The Handwork Landscape: Puerto Rico

Nest’s Makers United Project
Issued February 2021
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Introduction

**Nest’s Makers United program is a multi-stakeholder initiative that connects and strengthens the wide diversity of makers and craft-based businesses across the United States and Puerto Rico, 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, Makers United is committed to building and fostering an inclusive creative economy.

Puerto Rico has a rich cultural history of craft, which has been embedded into both its culture and tourism economy for centuries. Historically, the island has been known primarily for the skills that its makers possess in crafts such as woodcarving and santos, hammock weaving, lace-making and papier mache. Nest’s initial desk research showed 132 maker businesses engaged in production of a wide range of craft types including woodwork, metal work, jewelry, ceramics, apparel design and fiber arts. The creative industries in Puerto Rico are both deeply rooted in the island’s culture and also a high growth sector—currently contributing US$10.0 millions in annual sales to the local economy according to the Instituto de Estadísticas de Puerto Rico—with enormous potential for economic development and innovation.

To support economic inclusion and further engage the maker sector in Puerto Rico as active participants in the island’s post crisis development, this research identifies actors within the ecosystem, provides insights on existing services, identifies the barriers to creativity, innovation and business success within the maker landscape with the aim of enabling further economic and social impact.

The traditional challenges faced by makers in the region have of course been amplified by the natural disasters that have struck the island in recent years. In 2009, Bacardi ceased its support of the annual Christmas fair, which had attracted over 200,000 visitors, and which the company had been sponsoring for 33 years. Like other residents across the island, many makers were without electricity for 10 months, prompting an exodus to other parts of the United States. Finally, el Museo y Centro de Estudios Humanisticos which traditionally supported the craft-based economy through exhibitions and fairs had to cancel two-thirds of their activities in the wake of Hurricanes Irma and Maria.

The objective of this report is to share the comprehensive insights gained through qualitative research and quantitative data collection to document the current maker landscape in Puerto Rico through in depth interviews and guide Nest’s future program design in a way that is inclusive, culturally relevant, complementary to existing programs and catalyzes access to market opportunities beyond the island.
Approach and Methodology

Nest included three primary data sources in this study:
- The results of Nest’s Makers United Landscape survey
- In-Depth Interviews with key stakeholders in the maker ecosystem
- In-Depth Interviews with makers across the island

MAKERS UNITED LANDSCAPE SURVEY
Nest’s Makers United survey—developed to understand demographics of businesses in Puerto Rico, including the makers, skills and business needs—was administered digitally through Qualtrics survey software. The data collected from the landscape survey was aggregated to analyze trends in demographics and production practices among the makers who participated. All Makers who completed the survey were enrolled in the Nest Guild and invited to immediately participate in opportunities including a pilot with Amazon Handmade, Guild Webinars and invitation to submit product for inclusion in the Nest’s Valentine’s Day Gift Guide.

STAKEHOLDER INTERVIEWS
Twenty organizations and individuals were identified as ecosystem-stakeholders that provide services such as markets, professional and skill-building services, financial services, incubators, university programs, nonprofits and local retailers.

Qualitative feedback was collected via one on one phone interviews or in person meetings with a subset of 15 ecosystem stakeholders who provided insights on the barriers and challenges faced in providing services to the sector, trends and opportunities.

MAKER INTERVIEWS
Qualitative feedback via in-depth interviews was collected from a subset of 23 makers on the barriers and challenges faced across the sector to identify needs, trends and opportunities for the maker sector at large within the context of the 2020 pandemic and the ongoing economic stagnation on the island.

Of the 23 makers who were interviewed for this report, 16 were certified artisans.

The goal of these interviews is to understand:
- The barriers that makers face to market access and business growth
- Who is/is not accessing the resources available to the maker/artisan community
- Whether existing resources/stakeholder organizations are meeting the needs of Puerto Rico’s maker and artisan community
- Why some are not accessing resources
- Participant needs in order to guide workshop curriculum development and market access opportunities in Phase 2 and Phase 3 or the program
71 businesses surveyed representing 19 craft techniques

collectively employing 180 individuals

23 in-depth interviews with makers

15 in-depth interviews with stakeholder organizations
In Puerto Rico, an artisan is someone who is certified by the Government and works with native materials. As not all makers are certified, they are not considered artisans. To become certified as an artisan, makers need to undergo an interview, demonstrate their process and show that their work is made from native materials. Makers pay $20 for an official identification card that must be renewed every five years. In addition to formal certification, businesses must register locally by obtaining a “Patente” (business permit). This permit is free for certified artisan; otherwise makers are required to pay a percentage of their estimated income.

