The State of Urban Manufacturing
Milwaukee

Photo credit: Menomonee Valley Partners
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Who is UMA?
Paving the Way for SUM
Who Took the Survey

Photo credit: Menomonee Valley Partners
Who took the survey in Milwaukee

Sales in 2016

Total Employees

- Under $25,000: 34
- $25,000 - $49,999: 3
- $50,000 - $99,999: 3
- $100,000 - $499,999: 12
- $500,000 - $999,999: 2
- $1M - $4.9M: 14
- $5M - $24.9M: 14
- $25M or over: 5

- 0 employees: 35
- 1-9 employees: 17
- 10-49 employees: 18
- 50+ employees: 15
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

- 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. 21
- Started production outside of their home. 40
Who took the survey in Milwaukee

Industry Sector

- Food and beverage: 27
- Metalwork, machining, and fabrication: 19
- Apparel, textile, leather: 11
- Printing and related support activities: 10
- Electrical equipment, appliance, and component manufacturing: 5
- Chemical and materials manufacturing: 4
- Jewelry and accessories: 4
- Ceramics: 3
- Personal care: 3
- Medical products manufacturing: 2
- Wood product manufacturing: 2
Who took the survey in Milwaukee

Industry Sector

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Share with 0 employees</th>
<th>Share earning &lt;$25,000 annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel, Textile, Leather (n = 11)</td>
<td>73%</td>
<td>73%</td>
</tr>
<tr>
<td>Food &amp; Beverage (n = 24)</td>
<td>29%</td>
<td>38%</td>
</tr>
<tr>
<td>Metalwork, Machining &amp; Fabrication (n = 17)</td>
<td>12%</td>
<td>6%</td>
</tr>
</tbody>
</table>
Key Findings

Photo credit: Menomonee Valley Partners
Micro-entrepreneurs were most prevalent among Food & Beverage and...
Micro-entrepreneurs were most prevalent among...

...Apparel, Textile & Leather
Characteristics of Milwaukee’s Microentrepreneurs:
Market Reach by Number of Employees

0 - 9 Employees
- 46% Local
- 12% Regional
- 17% National
- 25% International

10+ Employees
- 12% Local
- 12% Regional
- 24% National
- 52% International
Characteristics of Milwaukee’s Microentrepreneurs:

Customer Base by Number of Employees

- **0 - 9 Employees**
  - 24% Wholesalers or retailers
  - 76% Direct consumer

- **10+ Employees**
  - 43% Designers or manufacturers
  - 29% Wholesalers or retailers
  - 29% Direct consumer
Characteristics of Milwaukee’s Microentrepreneurs: Change of Professional Identity
Characteristics of Milwaukee’s Microentrepreneurs:

Change of Professional Identity

![Graph showing changes in professional identity among microentrepreneurs in Milwaukee. The graph compares self-identified categories at founding versus today.](image)
Barriers to Scaling
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).


Financing needs: cash flow, equipment for expansion, upgrading equipment, and hiring for expansion.
Two-thirds of small, growing businesses struggle to find new customers

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

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
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
Finding qualified employees is a challenge for most firms

\[ \frac{2}{3} \] 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
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