

APRIL 2021

CENTERING FEDERAL INDUSTRIAL POLICY IN RACIAL JUSTICE AND COMMUNITY DEVELOPMENT



Urban
Manufacturing
Alliance

EXECUTIVE SUMMARY

Manufacturing is as good for our neighborhoods as it is for our nation. Indeed, they reinforce each other.

A healthy manufacturing sector strengthens communities with good jobs and opportunities to build wealth while strengthening our national resilience. A robust urban manufacturing ecosystem stimulates economic growth that is more equitable, reduces the impact of climate change, and increases national security.

The Urban Manufacturing Alliance (UMA) works at the intersection of racial equity and urban manufacturing. We developed these policy recommendations as a northstar for federal-level policy makers and leadership in the new Biden/Harris administration. This agenda lifts up the work of our partners in cities across the country who are supporting manufacturing in their communities and recommends how the federal government could better support these local efforts and replicate their success.

These manufacturers are making salsa in their kitchens, 3D-printed widgets in shared makerspaces, and cars in factories. They are companies like [LucasPye Bio](#) in Philadelphia, the first African-American, queer woman-

founded biotech and pharmaceutical company. And [Satori Food Project](#) in Milwaukee, a three-person-of-color team creating family-friendly foods that have mental health benefits. And [Diseños Ornamental Iron](#) in Detroit, a Latina-owned metalworking business that was founded by her father.

The policies suggested in this document are supported by programmatic and organizational examples — stories of innovative, community-based manufacturers who are providing jobs and building wealth in their cities. We provide policy suggestions in five topic areas and describe how federal agencies, Congress, and the executive branch should take action in each one.

Through our work and partnerships, UMA is building a national movement around urban manufacturing as an equitable economic development strategy. These recommendations are a call to action to the federal government to use its investment in the manufacturing sector as also an investment in our communities and source of equitable inclusive growth.

SOLUTIONS

1. Prioritize inclusive manufacturing policy throughout the federal government

2. Strengthen manufacturing ecosystems

3. Help communities capitalize on high-quality manufacturing jobs

4. Modernize industrial real estate and create community assets

5. Ensure access to capital that is inclusive and directed towards manufacturing businesses

VISION, PROBLEM, AND OPPORTUNITY

A strong manufacturing sector strengthens communities while building our national resilience. A *diverse* urban manufacturing sector taps our cities' and towns' rich constellations of people, resources, and creativity. An *inclusive* local manufacturing economy draws upon the full range of talents and expertise while authentically celebrating unique cultural assets and pride of place. An *equitable* industrial economy expands the pathways for all residents to leverage their diverse talents, experiences, and interests to share in economic prosperity through manufacturing employment, entrepreneurship, and business ownership.

A robust urban manufacturing sector can also advance both national and local objectives — from stimulating economic growth that is more equitable and inclusive to reducing the impacts of climate change and increasing national security. The COVID-19 pandemic elevated the importance of very local supply chains for critical goods, such as Personal Protective Equipment, for cities to address urgent needs quickly and without interruption.



But we face challenges that require federal attention; including aging infrastructure and building stock, limited access to business capital, and an inadequately skilled workforce. These create competitive disadvantages for our domestic manufacturing sector in general, and in cities in particular.

As we address these competitiveness issues, federal policy must also address the insidious, persistent, and systemic racism embedded in both our local and national economies — centuries in the making but cresting with the social justice uprisings of summer 2020. Cities are centers of innovation and opportunity; places where entrepreneurs can launch their businesses and jobs can be created. And because cities are also home to so many of the people of color, Black, Latinx, women, and others who have been historically deprived of full economic opportunity, urban manufacturing offers a unique vehicle for fostering equitable economic growth.



The Urban Manufacturing Alliance (UMA) works at the intersection of racial equity and manufacturing. This work began with our Equitable Innovation Economies initiative in 2015, a collaboration with PolicyLink and the Pratt Center for Community Development, which grew into our Equity and Inclusion Community of Practice. UMA continues to lift up programs, policies, and people who are leading community development and economic and racial justice through programming including our Pathways to Patient Capital and Industry & Inclusion initiatives.

Our organization is built on the recognition that it is the work that our partners are leading in their local communities that advances resilience and equity through manufacturing. Because manufacturing involves the creation of physical products, it is inevitably linked to place and community. While policy is often set for entire economic sectors and at the national level, manufacturing policy plays out in real places and in real communities.

The insights and experiences of our partners who work in specific communities must inform local, state, and federal policies about how to build a more inclusive and sustainable manufacturing ecosystem locally, regionally, and nationally. Our partners, and the businesses they serve, must be intentional in advancing racial equity and justice. So, we must create, replicate, and champion policies that unite manufacturing and community.

