

Catalyzing Growth and Connections in the Garment District

IMPACT AND INSIGHTS FROM YEAR 3 OF THE BUSINESS
DEVELOPMENT COLLABORATIVE PROGRAM



SPRING
2024

This report was authored by Resilient Cities Catalyst on behalf of the Garment District Alliance.

Paul Nelson, Founding Principal
Ameneé Siahpush, Director, Impact and Program Design
Ella Sahertian, Program Associate
Alex Quinto, Editorial Design



About the Garment District Alliance (GDA)

The Garment District Alliance (www.garmentdistrictnyc.com) is a not-for-profit corporation established in 1993 to improve the quality of life and economic vitality of Manhattan's Garment District. Through programs in the areas of streetscape improvements, sanitation and public safety, marketing and promotions, economic development, and community service, the Garment District Alliance partners with local building owners and businesses to enhance the vibrancy of this storied Midtown Manhattan neighborhood.



About Resilient Cities Catalyst (RCC)

Resilient Cities Catalyst (RCC) is a global nonprofit that catalyzes lasting change in cities and communities to solve the most pressing challenges of today and to build resilience for the future. We envision a world where cities and communities take bold action to ensure people - particularly the most vulnerable - are safer, healthier and more prosperous despite the increasingly frequent shocks and persistent stresses of our time. Our work is centered around the intersection of climate change and its cascading impacts, as the increasing frequency and severity of climate disasters continue to lay bare the myriad structural inequities that have persisted across our most vulnerable communities for decades.



Business Development Collaborative: Program Overview

The Garment District

Located in the heart of Midtown Manhattan, New York City's Garment District is the living center of American fashion. It is home to the greatest concentration of fashion designers and manufacturers in the country and a tight-knit network of fashion-related businesses, many with deep ties to the industry that span decades. Beyond fashion, a growing diversity of businesses - from restaurants and hotels to professional services - also contribute to the vibrancy and richness of the district.

Since its founding in 1993 the Garment District Alliance (GDA) has served this storied Midtown Manhattan neighborhood. Working in partnership with local building owners and businesses, GDA offers an array of programs and services that improve the quality of life and economic vitality of the neighborhood.

The Business Development Collaborative Program

The Business Development Collaborative Program was launched in late 2019 by the Garment District Alliance (GDA) with the goal of strengthening businesses in the district, meeting the neighborhood's evolving workforce needs, and fostering the ongoing dynamism of the district now and into the future. This multi-year, multi-million dollar programmatic investment offers a unique opportunity to bring together a cohort of innovative partners that offer free training, one-on-one consulting, networking opportunities and advisory services to the district's ecosystem of businesses, entrepreneurs and workers.

2023 marked the third year of the Business Development Collaborative, where program partners worked closely with diverse businesses in the district to understand their specific challenges, opportunities and needs, and then provide them with customized and/or group support. For some, this meant placement of a trained apprentice who could add much-needed team capacity. For others, this meant receiving expert guidance on digital marketing and lead generation. Whereas others joined an industry networking event to expand their list of potential partners and clients. Regardless of the type of support, this year of programming collectively aimed to:



SUPPORT AND GROW district businesses through specialized consulting, creative and technical services, and workshops, as well as placement of student employees and apprentices



BUILD COMMUNITY among district businesses and peers through networking events and leadership forums



GATHER INSIGHTS on workforce and business needs and challenges through interviews, assessments, and surveys



ELEVATE THE PROFILE OF THE GARMENT DISTRICT through marketing programs and events that uplift the district's unique identity

Year Three Program Partners

Selected through a competitive Request for Proposals process, GDA partnered with a cohort of artisan- and worker-focused collaboratives, university industry innovators, and expert consulting organizations to deliver its third year of programming.



Custom Collaborative: An entrepreneurship and workforce development organization that trains and supports women from low income and immigrant communities to launch fashion careers and engages with businesses to understand their workforce needs.

E-Com Fashion: A niche agency providing consulting, design/branding, and development services designed to help businesses grow their brand and e-commerce business in the online digital space.

Fashion Institute of Technology (FIT): An internationally recognized college for design, fashion, art, communications, and business known for its rigorous, unique, and adaptable academic programming, experiential learning opportunities, academic and industry partnerships, and commitment to research, innovation, and entrepreneurship.

