



The Handwork Landscape: Detroit, Michigan

Nest's Makers United Project
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Introduction

Nest's Makers United program is a multi-stakeholder initiative that connects and strengthens the wide diversity of makers across the United States, building a vibrant and inclusive maker community. The program identifies and supports makers who face greater barriers to expanding their market reach and accessing business development services that support growth. Leveraging the maker movement's potential to generate opportunity for all makers, regardless of sex, race, economic means, or physical ability, Maker's United is committed to an inclusive creative economy.

The Detroit launch of Makers United coincided with key global events that shaped its progression. The State of Michigan was under a 70-day Stay Home, Stay Safe order from Governor Gretchen Whitmer, which started March 23 and extended through the launch of the work. Non-essential in-person gatherings were not allowed through the duration of this engagement. Detroit is located in Wayne County, which has experienced the highest number of COVID-19 cases to date in Michigan.

Across the country, including in Detroit, governments and funders re-allocated resources from dwindling budgets to manage the COVID-19 pandemic, magnifying existing challenges for makers and creating new ones. As the pandemic rolled into the summer months, instances of police brutality struck communities across the country. Tension collided and Americans took to the streets in June, protesting for equality and justice. The program launched during an especially trying time for Detroiters, who simultaneously experienced a heavy loss of life, rising unemployment rates, and an active political climate. As everyone adjusted to the new normal, makers continued to support their communities by producing personal protective equipment (PPE), like masks, and raising messages of equality.

The following landscape report offers a look into Detroit's diverse, blooming artisan/maker community. The enclosed data-driven insights can be leveraged to create a more inclusive creative economy in Detroit.

Approach and Methodology

Nest included 6 primary data sources in this study:

- ▶ Nest's Makers United Landscape Survey, stakeholder interviews, and focus groups for descriptive information on local maker communities in Detroit
- ▶ American Community Survey (ACS) conducted by the US Census Bureau for local population and housing comparisons
- ▶ Bureau of Labor Statistics (BLS) for local employee and salary comparisons and unemployment rates
- ▶ The Creative State Report (2016)
- ▶ Maker Detroit 2.0 conducted by the Wayne State University Master of Urban Planning Program (2018)
- ▶ A study conducted by Detroit Future City's (DFC) Center for Equity, Engagement and Research, the University of Michigan's Detroit Metro Area Communities Study (DMACS), and the New Economy Initiative (NEI) in 2019 to assess Detroiters' perceptions of entrepreneurship and economic opportunity

This approach included qualitative data collected through facilitated focus groups and a series of ten semi-structured community stakeholder interviews as well as quantitative data from an extensive landscape survey. These collection tools reveal the makers' needs, challenges in the industry, the available resources and the limitations of those resources, and uncovered opportunities to create an inclusive and thriving maker community.

Makers were identified through a network of community organization leaders, District Representatives from the City's Department of Neighborhoods, and stakeholders. To engage non-English speakers, the survey was also translated into Spanish, Arabic, and Bengali. This established neighborhood network and individual outreach through email, social media, and cold calling ensured a wide net that reached beyond well-connected makers.

The survey—which aimed to understand who the makers of Detroit are, what they make (and sell), how they sell their products, and the resources they currently utilize—was administered digitally using Qualtrics survey software. When appropriate and in accordance with strict CDC guidelines, the team also visited the Refuge for Nations sewing center to walk individuals through the survey in person. The data collected from the landscape survey was aggregated to analyze trends in demographics and production practices among the makers. This report presents a descriptive representation of makers in the Detroit area. Public datasets from the United States Census Bureau and the Bureau of Labor Statistics were used to establish comparisons to the local community generally.

Maker Landscape

Detroit is the largest and most populous city in Michigan. With a population that is 77% Black,¹ the city is majority-minority, and supports large Mexican-American and Arab-American communities, as well as immigrants from Bangladesh, Pakistan, India, Lebanon, Palestine, Syria, Iraq, Yemen, Senegal, and more.²

Few studies have been conducted on creative industries in Michigan, and none have focused specifically on makers—54% of whom self-identify as *entrepreneurs*, 16% *maker/creator*, 13% *artisans*, and 16% *other* (which includes designers, fabricator, and engineer). Data indicates³ that Michigan creative industries employ 2.17% of the state’s total employment, and that at least 11% of creative industry employment in Detroit comes from artisan makers.⁴ There are maker populations that are not in the main fold of creative industries and that have not been accounted for; it can be assumed that many of these individuals are immigrants or refugees. More than half of Maker businesses have been in operation between 1-5 years, but nearly 24% have been in business 10+ years.⁵

The data reflects Detroit’s rich, cultural history, inclusive of artists and designers, craft artisans and handmakers. As Detroit continues to nurture its small business economies, the opportunity exists to identify the unique needs of artisan makers and develop tailored programming to support their growth, diversifying the landscape of small business resources in Detroit.

1 <https://datausa.io/profile/geo/detroit-mi/>, Accessed August 24, 2020.
2 Maker Detroit 2.0, Wayne State University Master of Urban Planning Program, 2018.
3 Maker Detroit 2.0, Wayne State University Master of Urban Planning Program, 2018.
4 Creative State: Creative Industries Report, Creative Many Michigan, 2016.
5 Maker Detroit 2.0, Wayne State University Master of Urban Planning Program, 2018.

106 surveyed representing 18+ craft techniques
93% minority-owned and led & 82% female-owned and led
Collectively employing 310 individuals with more businesses on average hiring contract employees



Who is the Detroit Maker?