This is not an easy task given the decimation of the U.S. manufacturing sector by globalization, the aging of the manufacturing workforce, the retirement of many business owners, and friction between manufacturing and sustainability. Further, many of the communities in which urban manufacturing could thrive have been hit the hardest by the legacy of environmental injustice, workforce exploitation, and misguided “urban renewal” policies, leading to a deep and understandable mistrust of the sector by Black, Latinx, and other communities of color.

Yet, there is no clearer place to align our work to build a just, equitable economy than in urban manufacturing within our neighborhoods. With the right interventions, we can reduce the threat of climate change, repair the legacy of environmental injustice, and build a more secure economic future for all people. We must reinvigorate domestic manufacturing and we must do so equitably and inclusively. To work towards this effort, we point to America’s towns and cities — the birthplaces of so many innovations, ideas, businesses, and jobs — because the very solutions we seek are already here. The ideas put forth in this agenda are based on initiatives that are working on the ground right now.



PRIORITIZE INCLUSIVE MANUFACTURING POLICY THROUGHOUT THE FEDERAL GOVERNMENT



The Biden/Harris administration has repeatedly pledged to not merely rebuild the nation's manufacturing sector but to use it as a tool to address both climate change and advance equitable economic growth. But the policies and programs that impact the manufacturing sector are spread throughout the federal government: Commerce, Housing and Urban Development, Defense, Education, Labor, Environmental Protection, Small Business, Transportation, Energy, and the Federal Communications Commission. Federal policies need coordination and accountability to have maximum impact.

Create unity and accountability for manufacturing policies and programs across the federal government.

HOW: Create a White House Office of Manufacturing to align and provide accountability to manufacturing policies and programs.

Other challenges requiring cross-sector coordination have benefitted from a special office established to convene the requisite federal agencies and hold them accountable for advancing the President's policy. A high-priority for a White House Office of Manufacturing would be a scan of federal programs that may already support urban manufacturing, equity, and sustainability, and those that can better align those priorities.

GO TO EXAMPLES:

Build stakeholders into the deliberation and dissemination of national manufacturing policy.

HOW: The new White House Office of Manufacturing should convene a National Manufacturing Council (NMC) and provide sufficient staff support to achieve its mission of creating a forum to advise on federal policy.

The NMC would lift up models which inform best practices and disseminate information about federal policies and programs. The NMC could draw from the leadership of existing local industrial development organizations and councils that have the expertise and knowledge to advance this mission. The NMC would build stronger communication between the local and national expertise and embrace equity, inclusion, and sustainability as critical goals in the formulation and application of national manufacturing policy.

GO TO EXAMPLES:

Promote manufacturing as a critical component of the innovation economy.

HOW: Renew the Nation of Makers and associated National Week of Making initiatives under the leadership of the new White House Office of Manufacturing in collaboration with the Office of Science and Technology Policy, Congressional caucuses, and other federal agencies.

Despite today's real employment and entrepreneurial opportunities in manufacturing, the public's perception of the sector is often outdated. Visibility and engagement at the highest level of government would demonstrate both career opportunities and the government's commitment to the sector. This should include strengthening relationships with the Congressional Maker and Manufacturing Caucuses and the Congressional Women in STEM Caucus, partnership with the Congressional Black Caucus, and Congressional Hispanic Caucus, and the Congressional Caucus for Women's Issues.

GO TO EXAMPLES:

Create unity and accountability for manufacturing policies and programs across the federal government.

Office of Science and Technology Policy

The White House Office of Science and Technology Policy was established in 1976 to advise the Executive Office on the impacts of science and technology across policy issues and to coordinate federal agencies in the use and advancement of science and technology. More recently, the White House Office of Domestic Climate Policy was established to coordinate and implement the President's domestic climate agenda.

Build stakeholders into the deliberation and dissemination of national manufacturing policy.

Manufacturing Renaissance; Chicago, IL

Manufacturing Renaissance created the Chicagoland Manufacturing Renaissance Council (CMRC), a coalition involving two presidents of local manufacturing companies, as well as the Technology & Manufacturing Association, the Chicago Federation of Labor, Cook County Bureau of Economic Development, the religious community, and community-based development and training organizations. The CMRC advances policy related to manufacturing, has educational forums, and provides support for manufacturing-based projects with clear public impact.

Bay Area Urban Manufacturing Initiative; San Francisco, CA

The Bay Area Urban Manufacturing Initiative facilitates the creation of a well-defined and interconnected regional manufacturing ecosystem by bringing together city- and county-level economic development staff across the nine Bay Area Counties to help educate them and inform policy about manufacturing.

Promote manufacturing as a critical component of the innovation economy.

Mayor's Maker Challenge

In 2014, 99 mayors accepted the "Mayor's Maker Challenge," a call to action from mayors challenging their peers to bolster making in their communities. The Mayor's Maker Challenge worked to build awareness, an ecosystem, and community around the Maker Movement in the cities, counties, and regions.

