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Portland Made Collective Survey Report 2014

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PORTLAND MADE

COLLECTIVE

Survey Results

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Portland State
UNIVERSITY

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Portland Made Collective – Survey Results

REPORT HIGHLIGHTS

Impact: The 126 members of the Portland Made Collective employ an estimated 1024 persons and generate revenues of $258 million.

Mostly young: Eighty two percent (82%) of all enterprises have been in operation 10 years or less, sixty-three percent (63%), five years or less.

Big hits and long tail: Three (3) enterprises, that have been in operation for thirty (30) years or more, produced ninety percent (90%) of the revenues and seventy percent (70%) of the jobs. The lesson is not to ignore the numerous small young enterprises but to nourish them. Two (2) of the three (3) large enterprises, that have such an outsize impact, were started in small studios by founders trained in the arts, with a passion for their craft and the ability to turn that passion into something substantial.

Sweet spot: When enterprises reach the threshold category of $500,000 – 1 million in revenues, they make a dramatic shift from part time to full time employees. Below that revenue threshold, the balance between part time and full time employees is roughly equal, above the threshold, the ratio of full time to part time is five to one (5:1).

Hole in the Middle: We discovered an exceptionally small number of enterprises in operation in the middle range of years, and a total lack of enterprises in a middle range revenue category. While this may be an artifact of the data, we prefer the explanation that periods of innovation and enterprise occur in waves, perhaps 30 year cycles. One in the late seventies spawned a wave of artisan/makers like Bullseye Glass, Pratt and Larson Tile, and The Joinery. The 2000's seem to represent the next wave of artisan and makers. In between these two fertile periods, is the "hole in the middle," a transition period where there are few enterprise foundings.

Positive revenue growth: Respondents reported very positive revenue growth with an average of sixty-one percent (61%) cumulative for the last three years. Estimates varied by size of enterprise, but surprisingly, the fastest growth was not in the smallest enterprises. Enterprises with revenues of $50 – 100,000 report nearly doubling of size over the last three years.

Artisans and makers: When asked to rank their identify preferences, respondents clearly preferred maker and artisan over entrepreneur or business person. The preference for maker/artisan may suggest that respondents value craft and quality over maximizing financial returns.

Beyond local markets: As expected PMC members rely on local markets, with forty six (46%) of sales generated in Portland and another sixteen percent (16%) from the Northwest. But surprisingly thirty percent (30%) of reported sales came from the US, outside the Northwest, and eight percent (8%) were international.

Challenges: Respondents identified marketing and product development as the most important challenges and administration the least.

INTRODUCTION

"Portland Made is a self-sustaining collective of makers, artisans and manufacturers that advocates and supports its members by providing education and marketing, a shared resource hub, and a brand that promotes their products locally and globally." This report describes the results of a survey of the Portland Made Collective (PMC) members conducted spring 2014. The survey requested information about products and services, revenues, employment, growth, identity, markets, and challenges (see Appendix A for full text of survey). The report also includes preliminary observations from the Phase II of the project which expands the scope of the research to the entire artisan/maker community in Portland. Thanks to Kelley Roy and Mike Alfoni for their assistance with the project. Special thanks to all the Portland Made Collective members who responded to the survey.

Survey process: An electronic survey was sent to 126 members of the Portland Made Collective. The survey was first sent to the list on February 25, 2014. Over the next several months, three (3) follow-up reminders were sent to non-respondents. The last follow up reminder was sent May 20, 2014 and the survey was closed June 4, 2014.

Responses: We received about an equal number of responses, fifteen (15), to each of the survey mailings. Overall, sixty one (61) persons responded to the solicitation. Of these sixty one (61), two (2) refused to answer, five (5) felt unqualified to answer, and one (1) was removed because of inconsistent responses. Excluding these eight (8), the remaining fifty-three (53) constitute the base of responses used for this report.

Response rate: The response rate (53/126) was ***forty-two percent (42%*)**. This is a very high response rate given that the rate for electronic surveys is typically only ten-fifteen percent (10-15%). Also, responses were received from enterprises of all sizes (based on revenues) which gives us added confidence that survey results are not biased toward one type of enterprise. With our high response rate and the broad distribution of enterprises, we feel confident that the results of the survey reflect the population of Portland Made Collective members.

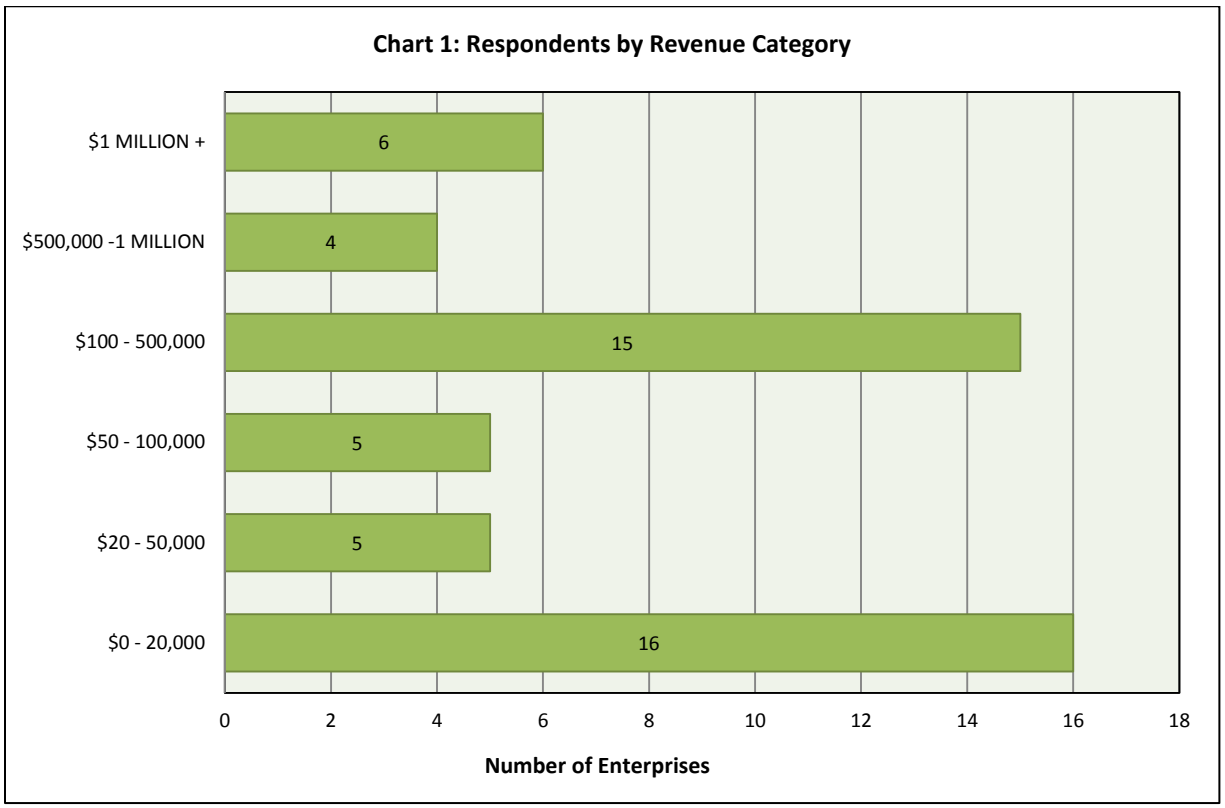
Supplementary data: We obtained supplementary data for eighteen (18) members of the Portland Made Collective from RefUSA, a publically available database. Thirteen (13) of these eighteen (18) members answered the survey, five (5) did not. The data primarily enhanced information regarding years of operation, products, revenues, and employment.

Resolving conflicts in data: There was surprising level of correspondence between the respondent survey answers and the information obtained from the RefUSA database. In ten (10) of the thirteen cases (13), the information obtained from the survey respondents and from the RefUSA database was the same. In three (3) cases, the information was substantially different, either in the revenue or employment reported. In these cases, we used the responses from the survey because they were more current.

Explanation for variations in usable data: While nearly all respondents answered all the questions, there were instances of missing data. Also, for five PMC members who did not answer the survey, we obtained supplementary information from the RefUSA database. For this reason, graphs and tables of different characteristics display variation in the number of enterprises for which data is available. For example, we had information for the fifty-seven (57) enterprises listed in Table 1, whereas, there were only forty-three (43) usable responses for Chart 6.

