in light of our focus on small businesses owned by people of color, these spaces could be targeted to specific communities and facilitated by members of the communities they seek to draw. The [Sherman Phoenix](#) is one potential model of a space where like-minded businesses and business leaders can connect and learn from each other.

Nearly a third of small businesses in our survey consisted of one employee, and more than four out of five had fewer than six employees. In organizations this small, a common refrain was a lack of expertise regarding a few specialized topics: accounting, legal matters, marketing/graphic design, social media, tech support, and data analytics. Though small business owners may wish to gain some of these skills themselves, they may also benefit from being connected to individuals who already have them and they could establish such connections through special events and meeting places.

In addition to providing opportunities for connecting with one another, small business stakeholders could consider other mechanisms for allowing small business owners to seek and gain knowledge. One organizational leader we interviewed suggested a new internship program, in which college students with social media and/or graphic design experience could be connected with a small business who might need their help. Another organization suggested creating a network of volunteers with technological savvy or developing formal mechanisms to connect freelancers with small businesses looking to fill a need.

Finally, as businesses grow and business owners learn more, their needs will change. Ensuring that training opportunities are available to business owners at many stages, and not just beginners, could help small businesses continue to grow and build on their success.

**Solution 3: Help with Forms and Recordkeeping.** In the early months of the COVID-19 pandemic, the federal Paycheck Protection Program (PPP) offered an avenue for struggling businesses to stay afloat. However, in our conversations with Milwaukee business organizations, several noted that being able to successfully fill out the paperwork needed to acquire a PPP loan was a roadblock for certain small businesses.



When it comes to grants and loans, there is almost always paperwork involved. Additionally, when applying for grants, loans, or other financial aid, small business owners may need access to records they did not know they needed to keep or have available. Having training opportunities or resources for local small business owners solely focused on the financial records and materials that need to be developed and maintained to access grant and loan opportunities may allow for a high return on investment when funding opportunities arise.

## Better Access to Financial Assistance

From start-up costs to grants and loans, many small business owners expressed a need for more access to financial assistance and capital. Below, we discuss some of the ideas we heard for improving access to funding for small businesses in Milwaukee.

**Solution 1: Public, City-Level Grant/Loan Data.** The city of Milwaukee, through the Department of City Development (DCD), collected data on the [Milwaukee Restart](#), a program to disburse grants to local businesses during the COVID-19 pandemic. DCD also houses a number of public resource opportunities within its “[Business Toolbox](#).”

Notwithstanding its own resource constraints, DCD could expand these efforts to develop an online resource that not only contains information about grant and loan opportunities, but also tracks and publicizes the recipients of such assistance. In the case of PPP, evidence [shows](#) that small business owners of color may have had unequal access to loans. The city and its small business owners would benefit from a means of tracking and assessing the distribution of public sector forms of assistance to Milwaukee small businesses to ensure equity and the development of remedial strategies if equity is lacking.

**Solution 2: More Grants Throughout Life of Businesses.** In general, small business owners who filled out our survey expressed a desire for more access to grants. Some in that group noted that a grant at the beginning of the life of a small business can provide a boost when it comes to start-up costs, including purchasing new technology and equipment. However, one interviewee is the owner of an already well-established small business who felt that grant and loan opportunities for existing small businesses to upgrade technology or add staff should also be more widely available. Public and nonprofit grant and loan providers in Milwaukee could consider expanding opportunities for such grants.

**Solution 3: Access to Basic Tech and Subscriptions.** Items like laptops are critical to running a small business. A centralized grant or loan program focused on making laptop computers available to small business owners – including cheaper options such as Chromebooks – could be beneficial to Milwaukee’s small business ecosystem.

In addition, some businesses may already have basic technology but are in need of more advanced forms, or may have specialized technology needs due to their industry. A program that allows small business owners to choose technology that supports their individualized technology needs, similar to the [Technology Access Program](#) for child care providers, may also be fruitful.



Organizational leaders and owners alike also discussed the cost of maintaining certain software subscription services. The most popular item discussed was QuickBooks, though Adobe's products and websites were also frequently mentioned. A method to either provide opportunities for groups of small businesses to share costs related to subscriptions or provide better access to grants for software subscriptions would likely see high participation.

**Solution 4: Better Access to Bankers and Banking.** Our survey and interviews show that Milwaukee small businesses would benefit both from more banking options and from better access to individual bankers and the banking community. One organizational leader we interviewed mentioned an initiative that brought in 30-40 bankers per month for a year to talk with individuals from Milwaukee's "entrepreneurial support system" to discuss resources available to aid small businesses. Consideration could be given to expanding such programming and targeting it toward small business owners of color.

## A Need for Cultural Recognition

With an explicit focus on small businesses owned by people of color, our survey and follow-up interviews sought to understand the challenges facing those particular communities. The ideas presented below could help to address those challenges.

