

The Future of Fashion

How fashion students envision their futures as entrepreneurs and use the Garment Center to launch their careers

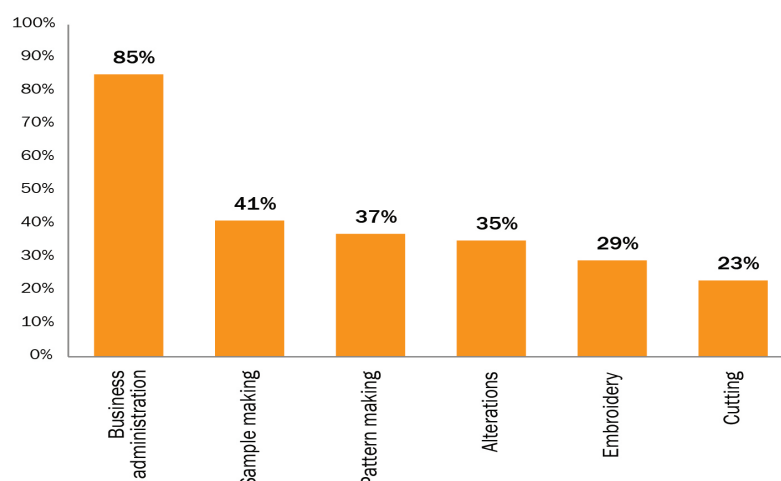
The dress that First Lady Michelle Obama wore to the 2008 inaugural ball was not only designed by 26-year-old Jason Wu in New York City's Garment Center; it was also produced there. Wu has been manufacturing apparel since his student days at Parsons the New School of Design. Up-and-coming designers who produce their lines in the Garment Center like Wu include Adler (founded by Pratt Institute graduates), Alex and Eli (Parsons), and Daniel Voisovic (Fashion Institute of Technology). Industry stalwarts such as Anna Sui, Nanette Lepore and Yeohlee Teng also produce all or most of their lines in midtown Manhattan's Garment Center.

More than 5,000 fashion students currently study fashion design in New York City. These fashion students are tomorrow's fashion entrepreneurs. This study examines the entrepreneurial potential created by the extraordinary cluster of fashion design schools and the fashion industry in New York, particularly in Manhattan's Garment Center.

Most of the students in this study are matriculated at one of four major schools: Parsons the New School for Design, Pratt Institute, Fashion Institute of Technology, and Kent State University. But they also learn in another, much bigger classroom – the Garment Center itself. In the 12 square blocks between 35th and 40th streets, and from Sixth to Ninth Avenues, students gain both technical training and real-world experience, and develop relationships that will help launch and sustain their careers.

The Garment Center is the heart of one of the City's largest business sectors and there have been many studies documenting its current economic impact and how the concentration of design, production, sales and marketing create a competitive advantage for the companies clustered together. According to the New York City Economic Development Corporation, the apparel industry generates 165,000 jobs, representing 5.7 percent of New York City's workforce. Those jobs account for \$9 billion in total wages and tax revenues of \$1.7 billion. Despite this research, some in City government and the real estate industry continue to question the need to maintain space for this crucial cluster of design and production activities because they doubt the long-term viability of apparel manufacturing in New York City. Whether or not there will be an apparel industry ten years from now is a typical but misguided concern often raised in current policy discussions.

Fig. 1: The Garment Center Provides Training for Students' Most-Needed Skills



A Pratt Center Survey asked New York City fashion design students to respond to questions about the ways that they use one of the City's best design resource districts: Manhattan's Garment Center. The charts at left and on the following page show students' responses to the questions, "What additional skills do you hope to develop?" (Fig. 1), and "What services would be most helpful to you in starting a fashion business?" (Fig. 2).