BUILD UP MANUFACTURING ECOSYSTEMS



Manufacturing is inextricably connected to place and community. And while there are too many examples from the past where manufacturing led to environmental and economic injustice, the Biden/Harris administration recognizes that manufacturing can revitalize communities, build wealth, and create sustainable, equitable growth. To realize these opportunities, communities need greater capacity to support entrepreneurs and to grow businesses that are already in their neighborhoods, building on regional strengths, such as their universities or workforce skills, building stock, and infrastructure of legacy industries. Rather than chasing smokestacks, communities would be better served by investing in nascent and existing manufacturing companies who can fill existing gaps in the supply chain with the types of jobs that provide high-wages.

Establish a new Manufacturing USA Institute focused on sustainable, inclusive ecosystem building.

HOW: The Departments of Housing and Urban Development and Labor, with the support of the Department of Energy and the Environmental Protection Agency, should launch a Manufacturing USA Institute to support research on best, promising, and model practices; pilot projects; and build the capacities of cities and communities to foster urban manufacturing.

Under the Revitalize American Manufacturing and Innovation Act (RAMI) of 2014, the Secretary of Commerce established the National Network for Manufacturing Innovation, which included the Manufacturing USA Institutes. Sixteen Manufacturing USA Institutes are supported by the Departments of Defense, Energy, Commerce, Agriculture, and Health and Human Services - all of which have launched supportive partnerships between government, academic institutions, and industry. A similar approach should be applied for promising practices in organizing urban manufacturing communities to be catalysts for inclusive, sustainable growth. This could include the development of land use strategies and models for strengthening the pathways between schools, local colleges, and businesses. Bringing myriad perspectives and disciplines together to share research and experiences and to collectively solve problems will stimulate innovation and growth.

Bring data collection into the 21st Century.

Written in partnership with Tanu Kumar, Special Projects Director for UMA.

HOW: The Office of Management and Budget (OMB) should update the North American Industry Classification System (NAICS) codes to reflect the tremendous shift that has occurred in manufacturing's more tech-driven, cross-sectoral business model. In addition, Census and BLS data should build on current efforts and provide more robust datasets for small- and micro-businesses (i.e. those under 10 employees) and manufacturing entrepreneurs.

Current data collection methods do not accurately capture or reflect information about today's manufacturers — small, cross-sector, tech-driven — and inadvertently exclude many businesses, particularly small firms, from national data sets which rely on generations-old industrial classifications. Many of these creative firms, which straddle categories, often get lumped into retail or general commercial, obscuring their impact on value chains and undermining policy development.

In addition, in line with other data priorities from the Biden/Harris administration and the commitment to inclusive growth, agencies should revamp their data collection by consistently collecting and aggregating across race, gender, disability, and other demographics.

GO TO EXAMPLES:

Expand federal investment into manufacturing.

Written in partnership with Bernadine Hawes, immediate past Chair of the MEP Board.

HOW: Quadruple NIST-MEP's budget (following the Biden/Harris campaign pledge) and include additional metrics and coordinated priorities.

The Manufacturing Extension Partnership (MEP) program is the only current federal program that provides direct funding to help manufacturers in all 50 states via state-based technical assistance centers. Centers help manufacturers stay current on issues like cybersecurity, workforce development, and lean manufacturing. However, MEPs have been woefully under-resourced, with funding tied to metrics leading them to work with mainly medium and large manufacturing businesses and disincentivizing assistance for smaller businesses. Additional funding could be tied to expanding their purview and programming, including: performing independent data collection around race, gender, and other demographics of businesses (owners and workers) served; consulting on businesses' environmental impacts and increasing job quality; providing community-based programming, such as workforce training; and serving more small- and micro- manufacturers.

GO TO EXAMPLES:

Bring data collection into the 21st Century.



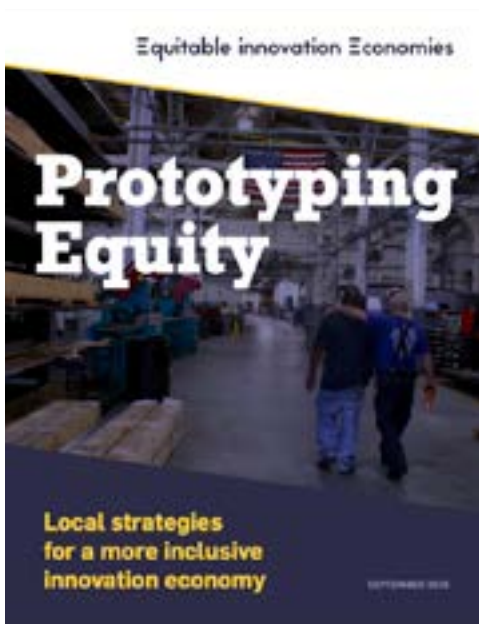
The State of Urban Manufacturing

In 2018 and 2019, UMA created a first-of-its-kind data set by surveying micro- and small-batch firms, as well as legacy, at-scale businesses in six U.S. cities.³ The data in our [State of Urban Manufacturing](#) report present a fuller picture of what manufacturing is today: inclusive of diverse subsectors (from jewelry to car manufacturing) and size of business (micro to at-scale).

