
MANUFACTURE NEW YORK

State of The Small Business Economy

Testimony- Bob Bland

Co-Chair, Women's March on Washington

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Members of Congress, thank you for convening this session on the State of the Small Business Economy, and to all representatives who share a tireless commitment to retaining equitable opportunities for working and middle-class small business owners and their families.

My name is Bob Bland, and I am the CEO & Founder of Manufacture New York, and the Co-Chair of the Women's March on Washington. Five years ago, I founded Manufacture New York as a 29 year old female designer, entrepreneur & young mother with a vision of an inclusive, sustainable 21st century apparel & textile industry where collaboration & colocation of local talent provided the engine for truly revolutionary leaps forward in domestic manufacturing.

Since the Great Recession, virtually all small creative & manufacturing businesses in New York City have had the same challenges- access to affordable industrial space with long term leases, relocation grants for those who are displaced, affordable housing within a reasonable commuting distance, low interest working capital & lines of credit to grow our small businesses, and competitive equipment procurement and

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training programs so that we can adapt to a rapidly changing global landscape.

Fashion design & manufacturing jobs are more than just jobs- they are an inclusive pathway to meaningful careers and the potential for business ownership, regardless of previous educational background or socioeconomic status. With an average salary of \$59,000, they are more likely to include benefits and have a clear path for growth, both in terms of skills training and opportunities to advance. The New York City fashion ecosystem is a unique creative and dynamic cultural powerhouse that touches lives internationally on a daily basis.

While in 1931, New York City's iconic Garment District was home to the highest concentration of apparel manufacturers' in the world, employing 1 million locals at its height, it has since contracted to 15,000 total apparel manufacturing jobs in the city, which contextually, still accounts for 30% of all New York City manufacturers. This can look like a bleak picture, but we would be sitting on several global opportunities for significant job growth in NYC at the intersection of fashion, sustainability and technology if we seize the moment.

New York City is home to 900 fashion company headquarters, employs 180,000 people and pays \$11B in wages and \$2B in tax revenue annually. From the smallest emerging design startups to the largest department stores and luxury conglomerates, Manufacture New York has experienced significant interest in the conceptualization, research, development and commercialization of a shared set of resources and best practices to capture value and provide accountability at all stages of our supply chain.

New York City has a unique proximity to a talented, experienced and passionate workforce; headquarters of major brands and media outlets in

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web, print, television and radio; and the emergence of Silicon Alley as a hotbed for VC funding of related technology companies. From biomaterials (Modern Meadow) to wearable technology (Ringly) to the connected devices revolution known as the Internet of Things (IoT), major 21st century manufacturing opportunities for New York City exist where fashion (apparel, textiles, footwear, jewelry, home goods) collides with previously distant sectors like consumer electronics, health care, transportation and defense.

Since Superstorm Sandy decimated our working waterfront, unemployment, under-employment and lack of sector-specific skills training remains a major barrier for economic prosperity in South Brooklyn, particularly among 18-24 year olds who are just entering into their professional lives and older residents looking for opportunities in new, growing businesses. We must work inclusively with community stakeholders and local partners to develop entirely new types of internships, apprenticeships and workforce training programs that blend STEM training in wearable technology and material science with apparel and textile manufacturing so that together, we can create a fresh start for urban manufacturing and new generation of leaders in entrepreneurship & innovation.

The Obama Administration worked diligently to establish a national network of Manufacturing Innovation Institutes ("MII"), and we look forward to participating in future institutes, as these sort of public-private partnerships are essential to long term innovation and job opportunities in advanced manufacturing. The United States lost 40% of our middle class jobs nationally during the 30-year exodus of domestic manufacturing, and it will take significant, sustained public and private investments across administrations, with all key stakeholders working together, to restore our

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prosperity and economic security as a nation. We urge Congress to continue funding and growing these programs.

In August 2016, Senator Kirsten Gillibrand announced the bipartisan Made in America Manufacturing Communities Act. In order to earn the “Manufacturing Communities” designation, communities would demonstrate the significance of manufacturing in their region and develop strategies to utilize their “Manufacturing Communities” designation in making investments in six areas:

- Workforce training and retraining;
- Advanced research;
- Infrastructure and site development;
- Supply chain support;
- Promotion of exports and foreign direct investment; and
- Operational improvement and capital access for manufacturers that supports energy or process efficiency, equipment or facility upgrades, or the development of business incubators, among other activities.

Senator Gillibrand’s bipartisan legislation is cosponsored by Senators Mark Kirk (R-IL), Jerry Moran (R-KS), Richard Blumenthal (D-CT), and Christopher A. Coons (D-DE), and a bipartisan House version was introduced by U.S. Representatives David Cicilline (D-RI), Richard Hanna (R-NY), Tom Reed (R-NY), Tim Ryan (D-OH), John Katko (R-NY), Cheri Bustos (D-IL), John Garamendi (D-CA), and Lloyd Doggett (D-TX). We urge the House of Representatives to move this legislation forward and make the Manufacturing Communities program a permanent incentive for Made In USA small business growth.

Manufacture New York also advocates for a healthy domestic manufacturing sector at large. Not only do manufacturing jobs pay better than comparable service jobs, but they currently provide skilled work for roughly 12 million Americans.

Domestic manufacturers object to NAFTA & TPP-style trade agreements that not only outsource American manufacturing jobs to low-wage, unregulated countries, but they offer little in the way of oversight for overseas labor conditions.

Our objections to this trade deal include the fact that TPP countries like Vietnam are known for ongoing labor and human rights abuses. It's questionable whether TPP labor standards can actually be verified or enforced in such countries.

Additionally, free trade agreements like TPP do not include enforceable provisions to prohibit currency manipulation. Deliberate currency undervaluation by America's trading partners has cost the U.S. millions of jobs over the last two decades. TPP would have also gut Buy America provisions in U.S. law by allowing firms in any TPP country to bid on U.S. procurement, including Chinese state-owned firms located in Vietnam. Thus, U.S. tax dollars for apparel and textiles could go to China instead of to U.S. producers.

Made In USA manufacturing is the backbone of the innovation economy, giving creatives + technologists the tools to commercialize their ideas and create new startups that fuel job growth in our NY metropolitan region and across the country.

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