82% Female

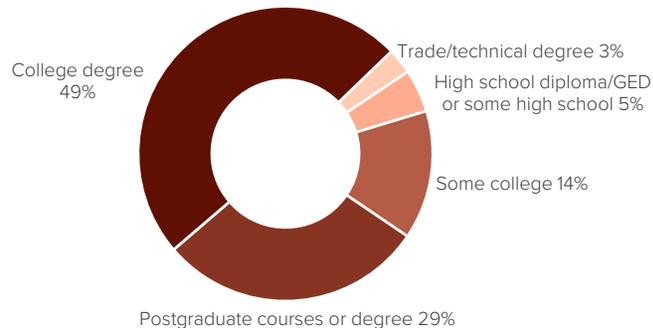
Average age
42 years

47% support dependents

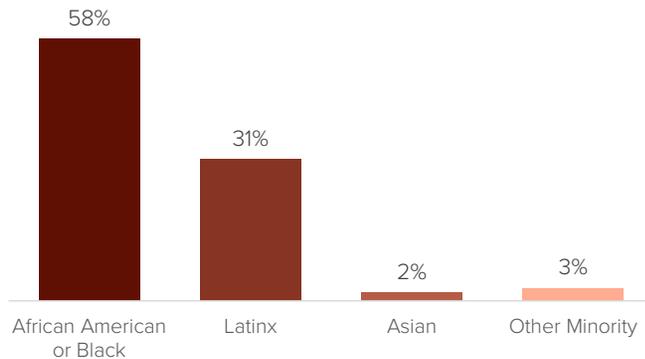
Average Household Income **\$61,296**

98% English-speakers while **19%** speak a second language

78% have a college degree

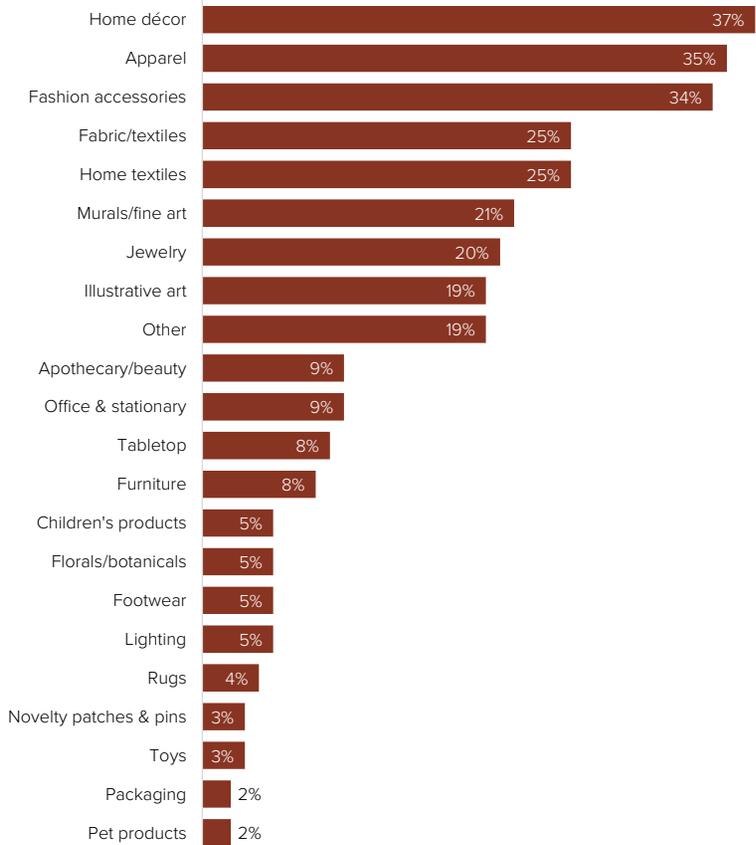


93% of craft businesses are minority owned and led



Makers Are Making a Wide Variety of Crafts

Percent of Makers Producing Within Each Product Category



Percent of Makers Practicing Each Craft Technique

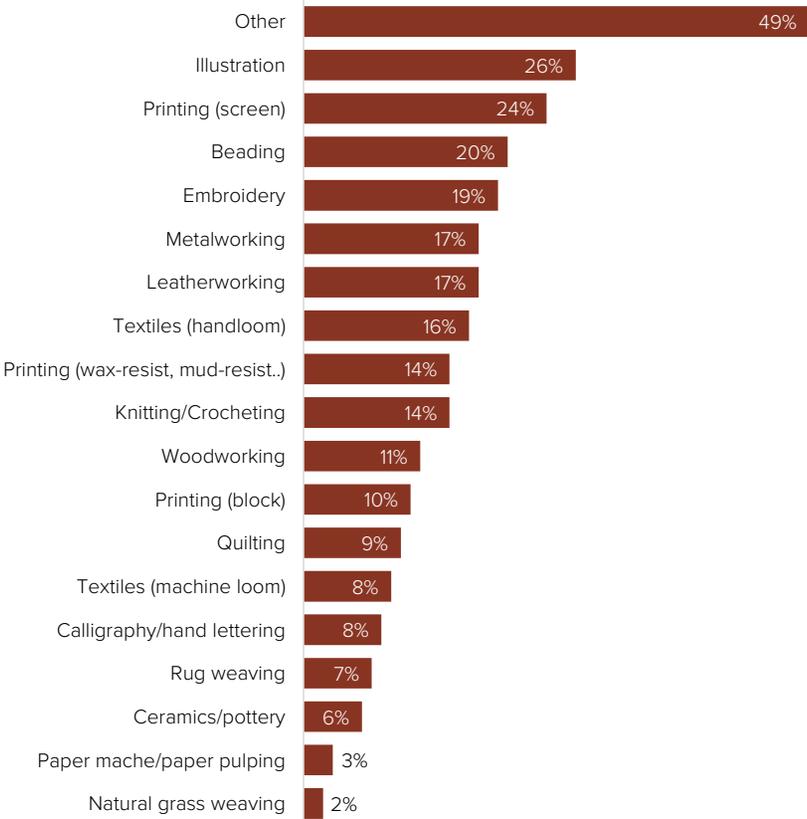


Photo Credit: Byrd



Photo Credit: Grain and Knot



Photo Credit: Materials + Process



Photo Credit: Nur Ceramics

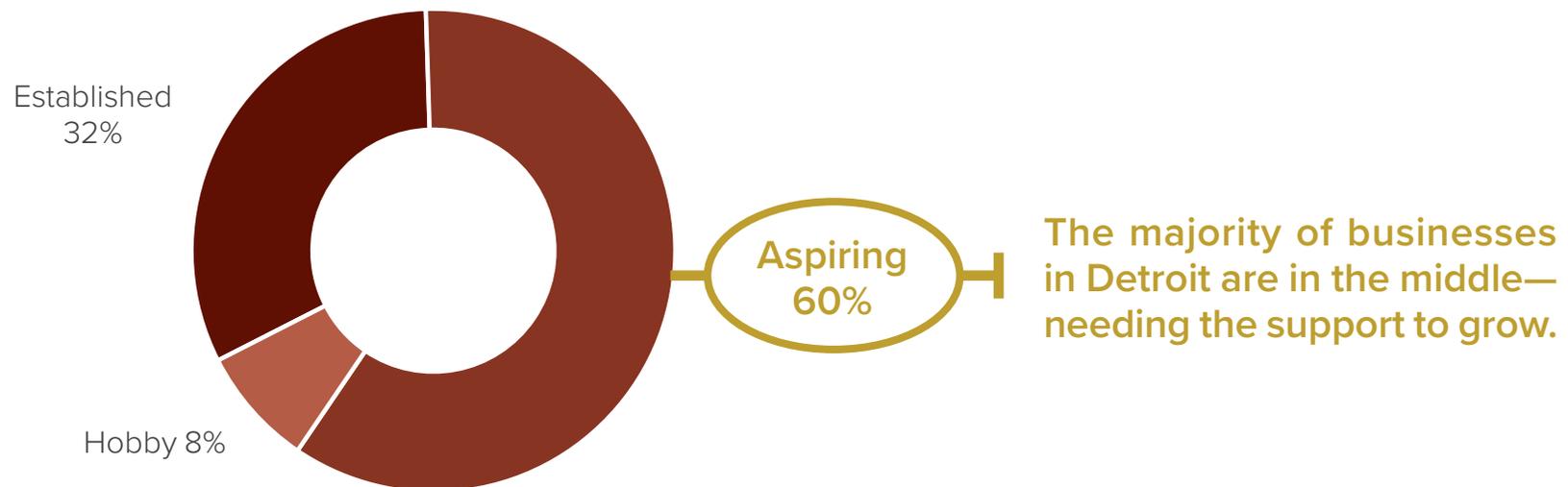


Photo Credit: Octave Jewelry

3 Stages of Business

Key statistics from the survey regarding business classification and growth stages suggest that there are three distinct profiles of makers. These conclusions were further supported by conversations with makers and stakeholders.

- 1 The established maker** owns a craft business, either a few years old or several years mature. These individuals are relatively well connected within the Detroit community and are familiar with workshops, classes, and other supports available for entrepreneurs.
