MADE IN AMERICA, MAYBE: THE POTENTIAL RENAISSANCE OF DOMESTIC APPAREL MANUFACTURING IN THE UNITED STATES

A Thesis submitted to the Faculty of The School of Continuing Studies and of The Graduate School of Arts and Sciences in partial fulfillment of the requirements for the degree of Master of Arts in Liberal Studies

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ABSTRACT

Apparel manufacturing is widely considered to be an industry that will never return to the United States so long as rising transportation costs are balanced by rock-bottom labor rates outside our borders. This paper explores the complexities of manufacturing apparel in an ever-changing seasonal schedule, in contrast with the ways that consumers choose to purchase apparel.

A historical overview chronicles the decline of the apparel industry between the 1950s and the dawn of the new millennium, and past and present research regarding buying habits is highlighted to indicate the potential purchasing power of American shoppers seeking American products. A variety of domestically based clothing brands were interviewed in order to gain an understanding of the challenges and benefits of producing apparel in the United States.

This thesis posits that apparel manufacturing may be able to return to the United States if brands focus on niche, high-margin products where quality surpasses sheer patriotism. Such an effort to maintain a new apparel manufacturing presence in the United States will only be worth the effort if consumers embrace domestically made goods—for reasons of patriotism, quality, or otherwise—in their regular shopping habits.
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CHAPTER 1

WEIGHING THE ADVANTAGES, FOREIGN AND DOMESTIC

Unions, manufacturers, and the exceptionally patriotic often lament the exodus of clothing manufacturing to countries like China and Bangladesh, where garments are produced for pennies on the dollar. Many believe that apparel manufacturing will never return to the United States so long as rock-bottom labor rates outside our borders offset slow-boat transportation costs. This paper will explore the complexities of manufacturing apparel to accommodate rapidly changing seasonal trends. It will posit that apparel manufacturing may be able to return to the United States if brands focus on niche, high-margin products where quality trumps sheer patriotism. Such an effort to maintain an apparel manufacturing presence in the United States will only be worth the effort if consumers embrace domestically made goods (for reasons of patriotism, quality, or otherwise) in their regular shopping habits.

Economist Alan Blinder used the travels of the garment manufacturing industry around the world to illustrate the movement of comparative advantage in search of cheaper labor. He has written extensively about the offshoring of American jobs and explained in a 2009 paper that “One important aspect of this modern reality is that patterns of man-made comparative advantage can and do change over time.”1 While natural resources or inherent conditions once indicated potential for comparative advantage, human effort now has a greater impact. The labor pool provides the advantage, so long as manufacturers can connect with the right labor pool for the task.

First, the United Kingdom had comparative advantage for apparel production primarily because it had the largest labor population, but the advantage shifted across the Atlantic Ocean to the United States during the Industrial Revolution of the 1800s. Workers flocked to New England to find opportunities in burgeoning mill towns. When manufacturers learned that they could produce textiles and garments more cheaply in the American South—closer to many raw materials, like cotton—comparative advantage then moved to the Carolinas. More recently, low-wage nations like China have gained comparative advantage, and so the applicable factory jobs—until recently—have resided in those nations.2

Richard Rothstein explained that the apparel industry is the manufacturing sector that comes closest to “a model of pure competitive capitalism.” Intense competition threatens job security for all involved, “putting further pressure on wage rates as the most important controllable cost of doing business.”3 In his report, *Keeping Jobs in Fashion: Alternatives to the Euthanasia of the U.S. Apparel Industry*, he further described the dependence of the apparel industry on developed nations like the United States:

Low labor cost is the *only* comparative advantage which apparel exporting nations possess. These nations have no unique technology; their machinery is supplied by developed nations’ equipment firms, governments, and international agencies. The low-wage nations create no unique styles; designs come from developed nations’ designers and retailers. No competitive advantages stem from better production methods of the developing nations’ producers; in productivity terms, the U.S. apparel manufacturing industry is more competitive.4

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2 Ibid., 89.


4 Ibid., 39.
But Rothstein’s report was written in 1989. On paper, we were still a competitive apparel-manufacturing nation. But in reality, most of the work had already been offshored, to Asia or Central America. The industry assumed that China had the advantage. Back then, they were right. Now, the situation is evolving.

As the major manufacturer of consumer goods exported to industrialized countries, China was severely affected by the recession that started in the United States in 2008. This had unexpected repercussions for American companies invested in China. While China initially maintained its advantage for apparel manufacturing, America’s recession forced a reduction of manufacturing facilities in China. Once small factories shuttered, large ones gained the option to control the size and type of orders that they filled from the United States. Even established brands found themselves at the end of the queue because their orders just weren’t large enough to be worth the Chinese facilities’ time. In 2011, Nick Leiber reported in *Bloomberg Businessweek* that established companies that used to manufacture in China were turning to American manufacturers. As recently as 2009, retail prices for American-made goods were 25-percent higher than comparable imports; at the time of Leiber’s article, that difference had dropped to 10 or 15 percent.

China’s comparative advantage is waning in part due to its evolving workforce. China increased its national minimum wage in 2011, immediately causing some factories to plan for reductions. Reductions in staff can cause longer lead times for orders, especially as factory workers begin to be wooed away by more technically advanced

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6 Ibid.
manufacturing jobs. A June 2013 McKinsey Quarterly report notes China’s rising consumer class as a new challenge. As the middle class rises, China rushes to urbanize and modernize its infrastructure. At the same time, fluctuating world economies have made it difficult for factory owners to anticipate importers’ needs. As China struggles to boost productivity as its workforce gains power, American brands have three choices: keep manufacturing in China but risk experiencing late orders; shift production to another, cheaper location that may or may not have the skills to compete, or move production back to Mexico or the United States where it can be controlled and monitored closely.

Recent reports by industry experts and academics alike indicate that domestic production is becoming a more attractive, lasting option. Some signs clearly point to opportunity for those willing to invest in domestic production. Other indicators are still murky. Standard and Poor’s 2012 industry report on apparel and footwear showed very cautious optimism for a return to domestic manufacturing, noting a “modest return to domestic apparel manufacturing for fashion merchandise.” It cited both increasing foreign labor costs along with mounting shipping costs as important factors but conceded “where this will become a small (but significant) trend remains to be seen.” Rather than focus on the future of domestic manufacturing, Standard and Poor’s looked to neighbors

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Having plants in Mexico and the Caribbean provides a quick turnaround time, an advantage that may prove increasingly significant for manufacturers in those areas as China’s low-cost advantage erodes. Nevertheless, as Chinese manufacturers improve quality, they will be able to maintain and grow their share of the U.S. (and the world’s) apparel market, in our view. … Companies that set up and run plants in China are taxed by the Chinese government at a lower rate than if those plants were operating in the United States. Moreover, by keeping their sweetened profits in China, US-based apparel makers can fund future growth.\textsuperscript{10}

Standard and Poor’s explained three ways that apparel companies establish overseas connections for production: buy or build a facility; work with agents who have connections to foreign factories; or contract directly with those foreign factories. Standard and Poor’s explained that major U.S. apparel companies often use all three methods along with outsourcing some domestic work. The report indicates that both locations may be necessary for a company’s success: “Overseas sourcing allows them to compete with less expensive imports. Domestic sourcing allows companies to respond quickly to fashion changes and to retailers’ needs for automatic inventory replenishment.”\textsuperscript{11} The key to success for any retailer, however, is not location, but technological connections with manufacturers. For manufacturers, the report proclaims, “Quick response has become the key to survival.”\textsuperscript{12}

In some areas of the industry, profits may be able to grow without the traditional reliance on China. According to Peter Doeringer and Sarah Crean’s 2006 \textit{Socio-}

\begin{flushright}
\textsuperscript{10} Ibid., 17.
\textsuperscript{11} Ibid., 21.
\textsuperscript{12} Ibid., 23.
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Economic Review article, the United States apparel industry could look like this: big companies supply the basics like t-shirts and socks, which will likely be made overseas. But a set of small firms that can handle uncertain niche markets—markets too volatile for larger companies to bother with—will survive.13 This is already happening in New York City, they noted, in the area of specialized women’s wear:

The best of these niches are high quality, high-end markets for fashion products, custom-made clothing, small orders of fashion products for regional chains and independent shops, and products using exotic technical fabrics that require considerable care and skill in manufacturing. The common element among these niche markets is that the need to respond quickly to the rapid pace of style change necessitates a high degree of quality and the direct collaboration among designers, producers and retailers that is only possible where there is a concentration of small- and medium-sized producers in close proximity to fashion markets.14

Doeringer and Crean presented a long-term strategy for midtown Manhattan, suggesting the creation of comparative advantages for specialized garments where “production runs are short, supply schedules are urgent, and design and quality are important.” An emphasis on overall value, they wrote, would help to balance higher wage costs.15 Ian Taplin proposed a similar strategy for southern California, where shorter lead times for

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14 Ibid., 365.

15 Ibid., 369.
sportswear delivery is possible thanks to a vibrant immigrant-based subcontracting environment.\textsuperscript{16}

In a survey of manufacturers and retailers in New York City, Doeringer and Crean found that common barriers to a more flexible style of retailing included lack of control over global supply chains, centralized buying and product standardization for large orders, and the downtrodden and pessimistic attitudes of small manufacturers in Manhattan.\textsuperscript{17} The authors further concluded that development of new manufacturing strategies in New York and beyond are essential for maintaining any semblance of an apparel production industry in the United States. Success and a possible resurgence depend on product development for high-end niche markets, promotion of the efficient capabilities of small firms, and evolving relationships between supply chains and brands.\textsuperscript{18} “If there is any prospect for the U.S. apparel industry to develop secure market niches for which it has comparative advantage,” they wrote, “it is likely to be in high value-added fashion products where design quality and speed matter, and where orders are too small to attract offshore competitors.”\textsuperscript{19}

Desai, Nassar, and Chertow’s paper “American Seams” concluded that the profitability of “fast-fashion” manufacturing systems in the United States is dependent on circumstances that center on production pace: the time it takes to make the clothing


\textsuperscript{17} Doeringer and Crean, “Can Fast Fashion Save the U.S. Apparel Industry?”, 374.

\textsuperscript{18} Ibid., 354.

\textsuperscript{19} Ibid., 373.
compensates for the additional cost of making it domestically. They note that simpler products require less time and “fashion basics” are likely to sell at greater volume, but can still command a premium price, as in the case of designer jeans and tees. The other factors for growth of the fast-fashion system based in America include: the growth of a sustainable apparel market that focuses on ethically-made, quality clothing; brand-specific strategies to capitalize on “Made in America” sentiments; and development of brand strategies to cite environmental factors in order to compete with foreign-made goods.

In 2011, Boston Consulting Group released “Made in America, Again: Why Manufacturing Will Return to the U.S.,” the first in a series of reports that discussed manufacturing for a variety of industries, including fashion. It also noted the rising cost of production in China as a potential driver for re-shoring American manufacturing. After analyzing Bureau of Labor Statistics data, BCG noted that average Chinese factory wages rose by 150 percent between 1999 and 2006—a mere six-year period. That wage increase is a major factor in China’s uncertain foothold at the top of the manufacturing totem pole. “The tipping point is in sight,” the report warned, because Chinese wage growth has exploded much faster than productivity. When total production costs were considered, South Carolina, Alabama, and Tennessee led the list of “least-expensive production sites

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21 Ibid., 73.

in the industrialized world,” where companies can prepare to focus on domestic supply.\textsuperscript{23} The Bureau of Labor Statistics reported that in 2012, the states with the most apparel jobs—California, Texas, North Carolina, Georgia, and Virginia—had hourly mean wages of $11 to $15 per hour. Meanwhile, the top paying states for the same occupations—Hawaii, Pennsylvania, Michigan, Oklahoma, and Colorado—offered hourly mean wages between $18 and $25 per hour. The national hourly mean wage for cut-and-sew apparel manufacturing was $15.13 per hour.\textsuperscript{24}

Indeed, wage levels have been a major factor in encouraging domestic manufacturing. The Center for American Progress compiled a report that compared 2001 and 2011 wages for garment workers around the world. In China, garment workers earned just under $325 per month, when based upon American dollars in 2001. In Mexico, that rate was about $536 per month. On the opposite end, workers in Bangladesh earned just more than $91.\textsuperscript{25} In an hourly comparison, China is still catching up with the Western world. Home-products textile company Airtex Design Group, based in Minneapolis, told the New York times that it once paid an average of $3 per hour for its Chinese workers, but now pays almost $12 per hr.\textsuperscript{26} At the same time the company was debating how to

\textsuperscript{23} Ibid., 6-7.


react to rising labor costs in China, Airtex customers expressed interest in acquiring products produced domestically. The company explained to the *New York Times* that Airtex is now in the process of rebuilding its labor base in Minneapolis, in part by participating in a local worker-training program. Airtex pays between $9 and $17 an hour to its local textile assembly workers.\(^{27}\)

Despite the title of the BCG report, there was little real evidence that any manufacturing might be able to move back to the U.S., let alone apparel-specific production. Companies might move their mass-produced apparel from China to other low-cost nations in Southeast Asia, but “Other low-cost nations won’t be able to absorb all the export manufacturing that is likely to leave China … a simple reason is that there is no replacement for China’s labor force.”\(^{28}\) Mexico was noted as one to watch, as it borders the United States and has duty-free privileges thanks to NAFTA; in the most practical sense, a product that can enter the United States within a few days of production can also hit the shelves more quickly. Mexico’s manufacturing wages are expected to be lower than those in China by 2015, which may spur more American companies to move production there.\(^{29}\) Two more reports from Boston Consulting Group followed, but neither of them identified substantial opportunities for reshoring the textile or apparel industries. Heavy industry and electronics dominated those reports.

