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Challenges and Benefits of Made in the USA Manufacturing: A Study of Small Business Owners

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Apparel and non-apparel manufacturing in the United States (US) has lost ground as a global competitor in recent decades, as the majority of production has shifted to overseas facilities. Older studies indicate that cheaper labor cost is the most compelling reason for this shift, while recent studies indicate the supplying country's infrastructure development, literacy rate and its language commonality with the USA are also contributing factors (Chi & Kilduff, 2010). However, the US manufacturing market grew by 1.3% in 2013 and is forecasted to increase 23.2% by 2018 (American Apparel and Footwear Association, 2014). Concurrently, there is a small but growing population of consumers who search out products "Made in the USA," indicating an expanding customer base for manufacturers who produce domestically. According to the United States Federal Trade Commission (1998), to be claimed Made in USA, "all or virtually all" the product must have been made in the US. That is, all significant parts have been made and processed in the US. Made in the USA (or domestic) production can provide sustainable benefits: (1) strict monitoring for human rights and environmental violations, (2) effective resource productivity, (3) a closer-to-market operating framework thus less wasteful (Desai, Nassar, & Chertow, 2012).

Investigating current companies and entrepreneurs who practice United States-based manufacturing and/or production is therefore an area of study that can provide direction for future market growth. Therefore, the purpose of this study is to investigate the manufacturers who produce their products through US production. This study targeted the owners of small and medium sized enterprises (SMEs), defined as textile and apparel manufacturing that has 500 or fewer employees (North American Industry Classification [NAICS] code 313).

This study employed Brush (1992)'s integrative model to explore the SME owners. Brush's model is a modification of Gartner's new venture creation framework (1985) and was used in Horridge and Craig's study (2001) to investigate the experiences of female entrepreneurs in the apparel industry. Brush's model has four factors: Individual, organization, process, and environment. Based on this model, the survey instrument was developed.

A purposeful sampling technique was used to maximize the acquisition of information needed for this study. A criterion for participant selection was that their apparel and textile products are manufactured in the United States. Within the criteria for recruitment, the investigators contacted personnel known from relationships with students and study tours, various news articles, Google searches, social media pages and blogs. Subjects could participate in the survey via email or phone interviews.

A total of six owners participated in this survey. All respondents were women and ranged in age from 27 to 54. The age of their business was from 1 to 23 years. Manufacturing facilities

were located in IN, NY, IL, TN, CA, and OH and have from 1 to 200 employees. Analysis results of survey responses indicate that they participated in and were responsible for various roles, therefore should have wide range of knowledge in production (individual: role factor). Participants noted they always wanted to be an entrepreneur and searched out those opportunities (process factor). They pursued Made in USA production because of their personal passion for creating American jobs and more personal control throughout production (individual: motive). They also indicated cost, finding skilled employees, and lack of networking as challenges (Organization factor). Participants stated that they would choose Made in the USA production if they had to do it over and perceived benefits from domestic production (environment factor).

This study expands the application of Brush (1992)'s integrative model. Though women were not specifically targeted for the current study, the responses of the all-female participants mirrored findings of the female-focused study by Horridge and Craig (2001), indicating that female entrepreneurs in the apparel industry today continue to be motivated and challenged by similar circumstances. More specifically, this study identified challenges and benefits experienced by a small sample of producers within the Made in the USA apparel sector. These findings provide a foundation for future research focused on overcoming the specified barriers. Domestic production was chosen by study respondents as one way to have close oversight and strong relationships with supply chain participants, which can result in a more responsibly produced product. Production based in the United States can also support smaller runs of production, which is a more sustainable option for newer apparel brands and those that target a smaller market. Additional manufacturers may be able to choose production within the United States as barriers are decreased.

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