According to public information on the Government’s Artisan Development program: “Artesanías” in Puerto Rico employ specific craft techniques and use materials that date back to indigenous times. The government’s definition of “Artisan” draws largely from Tainos, indigenous people of the Caribbean, who used clay, stone, wood, cotton, fig, seeds, coconut, maguey, majagua and a great variety of vines and palms to make utensils for domestic and ceremonial use. Over time, other items were integrated that reflect customs and traditions inherited from the Spanish and African cultures. Per the Government’s definition, “Artesanías” means a work that is made or produced essentially by hand, reflecting in it, the creativity of the person who produces it and the cultural characteristics of the country. Certified Artisans who qualify for the artisan development program are registered businesses that receive a Merchant’s Registration Certificate that provides tax exemption on the sale of artesanias of her/his own creation. Additionally, certified artisans qualify for four government sponsored programs: 1) Incentives; 2) Sponsorships; 3) Conservation; and, 4) Participation in “El mes del Artesano” in July. These programs offer technical assistance on the administration of their workshops, as well as training in promotion, marketing, distribution and the sale of their products.

Perhaps most critically, certified artisans also receive financial aid for workshop operation and the organization of events where they can produce, exhibit, distribute, and sell artesanias in Puerto Rico and outside the country. Makers who are not certified by the Artisan Development office do not receive these benefits and can not partake from markets unless invited by the organizers.

According to the “Departamento de Desarrollo Económico y Comercio” (DDEC), there are 24,000 registered/certified artisans in Puerto Rico of which 60% is active within the sector.
For the purposes of this research the term Maker is defined as a person that makes or produces something. In Puerto Rico, the definition of a maker varies greatly among stakeholders, and consensus on who makes up the ecosystem is in flux.

The maker ecosystem in Puerto Rico is active and ready to optimize its economic potential. The handmade sector has grown organically with bigger support for local goods especially in the aftermath of Hurricane Maria. Some attribute the growth of the sector to the growth in college programs and majors in design over the last 15 years, while others attribute the growth to ingenuity out of necessity for a generation of young people with limited post-college job opportunities in a crisis economy.

In 2014, the Government passed “La Ley para Fomentar Las Industrias Creativas de Puerto Rico” which aims to create an ecosystem of creative industries between the public sector, private companies, academia, and communities, recognizing its potential as an emerging sector for economic growth. Despite the law, many makers view government inefficiencies as one of the biggest barriers to their success.

While the legislation and recognition of the sector is welcomed much work remains to streamline systems and program bureaucracy to better serve and optimize the economic potential of the creative industries on the island. With the exception of established government Artisan programs and “La Ley para Fomentar las Industrias Creativas de Puerto Rico”, the potential of the hand worker economy on the island remains untapped.

Puerto Rico is experiencing an entrepreneurship boom and growth in program offerings to support start-ups. Most are rooted in tech business sector development but have grown to accommodate the demand for business skills from sectors within the creative industries. Despite the resources available to entrepreneurs, there is interest and demand for maker specific programs and services.

The following report uncovers challenges faced by makers and artisans alike, and sets forth programming recommendations for how to support both groups of creatives with targeted business training and expanded market access opportunities.
Who Are Puerto Rico’s Makers?

The majority (83%) of maker businesses surveyed in Puerto Rico are owned by women compared to just 36% nationally.

### EDUCATION LEVEL COMPLETED
- 91% have a college degree or higher

### SURVEY RESPONDENTS LANGUAGE
- 51% Spanish
- 49% English

### Average age is 40 years old

### Average Household Income
- $43,847

### 8 years
- Average time practicing their craft

### BUSINESS REGISTRATIONS
- Registered, 65%
- Not Registered, 17%
- Registration In Process, 13%
- Unknown, 5%

### 61% consider craft to be the primary support of their lifestyle

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What Are Puerto Rico’s Makers Creating?