- 2 The aspiring maker** and business owner has an idea and is in the early phases of product development and business launch. They know what they want to sell, have a tentative target market, and may know of resources available to help them advance their business plans. However, they don't feel like they qualify for entrepreneurship resources, and don't know where to turn for help. Many of those in this group are immigrants with serious language, transportation, and childcare barriers.
- 3 The hobbyists** have a love for their craft and skill, and may have discovered that their craft could be an opportunity for a side hustle. These individuals are not necessarily looking to create a formalized business model, and are not looking for this to become their sole income, but instead are looking to become part of the creative community, find resources to grow their skill, and maybe find ways to sell their product for supplemental income.



The Majority of Makers are Homeworkers

Like elsewhere around the country and globe, makers and artisans are primarily home based workers. For those who sell their work, sales create about **28%** of their household income.

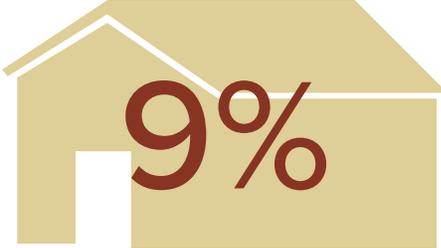
Where Makers Work



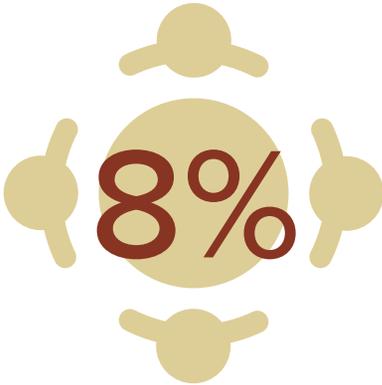
work from home



from a private office



9% at a workshop



8% at a coworking space



Focus Group Reflections

While the Makers United Landscape Survey provided quantitative data, important quantitative insights came out of three focus groups of 14 makers and stakeholders.