Expand federal investment into manufacturing.

The Manufacturing Advocacy and Growth Network (MAGNET); Cleveland, OH

In 2017, The Manufacturing Advocacy and Growth Network launched the [Early College, Early Career](#) (ECEC) program. ECEC adapts manufacturing apprenticeships to Ohio schools, providing 9th and 10th grade students exposure to manufacturing careers, and 11th and 12th graders tuition, opportunities to earn manufacturing certifications, paid internships, and job-readiness training.



Equitable Innovation Economies Initiative

As part of UMA's [Equitable Innovation Economies Initiative](#) learning cohort, organizations in four cities⁴ worked to identify achievable equity outcomes for program investments focused on manufacturing projects — from workforce development and land use to capital access. Each city designed a process to track progress towards target equity indicators, including expanding data collection to include variables such as race, gender, veteran status, and neighborhood.

Catalyst Connection; Pittsburgh, PA

[Catalyst Connection](#) in Pittsburgh has supported the integration of small-batch and artisanal manufacturing firms into their regional supply chain. For example, two [Design Jam events](#) in 2015 connected designers to manufacturers to help them diversify product lines, and their [Maker to Manufacturer program](#) provided both physical and virtual support to small firms seeking to commercialize products. Both activities connect entrepreneurial makers and small businesses to a larger ecosystem of manufacturers.

³ Baltimore, Cincinnati, Detroit, Milwaukee, Philadelphia, and Portland (Ore.).

⁴ Indianapolis, Portland (Ore.), New York, and San Jose.

HELP COMMUNITIES CAPITALIZE ON HIGH-QUALITY MANUFACTURING JOBS

Written in partnership with The
Century Foundation

U.S. manufacturing can't deliver critical goods to the economy and create well-paying jobs for communities if it is not embedded in a network of educational institutions and community organizations that can build a skilled, inclusive workforce. The future of the industrial sector relies on engaging a new generation of workers to replace a rapidly aging one. An estimated 2.4 million additional manufacturing workers are needed in the next decade³. These new workers will need to manage technologies that are already radically changing how we manufacture. Further, industry will need to incorporate diversity, equity, and inclusion at all levels on the career ladder, from the factory floor, management, and ownership, to find the talent and expertise it needs to be competitive.

Fund intermediaries to facilitate the implementation of apprenticeships for small- and medium-sized manufacturers.

HOW: Create a federal funding stream to help intermediaries set up public/private consortia to fund apprenticeships, akin to the Promoting Apprenticeships through Regional Training Networks for Employers' Required Skills (PARTNERS) Act.

Small manufacturing companies face a structural problem: they need skilled workers but their size makes it difficult to build internal training capacity, seek workforce funding, and access workforce organizations. Smaller firms would benefit from flexible, scalable solutions that are built in partnership with workers, industry partners, local workforce organizations, workforce investment boards, and government entities. These solutions would identify, train, and support work-based learning modalities, including apprenticeship and apprenticeship-like models for training and upskilling future and incumbent workers. These could be associated with current cluster or sector initiatives, led by [Manufacturing USA Institutes](#), and lead to valuable, equitable careers that support incumbent and new workers, as well as employers' workforce needs.

GO TO EXAMPLES:

Stand up industrial sector and community college partnerships for high-wage, high-growth industries.

HOW: Supply federal funding to stand up industrial sector and community college partnerships for high-wage, high-growth industries, including manufacturing, like the Trade Adjustment Assistance Community College and Career Training (TAACCCT) Act.

Community and technical colleges need the opportunity to broker productive, helpful collaborations with employers to grow industry-aligned curricula that trains and connects students to credentials and available and future jobs. Connecting employers to community colleges, who often have deep relationships to diverse cross-sections of students working toward credentials, can lead to larger pools of qualified workers, support the increase of industry-recognized credentials, and build support structures for students to help them juggle the demands of school and new work environments, which have a wide range of social, emotional, and technical components. Additionally, community colleges can develop sector strategies that help employers build robust internal training systems that leverage and grow college curriculum. However, there is no formalized mechanism to encourage community colleges to build their curriculum in partnership with industry — and doing so takes resources.

GO TO EXAMPLES:

Expand business ownership by people of color through succession planning.

Written in partnership with Manufacturing Renaissance.

HOW: The Department of Labor should utilize and expand the existing Workforce Innovation and Opportunity Act to allow states to use dislocated worker funds for ownership transition services.

The vast majority of manufacturing company owners are at or nearing retirement age and many have not identified a successor. As we emerge from COVID — the third economic downturn that many Baby Boomer-aged owners will have endured — these companies are at risk of closing and dissipating the wealth-building value they have created. Facilitating ownership transitions — particularly to Black, Latinx, and female entrepreneurs — or to employees instead of private equity or venture capital firms, is a way to retain local jobs and diversify the ownership and wealth-generation of our manufacturing sector and communities.

