

# The Maker Economy

The Growing Demand for Small Manufacturers in the Houston Region

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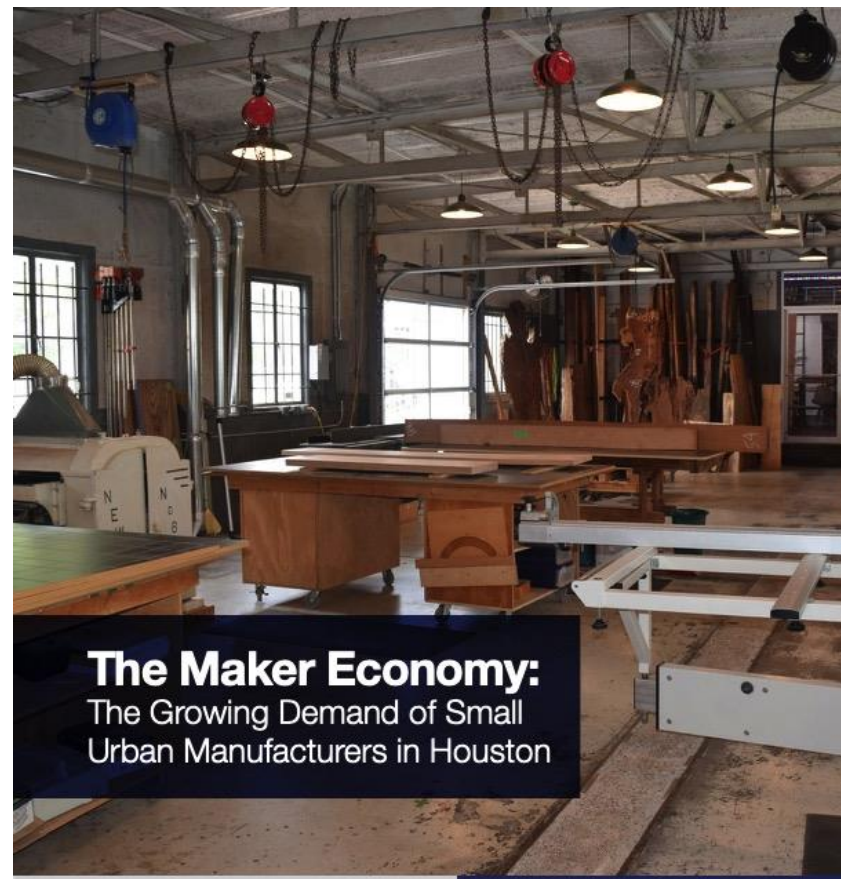
# About the Kinder Institute



Building better cities, building better lives.

# Our Report

Who are Houston's small manufacturers?





# Background

The Houston Region is home to a **diverse and vibrant manufacturing sector**.

While there is ample knowledge around the region's large-scale manufacturers, **very little is known about the region's small-scale manufacturers, artists, and makers.**

Many of these small-scale manufacturers **operate out of refurbished industrial spaces in inner-city neighborhoods** and employ **fewer than 25 workers**—they are not easy to track.



# State of Urban Manufacturing

The Urban Manufacturing Alliance conducted a **"State of Urban Manufacturing" Survey across six cities**, including Baltimore, Cincinnati, Detroit, Milwaukee, Philadelphia, and Portland.

They **interviewed approximately 600 manufacturers** by partnering with community and economic development organizations.

