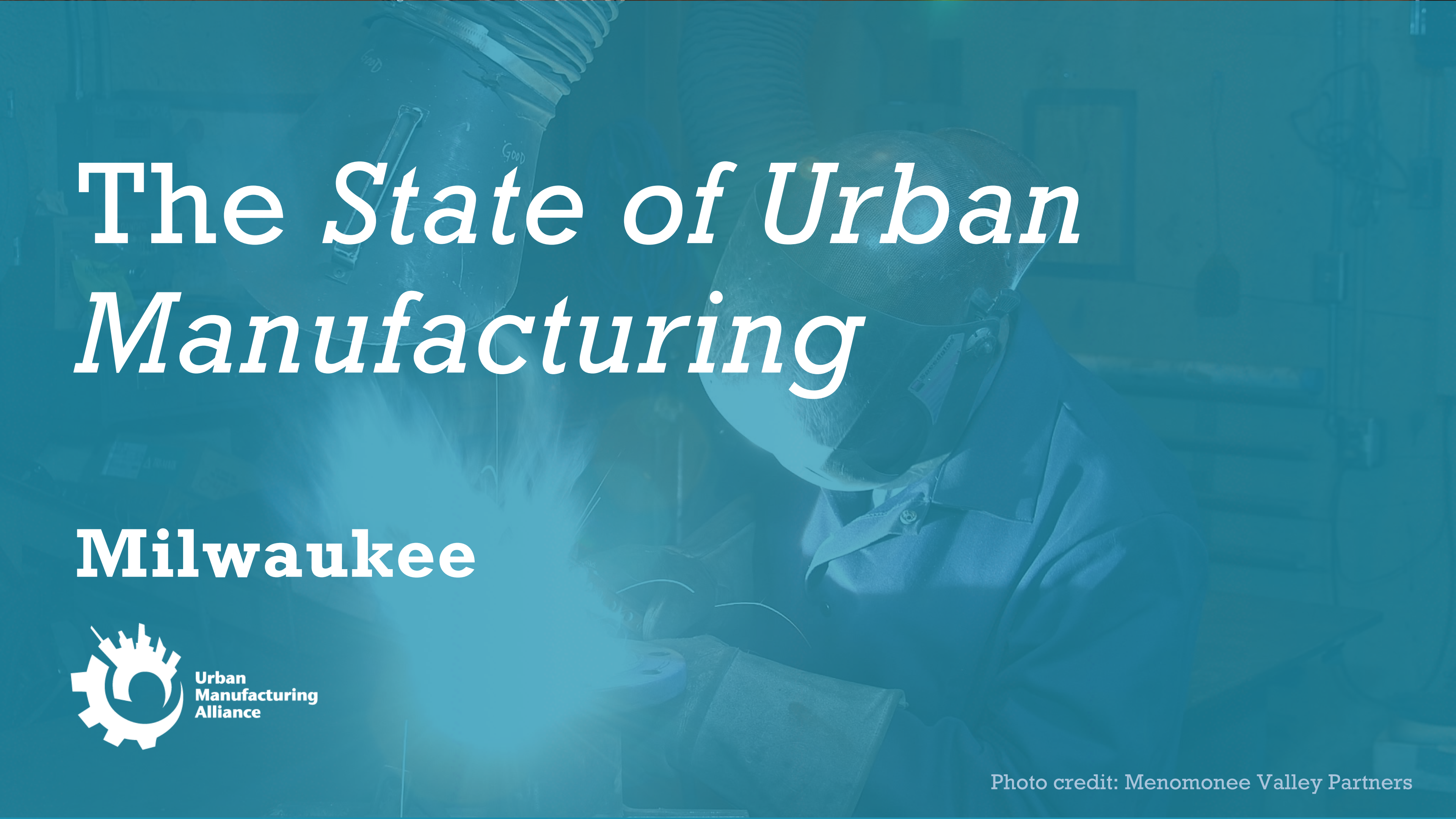


The *State of Urban Manufacturing*

Milwaukee

Urban Manufacturing Alliance

Photo credit: Menomonee Valley Partners

Thank You to our Sponsors

Who is UMA?

