



PRESS RELEASE

NEW RESEARCH SPOTLIGHTS THE PROMISE OF MANUFACTURING IN PHILADELPHIA

FIRST OF SIX-PART SERIES THAT DOCUMENTS STATE OF URBAN MANUFACTURING ACROSS U.S.

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A new piece of research released by the **Urban Manufacturing Alliance (UMA)** and **Federal Reserve Bank of Philadelphia** highlights the growth potential of manufacturing in the city of Philadelphia. The research, titled “State of Urban Manufacturing: Philadelphia Snapshot,” is the first of a six-city series produced by UMA that will provide first-of-its-kind data on city-based manufacturing across the country, with an emphasis on makers and small-scale manufacturers.

UMA and its partners hosted focus group meetings, toured manufacturing facilities and conducted surveys between early 2016 and fall 2017 in Philadelphia and five other cities: Baltimore, Detroit, Cincinnati, Milwaukee and Portland, OR. The Philadelphia snapshot depends on Census data and feedback from 119 local manufacturers and stakeholders.

[Click here to access *The State of Urban Manufacturing: Philadelphia Snapshot*](#)

The report captures an industry that’s eager to grow. Seventy percent of single-employee firms say they want to add staff in the next two years. More than three-fourths of small, new firms -- those founded in the past three years with less than 10 employees -- say they plan on moving into bigger manufacturing spaces in the next two years.

But its findings also reveal the hurdles that could upend growth. More than half of new firms say that access to capital is their biggest challenge. Nearly 75 percent of all firms say they started their businesses with their own capital. Half of all firms say that they skipped over business opportunities in the past year because they couldn’t get the financing they needed to raise their production capacity.

“Our focus at UMA is identifying the types of local strategies that are not only strengthening urban manufacturing, but building more equitable neighborhoods,” says Lee Wellington, Executive Director of the Urban Manufacturing Alliance. “*The State of Urban Manufacturing: Philadelphia Snapshot* unlocks data that could be used as a launching point for assessing growth



opportunities, including deeper collaboration within the business community, local nonprofits and public agencies in Philadelphia.”

Additionally, 60 percent of all respondents reported that reaching new customers was one of their top three challenges. Coupled with capital deficits, these concerns suggest that city leaders, financial institutions and economic development stakeholders can play a greater role in connecting these companies with the resources they need to flourish.

“The Federal Reserve Bank of Philadelphia is committed to supporting a healthy regional economy,” says Noelle St. Clair, Community Development Advisor and Outreach Manager for the Federal Reserve Bank of Philadelphia. “This research allowed us to explore how manufacturing in Philadelphia contributes to job creation and access for city residents, but also revealed specific challenges to be addressed in order for the sector to maximize its economic potential.”

“In addition to connecting manufacturers with financial and other resources, the City of Philadelphia Department of Commerce is focused on closing the skills gap through the work of our Talent Development Unit,” says Altoro Hall, Director of Manufacturing and Advanced Industries at the Philadelphia Department of Commerce. “The City benefits from and values any insight from industry partners that provide us with a perspective of the barriers advanced manufacturers encounter, and we look forward to utilizing the information included in this report to shape some of our efforts moving forward.”

Regional data collected for the *Snapshot* hints that manufacturing in the Philadelphia area may be nearing its next era. Since 2013, the city reported slight job growth among food, paper, primary metal and wood manufacturing industries. Job losses in fabricated metal and apparel manufacturing have leveled off. A number of other subsectors, like electrical equipment and beverage manufacturers, are showing signs of growth.

With 54 percent of manufacturing jobs paying \$15 or more, and 86 percent of survey respondents’ employees having less than a bachelor’s degree, manufacturing still holds promise as a pathway to decent-paying jobs for Philadelphian communities without access to higher education. More work needs to be done, however, to ensure that equity is an outcome of this promising sector. While the makeup of Hispanic and white employees is comparable to Philadelphia’s racial demographics, African-American employees are underrepresented in the sector. And only 29 percent of all survey respondents’ employees are women.

“If we grow our urban manufacturing ecosystem right, we will have a more expanded view of the next level of skills required, what distribution and logistics look like, and gain insight into how to best transform our old industrial sites into real physical assets for small and medium size manufacturers,” says Bernadine Hawes, Vice Chair of the National Advisory Board for the Hollings Manufacturing Extension Program. “This report emphasizes that -- the need for



smarter job skills, more agility in our processes, and better connections to national manufacturing strategies."

Snapshots of the remaining five cities will be debuted in early 2018, and culminate in a national piece of research, titled *The State of Urban Manufacturing*, that shines a light on the industry's promise in post-recession, urban America.

Additional Quotes

"We're happy to support this effort by the Urban Manufacturing Alliance to learn how urban manufacturing is shifting and evolving in the 21st century," says Deirdre McAleer, Senior Vice President of Business Banking at Bank of America Merrill Lynch. "By speaking directly with manufacturers and hearing the types of capital, supply chain and workforce development resources they need to grow, we will all be better positioned to support these vital businesses in the future."

"Capital is the backbone for small business, but especially for manufacturing growth. Materials and labor are expensive but the payback is at the very end of the deal," says Patricia Blakely, executive director of the Merchants Fund. "The State of Urban Manufacturing: Philadelphia Snapshot documents the state of capital and the use of credit cards and personal savings to capitalize small companies, and shows that we have got to do better and double down on hyper local growth of small business."

About UMA

urbanmfg.org

UMA is a coalition of 600 members across 200 cities who are sustaining and growing manufacturing in urban centers. Manufacturing matters, and it matters deeply to the health and vitality of cities. A strong urban manufacturing base supports innovation, sustains living-wage jobs that provide a crucial pathway to the middle class, promotes workforce inclusion and increasingly advances environmental sustainability.