While informative, there is a **knowledge gap on cities outside of the Rust Belt.**

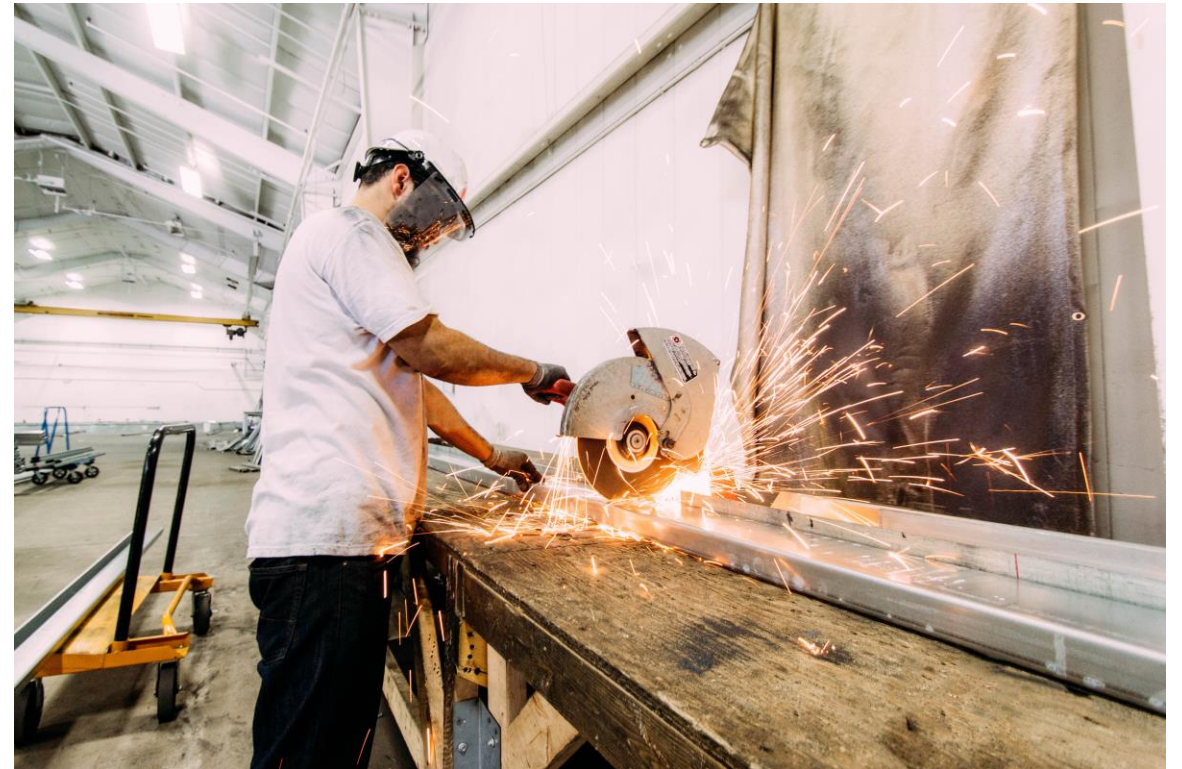


Photo by [Michael Browning](#) on [Unsplash](#)



Urban Manufacturing Alliance



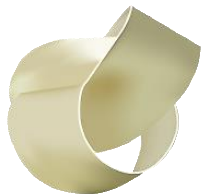


# Our Approach

With support from **TX/RX Labs**, a makerspace operating in Houston's East End, the **Houston LISC**, and **BeehiveFund/TMAC Gulf Coast**, our team set out to fill this knowledge gap.

From April 2019 through August 2019, we surveyed **69 small urban manufacturers, artists and makers** operating across the region.

We further supplemented these findings with **one-on-one conversations with a selection of small manufacturers** operating in neighborhood directly adjacent to downtown.