To understand the unique needs and challenges of makers of different ethnicities, the focus groups were designed to create safe spaces for makers of color to feel comfortable sharing their insights. Part of this strategy was segmenting the focus groups by race so that one session was dedicated to Black makers, one Arab-American, and one Latinx. Other racial groups were included, as well, to understand as many experiences as possible. These focus groups were facilitated in the evenings over Zoom, in compliance with social distancing practices. Key findings from these focus groups included:

- 1 Finding financial support is challenging.** Makers feel that funding fails to target artisans, crafters, and makers and that funds are mostly available for entrepreneurs in a niche business and tech companies. They also expressed that most investors are looking for low-hanging fruit because the path to profit is longer with creative economies, and therefore draw less interest. “We do not have anyone believing in what we do enough to invest in us. Everyone wants to make a profit and if they can’t make one off of us immediately, they don’t want to support us.”
- 2 There are nimble ways to support the maker community with staffing.** Makers that have launched their businesses and are seeking opportunities to grow discussed the difficulties they face in expanding their teams—both on the production and business sides. They would like better connections to local universities to give young talent the opportunity to join the creative industry as interns or full-time hires. Some have already found ways to successfully engage college students, and suggested that interns should be able to earn college credit for their time.”
- 3 There is a clear opportunity to foster targeted opportunities for makers of color.** BIPOC makers need safe spaces to discuss their needs and network. They would also greatly benefit from local connections to national resources. When aiming to elevate BIPOC voices, stakeholders should ensure the experience is tailored to the community by acknowledging and addressing these unique needs by seeking out and partnering with makers of color on the solution.
- 4 Ideas from the maker community need to be connected to those who can take action.** Makers have great ideas about what they need to grow their businesses in Detroit, and many of them are looking for ways to lift those ideas off the ground. Community stakeholders should seek out and develop relationships with individuals that have ideas, as they may serve as gatekeepers to the larger maker community.

From transportation to racial inclusion and equity, Black, Indigenous, and people of color (BIPOC) makers face additional challenges to access and participation in available resources.

Transportation is a challenge—for immigrant communities, in particular. Detroit generally struggles with a lack of reliable, feasible public transportation. However, with social distancing practices, transit is less of an issue with most communities as makers have established workshops in their homes. Stakeholders that work with makers from immigrant communities disclosed the transportation limitations of the makers they work with, suggesting that a pickup van would greatly alleviate that stress.

Makers of color need to feel included—and sought out—for opportunities. There are financial and cultural barriers to joining certain marketplaces or pop-up spaces, especially those downtown. “Crafters of color need to feel welcome and included in craft fairs; they need a space to engage with and support other crafters of color,” said Andrea Williams, founder of the In Color Craft Market.

Black makers have a hard time connecting with other Black makers and suppliers. Makers pointed out that most resources currently available, including small business programs and funding, are not provided by stakeholders of color. By this fact alone, Black makers note that they often work with creatives of other races. They also discussed how they try to purchase from Black suppliers and manufacturers, but few exist, especially locally. Furthermore, Black makers feel as though they often see each other as competitors, feeling like there is only room for one maker of color in a given space. Makers wish their peers felt more comfortable being transparent around the challenges of launching a business, but that a thick skin is necessary to survive Detroit’s competitive, entrepreneurship scene. In spite of the challenges they face finding community, Black makers believe that Detroit has a lot of artistic potential. One maker framed the issue as follows: “It’s not a lack of talent, but visibility.”

2

AFFORDABLE MAKER SPACES DON'T EXIST

Accessible, affordable spaces in Detroit, for workshops and manufacturing, are difficult to come by. Building owners have experienced difficulty securing fair, reasonably priced service providers—contractors, in particular. Some makers feel as though owning their own space has opened doors for them in terms of product development, expansion, and even securing funding and investment. A local referral and partnership network to service providers would be helpful, as makers indicated that “references feel safer, because you know [service providers] understand where you’re coming from as a creative.”



Makers need more space; home workshops are too small but industrial buildings too big so there’s no middle-ground, and places like Ponyride are rare because capacity is an issue.
—Community stakeholder from the Build Institute



3

TARGETED MARKET ACCESS IS IMPORTANT

One maker explained the need to create an intentional consumer base and sales channel: “In the Detroit market, it feels like makers are not considered real retail, but art or entertainment. There are shows and gatherings [for craft artisans] and people do not come to purchase.”

Makers noted that fairs, markets, and pop-ups are instrumental for gaining new customers and making sales. The pandemic has robbed makers of those in-person opportunities and forced everyone to look elsewhere for sales. Makers expressed that with fewer in-person events, there’s a need for someone to drive virtual networking and online markets.



4

INDUSTRY-SPECIFIC SUPPORT FOR CREATIVES IS NOT MET BY EXISTING PROGRAMS

Makers need industry-specific guidance and while they acknowledge the existing programs for small businesses, many felt there is little support specific to makers and the creative economy. One maker stated, “I feel like the opportunities here from incubators are for specific types of businesses or niche and saturated markets, and not for makers. Niche mentorship from someone who sells a product would be helpful for a lot of makers just starting.”