ANALYSIS

Respondents by Revenue Category: Results were unexpected (Chart 1). While there were a substantial number of respondents (16) with revenues between $0-20,000, we anticipated a much larger number in this category. We were also surprised that the numbers of respondents in the $100,000 - $500,000 range (15) was nearly as large as those with revenues of $0-20,000. It was also unexpected to find a remarkably large number of respondents. six (6), whose revenues were $1 million or greater.



While the data is limited, it is interesting to speculate on its meaning. Does it suggest that artisan enterprises find a sweet spot when revenues reach the $100,000 – 500,000 range and then again when they reach or exceed $1 million? Caution is advised in drawing these inferences. Some of the reported results could be an artifact of the revenue ranges that were available. We expected more enterprises at the lower ranges and therefore created more categories in those ranges to increase the sensitivity of responses. Given what our supplementary data from RefUSA has shown about the range of enterprises in the $1 million + category, it is apparent that we should have offered more options in this area as well.

Products and Services: Respondents identified a broad range of products and services from aprons, to lip balm, to skateboard parks (Table 1). No particular product line was over-represented. Some products were targeted to very particular markets, like headphone clips, but most were more broadly framed, like custom furniture and pet accessories.

Table 1: Products and Services

No	Primary Product or Service	Years of Operation	Annual Revenues	Total Employment
1	Handmade jewelry	1	$ 0 - 20,000	0
2	Custom bags	1	$ 0 - 20,000	2
3	Handwoven textiles	1	$ 0 - 20,000	0
4	Portland made box subscriptions	1	$ 0 - 20,000	2
5	Custom men's accessories	2	$ 0 - 20,000	5
6	Electric guitars, ukuleles, furniture.	2	$ 0 - 20,000	0
7	Handmade aprons.	2	$ 0 - 20,000	2
8	Handmade paper goods - workshops	2	$ 0 - 20,000	0
9	Art - 3D	2	$ 0 - 20,000	0
10	Leather goods	3	$ 0 - 20,000	2
11	Custom letterpress	4	$ 0 - 20,000	0
12	Fiberglass teardrop trailers	4	$ 0 - 20,000	1
13	Business directory	5	$ 0 - 20,000	1
14	Graphic arts posters	7	$ 0 - 20,000	1
15	Portrait photography	9	$ 0 - 20,000	2
16	Ceramics	10	$ 0 - 20,000	0
17	Headphone accessories for athletic market.	1	$ 20,000 - 50,000	1
18	Video Production	1	$ 20,000 - 50,000	1
19	Pet accessories	2	$ 20,000 - 50,000	0
20	Paper goods...primarily postcards.	3	$ 20,000 - 50,000	0
21	Hand-crafted leather goods/accessories.	4	$ 20,000 - 50,000	3
22	Menswear and accessories	2	$ 50,000 - 100,000	2
23	Wooden iPhone accessories.	2	$ 50,000 - 100,000	2
24	Custom jewelry and metalwork	3	$ 50,000 - 100,000	2
25	Professional photographer	4	$ 50,000 - 100,000	1
26	Distilled craft spirits	4	$ 50,000 - 100,000	1
27	Hats and millinery	5	$ 50,000 - 100,000	2
28	Supplier of coffee making equipment	3	$ 100,000 - 500,000	5
29	Beeswax based lip balm	3	$ 100,000 - 500,000	1
30	Luxury craft golf accessories	3	$ 100,000 - 500,000	8
31	Artisan jam	3	$ 100,000 - 500,000	7
32	Clothing and jewelry.	4	$ 100,000 - 500,000	2
33	Make-your-own kombucha kits	4	$ 100,000 - 500,000	3
34	Handmade jewelry	4.5	$ 100,000 - 500,000	4
35	Hand-made leather bicycle accessories	5	$ 100,000 - 500,000	3
36	Retail store - clothing manufacturing	6	$ 100,000 - 500,000	3
37	Ceramic design and manufacturing	6	$ 100,000 - 500,000	6
38	Women's clothing	7	$ 100,000 - 500,000	2
39	Custom cabinetry	9	$ 100,000 - 500,000	1
40	Glass art, private label manufacturing	14	$ 100,000 - 500,000	2
41	Furniture product and custom design services	16	$ 100,000 - 500,000	12
42	Handmade ceramic tile	16	$ 100,000 - 500,000	5
43	Cookies, pastries, shortbreads	31	$ 100,000 - 500,000	6
44	Private label manufacturer bags - accessories	2.5	$ 500,000 - 1 million	18
45	Concrete skateboard parks	4	$ 500,000 - 1 million	7
46	Eco-conscious photo products.	7	$ 500,000 - 1 million	8
47	Retail shop selling handmade items	8	$ 500,000 - 1 million	3
48	Custom furniture, cabinetry, and interiors	13	$ 500,000 - 1 million	4
49	Crowdfunding - product development platform	2	$ 1 - 5 million	7
50	Architectural hardware	5	$ 1 - 5 million	13
51	Private label manufacturer	8	$ 1 - 5 million	26
52	Retail art/craft supplies and classes	10	$ 1 - 5 million	13
53	Handcrafted wood furniture	32	$ 1 - 5 million	32
54	Custom Flags	51	$ 1 - 5 million	17
55	Architectural tile	32	$ 50 - 100 million +	89
56	Art glass and art glass education	40	$ 50 - 100 million +	125
57	Paints, stains, coatings	82	$ 50 - 100 million +	350

Years of Operation: The blue bars in Table 1 show that the enterprises that produce the greatest revenues and employment are also those that have been in operation the longest. For example, the last five enterprises in Table 1, numbered 53-57, have all been in operation over 30 years. Both in revenues and employment their collective contribution is greater than the other 52 enterprises combined. However, years of operation are not the sole determinant of enterprise revenues. Enterprises 44-45 and 49-50 have been in operation only 2-5 years, yet they are generating revenues in the $1-5 million range and creating significant employment. Also, more than 60% of all those in the $ 100,000 – 500,000 range have been in operations 6 years or less.

Additional information about years of operation is displayed in Charts 2 and 3 below. Chart 2 shows the number of enterprises in each age category. Not surprisingly, most of the fifty-seven (57) enterprises were relatively young. The largest number of enterprises, twenty-one (21), are found in the 3-5 year category and the second largest number of enterprises, fifteen (15), have been in operation only 1-2 years. However, it is also interesting that there is quite a broad distribution of enterprises across age categories with six (6) organizations in operation 30 or more years.