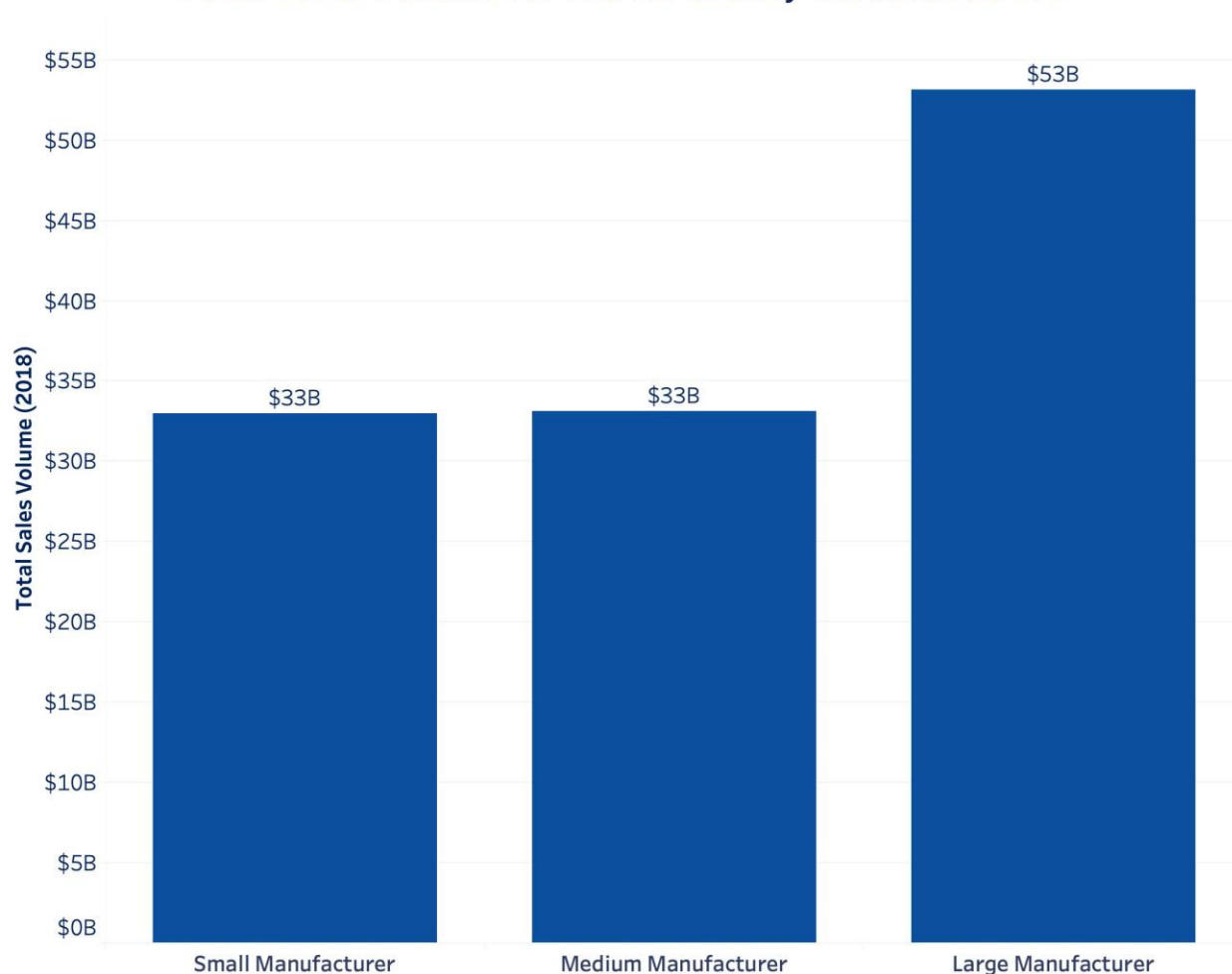


**BEEHIVEFUND**

# Key Findings

What did our report tell us about small manufacturing in Houston?