No one maker’s needs are the same. Makers need customized support to meet their individual unique needs.

—Community stakeholder from Design Core Detroit

Specifically, business planning for creatives was cited as a current educational gap. While many makers grasp business fundamentals, they are seeking support with building business plans (27%) and financial planning. Building business and finance acumen was the third requested skill set makers want to develop behind marketing (30%) and selling online (30%). Other cited barriers to growth included finding grant opportunities (23%) and identifying target markets (18%).



5

LOW TECH LITERACY RATES CREATES BARRIERS

Makers noted that social media accounts (Instagram, Facebook, Twitter, Snapchat, Reddit) are instrumental to finding customers, vendors, suppliers/manufacturers, and community networks. However, others talked about how a limited tech literacy has made it difficult to approach these platforms with success, and noted that technology might be more of a generational barrier than anything else. “We know the basic and free opportunities for social media but a class on digital marketing and how to advertise would be helpful.” The Latinx community noted public relations and marketing as a distinct need, as well.



6

COVID-19'S IMPACT ON WOMEN-OWNED BUSINESSES

The owner of a local hand printed goods and textile business shared that, “since COVID, as a full time primary caregiver to a young child, it has been hard to figure how to grow my business without burning the candle at both ends. The beginning of 2020 felt so promising and I had gained so much traction as a new full-time (instead of just on the side) business, but everything was canceled and now I just feel like I’m at a stand still, and am not sure how to proceed.”

In spite of the COVID-19 pandemic, local makers exemplified resilience in the way they adapted to the changing economic environment. Those in textiles were able to create PPE—mostly masks—to meet a growing local need. Most sold masks to their local communities, while others (Refuge for Nations, for example) managed to forge large contracts with other wholesalers. There came a point in mask sales, however, when masks became readily available and the market value dropped, making it too difficult for small-scale makers to be profitable.

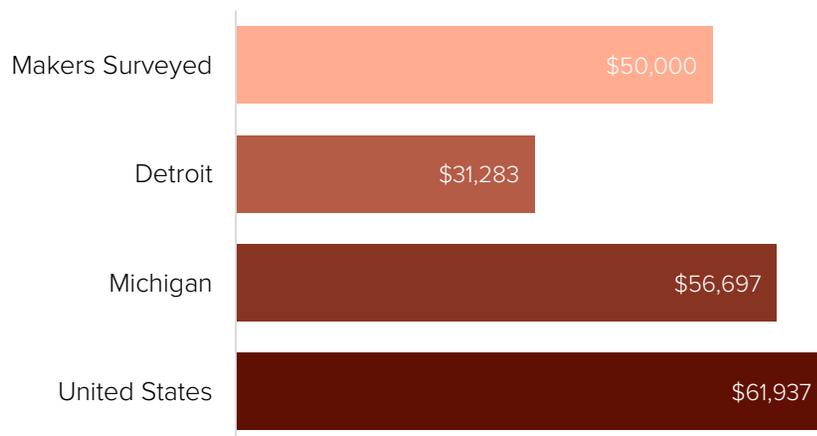


7

RACE AND INCOME

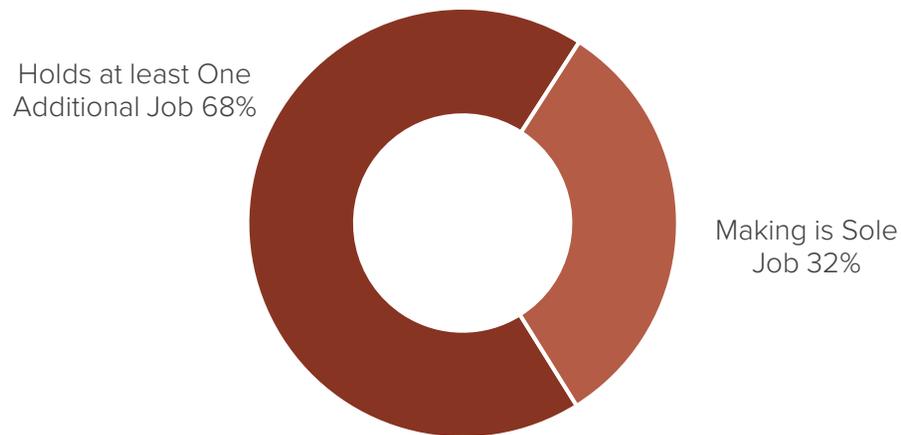
Race and household income were correlated across participating makers, with **28.8%** of minority makers coming from lowest-income households (under \$30,000) compared to only **18.2%** of Caucasian makers. Additionally, **51.5%** of Caucasian makers belonged to the highest-income households (\$75,000 and higher) compared to only **30.1%** of all minority makers including Latinx, Asian, and Black. In Detroit, the makers reported an average household income of \$61,297.