GO TO EXAMPLES:

Fund intermediaries to facilitate the implementation of apprenticeships for small- and medium-sized manufacturers.

Brooklyn Navy Yard Development Corporation & ApprenticeNYC; New York, NY

The **Brooklyn Navy Yard Development Corporation** launched the Internship to Employment pilot to expose young adults to opportunities in manufacturing, to provide a baseline of company-or industry-specific training, and to encourage employers to hire graduating interns through a six-month wage subsidy.

The NYC Economic Development Corporation and NYC's Department of Small Business Services created **ApprenticeNYC**, a paid, full-time apprenticeship opportunity that provides technical instruction paired with on-the-job training that helps adult jobseekers develop in-demand skills in a long-term occupation with high growth potential, like CNC machining.

Earn and Learn Fremont Pilot Program; Fremont, CA

In Fremont, CA, the City's Economic Development Department established the **Earn and Learn Fremont Pilot Program**, to build a pathway between Workforce Innovation and Opportunity Act-eligible adult job seekers and manufacturers who need local, skilled talent. The initial pilot program will include 25 participants receiving eight weeks of paid work experience and six weeks of concurrent virtual skills development training, as well as support services such as childcare during training. This is a partnership between industry, community college, workforce development boards, and the City.

Empowerment Plan; Detroit, MI

In Detroit, **Empowerment Plan** (EP), a nonprofit workforce organization, provides a stepping stone out of poverty for homeless people by providing jobs and support services. In 2019, they implemented a US Department of Labor National Apprenticeship for Industrial Sewing Machine Operators. They were already producing their signature sleeping bag/coat in their factory, but wanted to expose their workers to a broader range of skills to prepare them to work in factories outside of EP. They engaged the **Industrial Sewing and Innovation Center** as an apprenticeship sponsor to provide technical instruction and support implementation of on-the-job training. The local workforce agency, Detroit Employment Solutions Corporation, secured funding for EP to pay for the instruction, equipment, and other expenses through multiple partners with access to federal dollars.

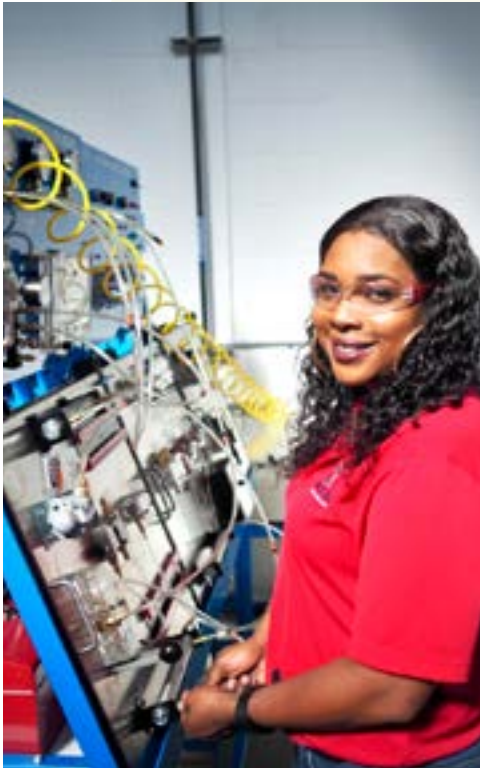


Stand up industrial sector and community college partnerships for high-wage, high-growth industries.

Northland Workforce Training Center; Buffalo, NY

Northland Workforce Training Center

hosts training programs in advanced manufacturing as an extension site of State University of New York (SUNY). Training leads to certificates and associate degrees from SUNY's Erie Community College or SUNY College of Technology at Alfred. The curriculum is created and maintained by SUNY, with input from the Buffalo Niagara Manufacturing Alliance, and the classes are taught by SUNY faculty, but students find it more convenient and accessible to learn near their home. Northland Workforce Training Center also provides career coaches that support students through their training and into job placement.



Menomonee Valley Partners; Milwaukee, WI

The JobUp Program in Milwaukee is designed to respond to high unemployment, low numbers of managers of color, and a high dropout rate in technical certificate training programs.

Menomonee Valley Partners, one of Milwaukee's seven Industrial Business Improvement Districts, is leading this initiative alongside Milwaukee Area Technical College. Together, they are working with industry to identify hard-to-fill jobs and match them with trained program graduates.

Expand business ownership by people of color through succession planning.

Equitable Industrial Development; New York, NY

The **Equitable Industrial Development**

(EqID) Initiative, a new City-supported partnership with local service providers, helps small business owners explore and undertake the sale of their businesses to employees. EqID brings technical expertise and funding to help business owners get a fair selling price, solidify their legacy, and keep good jobs in the neighborhood for years to come.