### Total Sales Volume for Harris County Manufacturers



On the whole, **small manufacturers** in Harris County contributed **\$33 billion total manufacturing sales volume in 2018.**

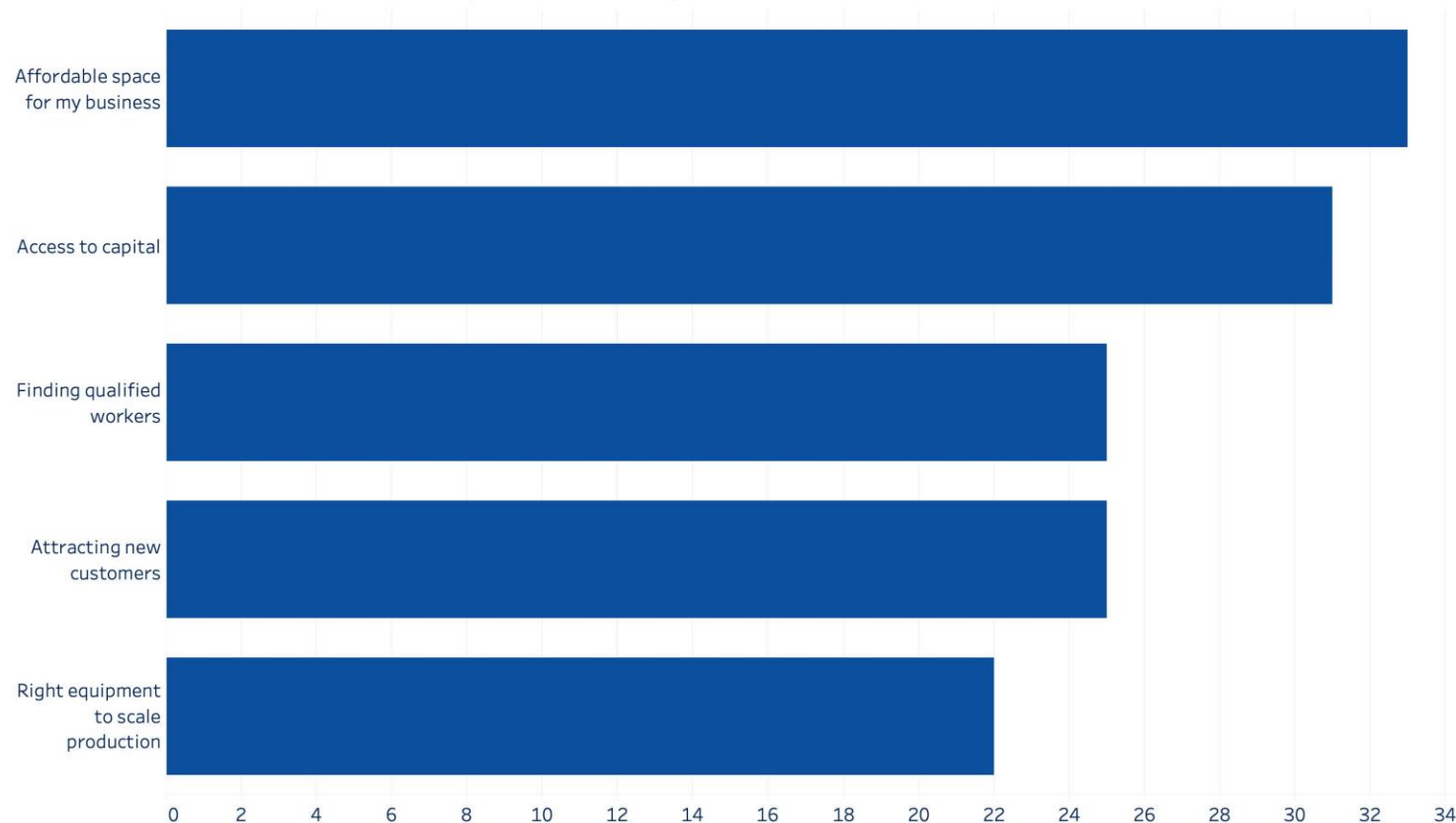
Infogroup data for **13,731 manufacturers in Harris County.**

- 11,840 small manufacturers
- 1,558 medium manufacturers
- 333 large manufacturers