ELECTED OFFICIALS | EDUCATORS | STUDENTS | ECONOMIC DEVELOPMENT AGENCIES | PLANNERS | WORKFORCE DEVELOPMENT NON-PROFITS | KITCHEN INCUBATORS | PUBLIC AGENCIES | FEDERAL AGENCIES | MAKERS | MANUFACTURERS | DESIGNERS | COMMUNITY ORGANIZERS | RESEARCHERS | POLICYMAKERS | THOUGHT-LEADERS | COMMUNITY DEVELOPMENT CORPORATIONS | MAKER SPACES | ACCELERATORS | PHILANTHROPY | COMMUNITY COLLEGES | NON-PROFIT REAL ESTATE DEVELOPERS | HOUSING ADVOCATES | PORT AUTHORITIES | ENVIRONMENTAL ADVOCATES

Paving the Way for SUM

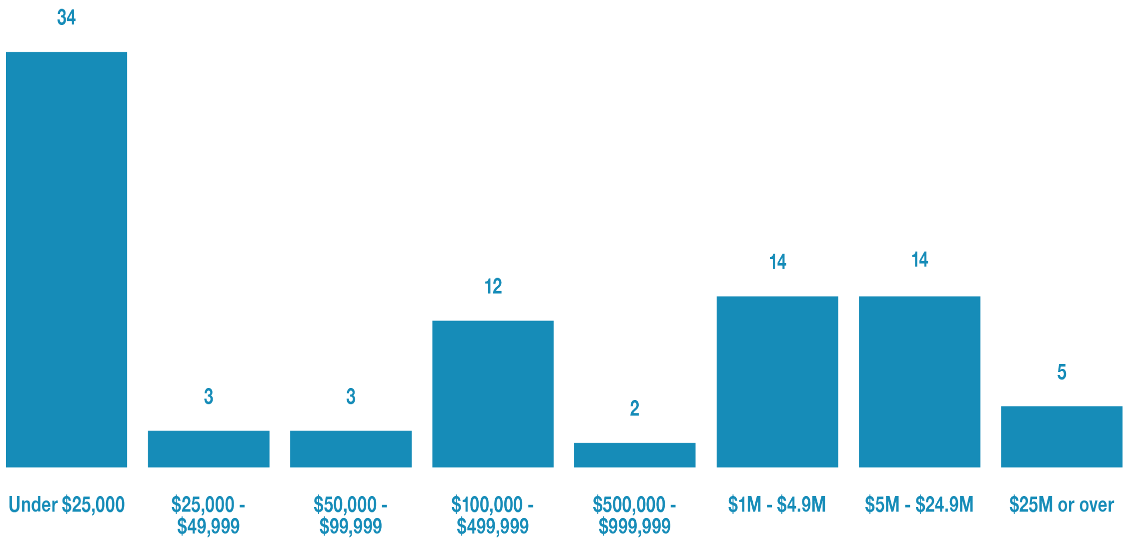
Photo credit: Menomonee Valley Partners

Who Took the Survey

Photo credit: Menomonee Valley Partners

Who took the survey in Milwaukee

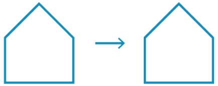
Sales in 2016



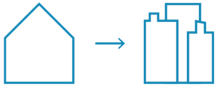
Total Employees

Who took the survey in Milwaukee:

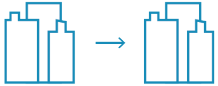
By Production Location over Time



21 Started business with production at home, and it are still based out of their home.



21 Started business with production at home, but now have a separate business location.



40 Started production outside of their home.

Who took the survey in Milwaukee:

By Production Location over Time

21 Started business with production at home, and it are still based out of their home.

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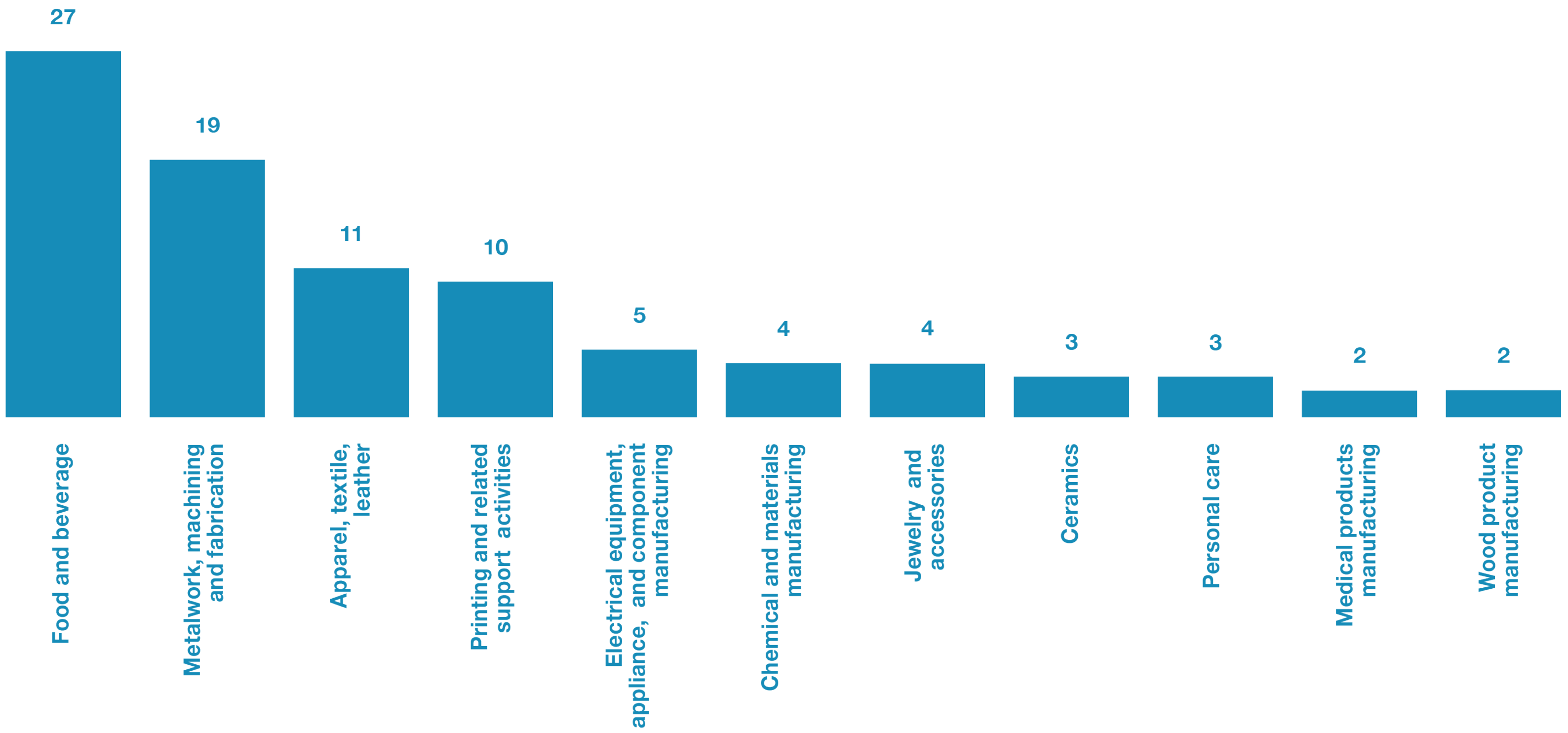
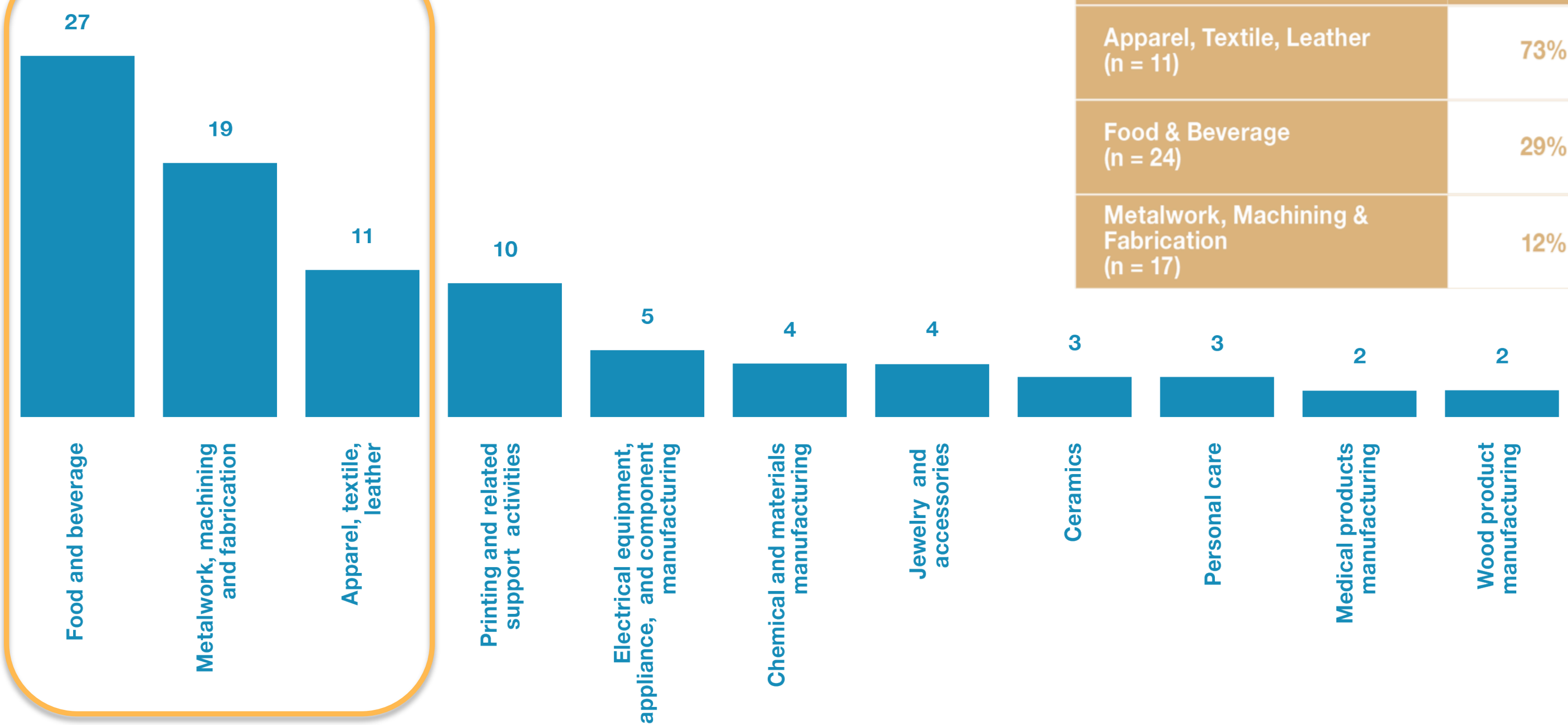
Who took the survey in Milwaukee