Steel Valley Authority; Pittsburgh, PA

The Steel Valley Authority's **Strategic Early**

Warning Network is a layoff aversion program that helps preserve manufacturing in Pennsylvania. The Department of Labor embraced and sponsored the program starting in 1993 to protect companies and jobs, helping hundreds of companies, and saving thousands of jobs statewide since.

Re/Cast; Chicago, IL

Re/Cast is a partnership between **Manufacturing Renaissance**, Safer Foundation, Chicago Federation of Labor, Local Initiatives Support Corporation Chicago, World Business Chicago, Cook County Bureau of Economic Development and the Illinois State Treasurer. The project will help retain Chicago's industrial base by arranging the acquisition of manufacturing companies through ownership succession by groups of employees and high road entrepreneurs, particularly people of color.

MODERNIZE INDUSTRIAL REAL ESTATE AND CREATE COMMUNITY ASSETS

Written in partnership with the Pratt
Center for Community Development



The greenest, most affordable space is most often the one that's already built. Developing programs to modernize and adapt older industrial space for today's needs would capitalize on existing infrastructure and embed business in a community that offers services and a workforce. But industrial space is often more expensive in cities where zoning may allow office and retail uses to compete with affordable manufacturing space, bidding up the price. Competition increases in so-called strong-market cities where real estate speculation on residential conversions puts additional pressure on manufacturing space. In addition, legacy industrial space was often designed for single, large manufacturers but today's manufacturers are likely to be smaller. But converting legacy spaces into multi-tenant buildings is both expensive and risky without an anchor tenant. Federal policy can help in a number of ways, including updating economic development programs that provide capital grants and tax incentives that subsidize redevelopment and nonprofit operation.

Support local efforts to redevelop older industrial spaces for new tenants.

HOW: Agencies such as the Economic Development Administration or Housing and Urban Development should develop an initiative that provides technical assistance and funding for pre-development planning, acquisition, and redevelopment of older industrial areas and buildings for current manufacturing or industrial uses. Planning and renovating older industrial space or building new space in cities is generally more costly and complicated than greenfield development. But the density of existing transportation systems, utilities, and infrastructure make urban redevelopment more economical from a public policy perspective in the long run. It also strengthens the connection to the manufacturing ecosystem in the community and provides more sustainable job creation during and after the development.

GO TO EXAMPLES:

Help community-based, nonprofit developers to acquire and redevelop industrial space.

HOW: Nonprofit community groups and industrial development organizations are expanding across the country to help cities fill a real estate gap by providing affordable, accessible space to burgeoning businesses with job-creation potential. But developing these spaces requires significant up-front capital and available funds are both inadequate and often too slow and unpredictable to use in robust, rapidly changing real estate markets. Federal and state governments need to build the infrastructure of grants, tax incentives, and expertise to support nonprofit industrial development, as they did for affordable housing over the past thirty years. In strong-market cities they can protect manufacturing jobs against displacement; in weak-market cities, acquisition by a community-based organization can both prime the pump for private investment while providing space for jobs and local businesses.

GO TO EXAMPLES:

Support development of multi-tenant, affordable industrial spaces.

HOW: The future White House Office of Manufacturing should coordinate a scan of relevant funding and assistance programs to eliminate obsolete barriers for urban manufacturing. The diversity of urban manufacturing, from small to large firms and from artisan to high-tech, requires diverse space options. The old model of an owner-occupied, single-tenant building embedded in many federal and state financing programs, such as industrial development bonds, must be revised to support the renovation of buildings for fledgling manufacturers launching in relatively small spaces and who do not want to invest precious capital in real estate over training, technology, or other ways that make them more competitive. In addition, given the dense nature of many cities and the trend toward neighborhoods that are a mix of residential, commercial, and industrial uses, restrictions on financing for manufacturing that are in proximity to these other uses or even in the same buildings may be obsolete.

Support local efforts to redevelop older industrial spaces for new tenants.

Brownfield Opportunity Area; New York State

New York State's Brownfield Opportunity

Area program provides grants to community-based organizations and municipalities to assess the feasibility of site-specific redevelopment strategies and to underwrite the implementation of redevelopment plans. It then provides tax incentives for redevelopment consistent with those plans.

Help community-based, nonprofit developers to acquire and redevelop industrial space.

NYC Economic Development Corporation; New York, NY

NYC's Economic Development Corporation launched the **Nonprofit Industrial Developer Fund** in 2017 to help preserve industrial space through its acquisition and management by mission-driven community-based organizations. The Fund provided low-cost financing to developers creating affordable industrial spaces and quality jobs. This work was done in partnership with the **Association for Neighborhood and Housing Development**, and has been utilized by community-based organizations such as **Evergreen Exchange** which has acquired four buildings in Northwest Brooklyn.