Comparison of Median Household Income

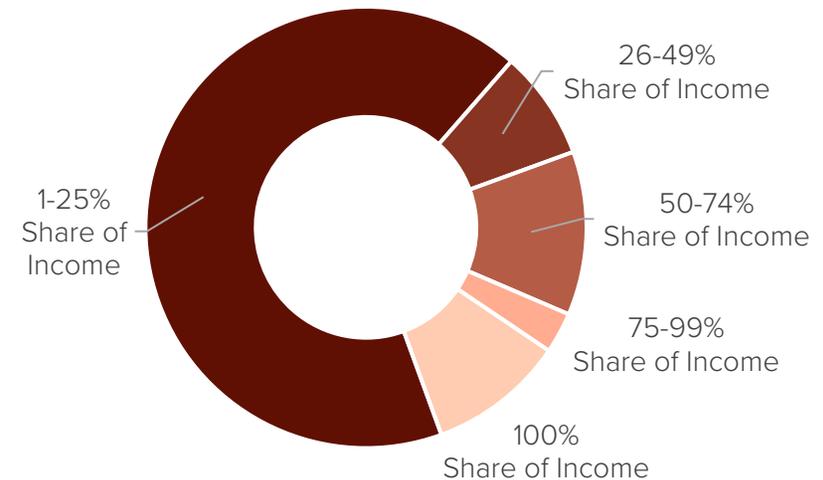


The majority of makers are part of a two-income household (**58%**). Supporting access to financing is one of the top-cited barriers to sustainable growth for business owners with **55%** of leaders citing it as one of the top three most critical challenge. Similar trends in the handwork economy are seen across the US and even globally. The percentage of income from craft may represent 100% of a maker's income but does not necessarily mean the business is profitable or the income is sufficient to live on.

Makers with Multiple Jobs



Share of income from Craft

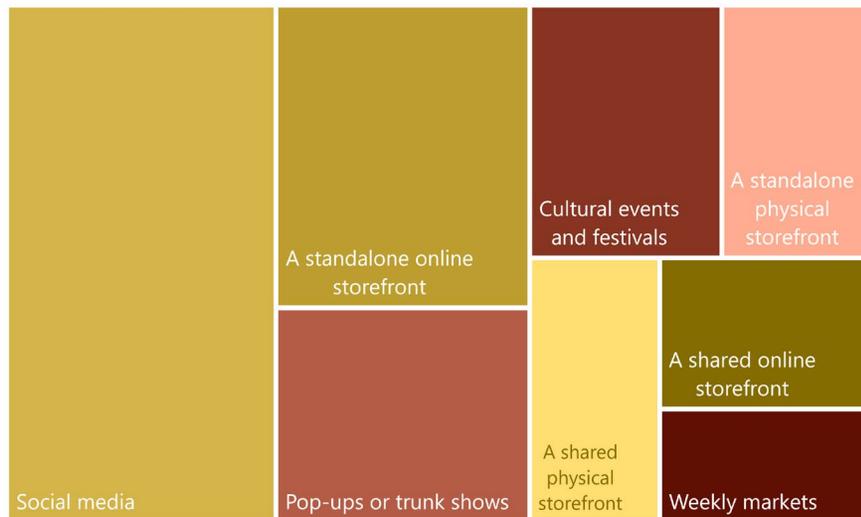


9

DIRECT-TO-CONSUMER SALES TREND

Makers' greatest business needs can be traced back to the digital revolution. Needing help with selling online and marketing were the top two business needs at **30%** of survey responses each, while **15%** of makers noted needing help with brand identity. Makers' top two challenges to growing their businesses include standing out and growing online sales (**66%**) and brand awareness (**56%**). Moreover, makers are currently generating **82%** of their sales through direct-to-consumer methods, including social media (65%) and standalone online storefronts (**36%**). From conversations with makers and stakeholders, we know that makers struggle with finding and raising their voice in the ultra-saturated social media ecosystem.

Sales Channels



10

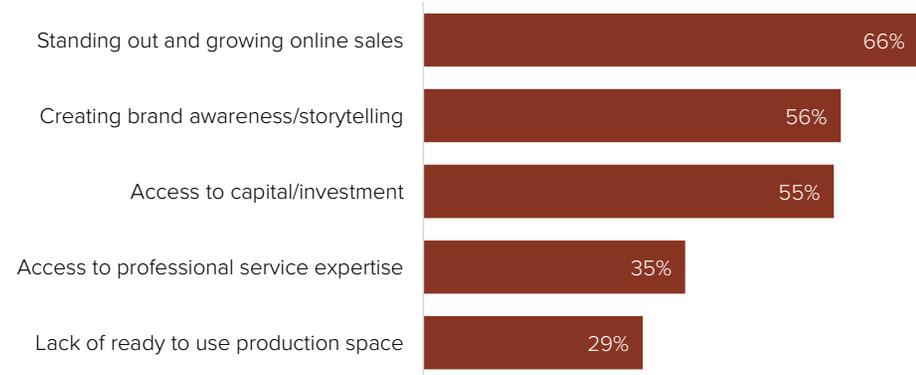
WHAT DO MAKERS NEED?

Makers overwhelmingly feel like Detroit is a great place to start a creative business (36% strongly agree and 34% agree with that statement). However, they struggle with finding the support, guidance, and community they need to grow.

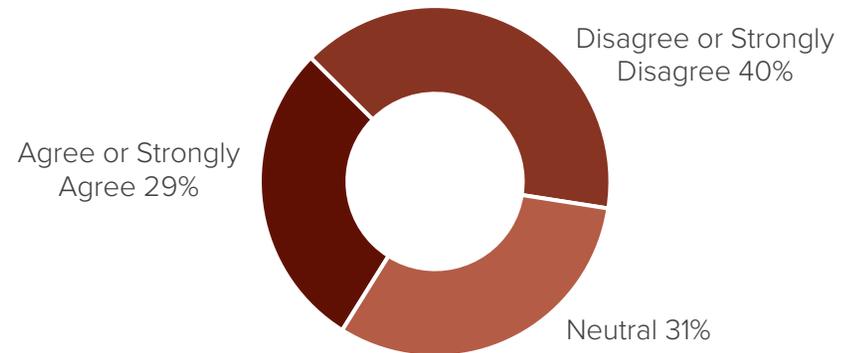
Makers need help finding the mentorship and guidance they need to grow, scale, and expand. Only **29%** feel they have a person to go to when they need help with their business and **43%** do not feel closely connected to the people and resources they need to grow. Only **27%** said they feel connected to the resources they need.