Fashion Student Survey

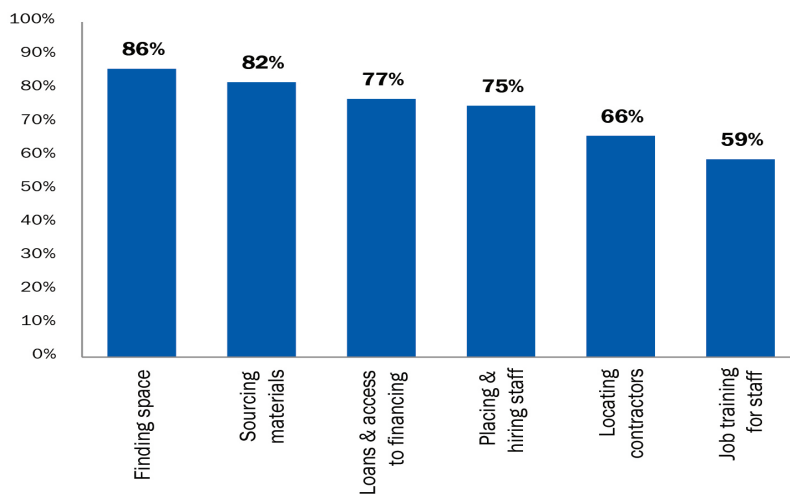
In November 2010, the Pratt Center for Community Development surveyed more than 200 fashion design students in New York City to document their business intentions and the synergy between the industry and the extraordinary concentration of fashion schools in New York City.

New York's fashion schools are a constant source of renewal to the fashion industry, not only for the new talent and ideas they bring to existing businesses, but for the creation of new businesses as well. More than 1,000 students studying fashion design graduate from these four schools each year. More than a third of the students surveyed want to start their own businesses and view the resources of the Garment Center as critical to the development of these businesses. Budding businesspeople like Wu and Zilka represent an important source of business creation for New York City, and the City needs to be mindful of those opportunities as it develops a strategy for preserving space in the Garment Center.

“Designers that are just starting out rely on local production for samples and sourcing the materials for their lines. In a New York without the Garment Center, what kind of future would new American designers have? The Garment District is a creative center in the city and also is a staple for jobs—hopefully a job for me upon graduation!”

– FIT student Amanda Robertson

Fig. 2: The Garment Center's Most Helpful Services for Fashion Start-Ups



But even with the infusion of new talent into existing businesses, there is a constant need for new business formation. The most critical asset of any fashion business is the design talent of individuals, yet it is an asset that is particularly hard to transfer from one generation to the next; labels live and die by the personalities of their founders.

The Pratt Center isn't alone in seeking to strengthen ties between New York City's fashion students and the industry. The City's Economic Development Corporation has launched several new programs to help emerging designers obtain financing, to improve the business skills of designers, to market New York City's fashion schools and to assist with space for a small number of startup companies through a business incubator. At the heart of EDC's new programs is recognition of the economic potential of new design talent as future leaders of the fashion industry and the need to help move students from classrooms to showrooms.

While these programs represent the growing recognition of the importance of the synergy between the fashion schools and the industry in training the next generation of designers, the City has yet to develop a strategy to preserve the very hub of production services that these students depend on for their training and business development: the Garment Center itself. The relationship between the schools and the industry has become particularly important as City government contemplates zoning changes to the Garment Center. The rezoning will greatly shape the nature and size of the industry moving forward by allocating how much space is available for certain functions.

“We need the Garment Center. We’re not paying for things to go through China. We can check the quality. If someone calls us and says we need something in a month, we can do it, because of the factory on 38th Street.”

–Nina Zilka, designer for Adler

Our survey of fashion students suggests ways the City and industry can better capitalize on the Garment Center’s resources to increase New York’s competitive advantage and create businesses, jobs and tax revenue.

Survey Findings

An online survey was distributed to fashion students at each of New York City’s major fashion schools by the schools themselves and via social media outlets. The survey received 203 replies. Respondents were overwhelmingly female (82%) and primarily undergraduates, ages 18 to 24 (84%). More than half the students surveyed originally come from outside the New York City metro area.

New York City and its resources in the apparel industry attract design students. Two thirds of fashion students surveyed indicated that they chose to study here because of New York City’s status as a fashion and design capital.

An overwhelming majority of students already use the Garment Center. Whether to obtain supplies, make industry contacts, or get on-the-job training in such skills as patternmaking and grading, 82% of fashion students are already utilizing the Garment Center’s resources.

Students see the Garment Center as a resource for their future. Almost half of all respondents either plan to or would consider launching their own fashion business. Three in five students intend to design and produce their own lines, and stated that it is “absolutely necessary” or “very important” to have access to a centralized group of services in the Garment Center. Of those, four in five say they want to use Garment Center factories.