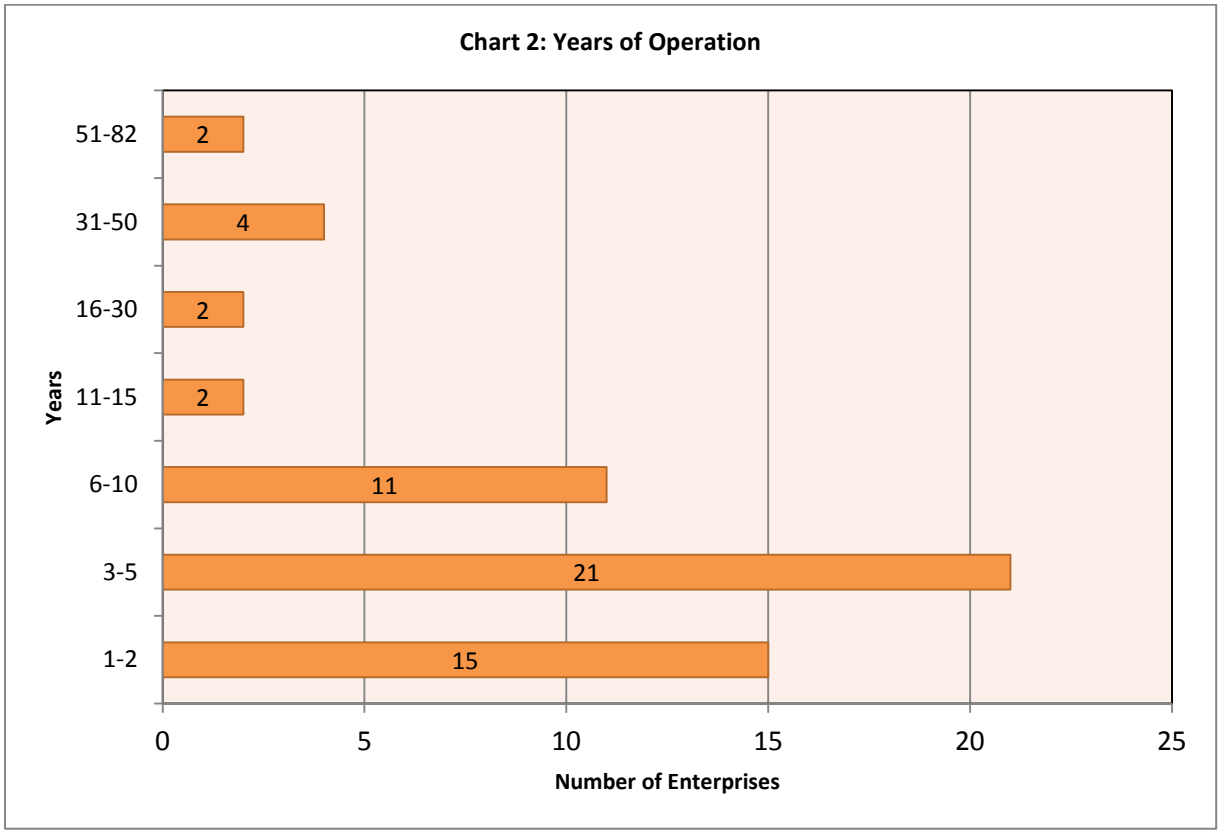
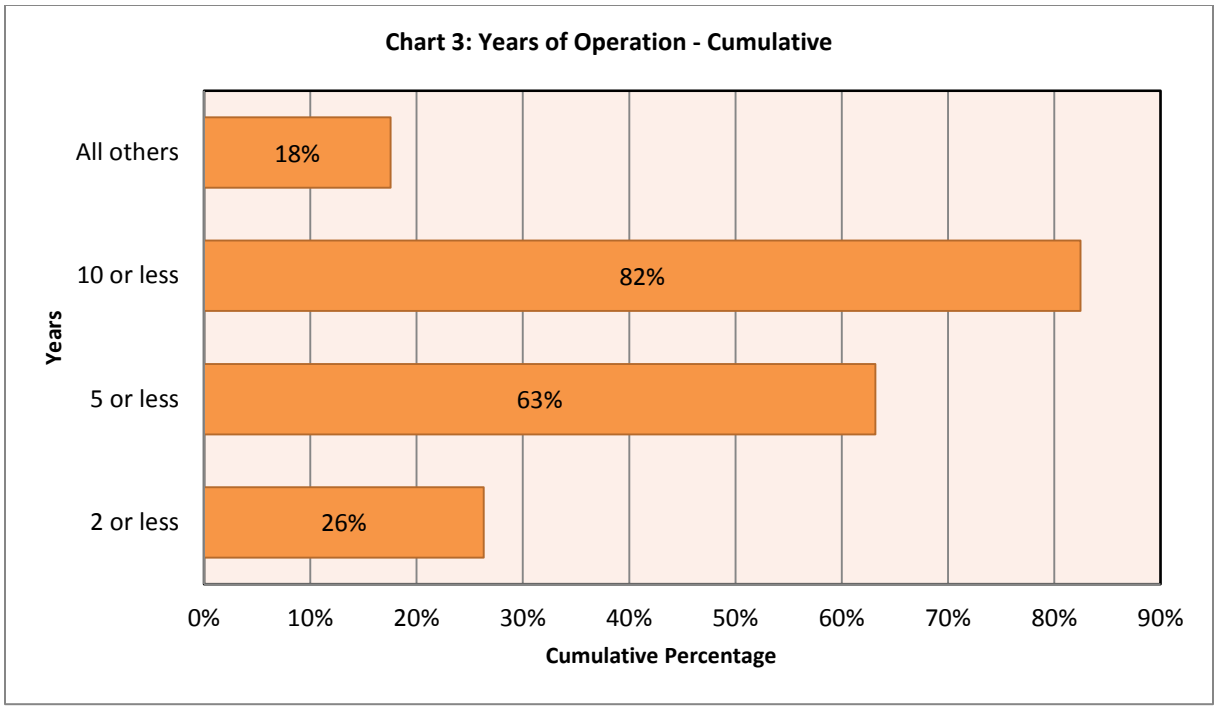


Chart 3 displays years of operation in cumulative categories. This display better highlights the totality of enterprises that fall below some given age. Chart 3 shows that eighty-two percent (82%) of all organizations have been in operation 10 or fewer years, sixty-three percent (63%) five years or less, and twenty-six percent (26%) 2 years or less. The "All others" category is not cumulative but residual, showing that eighteen percent (18%) have been in operation 11 or more years.



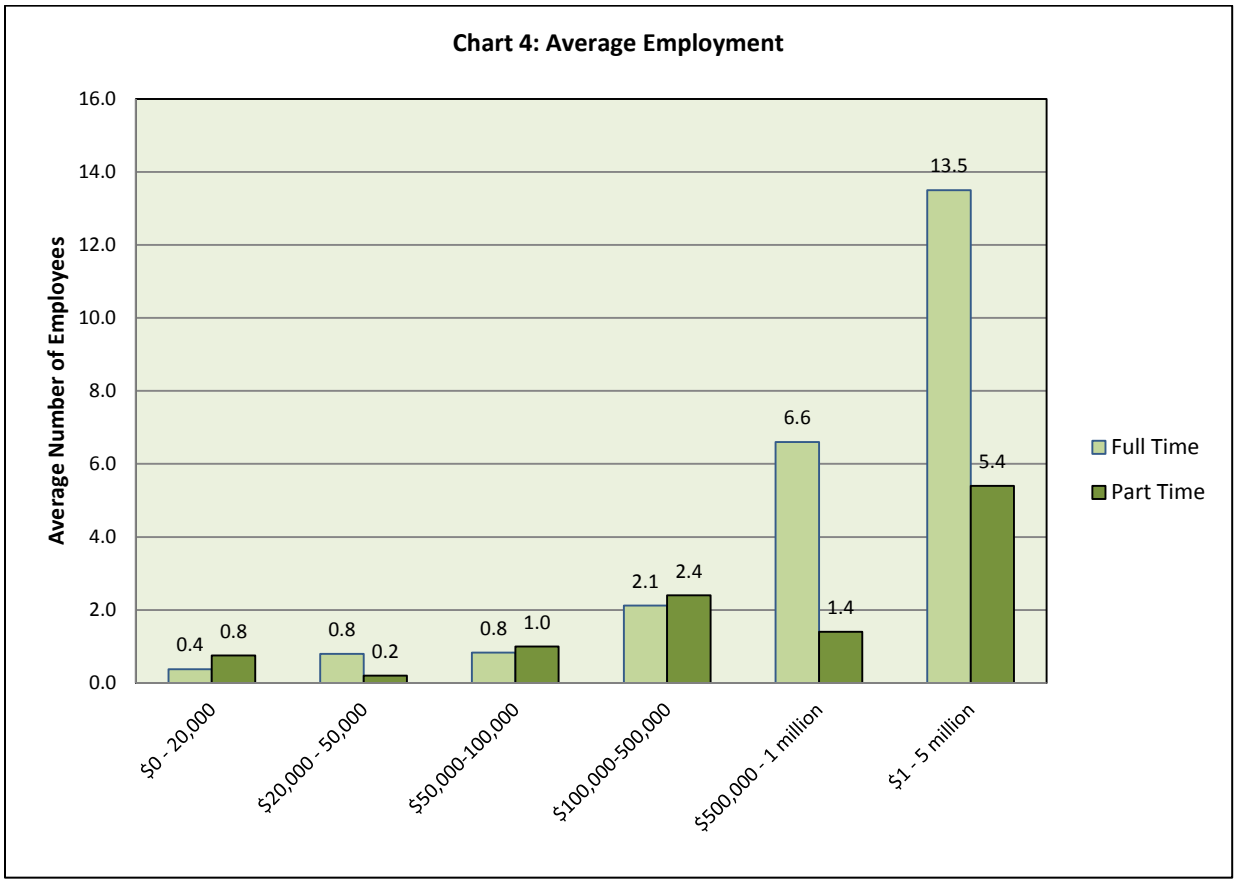
Employment: We asked survey respondents "How many full time workers do you employ?" and additionally, "How many part time workers do you employ?" We assumed that respondents would include themselves as either a full time or part time employees, but the framing of the question did not make that clear. In reviewing the responses, we found that some respondents reported no employees, either full or part time, leading us to conclude that, in some cases, the numbers of persons reported to be employed may not include the owner of the enterprise. Especially in the smaller organizations, this could lead to under-reporting.