When asked who they turn to for business-related questions, **75%** said they use the internet and **66%** said a fellow small business owner, family member or friend. In comparison, only **27%** turn to local nonprofits that have programs to support small businesses, and even less indicated they seek help from other formalized programs, like coworking spaces, the library, or business incubators.

Top Business Needs



I Know Who to Go to When I Need Help with My Business

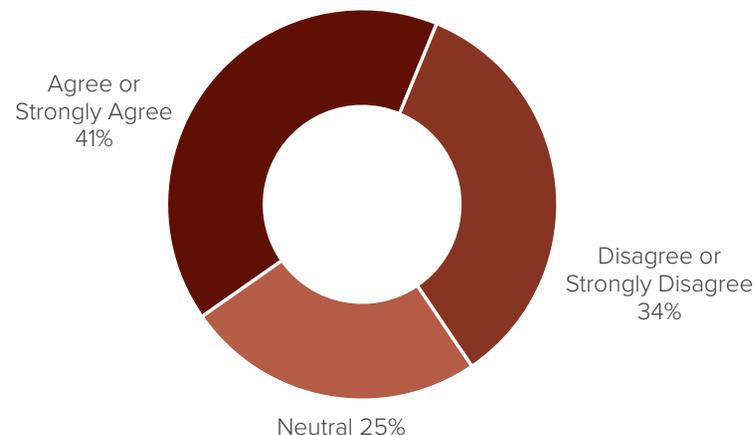


Makers discussed hearing about resources—like workshops, classes, markets, and funding opportunities—through their networks. Most communications occur through word-of-mouth. “When you’re a part of the business incubators, that’s when you find out about more opportunities,” said one maker who has participated in programming offered by local Detroit incubators. One maker spoke to how she “wants to join organizations to share ideas, intellectual resources and networking resources.” Irrespective of their backgrounds and how mature their businesses are, makers seek community.

While these maker communities do exist in Detroit by way of Facebook groups, co-making/working spaces, existing accelerators and incubators, and informal networks, several expressed difficulty breaking into those spaces, especially budding entrepreneurs. Makers felt they needed to know the right people in order to be “in the know” and that inclusion and equity of resources become critical components.

A further benefit within a network of makers is the ability to share resources and collectively negotiate better terms. High minimums make investments in materials and suppliers challenging and COVID-related restrictions on transportation plus extended shipping delays further exacerbate this issue. Makers are eager to both localize their supply chains to minimize shipping disruptions, as well as work together to increase negotiating might.

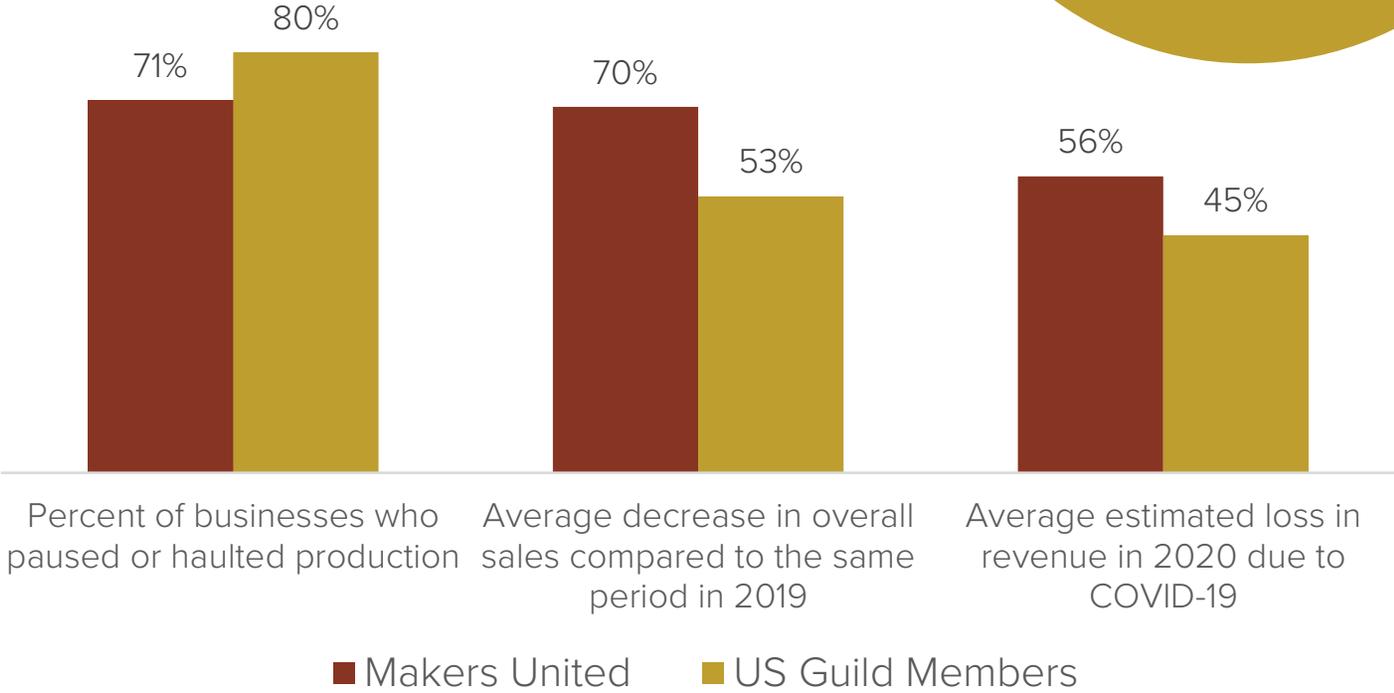
Sense of Belonging within a Creative Community