Bridgeway Capital; Pittsburgh, PA

7800 Susquehanna is a rehabbed Westinghouse factory that was turned into multi-tenant manufacturing space in the Homewood neighborhood, a low-income community of color. **Bridgeway Capital**, a local CDFI, obtained several state grants (including from the PA Department of Community & Economic Development, the PA Redevelopment Assistance Capital Program, and the PA Multimodal Transportation Fund) and leveraged philanthropic investments, New Market Tax Credits, and their own project equity to finance the building. 7800 Susquehanna now houses production businesses, training programs, and a community space.



ENSURE ACCESS TO CAPITAL THAT IS INCLUSIVE AND DIRECTED TOWARDS MANUFACTURING BUSINESSES

Written in partnership with Bridgeway
Capital, ICA, Kiva, and Mountain
BizWorks

Lenders and investors often think of manufacturing companies as a risky bet, with lower returns than tech companies and other “sexier” industries, like the “eds and meds” sector associated with higher-education or medical institutions. But manufacturing businesses have high levels of assets; are deeply tied-in to their local end markets and supply chains; provide living wage jobs with genuine career ladders, often with highly specialized skills; and offer real staying power. Federal agencies and entities should prioritize explicit lending and investing to production businesses as a way to lift them up as worthy investments, and partner with CDFI and other community-based lenders to deploy capital products to targeted businesses.

Bring the most marginalized entrepreneurs into the mainstream financial system.

Written in partnership with Chris Brown, former Director at PolicyLink and co-author of [Future of Banking](#).

HOW: Reward inclusive finance models by having federal regulators and policymakers create a system of incentives for financial institutions that successfully serve low-to-moderate income (LMI) clients’ financial needs and maintain branches in LMI communities.

Many manufacturing and making entrepreneurs, particularly those who are BIPOC and immigrants, exist in a cash economy because they don’t have access to banks and other financial institutions. In fact, there are 63 million people who don’t have basic access to mainstream financial tools, such as a federally-regulated bank account. This makes it next to impossible for them to obtain a business loan, build credit history to scale their business, and to participate in government programs. Addressing this larger issue would help these components of the manufacturing sector as well as all other unbanked or underbanked entrepreneurs.

Reduce restrictions on crowdfunding for small manufacturers looking to scale.

HOW: The Securities and Exchange Commission (SEC) should consider lowering the burden around registering investment offerings to make investment crowdfunding more accessible. Recently, the SEC expanded the amount of capital that businesses can raise from non-accredited investors through crowdfunding from \$1 million to \$5 million. Community members can use this strategy both as investors and as entrepreneurs, and this strategy is especially useful for manufacturers who tend to require higher levels of capital and are deeply tied-in to their local market and community. However, current business owners who want to use investment crowdfunding in addition to accredited investors still need to schedule multiple investment offerings which increases expenses and could be an additional barrier for companies scaling up.

GO TO EXAMPLES:

Help lenders bolster their own support of manufacturing businesses.

HOW: Federal agencies should replicate the product design of lending guarantees seen via SBA 7(a) across other agencies, such as USDA, that lend to local and state governments, as well as Community Development Financial Institutions and other community-based lenders. By providing credit enhancements to lenders, this will encourage financial opportunities for manufacturers, particularly small and growing firms. Federal, state, and municipal governments have shown the significant impact on growing small businesses’ access to capital through guarantee programs, such as the SBA’s 7(a) program. This mechanism allows lenders to be more flexible and reach often-left out businesses, including many small-batch production businesses, particularly those owned by people of color.

GO TO EXAMPLES:



Reduce restrictions on crowdfunding for small manufacturers looking to scale.

| Mountain BizWorks; Asheville, NC

Oak and Grist, the only “grain-to-glass distiller” in North Carolina recently closed an investment crowdfunding round, blending multiple forms of capital (traditional accredited and non-accredited investors). This flexibility allowed them to further their mission of being a hyperlocal manufacturer that sources everything from their malt to their glassware locally. This also ensured reinvestment of local dollars to grow and further their mission. They worked with local CDFI, **Mountain BizWorks**, to launch their investment crowdfunding campaign and access PPP financing to support them during the COVID-19 pandemic.

Help lenders bolster their own support of manufacturing businesses.

| Mountain Community Capital Fund; Asheville, NC

Mountain Community Capital Fund is a new loan guarantee pool, funded by Buncombe County, the City of Asheville, and others, for small business loans available to entrepreneurs in Asheville and Buncombe County. This loan fund is especially intended for borrowers whose main barrier is a lack of collateral and is available to all entrepreneurs, especially entrepreneurs of color and borrowers with low incomes. Current borrowers include **HummingBird Candles**, a Black woman-owned manufacturer, and **Sole82**, a Black man-owned combination retail/manufacturer apparel shop and custom t-shirt screen printing company.



| Wefunder; National

CurlMix is a Black- and woman-owned clean beauty brand for curly hair in Chicago. In 2020, CurlMix did \$6 Million in sales, and currently maintains 10 full-time employees, providing living-wage jobs to local residents. In April 2021, CurlMix launched an investment crowdfunding raise through **Wefunder** to continue to scale their business and hire locally.