There were fifty-two (52) usable responses to the employment questions. In addition, we had supplementary data from the RefUSA database for five (5) members of the Portland Made Collective who did not answer the survey.

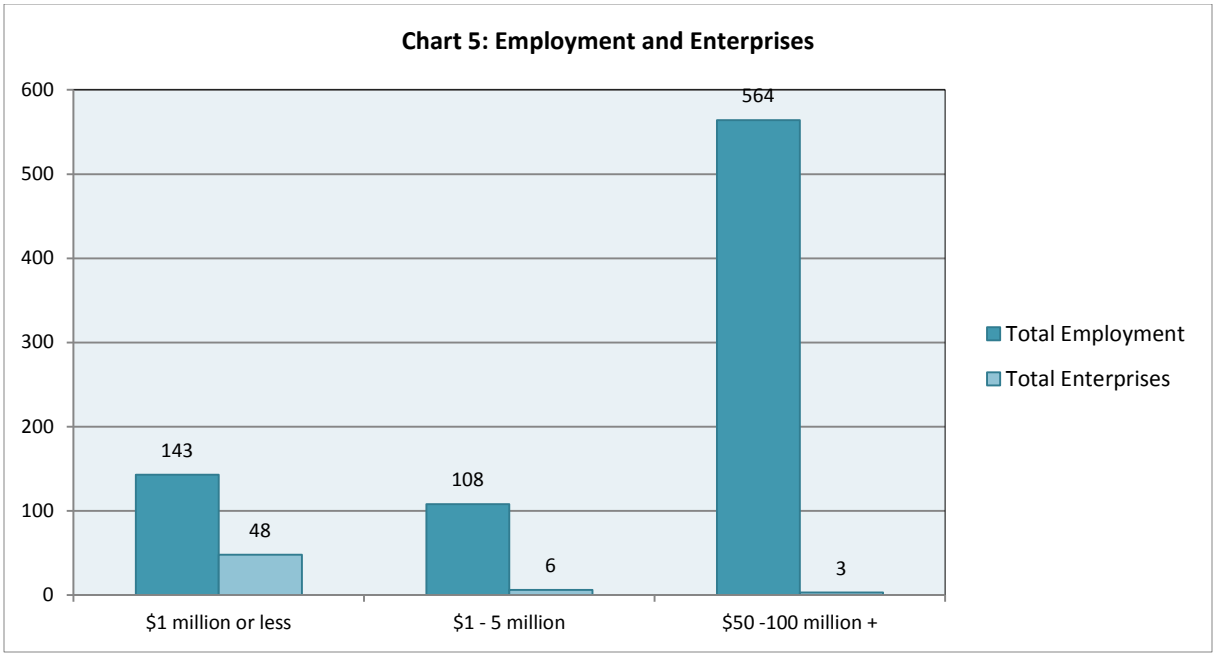
Chart 4 shows the average employment by size of enterprise. Because of the additional data from the RefUSA database we were able to add two categories to the underspecified $1 million + category from the survey. The first additional category, shown on the graph is $1 – 5 million. A second category of $50 – 100 million is not included on the graph because it compresses all the other data.

The primary observation is expected and obvious; as firms grow they employ more people. However, there are some interesting observations regarding full and part time work. The data presented here suggest that larger firms tend to employ more full time workers relative to part time workers. That is especially true beginning with the $500,000 to 1 million size enterprises. Below that size, the pattern is generally reversed with part time employment larger than full time.

It is also somewhat remarkable that enterprises under $100,000 do not, on average, support even 1 full time worker. Up to $50,000 revenue, enterprises support about 1 worker (full + part time) on average with the mix moving from part time to full time as the enterprise gets larger. When an enterprise reaches revenues between $500,000 – 1 million this seems to be the sweet spot signaling the beginning of exponential employment growth and a dramatic shift from part time to full time employment.



Total Employment - Correlation Between Size and Number of Enterprises: Chart 5 shows a positive correlation between total employment (combining full and part time) and the size of the enterprise and a reverse correlation between total employment and number of enterprises. To simplify the comparison, all enterprises with revenues of $1 million or less have been grouped into a single category. Combined, these forty-eight (48) enterprises provide employment for one hundred and forty-three (143) persons. Six (6) Enterprises in the $1 and 5 million category provide employment for one hundred and eight (108) persons, three quarters (¾) as many as all the forty-eight (48) enterprises with revenues of $1 million or less. Finally, only three (3) enterprises whose revenues are in the $50-100 million + category provide employment for five hundred and sixty-four (564) persons, over twice the number of employees as all the fifty-four (54) other enterprises combined.



While these observations may suggest that small artisan enterprises, even collectively, have much less impact than a few large enterprises, some examination of the data is in order. One (1) of the three large employers is Rodda Paint, a venerable home grown firm that has been in existence 82 years. Three hundred and fifty (350) employees, well over half of all employees in this category, can be attributed to them alone. While its organizational history is important, it is from the two (2) other enterprises in the $50-100 million + category that we should look to lessons for the future. Their history, character, and development are perhaps more representative of the artisan/maker enterprises that constitute most of the Portland Made Collective.

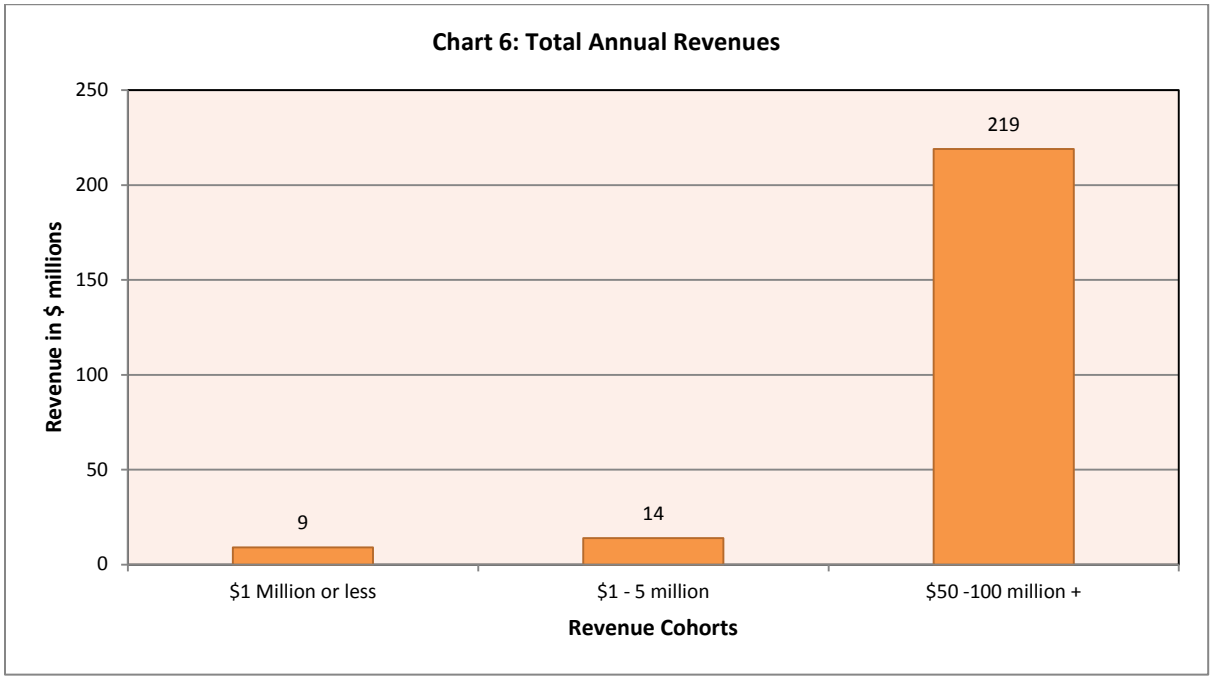
Bullseye Glass was founded by Dan Schwoerer, Ray Ahlgren, and Boyce Lundstrom, three art school graduates, in 1974. The "glass factory" where they began making colored sheets for the stained glass trade, was a shed in the backyard of their Portland house. Schwoerer was a student of Portland State University professor and ceramist, Raymond Grimm, whose "glass shack" was the first glass making studio in the state of Oregon. Bullseye Glass is now an internationally recognized maker of art glass and promoter of glass art through its educational outreach. It employs one hundred and twenty-five (125) workers.