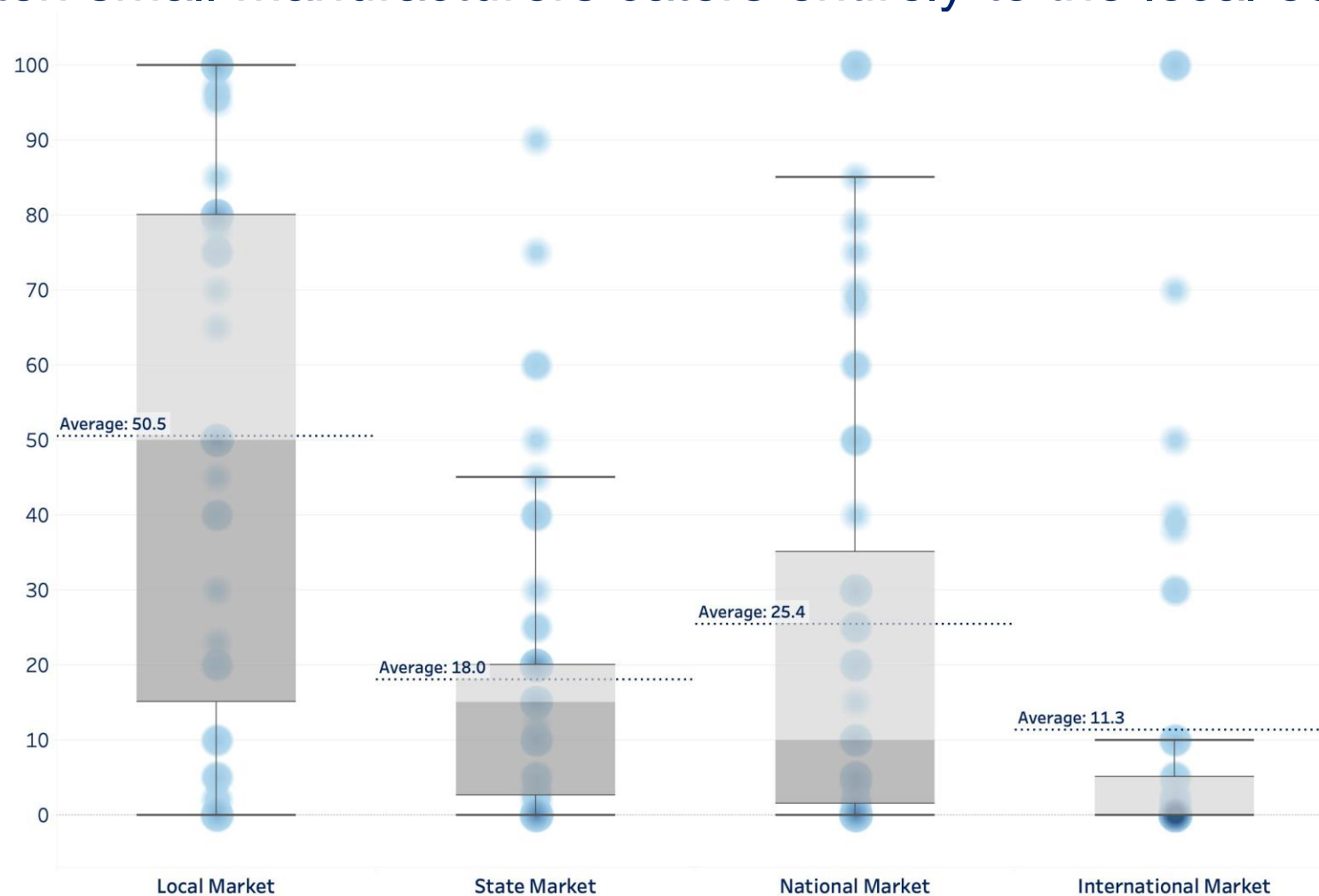


**79% of all survey respondents are optimistic about growth opportunities for small manufacturing in Houston;** however, challenges remain for manufacturers hoping to stay in the region:

Top Five Challenges for Houston Area SUMs



## One out of ten small manufacturers caters entirely to the local economy

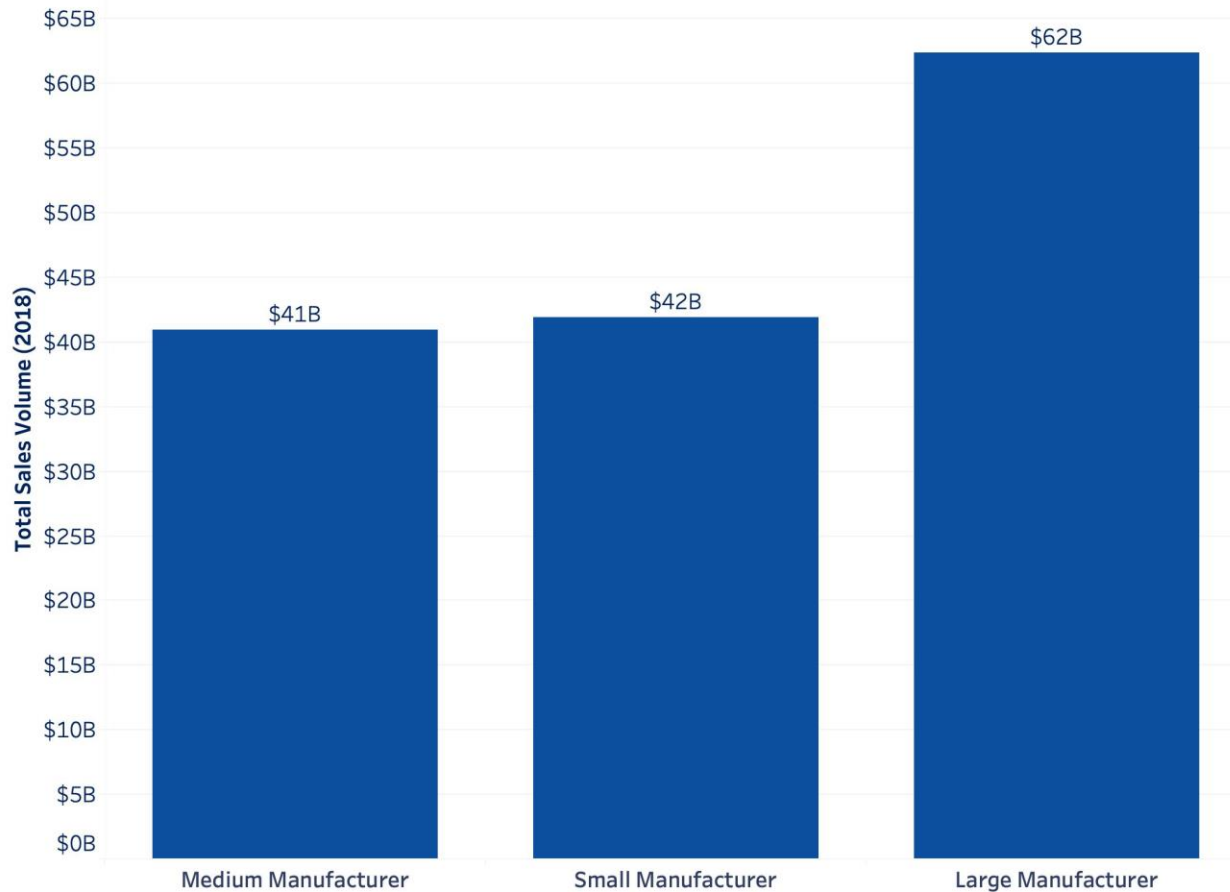


# Beyond our study...

How do small manufacturers look in the Houston Metropolitan region