The loss of the American garment manufacturing industry is not as simple as saying that comparative advantage has passed us by. Technological advances, generous

\(^{27}\) Ibid. Airtex estimated that benefits add 30 percent to the pay figures it provided to the *New York Times*.

\(^{28}\) Sirkin, Zinser, and Hohner, “Made in America, Again,” 6-7.

\(^{29}\) Ibid.
(and poorly enforced) trade policy, and firms hungry to feed the bottom line have all played a part—and continue to do so. Two victims have appeared: first are the workers, who have lost not just their jobs, but also their entire careers as U.S. factories closed in waves. The second victim is the American shopper, who has been seduced by low prices for goods that may be inferior.

Chapter 2 will examine the trade and political events that led to the exodus of the apparel-manufacturing industry from the United States toward less-developed nations around the world. After exploring the new cultural interest in American-made goods in chapter three, current and start-up domestic producers will be profiled in chapter four to provide an understanding of the benefits and struggles involved with domestic apparel production. Finally, recommendations will be shared for brands that would like to reshore their manufacturing.
CHAPTER 2

THE APPAREL EXODUS

The Fray

It is important to understand the decisions that have brought us to this point. Despite the excitement and prosperity after World War II, the post-war era also provided a catalyst for the downward spiral of the domestic textile and apparel manufacturing industry. “The garment industry flourished [after World War II],” Gus Tyler wrote in *Look for the Union Label*, which chronicled the history of the International Ladies’ Garment Workers’ Union. “American women had the money and demanded the clothes. American producers accommodated them.”¹ But liberalization of world trade kicked off at the same time. The outsourcing of garment work started to affect the ILGWU in the late 1950s, Tyler explained. Item 807 of the U.S. Tax Code permitted garment production to begin in the United States, be shipped overseas for completion, and be shipped back to the U.S.—with tariffs only on the value added—to be sold under a brand’s label.²

The window of opportunity created by Item 807, now a part of the Offshore Assembly Program, spurred what would become a “new normal” of offshore production. While it was most commonly practiced in Mexico and the Caribbean for reasons of proximity, 807 operations were permitted worldwide. “It serves U.S. foreign policy objectives and reduces labor standards at the same time,” Edna Bonacich and David

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Waller wrote in their book chapter, “Mapping a Global Industry.” Item 807 kept sweatshop conditions out of the United States while boosting poor nations with job opportunities, and typical wages were just a fraction of U.S. rates. By providing jobs for workers in their home nations, it was also intended to discourage illegal immigration. Yet, it was difficult to control quality unless the American company manufacturing overseas owned the offshore facility. In a best-case scenario, sewing skills outside the United States were sometimes lacking; in the worst-case, certain types of garments couldn’t even be produced overseas without extensive worker training. When a great deal of labor would be required for production, offshore production was a lower-cost option that made sense. The 807 imports were dominated by pants and shorts; brassieres and shapewear; shirts and blouses; and coats and jackets.

Outside shops—those that would contract out some of its work to other areas—were always an obstacle for the garment industry. But after World War II, outside shops included not only homework or contractors in other parts of the country, but also overseas production encouraged by Item 807 and the regulations that followed. Tyler described foreign outside shops, “The culprit employer was looked at as just another ‘runaway,’ like other companies that in 1910 had fled the union in Manhattan and had

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4 Ibid., 29.


7 Tyler, Look for the Union Label, 265.
crossed the waters into Brooklyn, and later crossed the Delaware River into Pennsylvania, and still later crossed the Mason Dixon line into Mississippi."

The apparel-manufacturing industry was on the brink of chaotic evolution no matter the location. During World War II, the progressive bundle system (PBS) was popular for mass-producing generic garments: assembly-line coveralls and military uniforms. With this method, large bundles of garments or garment pieces wait at each workstation for a single task to be performed. The system prevents problems from one station or piece of equipment from trickling down to affect the entire assembly line, but it can take many days for a garment to finish its travels down the line. Retailers were required to place large orders well in advance of each season in order to ensure that inventory would arrive at the desired time. Peter Doeringer and Sarah Crean explained in their 2006 report that the PBS system measured total labor content of a garment in minutes. While a garment may not take much hands-on production time to complete, the entire assembly path—with workers completing specific tasks before sending the garment along to the next station, where it may sit in a queue—can add considerable time to the process. The PBS system favored large retailers, who could move hefty orders and had the funds available to place those orders. Smaller brands had to find a way to compete, and America was not always the answer.

Runaway shops were further encouraged by changes in trade policy in the 1960s. The General Agreement on Tariffs and Trade (GATT) in 1947 did not fully include the

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8 Ibid., 266.


apparel industry in its trade regulations.\textsuperscript{11} Attempting to close the gap, Kennedy’s administration introduced the Short Term Arrangement Regarding International Trade in Cotton Textiles (STA) in July 1961, which regulated imports of 64 categories of cotton products. If “market disruption” was noticed, 30 days were provided for the offending apparel category to adjust import levels. The Long Term Arrangement (LTA), which was in place from 1962 to 1974, included a greater number of participating nations and provided a 60-day window to return to “base levels” once disruption was detected.\textsuperscript{12}

The STA and LTA weren’t intended to be protectionist, Richard Rothstein explained, but rather to boost the economies of developing countries by facilitating their exports to industrialized ones.\textsuperscript{13} But restricting imports of cotton textiles and apparel “also served to accelerate rather than slow the race to the bottom,” Pietra Rivoli wrote in her 2005 book, \textit{The Travels of a T-Shirt in the Global Economy}.\textsuperscript{14} To circumvent the new restrictions on cotton, imports of man-made fibers from Europe and Asia increased dramatically. U.S. producers were forced to shift their focus to man-made textiles in order to compete with those imports.\textsuperscript{15}


\textsuperscript{12} Ghadar, Davidson, and Feigenoff, \textit{U.S. Industrial Competitiveness}, 64-66.

\textsuperscript{13} Rothstein, \textit{Keeping Jobs in Fashion}, 45-46.


By the end of 1967 alone, more than 700 bills had been introduced in the U.S. House of Representatives proposing to place quotas on apparel imports.\textsuperscript{16} Two factors prevented the United States from attempting to restrict textile and apparel imports further: political pressure from American brands that wanted to increase their profits by manufacturing more cheaply overseas, and the Cold War. “Trade policy was not made on the Hill,” Gus Tyler wrote. “It was made in the Pentagon.”\textsuperscript{17} Supporting the economies of rebuilding countries like Japan was expected to foster relationships impervious to the USSR and communism. Developing economies turned out to be the least of America’s textile and apparel competitors, though. Japanese textile imports, for example, tapered off after 1957, when President Eisenhower answered the cries of textile protectionists, negotiated voluntary export restrictions with Japan. Ellen Israel Rosen explained in her book \textit{Making Sweatshops} that as the United States lost interest in Japanese imports, those from Hong Kong and Taiwan began to increase. “By 1962, not only textile imports but, more important, clothing imports began to raise the ire of U.S. apparel manufacturers who now, like U.S. textile producers, experienced the consequences of low-wage competition,” she wrote.\textsuperscript{18}

The tide was starting to turn. Ellen Israel Rosen explained in \textit{Making Sweatshops} that the earliest East Asian apparel exports were cheap, generic garments sold in bargain stores.\textsuperscript{19} Gus Tyler noted that the first group of ILGWU workers to feel the crunch was Local 142, neckwear makers who were “being destroyed by silk scarves made in


\textsuperscript{17} Tyler, \textit{Look for the Union Label}, 269.

\textsuperscript{18} Rosen, \textit{Making Sweatshops}, 71.

\textsuperscript{19} Ibid., 112.
Japan.” Then, the advent of “career wear” in the 1970s led East Asian producers to step up their game. Menswear producers like those represented by the Amalgamated Clothing Workers of America were already threatened by East Asian imports of dress shirts and suits. The influx of women into the white-collar workforce magnified the situation.

South Korea, Taiwan, and Hong Kong dominated as the “Big Three” in the 1970s and 1980s. China emerged in the 1980s, when trade agreements made between the United States and China in 1980 and 1983 sought to ease old Cold War tensions by opening U.S. markets to Chinese exports—including textiles and clothing. When China opened up to trade, it was a “CMT” country: Cut, Make, and Trim. In Elizabeth Cline’s Overdressed, Sally Reid, a former Ann Taylor executive, explained that American brands sent their fabric to China for cutting, the making of the garment, and trimming the loose threads before sending it back to the United States.

The Multi-Fiber Arrangement replaced the LTA in 1974, and bilateral negotiations set import quotas on textiles and apparel made from synthetic fibers along with cotton. The Committee for the Implementation of Textile Agreements administered the United States’ MFA agreements, and the Office of Textiles and Apparel (OTEXA) conducted weekly reviews of import levels from each country to determine if market disruption had occurred or was about to occur. No other American industry had been subject to such regulations at that time, and the MFA faced criticism that it violated

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20 Tyler, *Look for the Union Label*, 265.
22 Ibid., 121-122.
free trade. "Textiles and apparel are subject to not only a higher level of trade protection," Pietra Rivoli wrote in *Travels of a T-Shirt*, “but also a higher level of trade protection complexity than any imports into the United States outside of agricultural goods.”

In theory, the MFA would balance the export needs of developing countries while still allowing the United States and other industrialized nations to control the rate at which imports of textiles and apparel increased. Gus Tyler listed the MFA’s flaws:

> The MFA suffered from all the faults that plagued the original [long-term] arrangement: allowable rates of growth for imports far exceeded the growth of the American market. In years when the American market for apparel grew by one percent, US negotiators allowed [import] growth rates of six percent. New countries were either not included at all or were included long after they had started exporting to the United States. … In 1955, apparel imports were only three percent of the U.S. market; by 1965, imports were 12 percent of the American market—a 300 percent increase in one decade.

Import limits had to be negotiated individually with each participating nation. Quotas could not be negotiated before major import penetration was detected, but negotiations then took months in many cases. Pietra Rivoli commented that the MFA, which was intended to save the American textile and apparel industry, just created a new industry for negotiating and enforcing the MFA. But enforcement was shoddy. A technique called “swinging” allowed exports to dodge quotas by making small changes to garments to be able to fit them into a different category. Adjusting categories with “special shifting,” and “carryover” and “carryforward” between the previous and following years was a common

practice. “Square meter equivalents” were assigned to categories to allow for conversion between them.\textsuperscript{31} Bonacich and Waller provided examples that evaded MFA quotas: shirts and skirts with filled quotas were sewn together, shipped to the U.S. as dresses, and separated upon arrival; jackets were made with zip-off sleeves and imported as vests.\textsuperscript{32}

The MFA had several iterations and was renewed by Presidents Carter and Reagan. Each renewal was more restrictive, but inconsistencies continued to create confusion. For example, MFA IV (1987-1991) included import restrictions on fabrics including ramie, silk, and linen—none of which were even produced in the United States at the time. Another point of potential confusion: for most of the MFA’s reign, the country of origin (COO) of a garment was determined by the location where the fabric was cut. In the mid-1990s, the MFA determined country of origin by the location of the stitching work.\textsuperscript{33}

In the 1980s, restless retailers wished to add more variety to their mass-produced offerings. The just-in-time system was developed to better predict true demand for products by allowing retailers to request smaller, more varied orders. It was not an easy transition, as updating the process required new equipment and worker retraining; but by the mid-1990s, suppliers caught on to the just-in-time method and were reporting higher

\textsuperscript{31} Ibid., 131.


\textsuperscript{33} Rivoli, Travels of a T-Shirt in the Global Economy, 131.
profit margins.\textsuperscript{34} In their 2012 report “American Seams,” Anuj Desai, Nedal Nassar and Marian Chertow declared, “With the absolute comparative advantage of proximity over the lower-cost labour countries of Asia, the just-in-time system appeared to be the savior of domestic apparel manufacturing.”\textsuperscript{35} Smaller, more efficient runs of garments, Doeringer and Crean wrote, encouraged a labor force that was less-specialized and supported roles that required a wider range of skills. Just-in-time manufacturing required teamwork and time, but the process was flexible and faster from start to finish.\textsuperscript{36}

Just-in-time manufacturing offered the United States with proximity as comparative advantage over Asia, but manufacturers in the U.S. could not best the low labor costs found in nearby Mexico and the Caribbean. “US apparel companies were left to serve highly uncertain fashion and niche markets where order sizes were too small for mass production to be efficient, and market share drifted away,” Doeringer and Crean wrote.\textsuperscript{37}

The just-in-time system is now relegated to basic items that are fairly consistent between seasons, while the newest manufacturing method—the fast fashion system—fills small batches of timely, trendy items.\textsuperscript{38} While fast fashion may sound wasteful, its goal is actually to better-predict trends and styles and increase the sell-through rate of the garments produced. If a retailer can sufficiently meet demand, less inventory would remain to be subject to excessive markdowns. There’s also an environmental benefit,

\textsuperscript{34} Desai, Nassar, and Chertow, \textit{American Seams}, 57.

\textsuperscript{35} Ibid.

\textsuperscript{36} Doeringer and Crean, “Can Fast Fashion Save the U.S. Apparel Industry?”, 360.

\textsuperscript{37} Ibid., 361.

\textsuperscript{38} Desai, Nassar, and Chertow, \textit{American Seams}, 59.
Desai, Nassar, and Chertow explained: fast fashion production encourages “more environmentally effective use of materials and the resources embedded within them. At end of life, a reduced need for discounting implies less eventual product for the waste bin.” The challenge of the fast-fashion system is that it caters to an ever-increasing number of fashion “seasons,” in which retailers vary their offerings every few weeks instead of a few times each year. The constant production of low-cost garments leads to a cycle of endless consumption of fads, which leads to the wastefulness indicated by the name of the system.