Pratt and Larson Tile and Stone has a similar history. Michael Pratt, a ceramist and painter, and Reta Larson, a textile artist and home remodeler started the enterprise in 1982 in a home basement studio in Portland. They were among the first companies producing custom designed tiles for a national market. Today they employ eighty-nine (89) highly trained employees in their facilities in eastside industrial area.

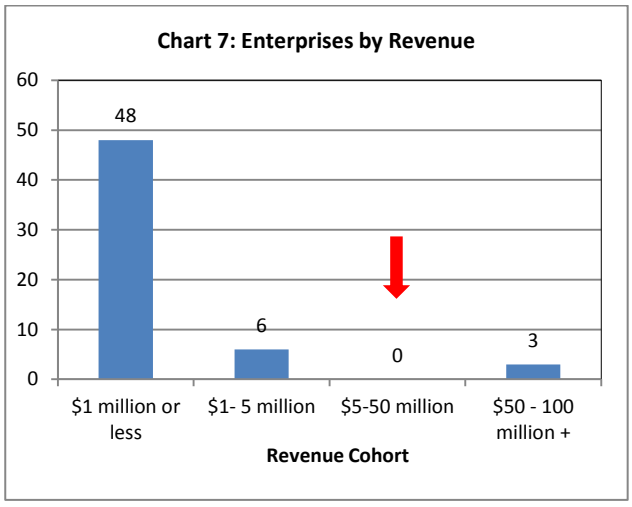
A vibrant and diverse economy has both big hits and a long tail. Rodda Paint, Bullseye Glass and Pratt and Larson Tile are obviously the big hits. The remainder of the enterprises constitutes the long tail. Collectively the long tail contributes considerable employment. It is out of the diversity of this understory of small enterprises that the big trees of the new economy will arise.

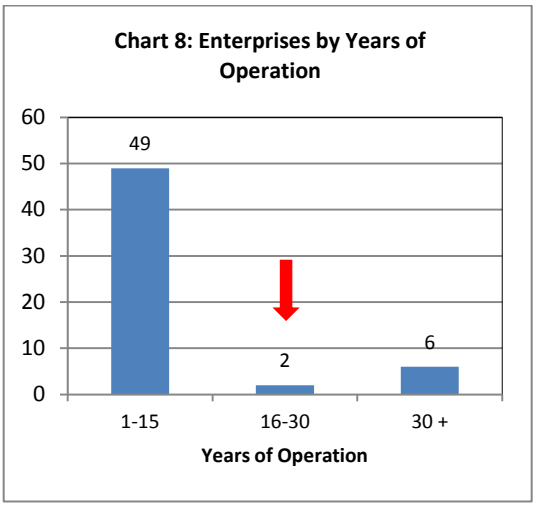
Total Annual Revenues: Using the same aggregate categories as we did with employment, a similar picture emerges (Chart 6). Revenues, even more than employment, are overwhelmingly generated by

those few firms in the $50 – 100 million category. If we had data for enterprises between $5 and $50 million, the comparison might seem less dramatic but the pattern would likely be similar.



Hole in the Middle: Chart 7 displays revenue cohorts similar to those in Chart 6 with the exception that it also displays a revenue cohort of $5-50 million that was not included in Chart 6 because there were no enterprises to populate this cohort. Chart 8 displays the number of enterprises by years of operation. These two charts are paired to illustrate similar gaps in both charts, what we are calling the "hole in the middle." In Chart 7, for the $5 – 50 million revenue cohort, where you would expect to find three to five (3-5) enterprises, there are none. In Chart 8, in the 16-30 year cohort where you would expect to find ten to fifteen (10-15) enterprises there are only two (2).





Since it is not possible to have some enterprises survive into the oldest cohort, 30 + years, without a larger number going through and middle range of age and revenues, we are left with a problematic gap. While there are any number of explanations that might be offered for this, serveral seem more plausable.

The first explanation is that PMC members are a small and unrepresntative group, and this is simply an artifact of the data. A second explanation, is that most enterprises fold in their early years or are transformed into other ventures. While this explains an expected and substantial drop in the number of enterprises, it does not explain the dirth of enterprises that must populate the middle range category in order from some to survive into the oldest cohort.

A third explanation is that middle age, middle size enterprises face particular risks and opportunities. They may have grown sufficiently that founders cash out, or founders may burn out and quit if the enterprise plateaus or other competitors enter the market, or it may be some combination of both.

A final explanation, the one that we prefer, is that periods of innovation and enterprise occur in waves, perhaps 30 year cycles. There may have been a wave of artisan/makers like Bullseye Glass, Pratt and Larson Tile, and The Joinery that started in the late 70's and have grown into substantial enterprises. The 2000's seem to represent the next wave of artisan and makers evident in the substantial number of young enterprises with revenues below $ 1 million. In between these two fertile periods, is the "hole in the middle" a transition period where there are few enterprise foundings.

Revenue and Employment Projections: In this section we make some conservative projections about revenue and employments impacts for the whole PMC membership, based on what we know from survey respondents and supplementary data (Table 2). The fifty-seven (57) Portland Made Collective enterprises, for which we have data, employed a total of eight hundred and fifteen (815) persons employed. Together the fifty-seven (57) PMC member enterprises generated over $242 million in revenues. The third column in Table 2 shows how those employment and revenue numbers would look if we projected them for the entire 126 PMC membership.

Table 2: Projecting Revenues and Employment for Total PMC Membership

	PMC members for which data is available (57)	Projected for total PMC membership (126)
Total employment	815	1067
Total revenues	$242,000,000	$263,000,000

Several clarifications are necessary to demonstrate the limits of these projections. While the employment data for the fifty-seven (57) enterprises are the actual numbers reported by respondents or found in the RefUSA database, the revenue numbers have been generated using the following assumptions. Where there was a range of revenues, we used the mean value. For example, the revenue range of $50,000 – 100,000 was counted as $75,000. When a specific revenue number was available from RefUSA database, we used that number. When there was a conflict between the RefUSA data, we used the more current estimate provided by the survey respondent.

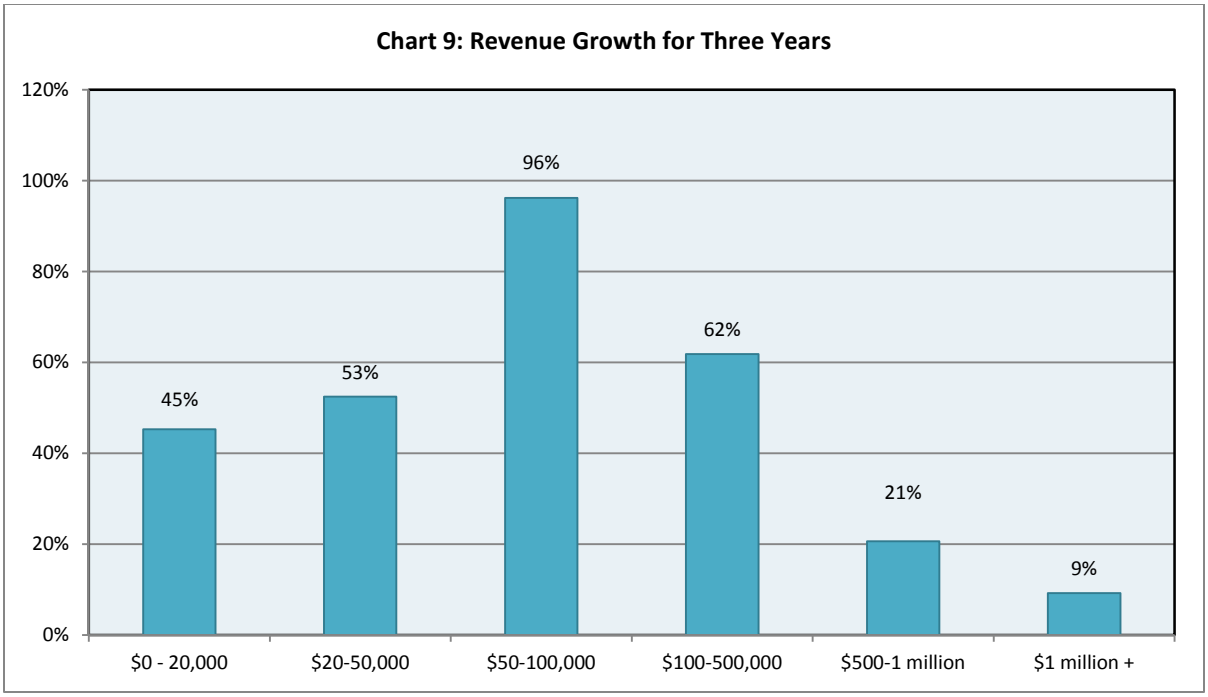
For the revenue cohort, $1 million or less, we used a standard projection formula (known data/# of enterprises in that cohort = projected data/(percent of the cohort x 126). For the $1 – 5 million cohort, we had numerical data for two-thirds (2/3) of the enterprises so we used the standard projection for the unknown one-third (1/3) of the enterprises and added this figure to existing data for the known two-thirds (2/3). For the $50-100 million + cohort, we assumed that all PMC enterprises of that size would have been identified in the RefUSA database, so we used the existing number in the projection.