### Top 12 Product Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent of Makers Producing within each Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jewelry</td>
<td>45%</td>
</tr>
<tr>
<td>Home décor</td>
<td>34%</td>
</tr>
<tr>
<td>Fashion accessories</td>
<td>29%</td>
</tr>
<tr>
<td>Apparel</td>
<td>20%</td>
</tr>
<tr>
<td>Other</td>
<td>16%</td>
</tr>
<tr>
<td>Illustrative art</td>
<td>14%</td>
</tr>
<tr>
<td>Tabletop</td>
<td>13%</td>
</tr>
<tr>
<td>Furniture</td>
<td>13%</td>
</tr>
<tr>
<td>Office &amp; stationary</td>
<td>11%</td>
</tr>
<tr>
<td>Children’s products</td>
<td>9%</td>
</tr>
<tr>
<td>Fabric/textiles</td>
<td>9%</td>
</tr>
<tr>
<td>Lighting</td>
<td>9%</td>
</tr>
</tbody>
</table>

### Top 10 Craft Techniques

<table>
<thead>
<tr>
<th>Technique</th>
<th>Percent of Makers Practicing each Technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metalworking</td>
<td>23%</td>
</tr>
<tr>
<td>Illustration</td>
<td>18%</td>
</tr>
<tr>
<td>Ceramics/pottery</td>
<td>16%</td>
</tr>
<tr>
<td>Woodworking</td>
<td>13%</td>
</tr>
<tr>
<td>Embroidery</td>
<td>7%</td>
</tr>
<tr>
<td>Polymer Clay</td>
<td>7%</td>
</tr>
<tr>
<td>Sewing</td>
<td>7%</td>
</tr>
<tr>
<td>Beading</td>
<td>5%</td>
</tr>
<tr>
<td>Leatherworking</td>
<td>5%</td>
</tr>
<tr>
<td>Textiles (handloom)</td>
<td>5%</td>
</tr>
<tr>
<td>Printing (screen)</td>
<td>4%</td>
</tr>
<tr>
<td>Soap-making</td>
<td>4%</td>
</tr>
</tbody>
</table>

Photo Courtesy of De La Losa

Photo Courtesy of Yaya

Photo Courtesy of Bolsos Caribe

Photo Courtesy of Kayo Jewelry
Key Findings

The Challenges Faced by Puerto Rico’s Maker Community
Navigating government bureaucracy continues to be a barrier to entry for micro and solo-prenuers, especially when it comes to registering a business and understanding the permit process. Makers feel available information is confusing and lacks transparency, and that the process is expensive because it requires the expertise of a lawyer and an accountant due to government inefficiencies.

Many makers claim that there are no adequate job descriptions within the tax code (“códigos NAICS, SURI, Hacienda”) for designers and makers based on the way the local government categorizes employment and creative industry careers, thus making it difficult and confusing for inexperienced solo-preneurs to join the formal economy and benefit from government programs and incentives. Others who have registered their businesses successfully claim that this has changed and that many makers who haven’t done so use this as an excuse to stay off the books.

Others fear that government inefficiency and the lack of transparency in services will become costly mistakes so many remain off the books. Even incentives are regarded with hesitation, as often the requirements to receive funds are burdensome for those that cannot afford lawyers and accountants to navigate government applications. In some cases those that managed to complete the required paperwork were told that to receive the funds, they needed to spend the money first and then provide receipts. Others only received 50% of the allocated funds after spending 100% of the incentive.

Additionally, we heard from makers that incentives and programs fluctuate from administration to administration, and that these inconsistencies discourage participation and programs are shuttered because of a lack of demand. This finding was underscored through both our qualitative and quantitative research, which found that while 91% of makers had a college degree, only 65% of businesses were registered.
In the wake of Covid-19, supply chain disruptions have led to a rise in the cost of materials and shipping delays. **This barrier is particularly acute as Puerto Rico is a small island whose manufacturing capabilities do not effectively or efficiently cater to the scale required by maker businesses.** There are few manufacturing options that are willing and ready to “grow with” smaller artisan enterprises, and the minimums required by manufacturers by and large does not enable small batch production. This challenge is amplified by the fact that many local manufacturers rely largely on government contracts, and changing their production lines for a small maker business is not a competitive proposition.

This leaves makers with the option of outsourcing, which is not only untenable in terms of testing production quality but also does not fulfill the goal of providing local employment and contributing to economic growth within the island.