**Solidarity**

Textile and apparel unions showed concern throughout this quiet manufacturing revolution, but reactions were clumsy. While the Amalgamated Clothing Workers of America (ACWA), the union for makers of men’s garments, started placing tags in garments in the 1930s, the ILGWU didn’t follow suit until 1959. Union labels were originally intended to notify consumers that a union produced an item; the tags created solidarity across unions, whose members were also consumers. When imports became the norm in the 1970s, the union label became a guide for not just supporting unions, but also buying American-made. “Women were urged to think of the label as ‘a little American flag sewn into your clothes,’” Gus Tyler wrote. There was even a song:

*Look for the union label, when you are buying a coat, dress, or blouse.*
*Remember somewhere, our union’s sewing, our wages going*
*To feed the kids and run the house.*
*We work hard, but who’s complaining, thanks to the ILG, we’re paying our way.*
*So, always look for the union label, it says we’re able, to make it in the USA.*

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39 Ibid., 62.

40 Tyler, *Look for the Union Label*, 294.
The jingle was undoubtedly patriotic, and the ILGWU members who sang it for the national union support campaign were portrayed as representatives of the American working class. A television commercial lasting an entire minute begins with a man nearing his golden years, describing how valuable his and his colleagues’ work is to the United States. “This is no import—we made this blouse,” opens another commercial with a middle-aged woman holding up a shirt with a prominent ILGWU tag. Then, in every version of the commercial, a diverse group of men and women heartily belt out the lines of “Look for the Union Label.” It was an enthusiastic show of solidarity rarely seen in today’s popular industries. But it was unlikely that a song could save an entire industry.

Not even the top union President could help. In 1976, ILGWU President Sol Chaikin made a presentation before the Trade Subcommittee of the House Ways and Means Committee, during which he produced examples of garments he purchased from major retailers. Each garment example was identical down to the price—except for the place of origin. The point, according to Gus Tyler, was that apparel imports were rising not because the average shopper preferred them, but because they weren’t paying attention to country of origin labels. This ignorance was magnified when foreign-made products hung on the same racks as identical American-made versions. “The average shopper did not—does not—know the difference. The retailer did—and does—know the difference,” Tyler wrote. When apparel-manufacturing jobs moved from North to South, Chaikin’s union could follow. But manufacturing that moved to Asia couldn’t be chased. The ILGWU and the Amalgamated’s memberships bled. The ILGWU, for instance,

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41 Multiple versions of the ILGWU “Look for the Union Label” campaign commercial can be found on YouTube, including the ones at the following links: http://youtu.be/7Lg4gGk53iY, http://youtu.be/QO7VUkI DIQw.

42 Tyler, Look for the Union Label, 289-290.
boasted a half-million members in 1964. By 1994, that number had dipped to a paltry 125,000.\footnote{Ibid., 275.}

The quick decline in union membership reflected a changing mood: the workers were turning against a union that could not protect it from the effects of apparel offshoring. “American garment workers…have found themselves downsized, unemployed, underemployed—in short, “deindustrialized”—as apparel production moved offshore,” Kenneth Wolensky wrote in "Sweatshop USA."\footnote{Kenneth C. Wolensky, “‘An Industry on Wheels’: The Migration of Pennsylvania’s Garment Factories,” in Sweatshop USA: The American Sweatshop in Historical and Global Perspective, Daniel E. Bender and Richard A. Greenwald (New York: Taylor and Francis Books Inc., 2000), 107.} For the positions that remained in the United States, there was no sense of job security. Unions and their garment-making employees could no longer organize and negotiate. If a strike was organized, no one could guarantee that the company would not pick up the entire operation and move overseas, leaving American employees behind.\footnote{Tyler, Look for the Union Label, 277.}

Other industry leaders stepped up to the legislation plate behind Sol Chaikin, but with little success. The ILGWU and the ACTWU formed the Fiber, Fabric and Apparel Coalition for Trade (FFACT) to campaign for trade protectionism and stronger MFA regulations. In 1985, FFACT introduced the Trade Enforcement Act, known as the Jenkins-Hollings Bill. It required that apparel imports be expanded at a rate that matched the growth of apparel consumption in the United States. While the Jenkins-Hollings Bill passed in the House and Senate, Reagan vetoed it—but Congress almost overrode the
The industry continued to struggle, but policy makers failed to make much progress in propping it up. A 1987 report by the U.S. Congress Office of Technology Assessment attempted to suggest ways to protect the textile and apparel industry in the United States. “Despite the optimism made possible by technical progress, US textile and apparel firms are in danger,” Director John Gibbons wrote in the foreword. “Little of the technology that allowed for increased productivity was developed by US based enterprises. … Technology alone may not be able to salvage major parts of the industry.”

Retailers described in the report were portrayed as being apathetic toward domestic manufacturing due to the assumed security of foreign sources and the willingness of the consumer to purchase imported products. “Some go as far as to contend that the United States does not appear to have a comparative advantage in many textile and apparel activities, and should not attempt to prevent the inevitable,” the report continued.

The report was on-target with retailers’ concerns, but it failed to provide constructive plans to revitalize the industry. Revitalization programs in the United States, the report even noted, would be likely to fail without a trade strategy that would cover for the industry to give it time to recuperate. The report urged textile firms to focus on breaking into foreign markets, but on the same page, recanted, “Textile exports have never been a significant part of domestic production, unlikely to be an answer to the

46 The Amalgamated Clothing Workers of America became the Amalgamated Clothing and Textile Workers Union (ACTWU) in 1976. Two more similar bills passed in Congress in 1988 and 1990, but were vetoed by Presidents Reagan and H.W. Bush, respectively. Rosen, Making Sweatshops, 127.


48 Ibid., 103.
Suggestions for tougher import restrictions included the following options: adjusting quota provisions from the MFA to include fibers not originally restricted; changing the tax code to eliminate incentives for moving jobs overseas; and limiting the level of textile and apparel imports to the U.S. to match the level of the growth of the U.S. market, by even allowing the President to set “specific quota levels within the overall total.” But the report also cited the “comparatively passive role” of the United States Government, which chose not to be proactive but rather to assess trouble spots as they appeared. The report was sympathetic, but offered few concrete, feasible plans to revitalize the industry.

As the industry began to face its decline head-on, fast fashion gained popularity. This new manufacturing and retailing system has two components that can be independent or complementary. Quick response (QR) techniques focus on quicker production and distribution lead times, aiming to match supply as closely as possible with demand. Enhanced design (ED) includes the study of street fashion as well as in-office research in order to produce very trendy items that can earn a premium price. The QR element is particularly difficult for manufacturers to adopt because of the relative size of textile and apparel production facilities in the United States. Textile firms tend to be large, whereas domestic apparel manufacturing firms usually have fewer than 100 employees. If a manufacturer is going to attempt to meet the fast-fashion needs of a large brand, it

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49 Ibid., 107.
50 Ibid., 109.
51 Ibid., 107.
52 Desai, Nassar, and Chertow, American Seams, 59.
may have to dramatically increase its raw materials inventory, both to satisfy orders and maintain the best cost schedule with textile suppliers. Such investments can counteract the savings associated with QR productivity gains, Ian Taplin warned in *Rethinking Global Production: A Comparative Analysis of Restructuring in the Clothing Industry*.

Textile weaving is fairly automated, while sewing is far from it. “Apparel manufacturing has always been the weakest link in the apparel supply chain,” Doeringer and Crean wrote, because of its traditional, labor-focused process.

But the damage was done. “In 1987 the United States had already become the world’s leading apparel importer, accounting for 27 percent of global imports in clothing,” wrote Bonacich and Applebaum. In *Making Sweatshops*, Rosen explained data she had prepared in previous research to explain the value of apparel imported to the United States. In 1981, that value was $7.74 billion. In 1988, the value of apparel imports into the United States had nearly tripled to $22.4 billion. In another view, apparel imports to the United States measured 397 square meters in 1962; in 1990, imports measured 6,008 square meters. China now produces a majority of the world’s polyester, the fabric used most in garment production. Sally Reid told Elizabeth Cline, “China is holding all the cards.”

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57 Figure 1, data from Robert S. J. Ross, Ellen I. Rosen, and Karen McCormack, “The Global Context of the New Sweatshops,” cited in Rosen, *Making Sweatshops*, 121 (Figure 1, page 114).


59 Cline, *Overdressed*, 165.
The industry declined gradually from East to West, with California still holding out today. The Los Angeles garment industry did not face complete elimination in the late 1990s primarily because of the rapid start-up rates of new manufacturing firms by entrepreneurial immigrants. Edna Bonacich and Richard Applebaum noted in *Behind the Label: Inequality in the Los Angeles Apparel Industry*, “Garment production is relatively labor intensive, requiring little start-up capital. It is, thus, one of the first industries that newly industrializing countries enter.” Likewise, it is also relatively easy for talented newcomers to the United States to set up shop. The unique West-Coast look that was produced en masse in California and embraced by consumers across the United States also helped slow the flood abroad and kept the southern California garment industry humming long after other American firms had already fled to Central America and Asia. Garment manufacturing had started to make its way to Mexico, slowly, before the North American Free Trade Agreement (NAFTA) became a part of the national vocabulary. Ivan Light reported that in 1993, 12 percent of garment manufacturers in Los Angeles had staff in Mexico. In a 1998 survey, that percentage jumped to 48. Once MFA quotas were lifted, L.A. garment employment dropped once more. Elizabeth Cline noted in her book, *Overdressed*, that anti-immigration efforts in L.A. have driven out some of the city’s more talented remaining workers, who have been replaced by the

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60 Bonacich and Applebaum, *Behind the Label*, 56.


62 Ibid., 102.

63 Cline, *Overdressed*, 52-53 and 55.
unemployed who wish to work so badly that they’ll struggle through a sewing job at a factory. Along with the poorly trained workers, the finished product also suffers.

The final test for the industry was indeed the one most often referenced in recent years. NAFTA went into effect in 1994 and in part removed all quotas on apparel produced in Mexico; apparel exports from Mexico to the United States became duty-free. NAFTA also allowed United States textile and apparel firms to develop “joint ventures and strategic alliances” with related firms in Mexico, but NAFTA still resulted in a dramatic decline in American apparel-production jobs, especially in southern states.

Bonacich and Applebaum characterized NAFTA, which called for elimination of tariffs on industrial products traded between US Canada and Mexico within 10 years of implementation, “by far the most important trade agreement affecting textiles and apparel.” The U.S. Department of Labor presented a report to Congress in 2004 to address the condition of the apparel manufacturing industry in the United States. The report patted NAFTA’s back for requiring that “that yarn and fabric come from Parties to the agreement,” meaning Mexico, the United States, or Canada, whereas “practically no” U.S. materials are used in Asian apparel production. The report noted that the United States was at a disadvantage because developing countries also have growing populations

64 Ibid., 47.
65 Rosen, Making Sweatshops, 165-168.
that will serve local producers and continue the trend of apparel production wherever costs—and wages—are lowest. 67 The report concluded on a chipper note:

U.S. textile and apparel companies not only must be creative and innovative in the products they sell, but also in the networks they create to reach customers. … The future success of the US textile and apparel industry is not just about making international trade work for this sector, or even about simply funding training programs and retraining initiatives. It is about helping a vital component of our nation’s manufacturing base transform to succeed in the commercial environment of the 21st Century.68

But like previous reports, few ideas to revitalize the industry were offered. An emphasis on technology and high-tech products was the only suggestion that seemed viable in this new era of constant connections. That suggestion seemed to tag on to that of innovation, shared by Bonacich and Applebaum in 2000’s Behind the Label:

For now, we can expect that the production of basics, namely, garments that do not reflect rapid changes in fashion and that can be produced in bulk for the continual replenishment of a predictable market, will gradually find a way to Mexico and elsewhere. But the part of the apparel industry that generates cultural products is likely to remain, and to keep growing, as new firms with innovative ideas keep emerging.69

The job statistics in NAFTA’s wake are disheartening. According to Standard and Poor’s data from the Department of Labor, the garment manufacturing industry in the United States peaked in 1973, employing 1.45 million people. About 850,000 people were employed in domestic apparel manufacturing in the mid-1990s—not a huge population, but still a solid industry despite a monumental drop over about 20 years. In 2011, that number was just 150,000. This 82-percent drop was blamed by Standard and Poor’s 2012 industry report on “Increased quotas, reduced tariffs, and a string of free-trade and

67 Ibid., 64-65.
68 Ibid., 87-90.
69 Bonacich and Applebaum, Behind the Label, 79.
preferential-trade agreements have contributed to the steady flow of manufacturing jobs out of the United States and into low-cost countries in Asia, Latin America, Africa, and the Caribbean.\textsuperscript{70}

The American Apparel Manufacturing Association, now known as the American Apparel and Footwear Association, compiled data regarding imports and exports of garments from 1965 onward. In 1965, the United States imported 572 million square meters of apparel. The measurement climbed steadily year-over-year and finally reached 16,036 square meters in 2000.\textsuperscript{71} Exports are harder to compare in volume, but are readily available in dollars. In 1967, the United States exported $119 million worth of garments. In 1988, that amount totaled $1.3 billion. For comparison’s sake, consider imports in dollars: In 1967, the U.S. imported $595 million worth of garments; in 1988, that amount had skyrocketed to $18.8 billion. By that point, the U.S. was barely a player in the apparel exporting game.\textsuperscript{72} We had become reliant on imports.

Before the recession, the struggle seemed too great: how could it be possible to change the buying habits of regular Americans, a whole generation of whom could not recall a time when their clothing was made here? The next chapter will take a look at how shoppers evaluate their options, and recall the patriotic sentiments that kicked off a movement.