Students need a diverse set of skills for the fashion business, and those skills can be gained in the Garment District. Four in ten students have had jobs or internships in the Garment Center. Of those positions, half trained students in business administration, and 30% trained students in production skills such as patternmaking, grading, and cutting. These are the same skills other students identified as being important for their future. When asked what skills they want to develop after graduation, overwhelming 85% want training in business administration, and four in ten students said they hoped to obtain further training in production skills such as sample making, pattern making, and alterations (see Figure 2).

Both business administration and production skills training are crucial for the fashion students we surveyed who want to start their own lines and businesses. Access to the Garment Center not only provides access to supplies and networks, but also to training in the hard skills that New York’s future fashion entrepreneurs will need to succeed. Preservation of the existing district is critical, but may not be enough on its own: the survey’s findings have implications for the type of economic development assistance that can stimulate growth and support new businesses.

Fashion start-ups need business services to be provided in the Garment Center. When asked, “What services would be most helpful to you?” in starting a fashion business, more than 80% stated that both finding space and sourcing materials would be helpful services. Two thirds of students responded that finding access to loans and financing, and assistance placing and hiring staff would be equally important services for new businesses.

The Garment Center

As anyone involved in this industry will explain, fashion is not just an idea. It is ultimately a physical product that requires appropriate materials and high-quality workmanship. Every fashion design ultimately depends on execution. What excites many of New York City’s future designers is the opportunity to understand and manage the physical articulation of their ideas in front of their own eyes.

New York City’s midtown Garment Center is one of the largest fashion design and production districts in the world. The 12 blocks between 35th and 40th streets, from Sixth to Ninth avenues, are home to more than 10,000 fashion-related businesses including more than 5,000 fashion design houses and showrooms. The design, product development and merchandising functions in midtown Manhattan utilize both a network of local factories and suppliers and, in many cases, overseas factories. There are currently 311 contract and specialized factories in midtown, along with 299 industry suppliers- wholesale and retail purveyors of fabric, trim, and other materials. According to the New York City Economic Development Corporation’s 2010 Fashion Industry Snapshot, the sector generates \$9 billion in total wages and tax revenues of \$1.7 billion.

In 1987, the New York City Planning Commission sought to protect the dense, organic cluster of Garment Center jobs, companies and related businesses through the creation the Garment Center Special District. The Special District required that as owners of buildings on the mid-blocks converted space from manufacturing to other uses, they had to set aside an equal amount for manufacturing. In this way, the Special District sought to strike a balance—to allow the district to evolve and create space for new businesses, but also preserve some space for production which was essential to fashion design and sales.

The power of the Garment Center derives from the logistical and creative value of co-locating production and design activities. When design and production functions are in close contact, production problems can be solved more quickly, innovative solutions can be tried immediately, and new business opportunities can be exploited. Businesses cross-fertilize each other, adding economic value and spurring creativity.

Since then, the industry overall has continued to contract, making way for new uses that increase the pressure on the industry’s remaining manufacturing space. Competition from low wage areas, changes in technology that facilitate long-distance communications and even changes in consumer preferences have all led to the offshoring and closing of scores of factories. Once these factories closed, much of their space was then illegally converted to office space (without meeting the preservation requirements), and a partial rezoning reduced the restrictions on some buildings. Today, under the Hudson Yards rezoning the area to the immediate west of the Garment Center is slated for high-density residential and office high-rise development.

In the midst of these intense pressures, a core of factories, sample rooms, industry suppliers and design houses has held its ground. Emerging and well-established design firms alike are taking advantage of the remaining production capacity in the Garment Center and around New York City to create product for a growing niche: well-tailored clothing for an upscale boutique market. These prices may be higher than those found on the racks of H&M but sit well below the cost of couture, with most pieces selling in the mid-three figures. For these lines, the Garment Center delivers the quality, turnaround and service the design firms need, at the right scale and price.

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An example of this can be found at the Greenpoint Manufacturing & Design Center, which houses woodworkers, model makers and other fabricators who work closely with artists and designers. Since 1994 GMDC has expanded from approximately 400,000 to 900,000 square feet. Design and production businesses in the GMDC are in frequent contact, correcting a design problem, experimenting with materials, or collaborating on a new product.