In addition to the local manufacturing challenges, the challenge of sourcing quality raw materials locally without having to incur import taxes is also common.
Taxes on the island are burdensome for small businesses with double taxation when importing materials. Duty rates vary from 0% to 37.5%, with the average duty rate being 5.63%. On top of these import duties, all inbound shipments to Puerto Rico are also subject to an additional local excise tax of 6.6%.

This leads to unmanageable two way shipping costs whereby makers pay duty rates and excise tax to import the materials they need to produce their craft and pay shipping and export fees to sell the final product to markets off the island. Despite seeing export market potential for their products, most makers we spoke with limit their sales to the local market because to do otherwise is cost prohibitive.”

Ultimately, makers must levy these taxes to the end consumer. Puerto Rico general sales and use tax rate increased from 7% to 10.5% with an effective total tax rate of 11.5% on many transactions when combined with the municipal sales and use tax of 1% (as of July 1, 2015). This gives Puerto Rico the highest sales tax rate in America.
Entrepreneurial Mindset and the Realities of Poverty

Mindset is a silent barrier for makers to thrive as businesses in Puerto Rico. Stakeholders interviewed observe that people have been through a lot, they are trying to survive in any way they can to make ends meet. Their self-regard as entrepreneurs or the mental willpower required to be a thriving businesses comes second to the need to make any money they can to subsist.

In addition to the recent natural disasters on the island, there is a 60% poverty rate on the island. “A job that pays US$7.25 an hour for 20 hours a week does not lift you out of the cycle poverty,” stated one stakeholder interviewed who works with the poorest communities across Puerto Rico. In cases of extreme poverty sectors, the business needs are very basic. Some don’t have bank accounts or the self-esteem to partake in formal programs that can help them develop and grow as a business. Even the idea of having the “right clothes” stands in the way of seeking resources. Programs who work with the poorest sectors and/or marginalized communities, often cite that a critical success factor of their programs is addressing mental health and working with the whole person, while also accompanying them through the most basic steps of developing a micro-business so that participants follow through and are not discouraged. Additionally, programs designed to provide youth with entrepreneurial skills to address poverty are inclusive of the nuclear family in order to help lift the entire family out of poverty. According to stakeholders who work with communities in need, there is a distrust of the system and people feel trapped in the cycle of poverty as they depend on public assistance programs. Starting a formal business can be punishing as even a small amount of additional income can lead to a loss of benefits and housing. As a result, people self-exclude from available programs due to lack of self-confidence and a distrust of the system. In cases of extreme poverty the barriers are tied to education, as some do not know how to read and write, much less use a computer.

Makers with academic preparation feel confident in their craft and ability to live from their creativity but feel less prepared and less confident in their business skills. Many expressed an interest in developing business expertise. This was revealed both through our qualitative and quantitative surveys. Makers are often wrestling with the passion to create and family expectations. Careers in art, design and fashion are discouraged and seen as “starving artists” pursuits. Many struggle with self-esteem to seek out programs and lack the self-confidence to see themselves as business owners.
Most makers interviewed were directly affected by the pandemic and applied for available Federal Government assistance. The impact of the pandemic was particularly felt by those who depend on seasonal and holiday markets to sell their products. Almost all of these markets were canceled, and those markets that did take place were by appointment only or with limited capacity reducing the number of vendors who could participate.

Local artisans who depend on holiday markets in Old San Juan petitioned the Government to lift restrictions and to treat them as small businesses so that they could apply to the same emergency plans. Those who consign to local stores that closures were affected, but quickly pivoted to develop e-commerce sites and benefited from direct to consumer sales with higher margins.

Of the 23 makers interviewed, all had some form of digital presence for their creative work, products and/or business. Few had e-commerce capability before the pandemic. Many saw the pandemic as an opportunity to finally develop e-commerce capability. They attributed the shift to online sales to having time to figure out how to set up a Shopify account and out of the necessity to maintain much needed sales during the pandemic.

Those that set up e-commerce sites have a preference for Shopify and regard it as a great user-friendly, turn-key solution that helps with the management of inventory and orders. With regards to digital marketing, most makers have a preference for Instagram, followed by Facebook, as a marketing platform and many sell successfully via the DM feature. Some are saving to set up the Instagram cart option.
Given the shift in digital sales from the pandemic, we did dig deeper to understand the platforms that makers have adopted to scale sales.