Impact of COVID-19

For businesses that paused or halted production, on average, 75% of production was impacted

On average Makers United businesses are smaller than US businesses represented in the Nest Guild and appear to be more resilient, experiencing higher rates of paused or halted production but less overall projected loss in revenue



Where We Go From Here

Strategic financial investment at this stage will enable the following four steps to move forward:

1. CAPACITY BUILDING WORKSHOPS

Nest will lead a series of capacity building workshops focused on a core set of the identified needs from the Landscape Mapping Survey, utilizing its robust network of industry fellows and consultants to facilitate the sessions. As we have done in other Makers United cities, Nest will lean on its institutional partnerships (e.g., Parsons School of Design and the CFDA) to ensure the effort is drawing the strongest expertise while also maximizing engagement and overall support. Workshop curricula for the initial capacity building workshops will be tailored in direct response to data collected during this research phase to address the most prevalent and pressing needs expressed by artisan and maker businesses in Detroit. These are namely business financing and access to capital and digital media support. We will also partner with local partners such as Detroit Design Core and Build Institute. These workshops will be facilitated in a way that encourages engagement and community between makers. Other topics commonly incorporated into this curricula include:



Pricing & Business Model Development



Brand Strategy & Marketing



Design & Product Innovation



Business & Financial Planning



Sales & Merchandising



Community Organizing & Network Building

These will largely be conducted via Zoom as the COVID pandemic continues to pose health concerns for in-person gathering. However, small groups may be assembled with masks and appropriate social distancing for those where technology support will be necessary. A transportation plan will be created with all participants to ensure that this is not a barrier to access and translators will be available upon request.

2. LOCAL RESOURCE CONNECTION

Makers United reveals the missing links between makers and local business development resources and seeks to bridge those gaps by engaging community stakeholders and city government in the program design and implementation. By bringing all parties to the same table, Makers United ensures makers have visibility of—and access to—the economic resources they need to grow, strengthen, and sustain their businesses. In addition to including local resources and stakeholders in the capacity building workshop design, Nest will provide all makers in the program with a resource index that outlines available programs, funding opportunities, and training support available to maker businesses.

3. SOURCING SUPPORT

Makers United programming concludes with a market access opportunity to showcase participating makers' products and goods. The opportunity invites the community to connect and celebrate the unique crafts being created in Detroit's own backyard. Additionally, Nest creates a local sourcing guide which features each program participant, samples of their products, and contact information. These guides are distributed to local stores, hotels, and tourism departments to promote interest in locally made goods. In the wake of COVID-19, Nest is considering ways to host these opportunities virtually in cities with limitations on in-person gatherings.

Beyond the local market access support, program participants are considered for exclusive sourcing opportunities with Nest's growing network of national brands and retailers. These opportunities have the potential to generate large product orders for program participants and expose them to new national and multinational consumers. These include (but are not limited to): West Elm, Madewell, eBay, and Amazon.

4. COVID-19 ARTISAN IMPACT SUPPORT

In light of the COVID-19 pandemic and its devastating effects on unemployment in cities like Detroit, Nest has adapted our core programming to support makers and their businesses as they continue to weather this storm through the coming months. Our discrete COVID-19 Artisan Impact Fund helps makers sustain their businesses by reducing the financial burden and thread of unemployment for small businesses and individual workers in two specific ways.

The first facet of the COVID-19 Artisan Impact Fund is the opportunity to equip makers to produce high-quality and/or medical-grade personal protective equipment (PPE) which Nest “purchases” but that the artisan business donates to front line workers or high risk community members. This directly helps to “flatten the curve” by putting high-quality PPE into the hands of those who need it most, while simultaneously equipping maker businesses with the capital they need for materials and labor which allow for stable operational flow. Nest will collect and disseminate the latest production specifications that not only meet the most stringent standards required by healthcare institutions and hospitals, but also the criteria for PPE used outside a hospital setting.

The second facet of the COVID-19 Artisan Impact Fund will be product financing for canceled or indefinitely delayed orders. As retailers and stores shuttered and slowed operations, many canceled or delayed orders that were already in production by makers strapping micro and small businesses with excess inventory and threatening financial health and positive cash flow. Nest is providing one-time product financing for these orders. Products are then donated to important local essential workers from teachers to grocery store employees. With dedicated financial support, we can extend this fund to makers in Detroit.



Acknowledgments

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Philanthropies**



west elm

To conduct an immersive landscape scan of Detroit's maker economy, Nest partnered with an on-the-ground, local implementation team, Gusto Partners, whose team members live and work in Detroit, and with locally acclaimed designer and Nest Trustee Tracy Reese. And finally, this report would not be possible without the Detroit makers and artists participating themselves. We are in awe of your passion, resilience, and creativity in the way you have adapted to the changing economic environment and are grateful to be partnering with you through this program.



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