Industry Sector



Who took the survey in Milwaukee

Industry Sector



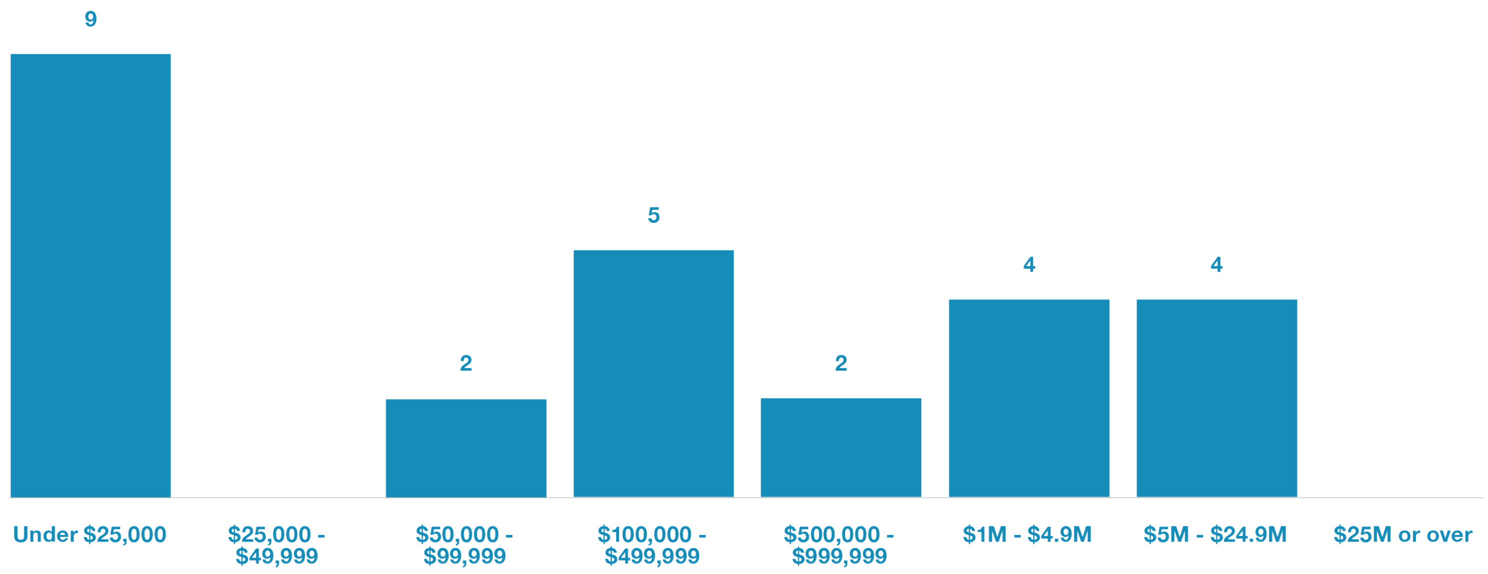
	Share with 0 employees	Share earning <$25,000 annually
Apparel, Textile, Leather (n = 11)	73%	73%
Food & Beverage (n = 24)	29%	38%
Metalwork, Machining & Fabrication (n = 17)	12%	6%