Few makers had Etsy accounts, those that did eventually closed their account due to lack of sales, and in one case, because they received a very high shipping costs bill from Etsy that they were not anticipating.

Only one maker we spoke to had looked into selling goods on Amazon, but it never developed beyond the initial inquiry. None of the makers we spoke to had heard of Amazon Handmade. Those who were curious about the platform expressed concern about how their small batch production or made to order sales models could fit within the platform, and others felt it was not a fit with their brand and values,

Many makers expressed interest in developing their digital marketing skills and on how to convert clicks to sales, with one maker sharing that through engagement with an influencer they were able to quickly scale to $1,000 in sales a day for multiple sequential days. This underscores the potential businesses have in leveraging social media and influencer relationships in addition to existing marketplace platforms like Amazon and Etsy.

However, while the makers recognize the importance of social media and e-commerce, many feel overwhelmed with managing, making and manufacturing as solo-preneurs and the pressure to produce online content on a regular basis. There was a clearly stated need for more guidance in this area.
Makers are currently balancing both online and offline sales channels, with a large number of businesses (66%) currently selling through social media and comparable figure (69%) selling through pop-ups, weekly markets and cultural festivals. In sharing the sales channels, they’d like to expand to in the future, it was also clear that while online sales are of interest, makers are more interested in expanding their own sales channels rather than participating in shared online marketplace platforms. Additionally, in spite of the trend towards online sales, makers also expressed interest in continuing to expand offline sales channels, like their own storefronts for example, with 41% of makers sharing that as a channel they’d like to expand to in the future.

**Where Do You Sell Your Products?**

- Social Media
- Online Storefront
- Shared Online Storefront
- Cultural Events/Festivals
- Physical Storefront
- Pop-ups or Trunk Shows
- Friends and Family
- Other
- Weekly Markets

**Which Sales Channels Would You Like to Expand in the Future?**

- Standalone Physical Storefront
- Shared Physical Storefront
- Online Storefront
- Shared Online Storefront
- Pop-ups or Trunk Shows
- Cultural Events/Festivals
- Social Media
- Weekly Markets
- Email or Catalog Mail Order
- Other
Programming Opportunities & Recommendations
WHAT DO MAKERS NEED?

Based on our quantitative and qualitative engagement with Puerto Rico’s maker community, makers have identified some core needs that they believe, with the right knowledge and resources, could support them in advancing their businesses.

In addition to the needs expressed around financial literacy and access to capital, makers expressed that their limited knowledge related to growing online sales and brand awareness is also a hindrance to thriving as a business. Limited access to professional services (legal, accounting, branding) was also noted as a clear challenge faced by maker businesses.

Additionally, the lack of a central resource for business knowledge among the maker community speaks to the potential of Nest’s capacity building programming. 75% of makers surveyed shared that they turn to Google and search engines for business resources.

### TOP BUSINESS GROWTH CHALLENGES

- Access to capital/investment: 59%
- Cost of scaling: 48%
- Standing out and growing online sales: 43%
- Creating brand awareness/storytelling: 39%
- Access to professional service expertise (accounting, branding, ...): 32%
- Access to raw materials: 32%
- Few retail outlets available: 25%

### TOP BUSINESS RESOURCES

- The internet (search engines like Google, Bing, Yahoo, etc.): 75%
- A fellow small business owner, family member, or friend: 66%
- Local nonprofits who have programs that support small businesses: 20%
- Local business incubators: 13%
WHAT DO MAKERS WANT TO LEARN NEXT?

Underscoring what we heard from makers with regards to their core challenges, makers shared a desire to learn more about Marketing, Business Plans and Budgeting / Bookkeeping. Interestingly, a number of makers also expressed an interest in learning about licensing, suggesting that makers feel that their work carries unique IP that could lend itself to reaching greater scale in expanded markets. This topic also aligns with a learning module on Cultural / IP Protection which Nest will launch in Q3 2021.

Other topics of interest, including Identifying Your Target Market, Selling Online and Developing a Brand Identity and Story are all topics that Nest has successfully covered in previous Guild webinars and Makers United workshops.