\textsuperscript{70} Standard & Poor’s, \textit{Industry Surveys}, 8.

\textsuperscript{71} American Apparel and Footwear Association, “FOCUS,” 2001, provided by Nate Herman, Vice President of International Trade.

\textsuperscript{72} American Apparel and Footwear Association, “FOCUS,” 1989, provided by Nate Herman, AAFA Vice President of International Trade.
CHAPTER 3

IF YOU REBUILD AN INDUSTRY...WILL THEY EVEN NOTICE?

Media Blitz

Something happened when we went to London. Americans gained an intense interest in apparel manufacturing on the eve of the 2012 Summer Olympics. As soon as word spread that our dapper opening ceremony uniforms had been designed by American Ralph Lauren, but made for pennies on the dollar in China, Congress imploded on itself with competing attempts at legislation—as if the shocking practice had never before occurred. Sponsor Senator Robert Menendez (D-NJ) introduced the “Team USA Made in America Act of 2012” to the Senate on July 16. A powerhouse of supporters including Senators Lautenberg, Casey, Schumer, Gillibrand, and Frankin, and more crowded the bill, which would “require the United States Olympic Committee to adopt a policy that requires ceremonial uniforms purchased or otherwise obtained by the Committee to be produced in the United States.” That requirement would include such additional items as ties, belts, shoes, and hats, forcing the entire ensemble to meet the Federal Trade Commission’s “Made in U.S.A” labeling requirements. The only loophole: the Congressional Research Service noted that if such a uniform could not meet the sourcing requirements, the United States Olympic Committee could bow out of the mandate with a public report stating so.1 The bill was referred to the Senate Committee on Commerce, Science, and Transportation, and later died in committee. The “American Clothing for American Olympians Act” landed the next day in the House of Representatives, seeking simply to ensure that “goods donated or supplied to athletes are substantially made in the

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United States.”  Finally, just a day before the Olympics opening ceremonies, Senator Sherrod Brown (D-OH) introduced the “Wear American Act of 2012,” a last-ditch effort to bring attention to the atrocities of outsourcing. S.3444 would require that all textile and apparel “acquired for use by executive agencies” be wholly produced in the United States.

Fashion designer and Ohio native Nanette Lepore spoke with Senator Brown on a conference call about the bill, throwing her support behind it. She told the Youngstown Vindicator that a “Buy American” policy “is vital and will create more jobs in the American factories that need it now.” Brown’s bill referred to the federal government and Department of Defense spending, but Lepore’s outspoken support of domestic production lent a bit of style to his efforts. But the bill was quietly referred to the Senate Committee on Homeland Security and Government Affairs, and burned a slow death.

In the midst of this alarm over Olympic uniform sourcing, there were just as many statements that where those uniforms were produced didn’t matter—or didn’t matter enough to cause a fuss. “China can clearly make clothes and Olympic uniforms more cheaply than we do in the U.S.,” said the Wall Street Journal’s John Bussey. “That said, Ralph Lauren used employees in America to design the uniforms … more than half of that value of any public sale in the U.S. of the made-in-China clothes will flow to

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American companies.”\(^5\) But the debate, said Bussey, was about more than pride and profit. It “has a lot to do with America’s fraught relations with China—a sense that the U.S. is losing the race to this commercial juggernaut. Ask the average man on the street what percentage of what we buy in the U.S. is made in China—including those Olympic uniforms—and you’ll probably get estimates well into the double digits.” In his interview with John Murphy from the U.S. Chamber of Commerce, Bussey shared business-world sympathy, hoping to pull away from one-nation labels and become more inclusive of “global value chains.”\(^6\)

Legislation wasn’t necessary; the public discussion was enough to encourage change. Ralph Lauren made a promise that his uniforms for the 2014 Winter Olympics in Sochi, Russia, would be made in the United States, and his company did so by working with 40 domestic vendors to create opening and closing ceremony uniforms along with casual Olympic Village outfits. Executing the job with such a variety of American sources revealed the complexity of working with American manufacturers, and as a result, the 2014 uniforms designed by Lauren have fewer components than previous years. Garments worn by athletes during competition are chosen by athletes or their sponsors, so they aren’t covered by Lauren’s promise.

Just as deciding where to produce a garment is far from a simple question, labeling the garments can also be complex. American brands hoping to capitalize on the


\(^{6}\) Ibid.

image of domestic manufacturing must know the rules throughout the sourcing process. Emily Jane Fox explained for CNNMoney in September 2012 that only domestic textiles, wool, fur and automobiles are required to display a declaration of their origin.

“Companies aren’t required to disclose country of origin for most other products,” she wrote, “but many choose to tout their American-made status in order to appeal to customers.” The Federal Trade Commission offers a guide to labeling requirements that explains the “one step removed” rule: “In deciding whether to mark a product as made, in whole or in part, in the US, a manufacturer must consider only the origin of materials that are one step removed from the particular manufacturing process.”

Garments may only list the United States as country of origin if the product was manufactured in the United States with materials also from the U.S. While the thread doesn’t have to be domestic, all of the fabric had better be. A garment that is manufactured in the U.S.A. with imported fabric must specify that in the same statement, although it does not have to list the country of origin (COO) for the fabric. If a garment has been manufactured in multiple locations, each must be listed and the part of the process noted on the tag. The FTC doesn’t routinely check labels for accuracy, but does investigate complaints—so companies have to be ready to prove their systems.

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10 Ibid.

11 Fox, “What it takes to be ‘made in U.S.A’.”
Many consumers turn over tags, but some are more likely to judge the location of a brand over its manufacturing location. Katie Peterson’s 2009 thesis on brand origin and consumers’ perceptions relating to quality argues that brand origin is more important than the country of origin of a product.12 Her participants rated Italian brands as having the highest quality, with the U.S. and China following. She noted, “consumers tend to prefer products from their own country because they believe that these products have the highest quality and pose the least risk.”13 But her results vary from previous findings that Americans tend to rate domestic products as being higher in quality than foreign ones; Italy’s long history of offering fashionable, well constructed apparel probably had an influence.14 Peterson suggests that some companies focus on their corporate brand origin rather than their more complicated COO situation; as a strong brand origin may help retain loyal customers even when COO may fluctuate.15 It’s an interesting concept from a branding standpoint, but seems only to maintain the status quo for brands hoping to scrape by on a carefully crafted image, instead of any particular ethical stance.

“The actual place a brand originates from is almost irrelevant,” Mrugank Thakor wrote in the article “Brand Origin: Conceptualization and Review.” “Consumer perceptions may differ from reality because of ignorance, lack of salience of origin information for a particular brand, or deliberate obfuscation by companies concerned

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13 Ibid., 19.

14 Ibid., 2.

15 Ibid., 49.
about consumer reactions to an unfavorable origin,” he explained. Brands don’t market themselves through cues about the origin of the actual manufactured products. Instead, brands market themselves through cues about ideas of where the products originate. “The perceived origin of a brand need not be the same as the country shown on the ‘made-in’ label….The concept of brand origin offers a straightforward way to deal with such situations, as opposed to making ‘country-of-component’ and ‘country-of-assembly’ distinctions,” Thakor explained.

At the conclusion of his report, Thakor advised that the potential effects of brand origin on consumer perceptions be kept in mind while still actively maintaining origin information “in the context of developing a brand image.” An American brand can gain loyalty through smart marketing over a simple admission of COO, but those American brands should be aware of a growing cadre of imposters—American brands promoting their brand origin over their products’ true country of origin. In another article, Thakor and Lavack go as far as to doubt previous COO studies: “Most of the COO research fails to deal with the real possibility that the most salient origin cues are those carefully contrived by marketers in an effort to differentiate their brand and/or heighten its image.”

Discussion of the results of Thakor and Lavack’s experiments noted that

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17 Ibid.

country of manufacture did not affect consumer perceptions of brand quality in cases where the location of corporate ownership was available.\textsuperscript{19}

**Consumer Consciousness**

“We believe the American consumer has embarked on a ‘new normal’ path and will not return to pre-recession frivolity,” Standard and Poor’s 2011 industry report declared.\textsuperscript{20} But a lack of frivolity doesn’t necessarily mean a lack of consumer consciousness. Two studies about consumer perceptions indicate that there is still an interest in domestically made goods. One by Beaudoin, Moore and Goldsmith in 2000 examined how “fashion leaders” and “fashion followers” would rate qualities of apparel made in the United States. They noted that while previous studies showed a consumer preference for domestic apparel, trade data clearly showed that consumers were actually buying more and more foreign-made apparel.

The sample indicated that “fashion followers” favored American-made apparel, giving it higher ratings than foreign-made garments for all 12 attributes it evaluated, including durability, quality, and attractiveness. But “fashion leaders” preferred domestic apparel on six obviously functional attributes: fit, durability, ease of care, price, comfort, and quality. Those same leaders viewed foreign-made garments as being more fashionable, attractive, and having more variety than followers perceived, although both groups generally gave higher ratings to American-made items.\textsuperscript{21} Beaudoin’s team concluded that fashion followers tended to profess loyalty for American-made garments

\begin{itemize}
\item \textsuperscript{19} Ibid., 403.
\item \textsuperscript{20} Standard & Poor’s, *Industry Surveys*, 11.
\end{itemize}
but failed to follow through at the point of purchase. If the domestic apparel industry could market its goods with a focus on the functional qualities of domestic garments, it may be able to attract both fashion leaders and followers.²²

More recently, Jung Ha-Brookshire and So-Hyang Yoon at the University of Missouri studied consumer perceptions of price based on the country of origin of a garment. While the idea of the country of origin (COO) seems like simple text on a tag, it has been complicated by the existence of multi-national companies—and therefore multinational garments.²³ Participants examined a set of four cards, each describing the country of origin and manufacture for a basic, 100 percent cotton t-shirt: sourced and manufactured in the United States; sourced from the U.S. but made in China; made in the U.S. with cotton from China; and made in China of Chinese cotton. The participants were given a control: the example of a 100-percent cotton shirt, made in China, bearing a $40 price tag. There was an $18 difference between the highest perceived piece, $56.90 for a shirt made in the United States from American cotton, and the lowest, $38.20 for a shirt made in China from Chinese cotton. The study suggested that the country of the origin of the fabric used could be as influential as the country of manufacture, and suggested that businesses consider listing both pieces of information when it would encourage consumer perception of the product as being high quality.²⁴

But the question remains: If we make it, will customers buy it? At the very least, they are starting to pay attention. A survey by Boston Consulting Group in September

²² Ibid., 63.


²⁴ Ibid., 451.
2012 revealed that American and Chinese consumers were looking for made in America products and were willing to pay more for them, while European consumers preferred products made in their own nations. Based on responses, the study declared “80 percent of U.S. consumers preferred made in U.S.A versus made in China,” with “More than 20 percent stating they didn’t mind paying a premium that was more than 10 percent. That willingness was similar across age groups, incomes and family status.” In addition, 45 percent of participants were willing to pay up to a 10-percent premium for American-made apparel and footwear. The top reasons for being willing to pay more for American goods: keep jobs in the US (first, 93 percent); quality (second, 85 percent); felt better about buying U.S.-made; patriotism; durability.25

Barbara Kahn, director of the Jay H. Baker Retailing Center at the Wharton School at the University of Pennsylvania, told Women’s Wear Daily, “People are more likely to pay for ‘Made in America’ if there was a value proposition tied to it,” she said. “The Italians have done that, and in that kind of a trade-up, people are willing to pay extra money for something. You can market to the economic recovery, the need for more American jobs and social responsibility, but it takes on greater meaning if it’s coupled with emphasis on quality, as some of the premium denim brands have seen.”

The NPD Group conducted a survey exclusively for Women’s Wear Daily’s 2012 “Made in America” section that revealed that more than half of the 1,600 people surveyed were more aware of the country of origin of their apparel than they were five


years ago. When asked how important it was to buy American-made apparel now versus 10 years ago, 24.7 percent said it was “extremely important” in 2012, but only 13.1 percent thought so in 2002. 51.5 percent of participants said it was “somewhat important” to buy domestic apparel in 2012, compared to 2002’s level of just 33.3 percent. It’s one thing to think about the nobility—or potential profitability—of producing apparel in the United States, but how might consumers react outside of the lab? Elizabeth Cline revealed her own consumer weaknesses in *Overdressed*. “No one expects to take an H&M shirt to the grave,” she wrote. “At prices that often circle around $20, we know the product is not good quality. Instead, the quality is good enough.” Those rock-bottom prices are unrealistic, but also misleading. She continued, “Low price also signals to consumers that a product is disposable. Low price and fast trends have made clothing throwaway items, allowing us to set aside such serious questions as *How long will this last? Or even Will I like it when I get home?*” Cline explained how the idea of longevity has changed as fashion has become fast. “It is quality measured in number of washes.”

Cline decided that Americans will buy if the quality connection is made. “Quality is the missing link in the path back to valuing clothes and paying more for what we wear,” she wrote in *Overdressed*. “We currently spend the most money on brand names and high-end designers. Instead of shopping for a name or label, our hard-earned money should be going toward good materials and garments with a strong and unique design

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27 Ibid.
28 Cline, *Overdressed*, 117.
29 Ibid., 118.
vision. We need more designers making good clothes. And more consumers who are willing to buy them.”