Key Findings

Photo credit: Menomonee Valley Partners

Micro-entrepreneurs were most prevalent among

Food & Beverage and…



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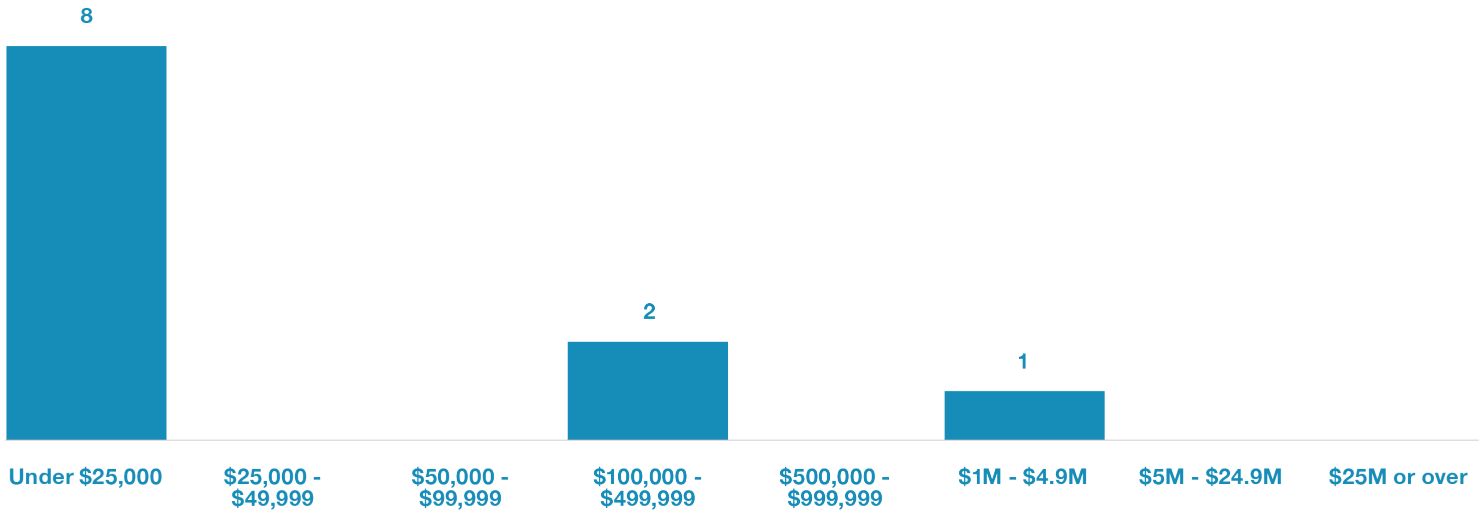
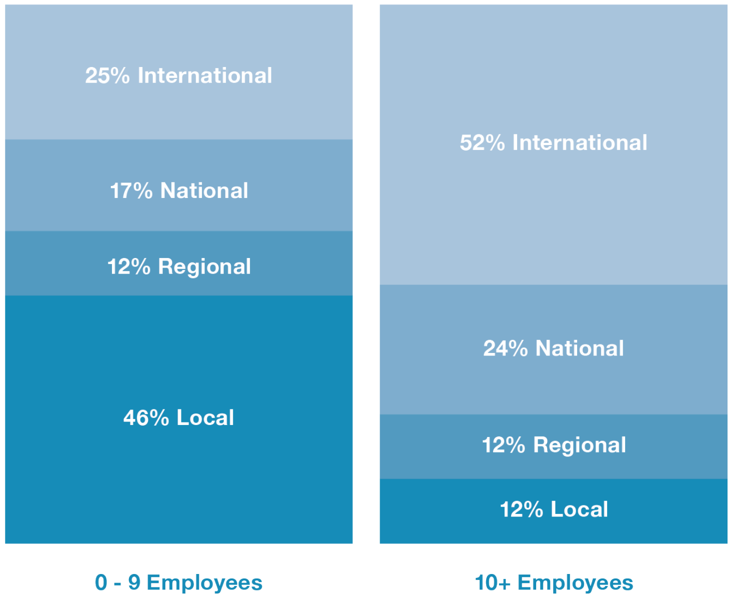


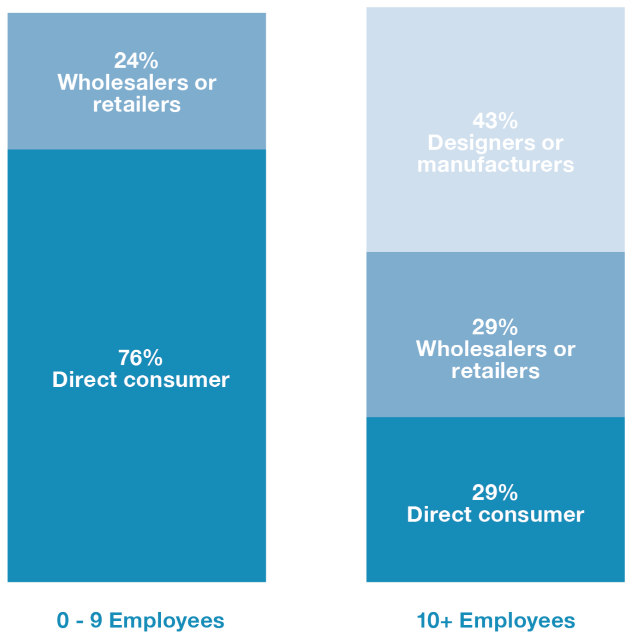
Characteristics of Milwaukee's Microentrepreneurs:

Market Reach by Number of Employees



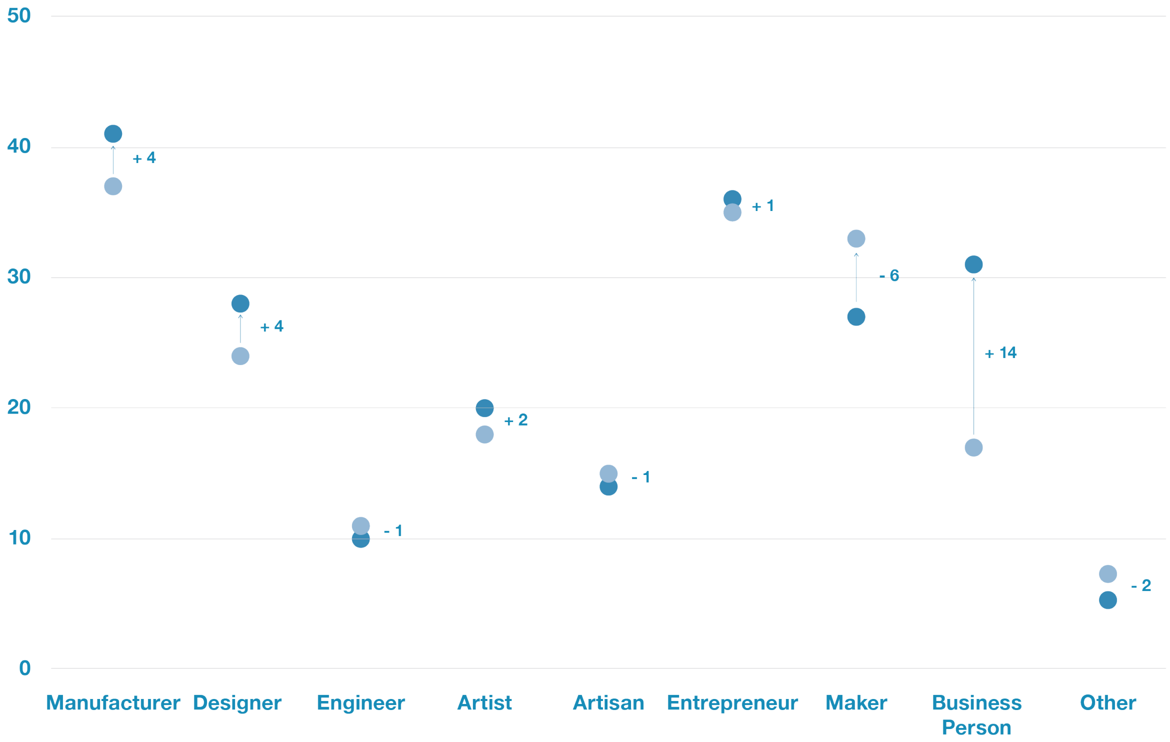
Characteristics of Milwaukee's Microentrepreneurs:

Customer Base by Number of Employees



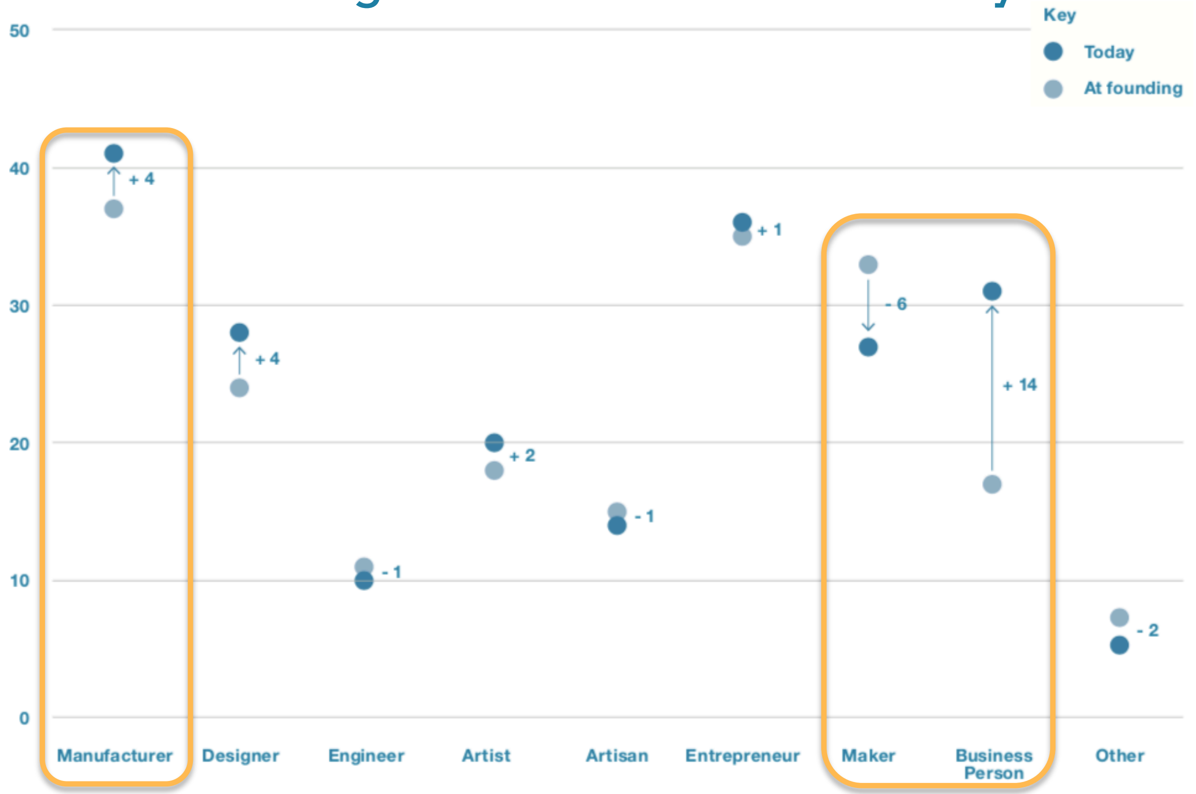
Characteristics of Milwaukee's Microentrepreneurs:

Change of Professional Identity



Characteristics of Milwaukee's Microentrepreneurs:

Change of Professional Identity



Barriers to Scaling

Photo credit: Menomonee Valley Partners

Access to capital is a significant constraint on business growth

Half of businesses needing financing were denied or didn't bother to apply (believing they would not be approved)

86% failing to receive financing had under 10 employees (77% were sole proprietors)

Nearly half of the businesses who needed financing founded 2013 – 2017

Financing needs: cash flow, equipment for expansion, upgrading equipment, and hiring for expansion

Photo credit: Menomonee Valley Partners

"Events are bumping up against each other, cannibalizing our customer base instead of expanding it."

Two-thirds of small, growing businesses struggle to find new customers

Milwaukee perceived as being too small a market for natural, incremental growth

Makers markets perceived as being saturated, all pursuing the same customers

Those looking to leave Milwaukee cited market opportunities elsewhere

Photo credit: Ryan Laessig

Official support squarely focused on manufacturing, but not small producers

A sense that city and regional agencies are focused on attracting large firms instead of nurturing what's sprouting locally

Neighborhood-based groups were seen as trying to fill the gap

Photo credit: Omer Rana

Workforce & Recruiting

Photo credit: Lee Matz

Finding qualified employees is a challenge for most firms

⅔ of larger firms and almost half of smaller firms

But smaller firms rely on personal networks while larger firms rely on traditional recruitment venues

Smaller firms rely on education credential to a much greater degree

	High school diploma	College degree	Previous experience	Professional certification	Other	Soft skills
1 - 10 (n = 16)	93.8%	37.5%	68.8%	25.0%	37.5%	87.5%
10 - 100 (n = 23)	95.7%	26.1%	82.6%	30.4%	13.0%	78.3%
100 + (n = 9)	77.8%	11.1%	100.0%	22.2%	11.1%	77.8%
Total (n = 48)	91.7%	27.1%	81.3%	27.1%	20.8%	81.3%

	High school diploma	College degree	Previous experience	Professional certification	Other	Soft skills
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Total (n = 48)	91.7%	27.1%	81.3%	27.1%	20.8%	81.3%

Recommendations

1 Increase focus on small business development and support

- Increasing focus on existing firms needing the right supportive environment to grow
- Identifying affordable spaces for businesses to grow into as they emerge from the start-up phase

2 Nurture the maker ecosystem

- Spread makers markets out throughout the year.
- Support promising businesses to access regional markets or national trade events
- Identify a point-person to advocate for the needs of small producers

3 Expand access to growth capital

- Working capital is a critical need for small producers that is particular hard to underwrite
- Publicly-supported and -administered loan funds
- Crowd-funding / peer-to-peer lending