ITAC: An expert manufacturing and technology advisement firm that connects New York City small and medium-sized firms to ideas, resources, and experts to help them improve how they work.

Made in NYC: An initiative of the Pratt Center for Community Development that supports local manufacturers and makers in New York City by providing skills-building programs, marketing services and promotional platforms, and small business assistance and resources for free to the Made in NYC community.

Nest: A global nonprofit organization dedicated to building a connected and visible handwork community by identifying overlooked or excluded skilled workers and providing resources and training needed to fully leverage handwork and craft production as part of local small business development efforts.

School of Fashion at Kent State University: A top-ranked school where students engage in immersive internships and learning opportunities around the globe, with a major study away hub located in New York City. The school is part of a large public research university based in the Midwest ranked by the Carnegie Classification of Institutions of Higher Education as "R1: Doctoral Universities - very high research activity".

To lead design and delivery of the Business Development Collaborative, GDA partnered with **Resilient Cities Catalyst (RCC)**, a global non-profit organization of urban practitioners and resilience experts that helps communities solve their most pressing challenges.

District Trends

A critical component of the BDC program is to gather and share insights about the challenges and opportunities facing District businesses and entrepreneurs. This allows program partners to tailor their support and services to meet businesses' most pressing needs.

Skilled Labor Shortage

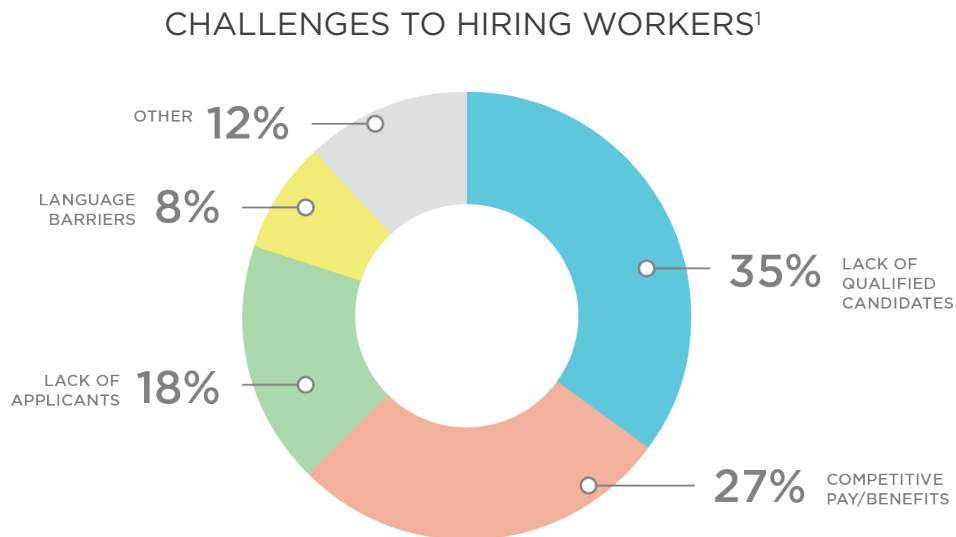
An aging workforce and a shortage of trained workers continue to be primary challenges, especially for family-owned businesses in the District.

69%

of District businesses reported challenges in finding qualified employees, citing a scarcity of suitable candidates and an inability to offer competitive pay and benefits¹

62%

of fashion retailers, brands, manufacturers and vendors face a shortage of workers with key, specialized skills²



Source: Nest

¹ Crafting a Future: Compliance & Workforce Issues in NYC's Garment District, Nest, February 2024

² The State of Skills in the Apparel Industry, 2018

Uncertainties in the Economy

Although many District factories have reported an upswing in the last year, factory order quantities are still significantly lower than pre-pandemic rates. Inflation and the associated increases in production and materials costs (e.g. fabrics, supplies, etc.) are making margins slimmer, made more difficult by shifts in consumer preferences such as less brand loyalty and greater price sensitivity. Finally, tightened access to capital has impacted businesses' ability to pursue innovative technology investments.