Consciousness Caterers

As interest in American-made goods grows, firms are launching to manage all elements of domestic production. The DSP Group, an LA-based consulting firm for designers and apparel brands, dedicates a page of its website to domestic manufacturing. “For a little extra a brand may pay for a product to be manufactured in the U.S.A, they get a lot more,” the site declares. In exchange for the extra cost, the brand benefits from quick, efficient development, rapid response capabilities, quality confidence, and value added. DSP Group’s t-shirt program produces knitwear for its clients in Los Angeles; minimums start at 500 items with a 3-4 week turnaround. If the fabric desired isn’t available, it’s sought from domestic mills. DSP is willing to make bold statements to draw in clients. A flyer distributed during New York Fashion Week Spring 2013 (September 2012) showed a row of jeans hanging by their belt loops on pegs, with “Made in America” in large text. “When seeing an ad emphasizing that a product is ‘Made in America,’ 61 percent of people are more likely to buy it,” the flyer explained. On its website, the DSP group clarifies that the statistic comes from the California Fashion

30 Cline, Overdressed, 204.


Association, and includes the claim, “When a garment has a Made in USA label sewn into it, it immediately adds an inherent value to the product.”

Once a product is made in America, the right marketing angle can push it to popularity. Dave Schiff’s Boulder, Colorado-based Made Movement “is a marketing agency dedicated to supporting a resurgence in American manufacturing.” Doing so is a delicate task. Schiff told CNNMoney, “People are looking for “Made in USA” labels because they know that’s how jobs are created.” But millennials are not necessarily motivated by patriotic pressure alone. Products have to be stylish. Twenty or 30 years ago, “Made in the U.S.A. came with baggage,” Schiff said in a New York Times interview. “The old ‘Buy American’ is get something lousy and pay more … now it’s a premium product.” In its first year alone, Made Movement marketed premium products made in 30 of 50 states.

While Made Movement caters to a variety of industries for its marketing services, it also maintains a shopping outlet: Made Collection, “Where America shops for American made.” Falling somewhere between a flash-sale site and a virtual showroom, a video on the site explains, “Made Collection is where you’ll find incredible deals on extremely limited quantities of the best American stuff. But it’s also a discovery engine,

33 The DSP Group, “Sourcing.”

34 Fox, “What it takes to be ‘made in USA’.”

35 Ibid.


where you’ll be continually surprised to come across hidden gems of American manufacture.” Each item available for purchase is displayed with information about the company, as well as a tally of how many employees are maintained by both that company and any domestic sourcing vendors, which are marked on a U.S. map. Each purchase through the site awards “boom points” to shoppers for their positive impact on the American economy; those points can be redeemed for future exclusive deals. The offerings are healthy and diverse in style, and display a wide-ranging impact. A $600 dress by an independent designer may only support one full-time job, but a pop-up collaboration with t-shirt company Threadless has demonstrated a domestic impact of supporting thirty or more jobs.

Made Movement collaborated with New York boutique Story in a late-summer 2013 promotion of American-made goods. Story, *Women’s Wear Daily* explained, revamps its offerings every few months to tell a different tale; this one focused on more than 100 domestic labels from around the country. An educational component was a part of the showcase: a display explained to shoppers that for every dollar spent on an American-made item, another $1.40 “fuels other sectors of the U.S. economy.” It’s a real-life version of the online window-shopping experience that blogger Michael Williams offers on A Continuous Lean. A public relations professional by day, Williams

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launched the site in 2007 after noticing a dearth of Americana-focused blogs. From the outside, it looks like a New York-based style blog with a splash of features on cool businesses and events. A layer deeper, it’s a celebration of Americana. But at its core, a directory of domestic-made clothing, accessories, bags, and even bicycle parts stretches down Williams’ website in a growing thread. Williams announces at the top of The American List:

There are many ‘Made in the U.S.A’ lists throughout the Internet, nearly all of them tacky and in poor taste. These awful websites have led me to compile a list of stylish and cool brands that make their goods in America. One of my goals with this is to make it easier to locate and buy domestically produced apparel products. Another motivating factor is my desire for things Made in the USA to be embraced by a younger, more stylish consumer.

Williams welcomes submissions and suggestions, and the list is paired with New York and LA shopping maps for men. The blog has collaborated with various brands, including American-heritage shoe company Red Wing Shoes.

Similarly, online retailer-meets-cheerleader Modestics “highlights the small companies and independent designers that are truly making a difference in American design.” While featuring in-depth blog posts about American design in both the apparel and décor realms, the site isn’t afraid to get political. Linda Geiser, Modestics’ founder, spoke out skeptically about Walmart’s widely publicized efforts to offer more domestically produced products. Below an infographic about the percentage of apparel manufactured, then sold in the United States, (95 percent in 1960, but just 3 percent in


2011), She called the announcement by the major company “a case of red, white, and blue washing:”

Here on Modestics, we want to highlight the companies that are part of the 3%. Raise your hand proud if you’re part of the 3%. Inspire others to follow your lead. Tell Wal-Mart we aren’t going to settle on their measly 1.5% commitment to ‘Buy American’. At the very least, Wal-Mart should kick it up to 3% (which would equate to $13.5 Billion back into US manufacturing annually). Wal-Mart needs to do better. Every other box store in the US needs to do better. We ALL need to do better. We have to build on the 3%.43

Despite the passion shown by Modestics and A Continuous Lean, The “dearth of American-focused blogs” still exists, more than five years after Williams’ launched his blog. Most “Made in America” blogs are focused on shopping, featuring domestic brands as bloggers find them. That doesn’t mean the shopping blogs aren’t worthy of attention—but they tend not to wave the flag of revolution. The women-dominated site U.S.A. Love List has a clear mission: “1: Tell you about the very best of Made in the U.S.A products. 2: Make it easy for you to find them and recommend them to your friends. 3: Encourage you to ask for them in stores and demand them from the companies you want to do business with.” The site explains, however, that consumers should not feel compelled to buy a product just because it’s made in the United States, or to boycott other goods that aren’t made domestically. It promises, “It is our simple intention to recognize companies for the efforts they take to support American workers and communities.”44 That mission alone indicates an emerging struggle: how can the average consumer balance cost, ethics, patriotism, and practicality, all while fighting the demands of modern consumption?


Some of the brands interviewed in the next chapter think they’ve found answers to that question. Some lean on patriotism, others on craftsmanship. In most cases, they’re relying on customers to choose quality when they see it.
CHAPTER 4

THE NEW-MOVEMENT MAKERS

Studying the brands involved in today’s quiet movement is essential for realizing the realities of modern manufacturing. One of the keys in their successes, however moderate, has been the word-of-mouth power of the Internet. Every brand approached for this work had an online presence of some sort, most with online shopping capabilities. Some offer their products exclusively online, in limited runs, creating demand for their wares from the birth of the brand. A heavy-hitting web presence and a bit of social media evangelism can take a brand further than it might expect.

Collaborations by bigger brands appear to be helpful in building emotional support for domestic manufacturing. Crowdfunding—online campaigns that allow the general public to financially commit to a product or project before it is completed—takes the approach a step further. Kickstarter has become an online hub for projects that combine design, tech, and perhaps the most important component: consumer demand. Several of the brands interviewed in this work are Kickstarter “successes,” meaning they met their funding goal and rewarded pledges with product and other perks. Kickstarter projects are an all-or-nothing fight: unmet funding goals are left on the table, completely unfunded—credit cards uncharged. Other sites, like Indiegogo, work more like a donation drive. Either way, the site of choice takes a cut of the funding pledged.

Crowdfunding got its start as the recent Great Recession hit rock bottom and banks stopped lending to new business ventures. For fledgling entrepreneurs, crowdfunding took the embarrassment out of asking for money from family, friends or from members of the public. Consumers were empowered. And, perhaps unintentionally,
those consumers provided a gauge for the health of the industry and the viability of an American-made movement.¹

**Hoodie Wars**

A near-complete lack of American-made undergarments spawned Flint and Tinder, whose Kickstarter campaign to start a line of domestically made men’s underwear was the top-funded Kickstarter to date as of May 2012—5,578 people contributed $291,499 to pre-purchase underwear.² In 2013, Flint and Tinder returned with the 10-Year Hoodie, so confident in its domestic roots that the brand promised a 10-year guarantee to mend the sweatshirt if necessary. “It’s not so cheap that we can replace it,” the campaign boldly stated, “It’s so well made, we’ll mend it free of charge!” Among the selling points for the durable sweatshirt: “Every stitch tells a story,” a decade-long guarantee; “A battle cry: Not everything should be disposable”; “The tags, the labels, even the fabric (all the way down to the yarn and cotton it’s made from) are domestically produced.”³ That March 2013 campaign was the first on Kickstarter to earn more than $1 million; more than 9,000 supporters pre-paid for 11,000 hoodies.⁴

“Does buying American-made help the economy? You bet your ass it does,” the Flint and Tinder site proclaims, boldly asserting that for every 1,000 pairs of underwear sold per month, a job is added to or stabilized in some part of Flint and Tinder’s supply

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⁴ Flint and Tinder, “About.”
chain. Instead of contracting with one factory to fill all the company’s orders, Flint and Tinder started with a single factory and carefully expanded to “an ever-evolving group” of facilities and workers. “When we first contracted them, none of these factories were set up to produce underwear,” the company admitted. “They agreed to make the switch because they needed business.”

The inspiration for the 10-Year Hoodie came from a trip to a factory, during which someone mentioned using coarse thread on silky, delicate fabric. “Doing this accelerates the process of wearing holes into a garment as it goes through the dryer time and time again,” founder Jake Bronstein said in Flint and Tinder’s Kickstarter story. “It’s common trick of the trade. It’s one of several techniques companies secretly use to ensure that if you like what you’ve bought, you’ll be forced to replace it soon. In the manufacturing industry, this is known as ‘planned obsolescence.’” The Flint and Tinder team was confident they could make a garment that customers would rather have mended on the house than replaced. “it’s time to buy less, but get more!”

But Flint and Tinder is developing additional options for customers to buy. On August 19, the brand started shipping out denim born and bred in the U.S.A. “These are super high quality jeans, retailing elsewhere with imported parts and labor for $220 and above…sold direct, using 100% American fabrics and fixings starting at just $89!” the website boasted. Their soft-washed premium selvage denim is from Cone Denim, and the “Valor” jean style is constructed in New York. An “all-summer” short is available in

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6 Flint and Tinder, “The 10-Year Hoodie.”

three colors, but the site discloses that the buttery microfiber is imported. The brand is “decidedly slow: The things we make are rugged in construction and refined in our selection of materials. We celebrate craftsmanship, obsess over details, and hope to inspire others to do the same.” When customers complete checkout to grab an $80 butcher block made in Brooklyn, a $65 waxed-canvas dopp kit, or pre-ordering the $89 selvedge jeans, they can take a peek at what’s next for menswear (button-up flannels and dress pants appear to be on the horizon) and submit their suggestions to the company.\footnote{Flint and Tinder, “Coming soon,” Flint and Tinder, http://www.flintandtinderusa.com/coming-soon (accessed August 10, 2013).}

American Giant is poised to compete with Flint and Tinder for the hoodie advantage. \textit{Inc.} highlighted American Giant in its June 2013 issue that discussed American sourcing and manufacturing for a variety of industries. A double-truck spread offered a side-by-side comparison of cost advantages in China and the United States for a single American Giant hooded sweatshirt. The United States took the advantage for body fabric, cuff ribbing, duties, and transportation costs, whereas China is still competitive for trim and hardware components along with labor costs ($5.50 per hour in China for this product, compared with $16.93 in the U.S.). All told, the total cost to make American Giant’s hooded sweatshirt in the United States is just $6.57 more than it would cost in China; production time is just one-to-two months in the United States, compared to three-to-six months in China. “We started sourcing a fabric in India, and we now source all of our fabric in the Carolinas,” founder Bayard Winthrop told \textit{Inc.} “We’re actually getting it cheaper per yard now.”\footnote{Ibid.} Tech writer Farhad Manjoo learned of American Giant in fall
2012, intrigued by the way the company cut out the retail middleman. By selling directly from their San Francisco factory to customers online, American Giant is able to make up for the slightly higher cost of producing each of its classic hooded sweatshirts.\textsuperscript{11} Manjoo compared American Giant to fellow California-based company American Apparel, which produces its entire collection in Los Angeles. But unlike American Apparel’s sweatshirts, which are mostly half-cotton and half-polyester, American Giant uses heavyweight cotton that is as durable as it is attractive. It is also easier to work with, will shrink more consistently, and generally is faster to produce. “Winthrop,” Manjoo wrote, “has found a way to make apparel that harks back to the industry’s heyday, when clothes used to be made to last.”\textsuperscript{12} Winthrop told Manjoo that by producing his sweatshirts in America, he can better monitor the quality of his products and make changes more easily. His standard offering costs about $12 more than the American Apparel version.\textsuperscript{13}

\textbf{American Rag, Online}

Another casual realm where “Made in America” is in style is denim. Tucked into a website decked out in Americana splendor, Lucky Brand tells its story: “Staying true to the rich heritage and authentic, all-American spirit of denim, Lucky Brand began crafting great fitting, vintage-inspired jeans in Los Angeles in 1990.”\textsuperscript{14} But only a portion of those American heritage styles is actually made in the United States. \textit{Women’s Wear Daily}


\textsuperscript{12} Ibid.

