



## *State of Urban Manufacturing* Philadelphia Tour Takeaways – November 2017

**Workforce challenges vary across differently sized manufacturers.** While both types of businesses want to hire locally, and there was uniform agreement on the difficulties finding qualified employees, specific challenges vary depending on scale. [Northeast Building Productions Corporation](#) is a 550-employee, family-owned, custom window and door manufacturer. The owners have developed career ladders with clear pathways for employees to see and follow. Nevertheless, the company struggles with retention, especially among entry-level positions. Another company in the North Kensington neighborhood is an eight-person maker-turned-manufacturer that has grown so fast it has had to move three times in four years to accommodate its expansion. Despite the need for more employees, and the desire to hire from the surrounding low-income community, the owners feel stymied, unsure if they have the capacity to train new employees who lack specific skills – including production skills and more general employment readiness skills – that their business demands.

**Business owner or craftperson? How owners think of themselves changes over time.** Our visits confirmed patterns we saw in survey and focus group data. A number of the businesses originated from arts backgrounds. The owner of one, a woodworking studio, described herself as a “craft activist” and saw building a business beyond herself as a secondary goal. On the other hand, the owners of a small pottery workshop that has grown steadily since 2014 are embracing their own on-the-job educations as business owners as they continue to scale. Understanding these differences in perspective will help the economic development field identify the best ways to market support services to nascent businesses in this sector.

**Local officials can play an important role in job and business retention.** Northeast Building Products told us they appreciated the value of connecting with city officials. They were considering leaving the city (and taking over 500 jobs with them) until former Philadelphia Mayor Michael Nutter and Councilman Bobby Henon reached out to learn more about their facilities. This kind of relationship-building needs to be proactive to protect against other municipalities from using incentives to poach companies. Cities have the opportunity to better understand their local production economies—and what can be done to support the companies that provide important, good-paying jobs.

**Cities need creative real estate solutions – at the neighborhood level.** Urban makers and manufacturers are often constrained by their cities’ industrial real estate, which may be plentiful but not in the right condition or configuration for small, nascent businesses. [MaKen Studios](#), in the Kensington neighborhood, is trying to solve this problem. They have renovated 260,000 square feet of industrial loft space in two large buildings to create a variety of configurations for small producers—from 500 to 30,000 square feet—at rates that are generally below market. But, MaKen is more than just a real estate development company. They’ve used a community-focused approach to gain input from residents and stakeholders in adjacent neighborhoods while they designed space and have thought about ancillary uses—like neighborhood-serving retail and, increasingly, affordable housing to support local workers.