

MILWAUKEE COMMERCE

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From the President

The Resilient Region

Perspectives from:

Thaime Nañez - BizStarts

*Lily Alvarado - Wisconsin
Women's Business Initiative
Corp. (WWBIC)*

**Conversation:
Tim Sheehy &
Dr. Howard Fuller**

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“LONELY”

**- JCP Construction's
Clifton Phelps on being
a Black business owner in MKE**

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**HOW DO WE MAKE
MILWAUKEE
A REGION OF CHOICE
FOR DIVERSE EMPLOYEES
& BUSINESSES?**

MMAC

Metropolitan Milwaukee
Association of Commerce



Clifton, Jalin & James Phelps, owners of JCP Construction

JCP CONSTRUCTION MADE IT IN MKE.

**THEY WANT OTHER
BLACK-OWNED
BUSINESSES TO
JOIN THEM.**

It started with three brothers – **Clifton, James** and **Jalin Phelps** – working construction jobs and rehabbing houses on the side. Eventually, they started running their own construction company out of a space in their parents’ house on Second Street. Then came a sign that things were really beginning to take off: They were able to move out to a “real” office.

Today, JCP Construction has worked on high-profile projects from the Northwestern Mutual tower to Fiserv Forum. But it wasn’t easy. Clifton and James Phelps sat down with *Milwaukee Commerce* to discuss the barriers that diverse business owners face in Milwaukee.

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Q: What is life like as a Black business owner in Milwaukee?

Clifton: Lonely.

James: You're held to a higher standard. It's no different than in the professional world, or even in the trades where we came from, where your work is scrutinized more than someone else's. That's why the quality is there. We're used to being scrutinized more and being held to a higher standard. It's something that we're used to. It's not something that I think is fair, but it's something that we push through. As they say, it's the cost of doing business – especially in Milwaukee.

There's definitely a lot of room for improvement in people who either don't want to get it, or are just being ignorant to the fact of what needs to happen, and turn around, in order to have a sustainable Black business class.

No one really is looking for handouts. All we want to do is be able to earn a fair living where we can take care of those around us and grow a business class. That's part of our mission. We were fortunate enough to be able to make it – so far – and in doing so, we're trying to give as many opportunities as possible to others to do the same thing.

Clifton: We almost got strangled by our own line of credit that we had to pay for the first couple of years. We had a \$50,000 line of credit.

James: It was a CD. So they lent our own money back to us.

Clifton: We survived off of that for five years. But we almost choked ourselves so many times trying to figure out how to rob Peter to pay Paul, when we're desperately looking for banking relationships. That's not a problem now. But when you look at what can choke a business?

James: Access to capital.

Clifton: Access to capital. Banking relationships. Giving companies chances

and having those resources out there for companies so they can succeed. We shouldn't be the only Black construction company that's working on these projects. You go to any other city that's more diverse than us, you have different construction companies and more than one can fit in one market. But it just seems normal (here), right? Let's pat ourselves on the back for JCP Construction but not the other companies that may have needed resources that weren't provided to them because of the "Black myth."

Q: The Black myth. What do you mean?

Clifton: We were looking to do the waterproofing for Northwestern Mutual. It's about a million-dollar material job. We decided to team up with a company in Illinois – I won't give the company name away, even though I should – to buy the supplies. I met with one of the executives, had coffee to get to know us. About a week

later, we got a note that said they decided to turn down a million dollars in business because a minority company in Chicago stole \$300,000 from them.

Just because one company in Chicago stiffed them? Now, who knows what happened. That company could have gone out of business, that company could have done something that any other White company does 1,000 times. The reason I'm bringing up this example is that stigma, that minority companies aren't either worthy of opportunity or will not be able to complete the opportunity.

Q: How do you keep pushing on despite roadblocks like that?