Innovation and Use of Technology

Despite these challenges, the broadened application of Artificial Intelligence within the creative and business aspects of the fashion industry has been catalytic. AI and other new technologies have enabled greater sustainability in design and production on the front end, while an increased investment in e-commerce and online marketing has opened up new business opportunities and broadened reach for many businesses.



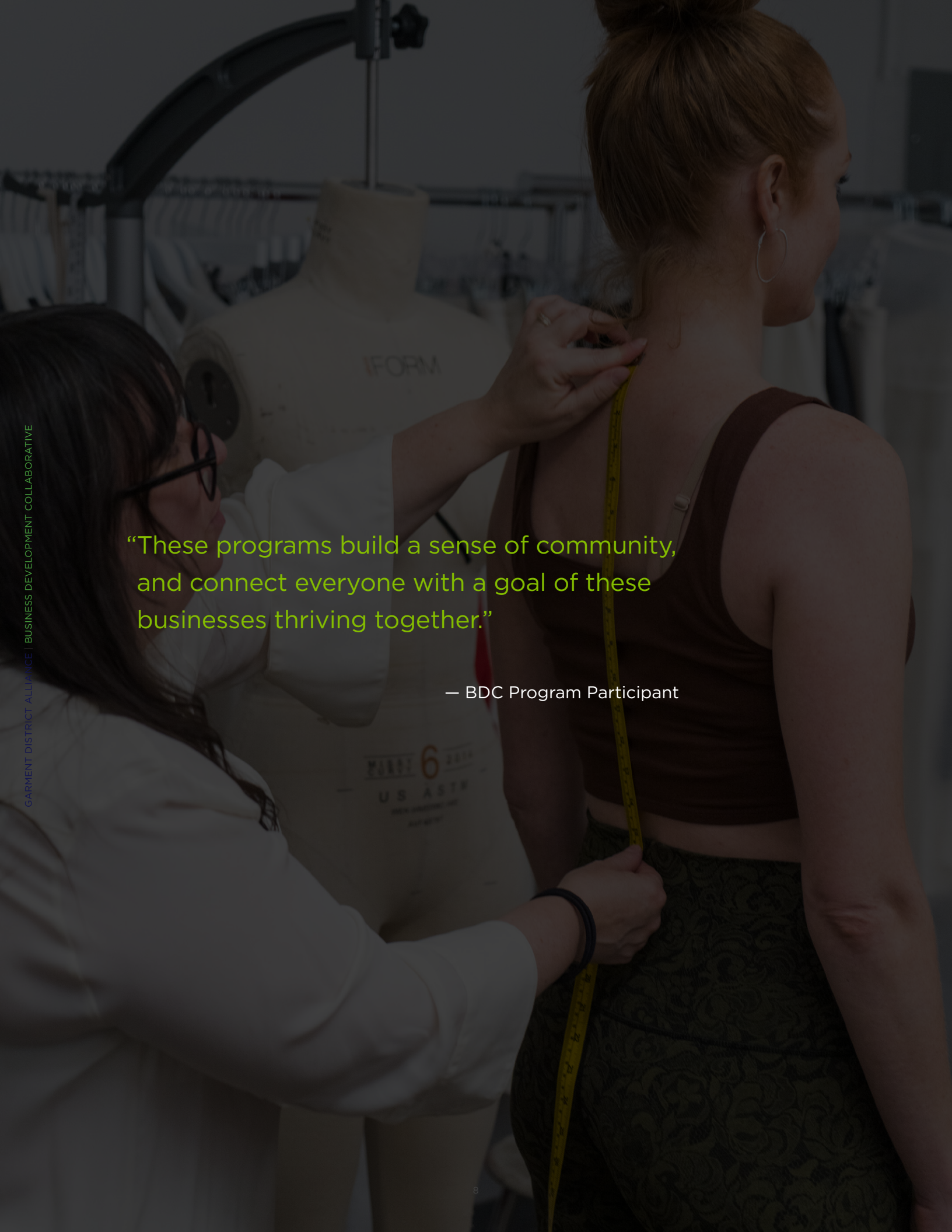
Retail e-commerce sales made up just 13.8% of total retail sales in 2019 and increased to 23% in 2023¹



While the fashion industry accounts for 10% of annual global carbon emissions, new technologies are helping brands to reduce their impact on the environment²

¹ Statistica Research Department, August 2023

² UNEP, World Bank, 2018

A woman with dark hair and glasses, wearing a white lab coat, is measuring the back of a woman with blonde hair tied in a bun. The woman being measured is wearing a dark brown tank top and a patterned skirt. They are in a garment district setting with a mannequin and clothing racks in the background. The text is overlaid in a light green color.