TOP BUSINESS SKILLS THAT NEED DEVELOPMENT

<table>
<thead>
<tr>
<th>Skill</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>32%</td>
</tr>
<tr>
<td>Business plans</td>
<td>27%</td>
</tr>
<tr>
<td>Financial management</td>
<td>25%</td>
</tr>
<tr>
<td>Budgeting and/or bookkeeping</td>
<td>20%</td>
</tr>
<tr>
<td>Time management</td>
<td>16%</td>
</tr>
<tr>
<td>Licensing</td>
<td>16%</td>
</tr>
<tr>
<td>Wholesale sales strategies</td>
<td>13%</td>
</tr>
<tr>
<td>Protecting your work (IP)</td>
<td>13%</td>
</tr>
<tr>
<td>Selling online</td>
<td>11%</td>
</tr>
<tr>
<td>Identifying your target market</td>
<td>11%</td>
</tr>
<tr>
<td>Developing a brand identity and story</td>
<td>11%</td>
</tr>
</tbody>
</table>
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 would 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 Puerto Rico. We can also partner with consultant Michelle Perez Kenderish and organizations such as Escuela de Artes Plásticas and the Incubadora Creativa de Mayaguez to ensure that the workshops reach all makers across the island.

- Navigating Government Registration
- Business Model Development & Financial Planning
- Optimizing Supply Chains: Sourcing Locally, Selling Globally
- Scaling Digital Commerce: Influencer Marketing
- Scaling Digital Commerce: Creating Your First Ecommerce Platform
- Scaling Digital Commerce: Leveraging Online Marketplaces to Grow

Nest has successfully delivered Makers United programming digitally via both Zoom and other online platforms such as Hopin. However, given Nest’s potential presence on the ground with our consultant Michelle Perez-Kenderish as well as our desire to ensure that we are successfully reaching those who may be digitally disconnected, Nest can also explore whether small groups may be assembled with appropriate social distancing, masks and precautions. A transportation plan would also be created in this case to ensure that this is not a barrier to access. Sessions would be conducted in both Spanish and English.

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, sourcing resources and training support available to maker businesses. In Puerto Rico, this Resource Guide will be particularly helpful as businesses look to expand their raw materials sourcing more locally.
3. SOURCING SUPPORT
Makers United programming concludes with a market access opportunity to showcase participating makers’ products and goods. This has happened through a dedicated in-person market and will take place in the future through a dedicated “virtual roadshow” that includes Nest’s brand partners. The opportunity invites the community to connect and celebrate the unique crafts being created across Puerto Rico.

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.

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, Etsy and Amazon Handmade.

4. COVID-19 MAKER IMPACT SUPPORT
In light of the COVID-19 pandemic and its devastating effects, 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 Maker 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.

Given the shift to digital commerce among a population that has depended largely on offline markets, Nest can give small grants to maker businesses to scale their ecommerce channels in very specific ways. Since July 2020, Nest has deployed small grants to connect maker businesses with seasoned digital marketing experts to work on discrete aspects of their digital sales strategies including setting up Instagram shopping, setting up Google Ad campaigns, and improving the shop check out experience to increase sales.

The second facet of the COVID-19 Artisan Impact Fund will be product financing for canceled or indefinitely delayed orders. As markets shuttered and slowed operations, this has strapped 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 Puerto Rico.
Elevating Puerto Rico’s Most Promising Makers

Given a number of factors and findings from our Landscape Mapping, Nest would also propose the creation of an Artisan Accelerator cohort focused exclusively on elevating makers within Puerto Rico.

One of Nest’s flagship programs, Artisan Accelerator elevates the most promising businesses from Nest’s Artisan Guild to receive two pillars of dedicated programming: dedicated capacity building through expert fellowships & sourcing & market access opportunities. Entering into its fourth year, the program has successfully elevated promising artisan businesses around the world who have historically been disconnected from key market opportunities and have demonstrated a clear need for dedicated business expertise.

In research, Nest looked at the listing for NYNOW—one of the industry’s premier trade shows for home decor—to identify makers from Puerto Rico who may exhibit at shows focused on home decor. No makers from Puerto Rico were found, speaking to the fact that maker economy on the Island is disconnected from larger sales opportunities outside of the local markets on which they have great financial dependency.

Additionally, the challenges that we heard with regards to supply chains and raw materials sourcing also speak to the benefits that Nest can impart through dedicated fellowships.
Acknowledgements

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To conduct an immersive landscape scan of Puerto Rico’s maker economy, Nest partnered with Creative Strategist, Michelle Perez-Kenderish
To learn more about Nest's Maker United Program, please visit buildanest.org