While we always chose the most conservative alternative, we are assuming that those who did not answer the survey will roughly match the distribution of enterprises that did answer the survey. Even though the response rate was good, the survey was not randomized and we have small samples in some of the categories, therefore caution is advised.

With those caveats in mind, it is worth noting that the one thousand sixty-seven (1067) projected figure for employment and the two hundred sixty-three ($263) million in projected annual revenues for the 126 PMC members are significant figures and demonstrate the importance of artisan/maker enterprises to Portland's overall economy.

Growth in Revenue: There were forty-three (43) usable responses to the question "On average, over the last three years, what percentage have your annual revenues grown?" Overall, the responses indicate very strong growth, with only one enterprise reporting a small negative growth rate while eight (8) enterprises reported growth rates between one hundred to three hundred percent (100-300%). The exceptionally positive estimates suggest that the question was misunderstood. Instead of reporting the average annual revenue growth based on three years of data, we are assuming in our reporting that respondents reported cumulative revenue growth over the three years. Even if that is the case, the reported growth was substantial. For example, the average reported growth for all the enterprises was sixty one percent (61%). Even if that represents the cumulative growth over three years, that would be roughly twenty percent (20%) annually.

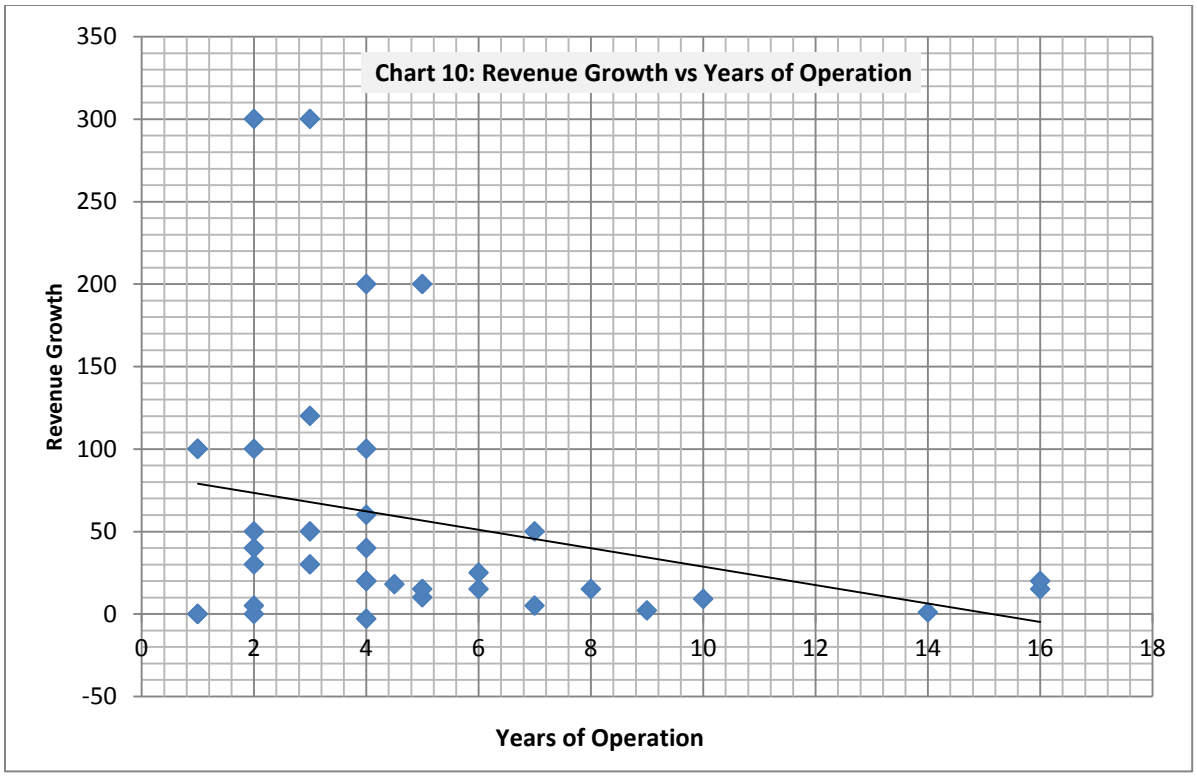
But perhaps we should not be so skeptical of the very strong growth estimates. Most of the respondent enterprises are relatively small so we could expect that small increases in revenues could have a large effect. To see whether there was any pattern of association of revenue growth with size of enterprise, we charted the average revenue growth based size of enterprise (Chart 9). There seems to be a pattern but the number of enterprises in several of the categories is small so outliers can have a large effect. For example, in the category of $1 million +, we removed one outlier reporting 500% annual growth because it was so radically different than the four other enterprises. Had this outlier been included, the average revenue would have been 107% rather than 9%.



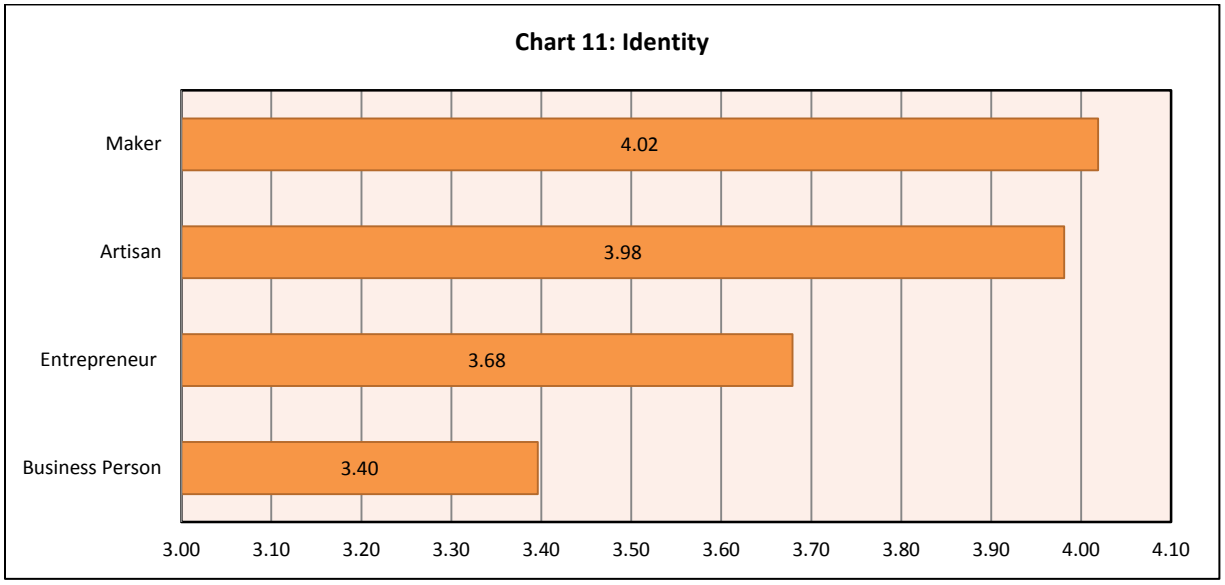
Given these disclaimers, we can speculate that revenue growth is strongest with the smaller enterprises and increases as revenues increases to when the enterprise reaches the $50 – 100,000 range but then begins to taper as the size of the enterprise grows. While the sweet spot seems to be $50-100,000, the number of respondents in this category is small and includes one significant outlier so this number is suspect. However, data is pretty strong and consistent for the $100-500,000 data range where we have a large number of respondents, so it is fair to say that the enterprises in this revenue range were experiencing strong growth.