“These programs build a sense of community,
and connect everyone with a goal of these
businesses thriving together.”

— BDC Program Participant



Program Impact at a Glance

Over the past three years, the Business Development Collaborative program has provided a wealth of tailored support to businesses, entrepreneurs and workers. New participants continue to join the program each quarter, while others have taken advantage of multiple program services across diverse partners throughout the year.

Since the program's inception

619

businesses and/or
entrepreneurs engaged

13,484

hours of programming
delivered

In Year 3 alone

199

newly recruited businesses and/
or entrepreneurs

84

businesses had engaged in the
program before and returned
for additional support

81

businesses received at least 2
unique program services

54

businesses collaborated with at
least 2 program partners

A survey of BDC participants confirmed that businesses are experiencing positive growth and tangible changes as a result of their engagement in the Business Development Collaborative.

Businesses and entrepreneurs **value program collaborations:**

93%

of program participants are likely to recommend the program to a colleague or a friend

95%

of participants are likely to engage in the BDC program in the future



“These programs are vital to the success of small businesses in the garment district. I have definitely seen positive results in my business and have challenged some ways of thinking that were holding me back.”

— BDC Program Participant

Each business or entrepreneur enters the program with a unique goal, whether strengthening a skill or area of expertise, expanding their network or, very practically, developing a new website or marketing strategy.

As such, participating businesses reported **a wide variety of positive changes as a result of their engagement with the BDC:**

New Business Development

- 74%** expanded their business reach through an increase in connections, leads or networks
- 63%** increased visibility of their brand or business
- 49%** increased their ability to pursue new lines of work and customers and/or expand to new geographies
- 33%** increased their business sales

Stronger Staff and Operations

- 56%** increased the productivity and efficiency of their business operations and processes
- 60%** increased their team's technical skills, knowledge and innovation
- 28%** hired new staff

District Business Spotlights

The seven BDC partners expertly delivered support to businesses across a diversity of sectors, from the long-standing manufacturers traditionally associated with the Garment District to technology firms and hospitality start-up companies.

Create-a-Marker

createamarkernyc.com

Create-a-Marker is one of the leading computerized grading and marking companies that serves the apparel industry with state of the art equipment and large facilities.

The Create-a-Marker team partnered with MINYC to:

- **Increase team capacity** by employing a graduating senior for grading and marking support through MINYC's six-month Student Employment Program
- **Increase B2B sales opportunities** through 1:1 bespoke consulting support
- **Expand their network and connections** to other District manufacturers through the Made Here, Meet Here networking events

“One of the biggest challenges for us is finding technical employees (Pattern Graders!!). Made in NYC was awesome because we got very lucky with Zoe [the Pratt Institute student] in that she had a great understanding of the process and was able to work side-by-side with our head grader, who taught her a lot. We are hoping that she comes back when she graduates!”

— Dina Cavazza, VP of Operations



Vartest Laboratories

vartest.com

Vartest is an advanced laboratory offering a broad range of quality assurance, testing and evaluation programs of materials and products.

Through collaborations with ITAC, MINYC, and FIT, Vartest received customized consulting on lead generation and sales strategy; development of new marketing strategies and content; professional photography of its facility and equipment; and an opportunity to be featured at City Source. This cross-partner support helped Vartest to:

- **Increase customer engagement and retention** with new email marketing efforts and copy
- **Improve their online presence** with a newly designed website that is more accessible and visual
- **Enhance brand presentation** through updated videos, photos and other collateral
- **Increase capacity** to create a compelling story that highlights their many complex services and areas of expertise
- **Simplify their testing procedures** to make them more accessible to website visitors and past customers