\textsuperscript{13} Ibid.

reported in July 2013 that Lucky Brand would launch a capsule collection of American-made jeans for autumn. CEO David DeMattei told Rosemary Feitelberg of *WWD*, “There is a lot being written about that’s going on in China in terms of the quality and the type of environment clothes are being made in…there seems to be more of a movement now for American-made goods. That’s becoming more important to consumers.” The line was set up to be produced in California and Tennessee, and the jeans for men and women (retailing at $129 each) appeared in the brand’s website in August 2012. With this effort to encourage “inclusive and affordable” domestic-made jeans, Lucky Brand plans to raise its percentage of U.S.-made styles to 25 percent of overall denim sales.\(^1^5\)

“Lucky’s Made in America program seems pretty solid. They’re using White Oak Cone Denim, selling it here, putting made in the U.S.A. all over this stuff,” said one premium denim production manager in Los Angeles. “But the kicker is, they’re washing it in Mexico. The factories say you can get away with it; it’s a big old loophole. It’s not 100-percent U.S. quality.” But at the end of the day, “Lucky’s got more flags hanging up than you can shake a stick at.”\(^1^7\)

Lucky Brand is working with Cone Denim Mills in Greensboro, North Carolina. The company, under the umbrella of International Textile Group, manufactures denim in Mexico and China, but is best known for supplying American-made denim to brands from Levi Strauss Vintage to Jack Spade and True Religion. But the oft-mentioned White Oak Mill, which once employed 2,800 in the 1970s and is holding steady now at about 300, also serves smaller brands, like the denim line for Flint and Tinder and new online-


\(^1^6\) Ibid.

\(^1^7\) Interview by author, November 2013.
direct jeans startup Bluer Denim. The common thread is that every brand that Cone Denim provides for is a high-end, quality brand—no discount jeans here.

Bluer Denim’s Kickstarter campaign received more than $40,000 from supporters whose pre-orders satisfied the company’s $20,000 request to begin manufacturing. Jeffrey Todd Shafer, Founder and CEO, sources denim exclusively from Cone’s White Oak plant before contracting the manufacturing work in Los Angeles. When the jeans rolled off the assembly line for the first time in autumn 2012, each pair had a serial number to ensure its warranty and retailed for about $125 exclusively through Bluer’s website. “Made in America is our brand,” Shafer explained. “It defines our brand.” To justify the cost of its products, Bluer takes pride in supporting American jobs by producing a premium denim product. In relation to its direct-to-consumer model, Shafer said that Bluer finds its prices to be both appropriate and competitive. Shafer is no stranger to the industry: he is the founder of premium denim brand Agave, which has passed its 10th birthday on promises to produce ethically, and in the United States as much as possible. Bluer takes a shot at luring a younger generation of denim fans through American production and extensive online branding to match.

Roberto Torres, founder of another Kickstarter success, Black & Denim, explained that it took two years for him to be convinced that crowdfunding was the right path for his company. “We launched at 5 a.m. on a Monday, and within minutes, we had raised $300. Where are these people?” Torres admitted wondering. They were from

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19 Email interview by author, July 30, 2013.

Australia, and contributions followed from all over the world. That first campaign, which had a goal of $20,000, raised more than $37,000, which alleviated the costs of producing a new women’s line and procuring equipment to allow the brand to sell to department stores. But beyond financial support, Torres explained that each Kickstarter supporter becomes a part of a de-facto focus group. “It gives us an opportunity to revisit and reevaluate our business model and our value proposition,” Torres said. Black & Denim is planning a second Kickstarter campaign for early 2014 to gain support for a men’s reversible blazer made from performance fabric. Torres is the brand’s only full-time staffer, with a handful of others working on Black & Denim along with their full-time jobs. Since Tampa doesn’t have much of a garment industry, the line is produced in Los Angeles. Torres would like to open his own facility in Florida, but in the meantime is considering an additional storefront in the Tampa Airport.

Detroit Denim is another Cone Mills-sourced brand that hopes its premium product would mix with local sentiments to encourage sales. Detroit Denim’s traditional men’s jeans retail for $250, which founder Eric Yelsma insists is “on par with other similar jeans made in the U.S.” Still, “A large majority of people react unfavorably to our pricing (shock, disbelief, offense, take your pick),” he said via email. “However, there is a significant amount of people who feel the price is justified.” Part of the draw is Detroit itself. “It’s important that all our products are made in Detroit,” Yelsma wrote. Detroit Denim is headquartered in a nonprofit small-business incubator in Detroit’s Corktown neighborhood, and employs three full-timers.

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22 Email interview by author, September 17, 2013.
Gustin has extended crowdfunding from Kickstarter—where its campaign sought to raise $20,000 but achieved a whopping $449,000—to its own website. Each new design and fabric option is presented for customers to vote on by pre-paying for the finished product. If the quota isn’t reached (only three times as of October 2013), there’s no harm—Gustin hasn’t paid for the fabric yet. Co-founder Stephen Powell said that the crowdfunding model is “essential for our pricepoint. By eliminating inventory, design risk, and cash flow issues, we can price extremely aggressively and still remain solvent.”

Gustin’s new model, which debuted in January 2013, allows for quality-made American clothing to compete with the price tags on internationally made clothing. Prior to the crowdfunding shift, Gustin jeans would sell at a high-end retailer for about $200. Now, that price is around $100, with Gustin retaining a similar margin.23

One Kickstarter success asked not to be named because his newest project is running alongside his full-time job at a major brand. He warned of the pitfalls of relying on crowdfunding to pay for production. “We have just enough to skate by and do the first round of production,” he admitted. “You eat through cash really quick…You need to have a huge following or a significant market impact…Delivering the goods is easy. But getting someone to believe in the brand and buy into it is hard.”24

**Drops in the Bucket**

Brands like Flint and Tinder and Hanky Panky are proving that even intimate apparel can be made in the United States—and consumers are willing to pay the price for

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24 Interview by author, November 2013.
a quality product. CEO Lida Orzeck explained by email that 95 percent of Hanky Panky’s products are made in the United States, and have been since the company’s inception in 1977. Most of the fabric is American made, and Hanky Panky owns the rights to an exclusive lace design. “U.S.A production is part of our DNA and contributes positively to our reputation,” Orzeck explained. “Many of our customers are aware of our commitment and respect that choice.” The company is so confident that it’s never even priced overseas production. Consumers seem to be willing to pay $20 and up for underwear. “Our pricing is consistent with the quality of our product,” Orzeck put simply. While startup Flint and Tinder has fewer than a dozen employees, Hanky Panky seems large by comparison—but it’s still a relatively small company with 125 on payroll. It contracts its manufacturing to facilities in the New York City area.

Niche products can be a boon for new brands, but the process of breaking into the market can be disheartening. Jacob Hurwitz was willing to rise to the challenge when he couldn’t track down a classic trench coat made in the United States. His company, American Trench, launched after “observing the carnage of job losses in 2009,” Hurwitz explained. “Our reaction was, ‘what can we do?’ The answer was ‘make something.’ We chose a trench coat because we couldn’t find it made in the U.S.A.” The company does some wholesaling, but its selective direct-to-consumer model is what makes American manufacturing worth the challenges. “We sell our trench coat direct to consumer because we felt charging more than $800+ for an unknown brand was not going to work,”

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25 Email interview by author, October 9, 2013.
26 Ibid.
27 Email interview by author, September 22, 2013.
Hurwitz explained, noting that the trenches would have to be priced at $1,100 or more in a traditional retail environment.

Hurwitz was candid about the challenges:

Only the most common products like premium jeans have a price transparency and consumer understanding. Everyone knows that premium jeans go for $200+. Companies like Gustin can sell direct to consumer and the consumer understands the value they are getting. The consumer does not yet understand the value they are getting with our trench coat because there is not a clear market for trench coats. We try to explain the value proposition with our product, but it is a David vs. Goliath battle.

But in a Made-in-America market that was just getting started, how were they to know?

“This is something that didn’t really dawn on us until after we had our product out in the marketplace,” Hurwitz wrote.

Despite its struggle, American Trench is dedicated to its mission. It was one of a few dozen brands featured at Story boutique’s American road-trip-focused offering in summer 2013. “The reason for our brand existing is to make in the U.S.A.,” Hurwitz emphasized. “We are motivated by three things: making something we can’t find in the U.S.A., making something out of a textile we discover that is amazing, and making something in a mill or factory in the USA that we discover and find amazing but under the radar.” He and partner David Neill still have their day jobs.

“When I had a store in 1998 you couldn’t throw a rock without hitting a factory in New York,” recalled Virginia-based designer Kim Schalk. “I closed the store in 2000. By 2005 when I started production again there was no one left,” she said via email. “It was crazy! I asked around to my jobbers and my fabric suppliers and everyone said production had gone to China. I started looking all over the U.S. for factories and have found a smattering here and there.” But for the sake of costs, Schalk splits her production
between Los Angeles, and her community of Leesburg, Virginia, where she works with a
private seamstress. Her commitment to American-made products goes to the root of her
company, which started producing domestically for the sake of quality control. But she
knows that more factories in the U.S. can only help provide jobs. “I know I am a little
drop in the bucket,” Schalk said by email, “but hopefully I will grow and expand.”

American-Made DNA

For some high-end designers, the jobs are in the garment districts of New York
and Los Angeles. Women’s Wear Daily’s 2013 “Made in America” issue took a look at
up-and-coming designers and their approach to domestic manufacturing. “It is all about
having total control over the quality of my collection,” Jason Wu explained to WWD.
“Having all of my factories within a three-block radius of my studio is invaluable in
maintaining these high standards.” Most of his fabrics are sourced from overseas. Maria
Cornejo, designer and owner of Zero + Maria Cornejo, admitted that it can cost 30 to 40
percent more to produce in New York vs. Asian locations, but the minimum requirements
are more flexible—so much that she is able to make 70 percent of her line in New York.
Meanwhile, in Los Angeles, Monique Lhuillier produces 70 to 80 percent of her line in
her own factory, which employs 165 people. “I feel like the only what to do it right is in-
house,” She told WWD. “It is an expensive proposition. I understand why less people do I,

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28 Email interview by author, October 15, 2013.
30 Ibid.
but for my product and my brand, it’s the only way. I love keeping jobs here in this country.”

Nanette Lepore set up shop in midtown Manhattan and refused to change her course when the garment district started to disperse. “Nanette’s cousins came to New York and took the double-decker bus tour on Fashion Avenue and were told that the Garment District was dead and gone,” Erica Wolf, Lepore’s director of special projects, said in an interview. That moment made Lepore aware of the plight of the Garment Center and reenergized her focus and commitment to local production. “It’s now becoming practical to bring [manufacturing] back [to the United States] because of increasing prices overseas, but one of the biggest realizations is that without local resources, emerging talent and new talent have no way to get started in the business,” Wolf said. “The Garment Center, urban manufacturing in San Francisco, Los Angeles, Chicago, and all over are vital to the start of new businesses. People are getting that manufacturers make design into reality.” Around 85 percent of Lepore’s line is produced in New York, with the remainder—mostly knits and garments with embellishments—are made in India or, more often, China. Most of the fabric is sourced from overseas. “Nanette tried to work with American textiles for as long as she could, but a lot of the mills would only produce larger lots, not Nanette’s smaller ones,” Wolf said. “And then they started to close.” Wolf explained that many American brands like to use Italian fabrics, but tariffs make those fabrics expensive to import. And if a brand is manufacturing in China, Chinese trade rules make it difficult to work with anything but Chinese fabrics. While textile production is less labor-intensive than garment manufacturing, Wolf argues that it’s still beneficial to both to produce fabric in America.

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31 Ibid.
and source it from overseas. “You’re not going to bring in a roll of fabric from Italy and
lean it against the wall and say ‘oh, how pretty.’ One roll of fabric can mean one job for
one worker for one week,” she said.\textsuperscript{32}

\textbf{Price and Value}

American production often results in higher price tags, but the allure of domestic
production can woo wallets. Rambler’s Way Farm, described by founder/CEO Tom
Chappell of Tom’s of Maine fame, offers “premium wool and pima specialty clothing for
men and women made ethically and sustainably in America.” Those premium wool
products come at a premium price, but aren’t made in the company’s hometown of
Kennebunk, Maine. Lack of skills available forced labor to be contracted out to
Allentown, Pennsylvania. But the four-year-old company already has 20 full-time
employees, and a sense of interconnectedness seems to be working: Rambler’s Way
produces its own wool and cotton knitted fabrics in the Carolinas, and its woven wool
fabric in Massachusetts. “We are regarded as expensive,” Chappell wrote, “But the value
to [the customer] is in the quality and the American-made feature.”\textsuperscript{33}

Rambler’s Way is a young brand, but establishing itself as an American heritage
brand may help it grow steadily into a mature company. Hart Shaffner Marx has been
producing menswear in the U.S. since 1887. “Tailored clothing, suits, sport coats and
pants are made in our factory in Chicago, Illinois. This is company run,” explained
Executive Vice President Bruce Bellusci. “Casual products, sportswear and shirts are
sourced offshore with contractors but overseen by our sourcing team. Hart Shaffner Marx
suits and sport coats range from $500 to $1200, and allow the company to boast such

\textsuperscript{32} Interview by author, October 15, 2013.