Clifton: Find better partners. (laughs)

James: Honestly, we choose to spend our money with people who align with our values. I think that's why people seek out JCP



"I SEE THINGS CHANGING, AND THAT'S GREAT. BUT WE HAVE A LOT OF ROOM TO GROW."

JAMES PHELPS

Construction. It furthers values that they have.

Q: Why do other cities have better access to capital for diverse businesses?

James: Better political leadership. More people in government and in corporate society that are reflective of the people – so there’s more Black bankers, there’s more people of color, there are more insurance agents of color.

Frankly, they have generational wealth that we don’t have here because there’s a “brain drain.” Milwaukee has an ingrained issue, where it’s not necessarily the best person for the job who gets promoted. It’s more about politics and who knows who, which leaves the people who actually have the talent looking elsewhere, going to cities like Chicago, like Atlanta, like Houston, that actually is with open arms looking for that talent and will utilize it as needed. I feel like this city’s run like a Ma and Pa shop. In a lot of instances, it’s not as sophisticated as you’d like to see.

I see things changing, and that’s great. But we have a lot of room to grow.

Clifton: I had my 20-year class reunion here in Milwaukee, and I feel like I was the only person still here in Milwaukee who’s Black. There is definitely a brain drain, especially if you’re Black or Brown. That has to stop somehow, and opportunity has to be there for people to come back to Milwaukee.

Q: Did you ever think about leaving?

James: Yeah, this guy right here, Clifton, had one foot out the door the whole time – especially after

he got his Master’s. I had to keep encouraging him to stay here because of that brain drain, knowing that we can’t just keep losing every single college educated person of color going down to Chicago. We need as many people here as possible to reach some kind of critical mass.

Clifton: It was between D.C., New Orleans and some other place that I was talking to James about every time I got the chance. I sat down with **Cory Nettles** and **Vincent Lyles**. This was when Vincent was a VP at M&I Bank. He said, “You think you’ll sit down with a VP in Atlanta?” I was like, “That’s a very good point there.” But it’s always that feeling of why stay here and deal with this when you can just go somewhere and be elevated?

Q: What are some policy changes you’d like to see to help level the playing field?

James: How about public education? Giving them the resources they need, in exchange for accountability. Also, I think there needs to be more emphasis on job creation, business creation and resources put behind that. If the city is 50 percent people of color but only make up 10 percent of an industry, there needs to be some way to reconcile that disparity. To think that just pulling yourself up by the bootstraps is going to do it, that’s a great fable. At the end of the day, that’s not how most people who have generational wealth attain that. It was a combination of programs that they were able to take advantage of.

Perfect example of that: Down in Atlanta, when they built Hartsfield-Jackson airport, there was strong leadership that made sure there was participation that reflected the makeup of the city. That built generational wealth, which helped to

power a Black middle class. You’ve got to break eggs to make omelettes. You thinking that things are just going to happen through osmosis, you’re kidding yourself and you’re just kicking things down the road. The problem gets even more challenging, and harder to fix.

Clifton: We’ve got a Black County Executive, Black President of the Council, Black Sheriff and other Black leaders. What are they going to do collectively to curb the overall drain of Black people here? How do we turn this around, now that we have the people needed at the table?

Q: When George Floyd was murdered, there was a significant reaction in Milwaukee, including from White people and the business community. Could a more mainstream focus on racial injustice help the business environment for people of color?

Clifton: I think people saw that tape and realized that the noise that’s been going on with their Black coworkers or Black employees about police brutality probably shed some light on what they’ve been talking about. My hope is that it helps with just the overall sense that one race knows what the other race is going through. And hopefully it amounts to more opportunities. People aren’t automatically going to get treated better, but there’s some compassion.

James: I’m glad it’s late, versus never. You’d have to be blind, or see things through a different point of view, if you don’t see there are discrepancies and the barrier of entry for businesses of that color are just that much greater. But hopefully, after what happened to George Floyd, there’s more empathy. I hope so. But the cynic in me says, probably not. I fear it will be business as usual.