| Infrastructure and Economic Development Bank; California

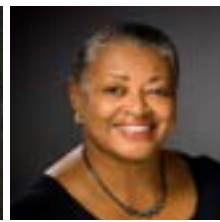
The **State of California's Infrastructure and Economic Development Bank** features a loan guarantee program designed to assist small businesses that experience capital access barriers. The Small Business Loan Guarantee program encourages lenders to provide funds to small businesses to help them grow and prosper. **Pescavore**, a family-owned sustainable, wild-caught seafood snack company, and **Cork Mobile Bottling**, a family-owned and operated mobile wine bottling operation, are two examples of supported businesses.



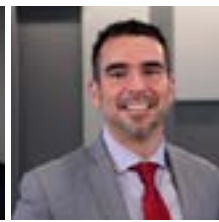
Adam Friedman, UMA Board Chair



Andrew Dahlgren, UMA Research Partner



Bernadine Hawes, UMA Board Director



Carlos Delgado, UMA Board Director



Dr. Ron Williams, UMA Board Director



Elizabeth Demetriou, UMA Board Secretary



Elmer Moore, Program Advisor



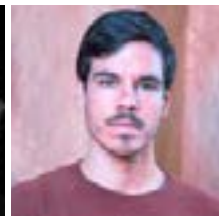
Eric Strickland, UMA Board Treasurer



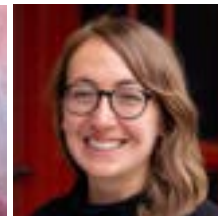
Eva Pinkley, UMA Community Leader



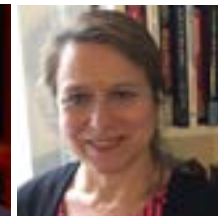
Jessica Hemmer, UMA Board Director



Johnny Magdaleno, Content & Storytelling Partner



Katy Stanton, Programming & Operations Director, UMA



Laura Wolf Powers, Research Partner



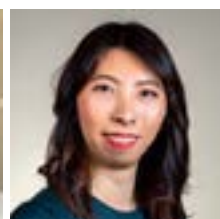
Lee Wellington, Founding Executive Director, UMA



Louis Santiago, UMA Board Director



Matt Clayson, UMA Board Director



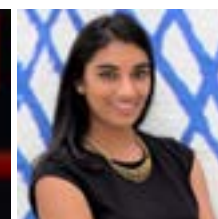
Nicole Lau, UMA Board Director



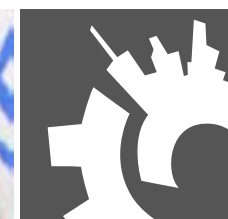
Phil Roberts, Content & Storytelling Partner



Tanu Kumar, Special Projects Director



Tulsi Patel, UMA Board Director



Acknowledgements

This report was co-authored by Katy Stanton, Director of Programming and Operations at UMA, and Adam Friedman, Director of the Pratt Center for Community Development, and Co-Founder and Board Chair of UMA.

We wrote this policy in coordination with over a dozen UMA partners. Our deep gratitude goes to UMA staff and advisors Andrew Dahlgren, Elmer Moore, Eva Pinkley, Mark Foggin, Lee Wellington, and Tanu Kumar, and our network of partners, including: Adam Kenney & Dawn Seckler, Bridgeway Capital; Andrew Stettner, Century Foundation; Becky Lewis, AFFOA; Courtney Robinson, Square; Deborah Vandemar, ISAIC; Evan Segal, Segal Ventures; Jonny Price, Wefunder; Katherine Lynch, Kiva; Moriah Heaney, Mountain BizWorks; Nichola Lowe, PhD, University of North Carolina; and Tomás Duran, Concerned Capital. A special thanks to our Board of Directors: Bernadine Hawes, DVIRC; Carlos Delgado, PolicyLink; Elizabeth Demetriou, LISC; Eric Strickland, Opa-locka Community Development Corporation;

Jessica Hemmer, Hemmer Design; Louis Santiago, Santiago Legal; Matt Clayson, Detroit Trading; Nicole Lau, Citi; Dr. Ron Williams, Coppin State University and UMA Board President-Elect; and Tulsi Patel, Estolano Advisors. Photo credits include: Design Core Detroit; Menomonee Valley Partners; SFMade; Made in Baltimore; Custom Collaborative; Manufacturing Renaissance; and Bridgeway Capital.

About UMA

The Urban Manufacturing Alliance is a national nonprofit organization that advances place-based strategies that create more equitable communities by building community wealth through employment, ownership, and entrepreneurship in manufacturing. We connect and convene partners across more than 250 cities, helping them learn from one another, and act as a collaborative ecosystem builder that builds up local manufacturing communities and a national movement. Learn more at www.urbanmfg.org.