Unfortunately, the ability of small apparel businesses to remain clustered in midtown Manhattan is at risk. Despite the neighborhood's storied history, many landlords have moved away from apparel uses and actively seek other types of tenants that can pay higher rents than garment factories. The area now has conflicting identities, and no clear plan going forward. Simply relocating the district's two million-plus square feet currently devoted to the apparel production is unlikely to succeed since it is the proximity of design to production that keeps these factories in existence. The City, fashion industry and local building owners will all need to work together to find a joint answer to the question of the Garment Center's future.

Where Fashion Careers Are Born

New York City ability's to foster innovation in design—and to maintain its preeminence as a fashion capital—depends on emerging designers' ability to interact with the production process at every stage, as part of their creative and professional development. Like the star designers who came of age before them, and who continue to make New York City a fashion capital, they build their businesses not just by becoming skilled at marketing and design, but also by engaging with and capitalizing on the production processes through which finished garments are made.

The relationship starts during designers' student years, when their assignments and internships bring them into showrooms, supply shops and factories. It deepens when they move from sewing their own samples on classroom machines to the next

The Story of Jason Wu, Michelle Obama, and the Garment Center

At 27, Jason Wu is one of New York City's most renowned emerging designers. Wu designed the gown worn by Michelle Obama to the 2008 inaugural balls. Obama's embroidered dress – produced in the Garment Center – has been inducted into the Smithsonian Institution's collection of dresses worn by first ladies. During and after his studies at Parsons, Wu relied on the Garment Center's skilled production specialists as his real-world teachers as he made the transition from the classroom to the showroom. As Wu explained to journalist Tom Vanderbilt in a 2010 interview: "When I first started, I needed to find out how to grade a garment, from size 0 to size 12, and I remember finding a grader who walked me through the process. Coming out of school, I really just knew how to make one garment." Wu found his creative vision with the support of goods, services, and training that came together in the Garment Center. Said Wu, "It's really rare to find a place where you could do everything from find trim to get a coat or an evening dress made, to finding buttons, snaps, and zippers – everything from A to Z in making fashion happen."

Wu now has a 9,000-square-foot workshop in the Garment Center and plans to build his career in midtown. "I can't think of anywhere where I could go two blocks away and find a hand sewer that can drape a dress miraculously in less than 48 hours," says Wu. "All my resources are here. It would only make sense for a designer who's very hands-on to be in the midst of where it all takes place. This is where the magic happens."

step: starting their own companies or securing positions in the City's apparel industry. Students move outside the classroom, finding sample-makers who can bring their visions to life. From there, many go on to produce full production lines in the Garment Center.

For recent Pratt graduate and bridal accessories designer Thea Bloch-Neal, the Garment Center's resources are both an inspiration for her designs and critical to building relationships with clients: "I want to see everything in person... being able to walk around and look at beading and trims and fabrics inspires me." Easy access to materials provides designers with more than just inspiration, though. Bloch-Neal says, "Doing this work and having to order online would be a nightmare. You just can't tell what something will look like. Being able to source [materials] in person and from more than one store is helpful. And if the customer isn't happy, I can go right back to the Garment Center and repeat the process."

For New York City designers, the relationship with Garment Center production that begins in school then endures throughout their careers. Anna Sui (Parsons), Nanette Lepore (FIT), Yeohlee Teng (Parsons), and Daniel Vosovic (FIT) do all or much of their production in the Garment Center today. Says Teng, "My factories walk the production over from 39th and 35th Streets, so it's very efficient. It's time management, it's resource management and it's raw material management - and right now being green is so important."

Recommendations: The Future of the Fashion Industry

Every year, hundreds of talented individuals enroll in fashion design programs based in New York City, many of them with the intent of developing fashion lines and building new businesses. How can the industry and the City better capitalize on this talent and energy?