\textsuperscript{33} Email interview, July 17, 2013.
clients as professional athletes, entertainers, and President (and Chicagoan) Barack Obama. “[Production by the] best artisans in the world here in Chicago is part of the great price value that HSM offers,” Bellusci explained. “We price in the upper middle of the price spectrum and never consider going ‘down stream’ just to be at a lower price.” The brand’s long history of service and quality justify the prices to the retailers that carry Hart Shaffner Marx's suits and separates. The company still finds the best-quality fabrics for its products in Italy and England.34

“The real change in the sector seems to be occurring among niche high-end labels, and the contemporary market,” Elizabeth Paton wrote in Financial Times in September 2012.35 Domestic denim has a strong foothold on the West coast with J Brand, Seven for All Mankind, and True Religion. Brooks Brothers makes portions of its offerings in America, including 80 percent of all tailored clothing. The retailer has picked up three factories in the United States since 2007. Eighty percent of Brooks Brothers suits are made in Haverhill, Massachusetts, all ties are made in Long Island City, New York, and all luxury and made-to-measure shirts from the Black Fleece label are made in Garland, North Carolina.36 For a 2010 collaboration between Brooks Brothers and Levis, Brooks Brothers gave Levis no choice but to find an American denim manufacturer. A small factory in Los Angeles makes the $148 jeans, which is double the price of a typical pair of Levi’s. Paton remarked, “though some consumers balked, the line has proven a

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34 Email interview by author, November 6, 2013.


success.” Paulette Garafalo, president for international wholesale and manufacturing at Brooks Brothers, remarked, “people want the credibility of an American brand.” Alex Williams declared in the New York Times, September 2012, that “Americana chic has gone mainstream,” with shoppers from big cities to small towns lining up for the likes of Club Monaco, Billykirk leather goods, and J.Crew’s offering of American-made Alden shoes. “Retailers source domestically for greater speed to market, flexibility in the size of production runs, quality control and to lesser degree, the prestige associated with a Made in USA label,” wrote David Moin and Sharon Edelson for Women’s Wear Daily. “They acknowledge that with consumers, it’s quality, style and value that matter most; country of origin is secondary.”

In late 2013, I met a former product manager for a California-based apparel brand that relied on the west-coast tech scene—both to buy up its products and also to inspire new ones. The product manager had watched the brand, which had launched with domestic production, drift toward Asian manufacturing. “We didn’t start as a ‘Made in America’ brand,” the product manager told me. “We made stuff in California because it was easy to control. Turnaround was quick.” And with a brand that based its success on viral content and pop culture, quick turnaround was essential.

When the company started to consider offshore production, it painstakingly measured the costs and benefits of doing so. An embellished blazer that cost $60 to make in the U.S. would cost just $30 overseas, rocketing the margin from 3 to 6. A popular zip-front hooded sweatshirt that cost almost $70 to make here (2.465) would cost $60 to

37 Paton, “Made in the U.S.”

38 Williams, “A label that has regained its luster.”

39 Moin and Edelson, “U.S. stores eye domestic goods.”
make overseas. Make it overseas, and the margin jumps from 2.46 to 2.8. The brand’s pants? $35 to make them here, $31 to make overseas. Even that small difference in cost means a larger margin for the company—more than 2.5. Some of the items could be made in India; others in Korea, China, or Hong Kong. The company’s website says nothing about the origin of each product, nor makes any statements about its manufacturing habits on its “about us” webpage.

Several months after leaving the company, the product manager still has an eye for the brand’s products. “I can see it on the street and know if it’s domestic or foreign. The quality is that obvious.” But the brand’s young, hip fans with money to blow don’t know the difference.

**Transition and Compromise**

Some brands that began production overseas are taking steps to bring that manufacturing back home to America. “School House was initially started in Sri Lanka as I was studying the relationship between female workers and the garment industry,” the company’s founder and CEO Rachel Weeks explained. “After a year researching socially responsible apparel manufacturing initiatives as a U.S. Fulbright scholar, I decided to start School House. We helped to start the first living wage factory in Sri Lanka, and, after working with them for two years, we decided to move our operations to North Carolina. It became extremely difficult and expensive to operate the business from 10,000 miles away.” Based in Durham, School House’s classic-meets-trendy collegiate gear sources its fabric domestically, and contracts the work to factories in North Carolina.

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40 Email and in-person interview by author, November-December 2013.

41 Email interview by author, July 30, 2013.
Despite healthy direct-to-consumer offerings on its website, the brand has just three full-time employees.\textsuperscript{42} School House now sees domestic manufacturing as a major contributor in its brand mission. “We pride ourselves on creating products with a “Made in America” label. Being located in proximity with our manufacturing partners, we are able to provide consumers with high quality domestically produced garments in a timely manner.\textsuperscript{43} And it’s an element of the brand that School House heavily promotes. “In an era where American apparel manufacturing has become almost obsolete, we are working to revive and rebuild the “Made in America” label. We have been able to build our brand image around the idea that consumers are willing to pay a premium for high quality investment pieces, especially when American jobs are being created and sustained.”

“Manufacturing in the U.S. is not for everyone,” Adam Wren wrote for \textit{Inc.} when he examined the American Giant hoodie. “Labor will always cost more in the U.S., so if your company competes solely on price, that might be enough to push you toward overseas factories.”\textsuperscript{44} For many brands, the decision to manufacture at home or abroad isn’t a decision based on patriotism alone—it’s a combination of American pride, ethics, and cost-consciousness. Menswear company Todd Shelton explained in a blog post in May 2012 that while it is dedicated to manufacturing its garments in the U.S., it imports fabric from other countries for two reasons: either there’s no source in America, or that source doesn’t fit the brand’s needs. “America still produces world-class knit fabrics,” Shelton himself wrote, mentioning strong knitwear production communities in the Carolinas and California. But the varieties of fabric he listed—denim, khaki, trouser

\textsuperscript{42} Ibid.

\textsuperscript{43} Ibid.

\textsuperscript{44} Wren, “Made in the U.S.A. and making money.”
wool—are produced by just a handful of mills in the United States. The brand seems comfortable with its sourcing compromise. “There are good mills in the USA and abroad that we choose to not work with because their business philosophy is not in line with ours,” Shelton wrote. “There are good mills in other countries that we choose to not buy from because their labor and environmental standards are not responsible from our viewpoint.” He closed the blog post with a simple promise to customers: “Please know that our fabric has been thoroughly vetted for quality, design, and good karma.”

In an interview with National Public Radio in spring 2013, Frank Bober of StyleSite explained that knitwear has maintained a profitable status in the United States because it is machine-driven and less labor-intensive. It’s why American Apparel can make a profit—it focuses on knitwear basics instead of structured clothing like jackets. In the same interview, American Apparel founder Dov Charney reduced his formula for success to one quip: “It doesn’t make sense to drive all the way to Vietnam to pick up a t-shirt.”

“From the beginning,” Hugh & Crye co-founder Pranav Vora wrote on the company’s blog in August 2009, “we wanted to keep production in the U.S. Our target customer is American.” A nationwide search for domestic manufacturers who could mind the details and quality required by the brand resulted in a few good matches, with one caveat: “…the (obvious) reality of manufacturing in the U.S.: it’s way too expensive.” If the company had chosen a domestic manufacturer, it would have also needed to raise the prices for its slim-fit shirts. “Given the price point is nearly as important a factor for our


46 Ibid.

customer as fit and construction, we were in the end reassured that we made the right
decision with manufacturing in India."™48 The cotton used is primarily from Italy.49

Instead, the Washington, DC-based brand shares its commitment to quality on its
“Responsible Sourcing” page, on which it lists the ways that Hugh & Crye encourages
sustainable manufacturing: fabric suppliers are family owned businesses; cotton is
sourced from “reputable sellers” and milled without the use of harmful chemicals; shirts
are produced in “certified clean and safe work environments” (the company sometimes
shares photos from sourcing trips and factory visits on its blog); finished shirts include a
light wash that protects the fabric through many washes, making the product last longer;
and the company ensures that all manufacturing partners are certified by one or both
organizations: Worldwide Responsible Accredited Production (WRAP) and Business
Social Compliance Initiative (BSCI).50

Domestic manufacturing isn’t a lost cause for the brand. In June 2013, Hugh &
Crye announced that its new line of quirky-meets-classy pocket squares are U.S.-made.
“To produce them, we’re working with a network of garment making shops across the
U.S. that specialize in small goods,” co-founder Pranav Vora said in an email. “It was the
right step for us because they produce a high-quality item at a reasonable cost, in a timely
manner (30-day turnaround) with low order quantities required.” But he also cited the
company’s plan that considers longevity as well as loyalty. “We approach every new
product category in the same way: What’s the best way to produce the item?” in regard to

our-best-efforts (accessed May 1, 2013).

2013).

50 Ibid.
materials and construction, flexibility, turnaround time, and order quantities. In contrast to denim brands that charge premium prices for American fabric and manufacturing, Hugh & Crye found a way to compromise: offer a simple item (literally, a neat square of fabric with a rolled edge) made in America to complement garment lines made elsewhere.

Several brands surveyed commented that superior quality and transparency in sourcing was more important that domestic production alone. “We started as a tee shirt company two years ago, and the best place to manufacture cut and sew knits is in LA., explained Esther Noir of online retailer Everlane. “As we grew into using more technical fabrics we have grown to produce in more countries.” Now, the company’s products are manufactured in California, Texas, China, Spain, and Scotland. “Finding the perfect factory is a long process,” Noir explained by email. “When searching for factories to produce our wallet line, we looked for the best manufacturer of leather wallets, which led us to a small town in the mountains of Spain. Our reputation for quality goods is maintained by using only the best artisans in each field.” Each product on the Everlane site includes detailed descriptions of not just the product specifications, but also of the country of origin, right down to the name of the factory owner in some cases. For example, simple women’s cotton-cashmere blend sweater may be made in China, but the consumer learns that the factory employs just more than 100 workers. In October 2013, several of the sweater styles from that factory had a waitlist.51

Confidence in “artisans” might conjure images of high prices, but Everlane reassures consumers in two ways: first, by being forthcoming about why products cost what they do, from quality components to talented labor from whatever part of the world.

51 Email interview by author, October 8, 2013.
Second, as an online retailer, Everlane lacks the brick-and-mortar overhead that might make this project unprofitable. Focusing on ecommerce also gives Everlane the time to develop products one at a time. “America has great cotton-based garment construction from knits to woven canvas,” Noir explained, “This is why we keep those products made in America. Quality and workmanship are what we are looking for most in a factory, and in certain cases it makes sense to go where the manufacturer understands the material the best.”

Alternative Apparel, maker of basics sold online and in boutiques, notes on the Social Responsibility section of its website that “alternative” doesn’t necessarily mean “American-made,” although that’s what many customers think of first. About 25 percent of its products are made in the United States, and Alternative Apparel applauded its “high percentage compared to industry average of less than 10 percent in our product categories.” U.S. vendors are evaluated where possible, but the brand noted that some foreign vendors have had better working conditions than the American options. “Our manufacturing selection process is based on the vendor, not the country. We elect to manufacture in China for a number of reasons, but ultimately, it comes down to our desire to provide high-quality products in a timely manner at a reasonable price. Of course, price is a factor, but so are skills, technology and production know-how elements which far outweigh cost in our book,” the company stated, noting that there are cheaper places to produce than China, but they may not meet Alternative Apparel’s guidelines.

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52 Wren wrote that the profit margin for direct-to-consumer online sales is 50 to 75 percent. Everlane, “Introducing radical transparency,” Everlane, https://www.everlane.com/about (accessed October 1, 2013).

53 Email interview by author, October 8, 2013.
and standards. It takes care to note that all Chinese facilities used are monitored and certified by third-party groups.  

Erica Wolf explained that she and Nanette Lepore agree that the Made-in-America movement is not an anti-globalization movement. Rather, it’s an effort to keep people employed and keep local economies going. “My concern is that designers don’t want to talk about it,” Wolf explained, “Because they’re afraid that when they get big enough to go overseas, they’ll be called a hypocrite. But they should be so lucky if that’s a problem when they grow. This is not a purity issue. It doesn’t have to be 100 percent. Talk about it. Don’t be shy. If you need to move, do that.” At the same time, she encourages mature brands to rethink manufacturing from the top down. “It takes a complete change of structure,” she said. As the press gains interest in American-made goods, it’s up to those at executive levels to look at the bottom line and encourage production teams to think differently about whether it makes sense to reshore.

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CHAPTER 5

APPAREL’S 21ST CENTURY AMERICAN GENESIS

In the executive branch, increasing exports—instead of controlling imports—has been on President Barack Obama’s task list since his first term. In a 2010 executive order statement, Obama declared that increased exports from U.S. businesses would be critical in stimulating economic growth, and that “improved export performance will, in turn, create good high-paying jobs.” The initiative planned to support activities including the following: exports by small and medium-sized enterprises, federal export assistance via online resources and mediation services, commercial advocacy, and reducing barriers to trade.

Patricia Loui, who was appointed by President Obama to serve on the Board of Directors for the Import-Export Bank of the United States, blogged for the Office of Public Engagement with a March 2012 update, “Celebrating Two Years of the President’s National Export Initiative.” She explained that the President’s goal of doubling all exports, regardless of industry, by the end of 2014 was progressing, “with exports increasing almost 16 percent last year to $2.1 trillion.” Kim Glas, deputy assistant secretary for textiles and apparel at the International Trade Administration, told Women’s Wear Daily that in the year ending May 31, 2012, U.S. exports of textiles and

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apparel to the world rose 7.5 percent to 22.6 billion. But in the year ending July 31, 2012, US retailers still imported $41 billion in apparel and textiles just from China.

Francisco Sanchez, under-secretary for international trade at the Department of Commerce, offered the keynote speech at the Textile & Apparel Imported Trade & Transportation Conference in New York in January 2013. “As part of the NEI [National Export Initiative], when we think about trying to achieve the President’s goal of doubling exports, we view textiles and apparel as an important sector to help us get there—the awareness and attention is at the highest level in many years.” His key reminders for the textiles/apparel industry to increase exports: engagement, investment in research and development, and an interest in Western Hemisphere sourcing.

First Lady Michelle Obama’s fashion sense has made just as many headlines as her husband’s foreign trade policy. She is known for her support of American designers, from the renowned Oscar de la Renta to the up-and-coming Jason Wu. But one state dinner during the bottom of the recession bell curve put fashion types up in arms. While hosting the prime minister of China, Mrs. Obama wore a blood-red gown by the late British designer Alexander McQueen. She fielded many questions about her choice, and remarked to Amie Parnes and Karin Tanabe of Politico, “I like to patronize American

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4 Paton, “Made in the U.S.” In comparison, Francisco Sanchez told the Financial Times in September 2012 that textile and apparel exports had grown from 16.6 billion in 2009 to 22.4 billion in 2011.

designers, and the vast majority of the clothes that I wear are [designed by Americans]. But there are a lot of other designers that have cute stuff, too.”