**Solution 1: Meet Milwaukee POC-Owned Small Businesses Where They Are.** Many small business owners we interviewed said that while educational or enrichment opportunities for their business were present in Milwaukee, those opportunities tend to be housed in traditionally white spaces. For example, a number of business owners mentioned fewer conference or networking opportunities available in predominantly-Black or Hispanic neighborhoods.

One organizational leader we interviewed mentioned having a "Black Food Truck Block Party" that was hosted by Black small business owners in a predominantly Black community. Framing the event as a "Block Party" rather than a "Farmer's Market" may have helped to boost turnout, and the fact that the event was hosted and organized by Black Milwaukeeans played a role as well.

Other opportunities for gathering POC-owned small businesses may be online. We heard from another leader that her organization created an online platform for Latino-owned businesses to join as a means of gaining an online presence. This platform currently hosts 80 businesses, with more joining soon. The organization hopes to expand to include more businesses owned by people of color.

Leaders of a Hmong organization noted that among Hmong-owned businesses, once one takes up a certain practice others are likely to follow. To this end, numerous individuals mentioned the need for more advertising and information flow to communities of color to help small business owners learn about initiatives that might help them to grow their businesses.

**Solution 2: Offer Trainings in Business Owners' Native Languages.** To make classes and trainings more accessible to all, multiple options should be available to allow non-English-speaking small business owners to participate with confidence. More classes and trainings might be made available in at least Spanish and Hmong, as they are the two [most common languages](#) spoken statewide after



English. When this is not possible, organizations could consider collaborating so that non-English-speakers can still gain equitable access to important lessons from another source.

## A Need for Better Internet Access

Last year, we [noted](#) that while access to the internet was mainly a rural issue in Wisconsin, it was also a problem in certain areas of Milwaukee due to cost. Though only a few survey respondents noted that internet access was a frequent issue for them, the survey may not have captured some small business owners that do not have ample access. Below, we discuss potential considerations related to internet access and WiFi that we gleaned from our survey and interviews or from our previous work.

**Solution 1: Support for Better At-Home Internet and WiFi.** With a sizable number of our respondents running their business from home, adequate bandwidth at home is critical for their success. Milwaukee's entrepreneurial leaders and the city itself could consider grants or loans for a number of items related to these sorts of issues, including to purchase WiFi extenders or other boosters and offset the cost of internet subscriptions. In the case of an entire neighborhood not having strong enough broadband, leaders may consider incentivizing internet service providers to improve service.

It is clear that barriers to accessing WiFi and high-functioning internet services exist in Milwaukee and disproportionately harm communities of color. These barriers warrant much closer consideration from Milwaukee's small business stakeholders and the city itself, as more and more small businesses are operated from a home rather than a traditional office or storefront setting.

**Solution 2: Expand WiFi Access in the Broader Community.** A number of small business owners conceded that while their at-home internet situation is workable, they have issues connecting to the internet once they leave home. This may include business locations themselves, but also mobile spheres where business is conducted, such as food carts/trucks and farmers' markets.

Another small business owner noted that it is just as important for clients to have internet access as it is for the owner to have access. This is because the internet allows clients to find their business and make purchases from their website or social media accounts. When internet access is distributed inequitably across the city, disparities can replicate both on the side of the owner as well as the customer.

With ARPA dollars [available](#) and potentially [more](#) coming to support broadband infrastructure from the federal government, Milwaukee now stands at a critical juncture in which it could use these dollars to ensure that internet access in the community is easily accessible for those who need it.

## Conclusion

Our research put us in contact with dozens of Milwaukee's small business owners, a majority of whom were people of color, who told us that several types of technologies are critical for the day-to-day functioning of their enterprise. While they are able to access and use those technologies to varying degrees, nearly all agreed they would benefit from better access to training and learning opportunities.



Additionally, many small business owners feel they are a grant or loan away from obtaining the technology they need, but they are not always aware of available financial assistance. Moreover, even when they do learn of grant or loan opportunities, many also say they are ill-equipped to navigate the hurdles required to access such assistance.

Our survey results and interviews also point to specific challenges facing Milwaukee's small business owners of color. On issues ranging from educational opportunities to networking to banking to internet access, those concerned with improving the small business climate in Milwaukee may need to hone in on policy interventions or initiatives that are specifically designed to eradicate barriers facing small businesses owned by persons of color.

As technological advancement continues to rapidly re-shape the way Americans live, work, and play, small businesses face daunting challenges in obtaining requisite knowledge and making the necessary investments to keep their business operations current and meet the needs and expectations of their customers. We hope this report leads to better understanding and appreciation of those challenges and encourages Milwaukee's economic development and elected leaders to consider new strategies to address them.



# APPENDIX A

## Distributors of the Small Business and Technology in Milwaukee Survey:

- Greater Milwaukee Committee (GMC)/Scale Up Milwaukee
- MKE Black
- Hmong Wisconsin Chamber of Commerce (HWCC)
- Wisconsin Women's Business Initiative Corporation (WWBIC)
- City of Milwaukee
- Local Initiatives Support Corporation (LISC)
- Milwaukee Business Improvement Districts (BIDs) #8, #10, #32, and #38

