



WISCONSIN POLICY FORUM

For release:
Nov. 21, 2023

Contact: Mark Sommerhauser, Communications Director/Researcher
(608) 982-0324 or msommerhauser@wispolicyforum.org

Strengths and Weaknesses of Milwaukee's Small Business Support System Identified

Enhanced collaboration, greater philanthropic engagement could provide a boost

Milwaukee is home to a strong network of service providers assisting its small businesses, but it lacks the kind of coordinated supports and philanthropic engagement that benefit entrepreneurs in other large Midwestern cities, according to a new Wisconsin Policy Forum report.

The report analyzes Milwaukee's small business support landscape and seeks to identify both strengths and opportunities for greater effectiveness. It examines 50 public or nonprofit business support organizations in Milwaukee, and includes interviews with organizational leaders and key stakeholders. The report also highlights promising strategies being used in peer cities to help spur small business creation and development.

To define the small business support landscape in Milwaukee, we looked at organizations that are based in the Milwaukee area or have a physical presence here, and that provide services to at least a portion of the city of Milwaukee. We only included those that focus partially or exclusively on "Main Street" type businesses, or micro businesses with fewer than 10 employees. Finally, we limited our list to organizations that provide services in one of more of the following categories: business planning, marketing and sales development, operations and technology management, access to capital, and mentorship and peer support.

Our research shows the 50 organizations we identified using these parameters constitute a relatively strong and collaborative network of small business supports in Milwaukee. But it also reveals several challenges including capacity gaps, limited leadership over the area's network of business supports, and barriers preventing some entrepreneurs from accessing services.

"Our research suggests that with more focused leadership, coordination, and financial support, the city's current small business support ecosystem could become even healthier and achieve greater effectiveness," the report finds.

Key observations from our analysis include:

Milwaukee is home to a strong network of business service providers, and promising efforts are underway to foster collaboration among them. The 50 business support organizations we identified provide an array of services in Milwaukee, from training and coaching to assistance in accessing capital to peer networking opportunities. Through our interviews with local leaders, we also heard that Milwaukee's BSOs generally collaborate well with one another.

No local organization serves as a "backbone" for Milwaukee's business support ecosystem. In other large Midwest cities, organizations have taken on clear leadership roles over local business

supports. For example, Kansas City's KCSOURCELINK functions as the backbone of that area's entrepreneurship resource network, directly helping entrepreneurs navigate available services while convening service providers and other stakeholders to identify service gaps and develop solutions. A possible local model for small business stakeholders in Milwaukee to consider is the clear leadership and more extensive collaboration that has developed in recent years to address the city's housing challenges under the Community Development Alliance.

Getting entrepreneurs connected to business support services in Milwaukee is a key challenge, and the local resource network currently lacks an obvious "front door." Many local leaders said new or expanded efforts are needed to make current and aspiring entrepreneurs aware of and connected to the network of services available in Milwaukee. This may be particularly helpful for reaching those in lower-income Milwaukee neighborhoods. One possibility would be to establish a business center where multiple BSOs could provide seamless assistance to local entrepreneurs in one place. The Milwaukee Rental Housing Resource Center could be one model.

Capacity gaps exist that limit opportunities for entrepreneurs to access services for their businesses. Services for which local leaders said the need outstrips current capacity include one-on-one business coaching, financial education, and access to capital. Those we interviewed said one-on-one business coaching is effective, but that few organizations offer it and capacity is limited. Poor financial management skills among entrepreneurs is another common concern, and though financial education services for entrepreneurs exist, expanded programming could help.

Community development financial institutions (CDFIs) offer flexible loans to entrepreneurs who face challenges in accessing traditional financing. Milwaukee's network of CDFIs is viewed by many as a local strength, though interviewees disagree on whether more capacity is needed.

Local philanthropic organizations could play a bigger role in supporting entrepreneurship in Milwaukee. In Detroit and Chicago, philanthropic organizations have developed funder collaboratives focused on supporting local entrepreneurship services and initiatives. Detroit's New Economy Initiative also shows that funder collaboratives can contribute by evaluating the effectiveness of their local small business support ecosystems and of individual BSOs, identifying what is working and what is not and pushing organizations to focus on their strengths. Again, the Community Development Alliance could be a good local model, as its membership includes philanthropic organizations that coordinate their giving to affordable housing strategies and initiatives.

This report was commissioned by the Zilber Family Foundation, Northwestern Mutual Foundation, and LISC Milwaukee. It also was supported by a grant from Bader Philanthropies.

[Click here](#) to read the full report.

The Wisconsin Policy Forum is the state's leading source of nonpartisan, independent research on state and local public policy. As a nonprofit, our research is supported by members including hundreds of corporations, nonprofits, local governments, school districts, and individuals. Visit wispolicyforum.org to learn more.