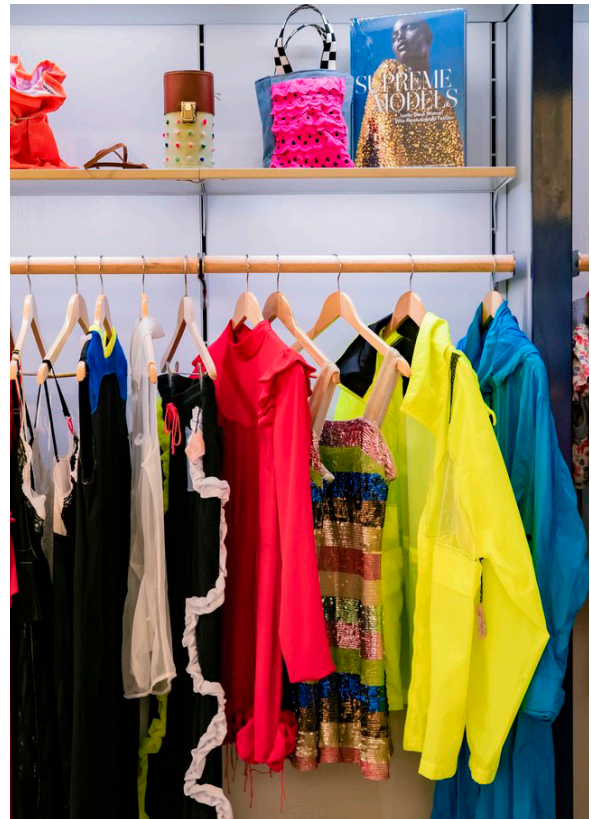
Art to Ware

arttware.com

Art to Ware (A2W) sits at the intersection of art and fashion. The store features ethically sourced and locally crafted clothing and gifts, made by emerging artists, designers and visionaries.

A2W partnered with Custom Collaborative to address their key growth priorities through the BDC. This support strengthened A2W's ability to:

- **Increase team capacity** by hiring a skilled Custom Collaborative apprentice, while receiving customized training and support on equity and inclusion
- **Increase publicity** to reach new customers and partners
- **Diversify their in-store products** by finding new vendors and designers to feature



Thriving in the Garment District

The Garment District continues to be a creative hub for designers, makers, artisans, factories and collaborators. There is a unique sense of pride in being a part of this historic community, and, at the same time, for many businesses, there is a practical element to their physical presence in the district, where they can knock on one neighbor's door for fabric and another neighbor's door for insight into the latest industry trends.

To support businesses as they grow and evolve in the district, the Business Development Collaborative partners developed customized collateral, practical tools and new resources that highlight the unique value that comes with being locally made. Such examples include:

Nest

Ethical Handcraft Compliance Workbook **(Password to access is Garment2024)**

This workbook aims to support small businesses in the Garment District who are interested in implementing a social compliance program to ensure they operate responsibly and treat their workers and environment well. This workbook is part of a larger set of resources, which includes online presentations, templates and other compliance tools.

Crafting a Future: Compliance & Workforce Issues in NYC's Garment District

This report explores key workforce challenges and needs of Garment District businesses, while sharing tools, resources and solutions for strengthening the labor landscape and adopting ethical compliance practices.

E-Com Fashion

The **Online Educational Resource Library** provides webinars, tools and materials to businesses and entrepreneurs seeking to develop their expertise in online digital strategies and business operations as they launch and/or grow their online business.

ITAC

The **Faces of the Garment District Digital Series** features ITAC's program participants with unique profiles that explore how each business launched in the District, the services they offer and the challenges they have overcome.

All Partners

Garment District BDC Program Database

provides contact information for local manufacturers, designers and other businesses that may be available to support sourcing, networking and partnership needs.

Looking to Next Year

The Garment District Alliance is looking ahead to July 2024 when it will launch a fourth year of the Business Development Collaborative program. Building on successes to date, coupled with a review of lessons, challenges and feedback from program partners and district businesses alike, the program will focus delivery on key areas of demonstrated impact: customized one-on-one consulting, placement of trained apprentices and interns, and networking and industry events.

Through the Business Development Collaborative and its cohort of program partners, the Garment District Alliance is committed to supporting the growth of the long-standing and new district businesses who contribute to the District's unique and vibrant identity.