Total Sales Volume for Houston Metro Manufacturers

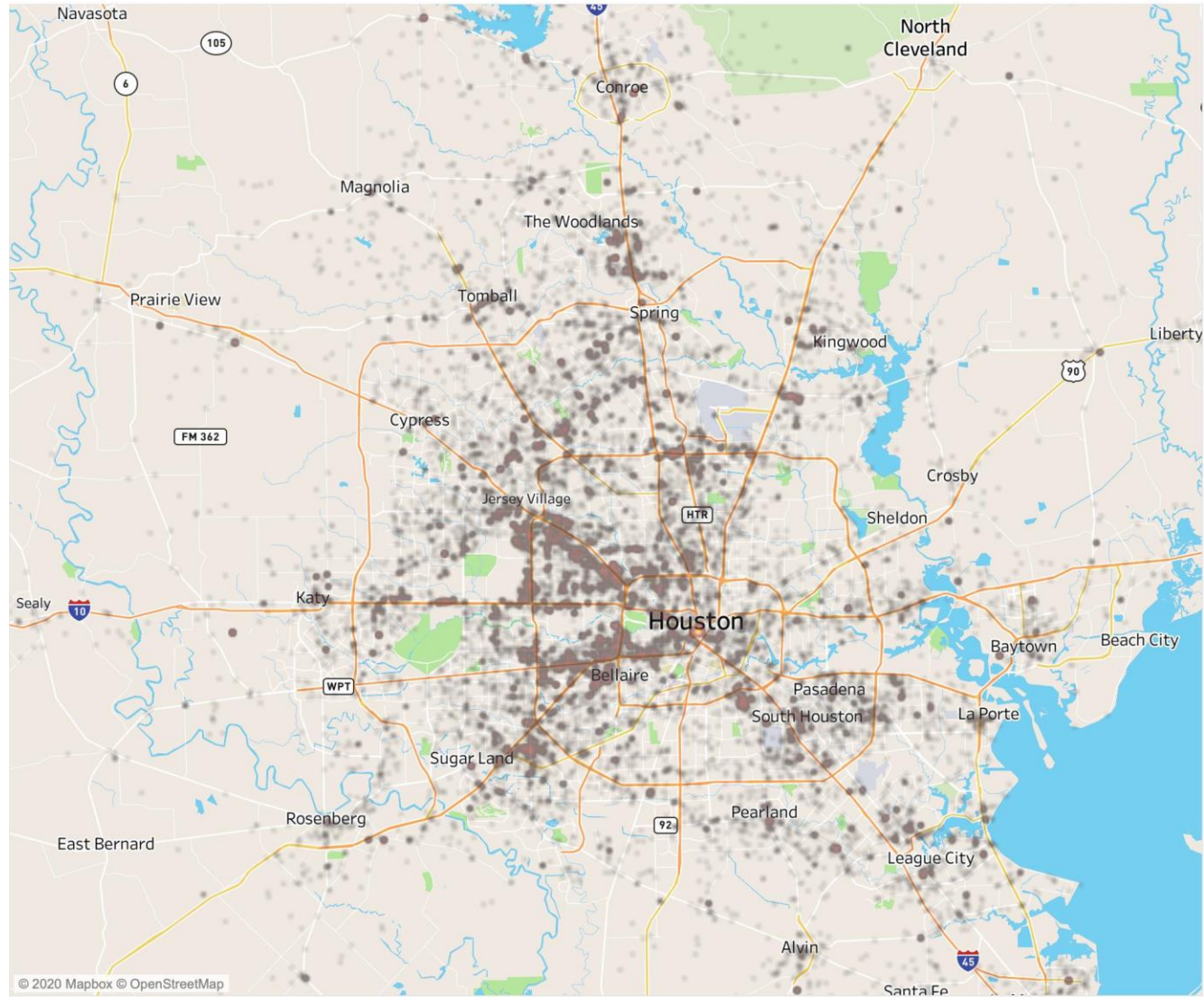


On the whole, **small manufacturers** in the Houston Metro contributed **\$42 billion total manufacturing sales volume** in **2018**.

Infogroup data for **19,472 manufacturers in the Houston Metro**.