The industry was displeased. Nanette Lepore wrote for Huffington Post Style, “Five years of raising awareness for New York’s Garment Center have been rendered irrelevant by one statement,” after Obama commented that what she wore did not matter much compared to her work as First Lady. Lepore wrote, “Like all businesses in America, fashion needs support from its leadership. It’s important for Americans to buy American-made products, and we look to our First Lady and the President to set that standard. When she wears an American designer to a high-profile international event she communicates to the world that the American fashion industry is significant and relevant. That makes a difference.”

The Council of Fashion Designers of America (CFDA) placed a full-page ad in Women’s Wear Daily to scorn Mrs. Obama’s choice and scold her perceived lack of loyalty to American designers, but this time, Cathy Horyn of the New York Times took to Obama’s defense. After all, she noted, many CFDA members make most of their apparel overseas, and further, mostly in Asia. “I want her to be far more than ‘prime placement’ for a dress label – whatever the country of origin,” Horyn wrote. Mrs. Obama has

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8 Ibid.

continued to wear a mix of high-end pieces by American designers along with fast-fashion pieces from retailers like Target.

Shortly after President Obama’s reelection, Women’s Wear Daily presented a cover story called “The President’s Priorities: An Industry Reacts.” Across multiple pages, some of fashion’s biggest names shared their hopes for Obama’s second term. Comments ranged from Superstorm Sandy relief to the fiscal cliff, but many of the remarks included domestic manufacturing and trade. Tommy Hilfiger commented, “I think it would be great to see manufacturing come back to his country at some point. I think it would provide jobs for people who could then go out and shop. Jobs will trigger the economy.” Nanette Lepore offered, “I would love for the Obama administration to embrace the fashion industry as a more national issue and not local … I’d love to have a working relationship with the White House on how to keep American manufacturing for clothing here.” Max Azria of BCBG Max Azria Group noted, “President Obama needs to work to open up the markets globally—U.S. export and import—and work on our relations with China.”

After remarking on Hurricane Sandy relief as top priority, Lela Rose said:

He needs to keep or build domestic manufacturing to incentivize brands. Bringing this infrastructure back is a great way to bolster the economy as well as create jobs for many Americans. Almost all of my company’s production occurs domestically and I have largely seen the benefits in quality, shipping times and flexibility, as well as positively impacting the environment through using less fossil fuels by not importing production goods from other countries.

While those interviewed had requests that ranged from protectionism to increased and encouraged cooperation with international collaborators, the responses demonstrated the

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top-of-mind status of manufacturing and trade issues today. Industry notables will still keep a keen eye on Mrs. Obama’s wardrobe while waiting for President Obama to more fully support the domestic apparel industry.

Taking Initiative

It may be up to local and regional manufacturing initiatives to force the evolution of the American-made movement. Clare Tattersall encourages manufacturing in New York-based manufacturing through her organization, ThunderLily. “From the beginning we wanted to empower the individual designer, supplier, and consumer, but my belief in this has grown deeper as we work with more and more people in the garment district,” she wrote in an email. ThunderLily provides an online design platform that creates 3-D renderings based on budding designers’ sketches. Garments aren’t produced until an online customer chooses a style and customizes it in their preferred color and fabric. Then, it’s produced by ThunderLily’s network of partners in midtown Manhattan. ThunderLily survives by taking a cut from the designer.

“U.S.-based manufacturing is a natural consequence of our vision—it is about working locally and using accessible resources, but it is not limited to the U.S.,” Tattersall noted. “While we are working domestically and bringing international designers to resources in the U.S., we believe that working locally means working with your own community.” In the Garment District, those local sources are weathered, but resilient. “The people that I work with are the survivors,” Tattersall explained. “Many companies have closed down … Everyone I work with is busy. There is an underlying awareness that the clock is ticking, that the skills they have may not be able to survive the
price war.” Meeting the Garment Districts experts was, for Tattersall, a humbling experience.¹¹

Eyes have been on New York’s Garment District for some time, but for most of that time, programs to boost economic development in the Garment District were aimed at designers. Now, the Fashion Manufacturing Initiative focuses on production. “It’s really a response to the entire national conversation about ‘Made in the U.S.A.’ that picked up since Obama’s second inauguration,” Erica Wolf said. “The Garment Center was a microcosm of American manufacturing; the myth was that we didn’t make anything, but that just wasn’t true.” The Fashion Manufacturing Initiative invites established factories to apply for grants for equipment upgrades, worker training, and assistance navigating real-estate issues. The program is a collaboration between the Council of Fashion Designers of America (CFDA) and the New York City Economic Development Corporation (NYCEDC), under the leadership of Andrew Rosen of high-end brand Theory.¹² By strengthening the working hands of the Garment District, New York may be able to begin meeting the needs of designers on a larger scale.

**Talking Points**

Of the brands approached for their views on domestic apparel manufacturing, a majority of those who responded were proud to say that all or most of their products were made in the United States. Thirteen brands completed a questionnaire by email or phone, answering questions about their target market, typical prices, and methods of sourcing.

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¹¹ Email interview by author, September 2, 2013.

and manufacturing. Each brand answered the following two questions; the average rating is shown at right in a chart by the author:

<table>
<thead>
<tr>
<th>Question</th>
<th>Average Rating</th>
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<tbody>
<tr>
<td>On a scale of 1 (lowest) to 5 (highest), how much would you say that the manufacturing location of your products contributes to the company’s overall brand and image?</td>
<td>4.538</td>
</tr>
<tr>
<td>On a scale of 1 (lowest) to 5 (highest), how much would you rate domestic manufacturing as a contributor to your brand mission or image?</td>
<td>4</td>
</tr>
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The majority of those surveyed had staffs of fewer than five, but the brands’ average prices ranged more widely; from $20 to $1,200. Most items discussed were in the range of $50 to $300.

The 13 participants came from a group of 70 brands selected on the basis that some or all of their products were American-made. While the goal was not to speak with all American-made brands, almost all of those who responded produced their products in the United States; most of those did so exclusively in the United States. At first, the process of reaching out to brands was frustrating as few responses were received. Most brands did not even politely decline participation. A conversation with a local boutique buyer provided some clarity. “This is still a dirty business,” she said over coffee one afternoon. “People don’t want to talk about where their stuff is made because they can’t make any guarantees about anything. Sure, you can make the clothing here, but where did the fabric come from? If the fabric wasn’t made here, can you vouch for the conditions where it was made?”

Suddenly, it became easier to seek out champions willing to discuss their methods. Startups and legacy brands alike that were already open about their manufacturing locations were happy to expand on their philosophies, their struggles, and their lessons...
learned. Their shared experiences brought to light a checklist of elements that may contribute to successful American-made apparel lines, and their words of wisdom may prove helpful to future startups with a domestic slant.

**Recommendations**

The following elements are helpful when considering an American-made brand:

*Don’t let “Made in America” be a gimmick.*

The brands surveyed, interviewed and observed rely on more than just country of origin to attract customers. Some choose a narrow niche that will foster loyal customers. Some have a wider niche with messaging that focuses on lifestyle or heritage. Especially when higher prices are a factor, a “Made in America” must be paired with quality. “Ensure your product or brand has a competitive advantage above and beyond the "Made in America" label,” Rachel Weeks warned. “We have to develop design/technology/branded strengths above the label alone. It's the only way to make our successes as American manufacturers sustainable.”¹³

Jake Bronstein of Flint and Tinder agreed. “You have to do it because you want to do it…not because it's a good marketing or business idea (just yet). If you're doing it for any other reason, there's no way you'll suffer through.”¹⁴

One crowdfunding success commented that its initial customers have been those who are seeking products made in America. But in the future, they hope “the products

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¹³ Email interview by author, July 2013.

¹⁴ Email interview by author, August 13, 2013.
themselves will find their own customers…costumers who only later find out where it’s made and why that might matter.”

*Produce unique products in small-batch runs.*

Developing products that have unique features draws in customers who want to set trends and start conversations. Small runs create both flexibility for the manufacturer and urgency for the consumer. If the consumer knows that a product is available in limited quantities and sizes, he or she is more likely to purchase when the product is new or listed at full price, rather than wait for a discount as the season progresses. Likewise, if the brand can work with facilities that will produce smaller runs, the brand will be less likely to experience excess merchandise toward the end of the season, therefore forestalling the need to offer a discount or sale. Working with domestic facilities that can produce smaller runs can create seasonal flexibility for brands by providing short turnaround times while also allowing the brand to maintain more capital by ordering smaller batches. And Jeff Shafer reminds the reader, “Start small.” Working with local craftsmen or artists adds value to the product.

*Serve consumers directly.*

The burgeoning independent brand would be wise to consider a direct-to-consumer model for its domestically made apparel. The retail middle-man invites big companies to retain a chunk of the sales of products that will generally be sold at higher prices because of the cost of domestic manufacturing and the label appeal of being American-made. If the brand can skip the retailer and offer prices that compete with similar products in retail stores, it can retain as much as double the percentage of revenue

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15 Email interview by author, August 2013.

16 Email interview by author, July 2013.
it would retain in the retail scene. In addition, the word-of-mouth appeal of an independent, domestically produced brand online can foster brand evangelists who will loyally wear and discuss the brand. One veteran of the business wrote, “It costs [us] 5x what it would cost to make these products overseas. We work very hard though to keep the end price to consumers low. It’s something we’re only able to do by selling direct online.”

*Focus on quality and durability.*

As noted in chapter three, consumers expect that domestically made apparel will be of superior quality to comparable styles produced overseas. A commitment to durability and quality must be paramount during the domestic manufacturing process. Labor costs and, therefore, the retail price, will indicate quality, and shoddy products will lead customers to lose faith in American branding and manufacturing. The key is to make consumers trust American brands more so than they would a brand or product manufactured overseas. While styling is admirable, quality and durability are American traits that must be adhered to. Erica Wolf shared a piece of advice that she heard Nanette Lepore give once: “Focus on your product. Don’t focus on the noise, Fashion Week, PR, advertising…focus on product and start with a good product. Find good people, and when you are looking locally, find the people who are going to mentor you and teach you, to help you make the product of your dream and vision.”

*Get into denim (before the market is saturated).*

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17 Email interview by author, August 2013.

18 Interview by author, October 15, 2013.
Denim is an American heritage item that brands like Bluer, and Flint and Tinder have proven can be produced in America at reasonable costs and prices. By maintaining American denim’s status as a premium product and lauding American denim manufacturing facilities such as Cone Denim’s White Oak facility, American pride will develop in part thanks to a strong pride in American-made denim.

*Don’t compete on price alone.*

“‘Made in America’ was never meant to be premium,” Roberto Torres said. “That came as an accident.” The idea of American-produced garments as superior to imported versions will be diluted if American-made brands try to compete on price. Rather, brands should focus on quality, whether it be a modest premium-quality item or a couture gown for a Hollywood starlet. “We want more competition, as ridiculous as it sounds, but it will make [the clothing] more affordable in the long run. More competition means [the possibility for] lower prices, which means more business for everyone.”19 There are American-made enthusiasts at every budget bracket, with plenty of opportunities to serve them. As “Made in America” gains speed, there will only be more opportunities to corner the market.

*Don’t rely on New York and Los Angeles.*

New York and Los Angeles are reliable hubs for the American apparel industry. But a new or growing company does not have to locate itself in either of these cities in order to be successful. School House found its resources solely in the Carolinas and was able to cut costs by working with local and regional partners. Nana Clothing in Washington, D.C. partnered with a small sewing studio, the likes of which could be and may have already been reproduced in small towns and cities around the country. New

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19 Interview by author, October 22, 2013.
York and Los Angeles have talent, but if there’s a boom of domestic manufacturing, they’ll soon be overloaded by orders, creating a backlog. Explore local options and don’t let “big city” dreams blind a brand. Let local flavor work to your benefit.

“Do your research and aim high,” Thunderlily’s Clare Tattersall said. “As an emerging designer you want to set yourself above your competition and you need to find the best way of working. This will mean some trial and error, but keep learning and keep asking. This is why community is so important. Your community will bring a wealth of knowledge.”

Torres said that he spread the word to his local community, even the mayor of Tampa, to garner support for Black & Denim. Wherever the location, Torres advised to “Exhaust your options. Make sure you find a reputable manufacturer that can do the job. Make sure you’re not just finding anyone. Find someone invested in you and your product more than someone who just wants to get paid.”

Epilogue

“It’s too bad about School House,” a colleague wrote to me one day in autumn 2013. “What do you mean?” I responded.

“They’re gone,” the colleague, who had personally met Rachel Weeks, lamented.

And just like that, a champion of American manufacturing had vanished. Weeks had appeared on all the big news networks, had landed on plenty of 30-under-30 lists in the five years since she launched her brand. But the School House website was gone, and Weeks’ LinkedIn profile revealed that she had taken a job at a company outside of the apparel industry. A note sent to Weeks did not receive a response.

20 Email interview by author, September 2, 2013.
School House won’t be the first. Some of the brands researched in this work are bound to close, dissolve, or be acquired. Some may decide that it’s time to manufacture overseas. Rather than view these brands as failures, we must see them as pioneers in the industry. They rediscovered land that had been developed decades ago before being abandoned, and they saw potential for a renaissance.

There will be obstacles along the way, but the industry may be able to make modest gains in domestic manufacturing over the next decade. It will be up to consumers to help complete the cycle.
BIBLIOGRAPHY