Strengthen business and entrepreneurial training within design curricula

More than 80% of the students responding to the survey indicated that they wanted more business training. While the provision of business management skills may seem an obvious recommendation, it must be included in design curricula, to balance training in design and basic production skills that have traditionally been the core of those degrees. There is an ongoing need to prepare emerging designers to enter the marketplace, and evidence that this need is growing. Recent local government policies recognize the importance of training and supporting designers to become entrepreneurs, yet the garment industry is changing and restructuring at an increasing pace. Production is shifting from larger to smaller firms, and designers need more business skills to successfully undertake the steps needed to put a garment into the marketplace, and to create businesses that will ensure the continued strength of the City's apparel industry.

Designer/business matchmaking

One approach now being piloted by the Council of Fashion Designers of America (CFDA) is to provide designers with the business skills they need to launch their businesses by encouraging collaborations with students or graduates of business schools who may be at similar points in the launch of their careers. Stanford University has a matchmaking program for its business and engineering schools. The CFDA program is a partnership with New York University's Stern Consulting Corps through which designers will work with a group of New York University Stern MBA students who will help develop full financial statements, cash flow projections, and investor-ready business plans.

Create a vibrant mix of space for design, production, suppliers and other uses

86% of the students who responded to the survey said they wanted help finding space to launch their businesses. The availability of affordable spaces suitable for diverse business types within the Garment Center is key to meeting this need. Yet the space challenge is not limited to new businesses; in fact it is the older, established businesses in the

Garment Center that are threatened by real estate pressure to redevelop space for higher-rent uses. But is exactly this assemblage of existing businesses that makes the area a viable production center that attracts new business growth.

The preservation of the Garment Center's manufacturing spaces currently relies on land use regulation through zoning; however, the long-term feasibility of this preservation strategy is unlikely without a significantly greater commitment to zoning enforcement. Retaining production space in the Garment Center requires a strategy that recognizes development pressure and strikes the right balance of mixed-use for the area. Achieving this balance between market rate office development and lower-rent apparel-related uses is a challenge, but not impossible.

The City should replace the zoning/regulation strategy with alternative strategies to preserve garment production space. One such strategy is the simultaneous de-regulation of land use in the district, combined with the organization of new ownership structures within the Garment Center. De-regulation would free up most of the space in the district for new market-rate development that would benefit the City and building owners. In exchange for this benefit, the City and owners would be required to contribute to a fund to subsidize the organization of the new ownership structures and the acquisition of space for the apparel industry. Alternative ownership structures would include the creation of a non-profit real estate holding and management company dedicated to promotion of the industry, and limited equity coops for apparel-related businesses. An acquired building or buildings would be managed by the nonprofit entity, similar to the Greenpoint Manufacturing & Design Center in Brooklyn. This approach provides financial incentive and means to preserve space for apparel designers, producers, and suppliers, and would foster new growth as different types of apparel tenants help to cross-subsidize each other.

Promote the “Made In NYC” brand

New York City is itself a valuable brand that creates an opportunity for generating increased demand for products made in New York. This opportunity is grounded in a growing, widespread consumer preference for locally-produced goods (arising out of consumer desires for lower environmental impacts and less homogeneity) as well as the particular and valued qualities of products made in New York that come from the City's reputation for cutting-edge design. Cities across the country such as San Francisco and Chicago are capitalizing on this shift by launching their own branding campaigns and New York City could—and should—be a leader in this strategy.

The Pratt Center's MadInNYC website already lists 800 manufacturers making products in the City, and provides a firm foundation for a “Buy New York” campaign.

Develop an urban design plan

The existing Garment Center special district zoning dictates the legal uses of space but does not provide something else that the Garment Center urgently needs: a streetscape that connects the now largely hidden Garment Center with the outside world and provides points of entry for public interaction and experience. The Design Trust for Public Space has done pioneering work exploring, documenting, and communicating the relationships between the built environment and the activities behind the walls of the Garment Center. Their insight into these relationships can help transform the public's perception of the industry and its contribution to the City's economy. Improved perceptions, increased visibility and a better neighborhood experience are crucial for the area's continued success. The Garment Center is located amid transit and tourism hubs but is virtually shut down on weekends and obscure even when businesses are open. Just a mile to the south, the success of Chelsea Market is just one sign of tremendous consumer interest in unique products, including those produced on site, and the chance to meet the individuals who bring these products to life. The time has come to open the Garment Center experience to visitors from New York City and all over the world.