A second comparison that might shed some light about revenue growth is to plot the years of operation (x axis) against annual revenue growth (y axis) (Chart 10). The expectation would be that young enterprises have the potential to grow more quickly than older enterprises. Looking at the trend line, this appears to be the case. However there is a great deal of variability with some significant outliers and we have excluded all firms over 16 years of operation to avoid data compression in the display. The enterprises, that are not included on the chart, however, do follow the trend line as displayed.

Whatever the reporting miscues and the limits of the data, it is fair to conclude that these are exceptionally fast growing enterprises and that the younger enterprises are growing substantially. If we make the most conservative assumptions, the enterprises are reporting growth rates that average 20% annually across all enterprises. At the very least, these artisan/makers are very optimistic about the promise of their enterprises.

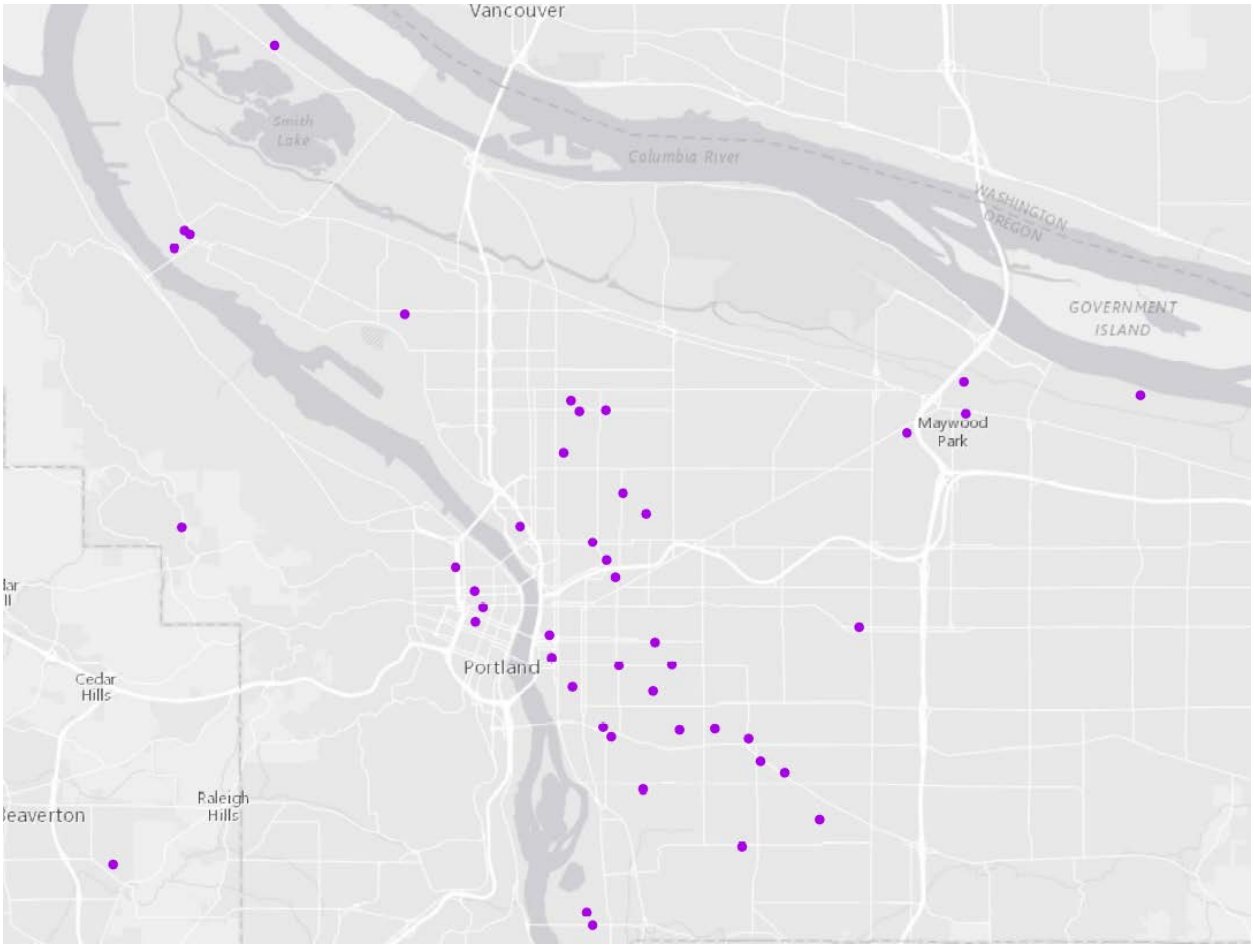


Identity: Respondents were asked to rank their identity preferences on a scale of 1-5 (Chart 11). Of the four options they were offered, on average, they clearly preferred maker and artisan. They were somewhat less taken with entrepreneur and least preferred business person. The preference for maker/artisan may suggest that respondents value craft and quality over maximizing financial returns.



Location of Enterprises: Enterprises are concentrated in southeast Portland, many in the central eastside. There are several clusters: St. Johns, Pearl District, Alberta area, and around Maywood Park.

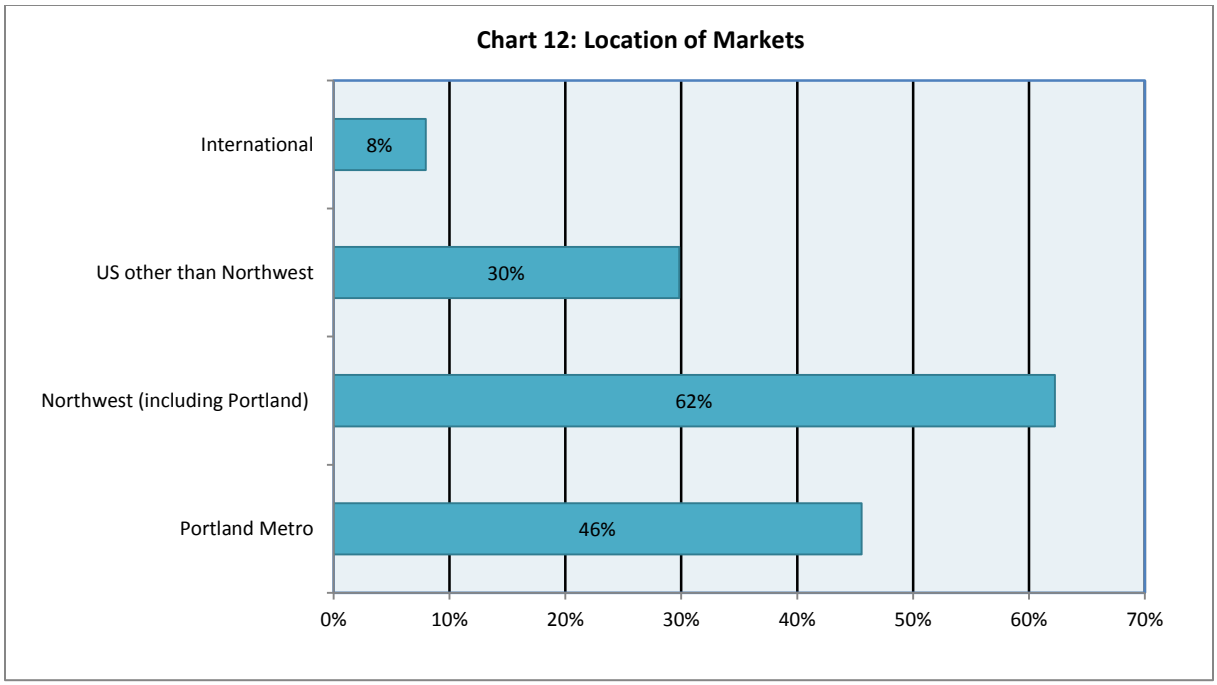
Map 1: Location of Portland Made Collective Members