- 17,112 small manufacturers
- 1,959 medium manufacturers
- 401 large manufacturers

## Small Manufacturer Location



# How You Can Support Small Manufacturing

Harness the Findings from our Report

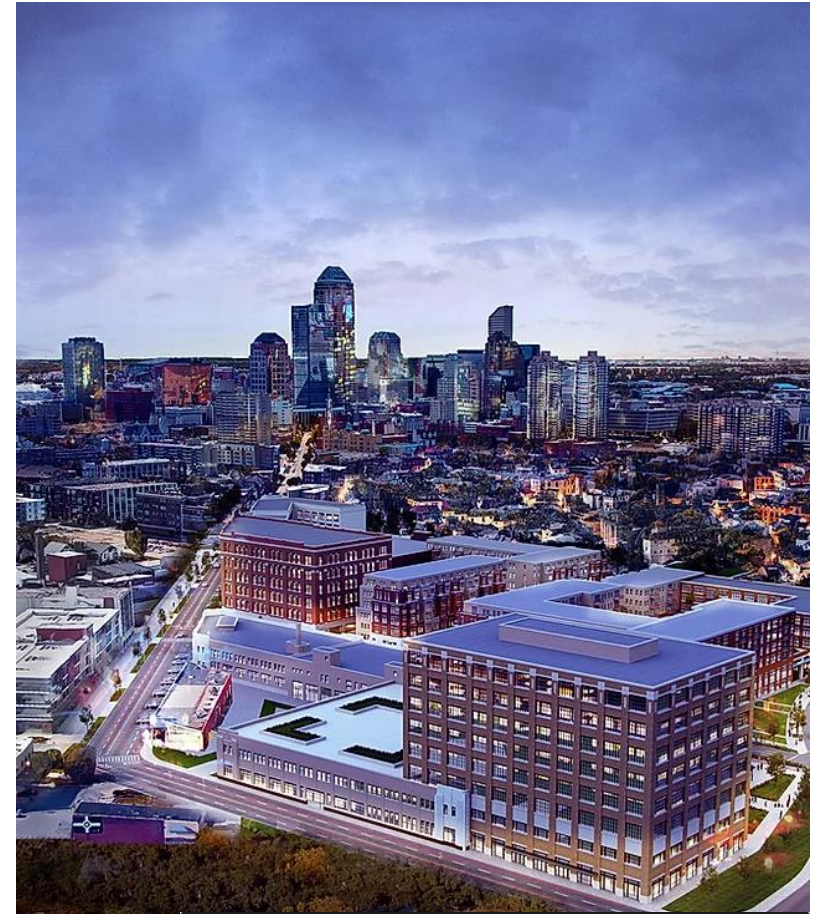


# Activating Industrial Corridors

Several of the major challenges faced by the sector could be mitigated through dedicated planning for an industrial corridor—a targeted strategy that has led to the revitalization of the North Mass Avenue District in Indianapolis, IN.

Industrial corridors leverage the following to catalyze development:

- Spatially-targeted **incentives and funding streams** that facilitate clustering of manufacturing and support organizations
- Localized policies, such as building codes and land-use regulations, that **protect and maintain existing industrial spaces** at affordable rents
- **Umbrella service provider** operating as a go-to technical and financial resource for manufacturers and **place-based branding service**
- Central hub or makerspace that anchors the district, providing **incubation space and training opportunities** for manufacturing startups



**RUCKUS**

AN INDIANAPOLIS MAKERSPACE



# Role of Makerspaces

Makerspaces are critical community spaces that offer unique opportunities for kids, adults and established entrepreneurs to **collaborate, learn new skills, explore new opportunities and gain affordable access to equipment, supplies and tools** essential to manufacturing.

These community-based spaces offer vital services that **support the small manufacturing ecosystem**. Besides TX/RX Labs, which will soon open its **East End Makerhub**, there are a variety of makerspaces in the Greater Houston region that **work locally to catalyze small manufacturing**.



# Q&A

Thank you!