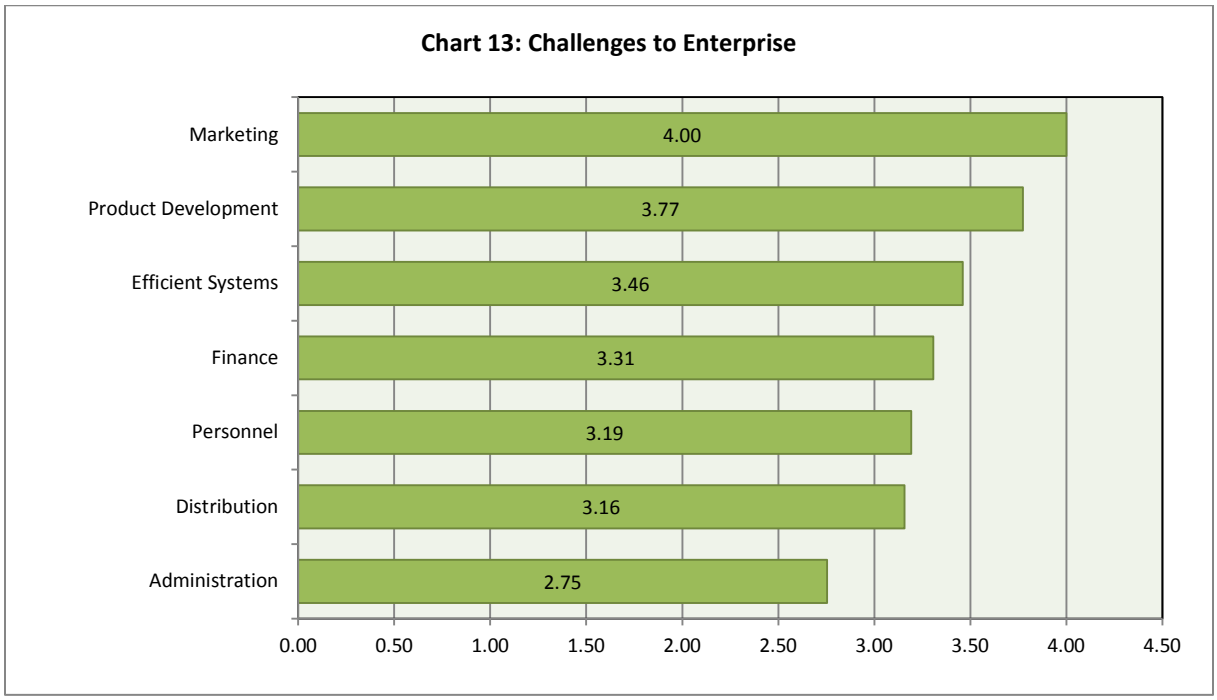
Map courtesy of Dillon Mahmoudi

Location of Markets: Respondents were asked to identify the location of their markets. A summary check was made of the totals to see if responses summed to more than one hundred percent (100%). Only two (2) responses totaled more than one hundred percent (100%). In these cases respondents generally erred by entering cumulative totals, so scores were adjusted accordingly assuming that the Portland Metro response was the most accurate.

The results were somewhat unexpected (Chart 12). Given the size of most firms, their products, and their assumed preference for everything local, we expected a larger percentage of reported sales to be local. While the share of Portland Metro sales was substantial, (46%) it remains that an even larger share (54%) of sales were outside the Portland Metro area. It is noteworthy that thirty percent (30%) of USA sales were beyond the Northwest region and that international sales accounted for eight percent (8%) of total sales.



Challenges: Respondents were asked to rank challenges to their enterprise on a scale of 1-5 (Chart 13). Respondents identified marketing and product development as the most important and administration the least. All but administration received average scores over three (3). It is perhaps surprising, given the reporting on the difficulty of securing finance for small enterprises, that finance was ranked in the middle of the challenges.



Conclusion: The high response rate to the survey indicates that we were successful in our effort to encourage participation by making the survey brief and accessible. We also believe that persistence in resending the survey was an important factor. Three questions may have been confusing to participants and these may lead to caution in interpreting some of the responses. Readers should refer to the relevant sections for a discussion of these issues. If we were to repeat the survey, we would include additional revenue ranges, but that would need to be balanced against the need for simplicity and legibility in the survey. We would also clarify the questions related to employment to indicate that owners should count themselves as part or full time employees. Finally, we would clarify the question on revenue growth by giving an example of how the answer should be calculated.

Products and services offered by PMC members were quite diverse with no category dominating. The range of revenues represented was also quite diverse. With caution we may observe that the sweet spot for enterprises occurs when revenues reach the $100,000 – 500,000 range and then again when they reach or exceed $1 million? As expected, most enterprises are quite young, with sixty-two percent (62%) in operation five (5) years or less and eighty-three percent (83%) ten (10) years or less. It is noteworthy that the three (3) enterprises that have been in operation for thirty (30) years or more produced ninety percent (90%) of the revenues and seventy percent (70%) of the jobs. The lesson is not to ignore the smaller enterprises but to nourish them. Two (2) of these three (3) large companies were started in small studios by founders with a passion for their work and the ability to turn that passion into something substantial.

Respondents reported amazing growth across all revenue ranges with the cumulative three year growth being sixty-one percent (61%). As expected, growth was relative to size of enterprise with the highest growth rates reported at the $50-100,000 range and the lowest growth rate with the largest enterprises. While these numbers should be taken with some caution due to issues previously discussed, even the most conservative interpretation suggests that respondents were nearly universally positive and strong in their assessment of their growth for the previous three years.

Respondents self-identified as artisans and makers rather than entrepreneur or business person. Respondents were predominantly located in southeast Portland, with clusters located in other known hot spots. Respondents perceived their most important challenges to be in marketing and product development and their least to be administration. Finally, the survey demonstrated that these enterprises are selling to diverse markets. Only forty-six percent (46%) of their market is local with a significant eight percent (8%) being international.

Phase II of the project is underway. Grant funding to support this research has been secured for the 2014-2015 academic year and the necessary Human Subjects Review has been completed. We have developed a successful research strategy that is moving us quickly toward our goal of identifying all of the artisan/makers in the Portland area. To date, nearly six hundred sixty-seven (667) artisan/makers have been identified, with fifty-three (53) being located in the RefUSA database. Many, perhaps most, artisan sectors have not yet been explored, so it would not be surprising to find that our final list of artisan/makers will number in the thousands. A report on the status of the Phase II research project follows.

ADDENDUM: STATUS OF PHASE II RESEARCH

The above report constitutes the completion of Phase I of the PMC research. In Phase II of the project, we intend to broaden our database to include all identifiable artisan/makers in Portland, evaluate characteristics based on website information, and conduct in-person interviews with select PMC members. Phase II of the project is funded by a Portland State Institutional Career Support Grant, a Research Stimulus Grant from Portland State Institute of Sustainable Solutions, and tuition assistance funds from a Laurels Scholarship. We have completed the Human Subjects review required for conducting the interview research. The following is a summary of progress on Phase II.

Methodology

- Our strategy is to be more inclusive than exclusive; that is, if there is a question of whether or not an enterprise should be included in the list, we include it.
- The technique is multifaceted, but essentially revolves around finding "rabbit holes." Many times these rabbit holes are vendor lists on websites of boutiques or craft fair organizations such as Renegade Crafts or Crafty Wonderland. Other rabbit holes include guild membership lists (Oregon Brewers Guild), craft or creative enterprise blogs/online magazines (Sarah Loves Portland or PDX Eater), Educational Facilities and trade schools, or various services (Tique Box).
- Other places to look for artisans have been artisan enterprise-related webspaces such as Big Cartel, Kickstarter, Etsy, and IndieGogo.
- Lastly, general observation has been a technique. The idea here is to stroll up and down the commercial districts (Alberta, Hawthorne, NW 23rd, etc.) in which these enterprises (as well as the stores that sell their wares) are collected. Talking to shopkeepers, browsing items for sale, and logging boutique names to check for online vendor/inventory lists are all ways of obtaining data.

Artisan/Maker Database

- As of September 30th, the database includes: six hundred sixty-seven (667) artisan enterprises; sixty-six (66) shops that sell various artisan wares; fifteen (15) makerspaces/collaborative or collective workspaces; and fifty-five (55) miscellaneous resources (things like vendors lists, collaborative/community workspaces, local blogs, other local resources).
    - There are no repeats from the PMC survey list (i.e. there are roughly 60 more that we have detailed info on, making the total number around seven hundred thirty [730]).
    - The total number of artisans enterprises documented so far will increase significantly; we are comfortable estimating that the final number will be in the thousands.
    - The total number of shops and boutiques will increase significantly, probably numbering in the hundreds (maybe between 125-175 depending on how we decide to eventually define "artisanal shops"); Many artisans operate small shop spaces that are open to the public; these are often left out of the tally for artisanal shops.
    - The distinction between collaborative workspaces/studios, collectives, and makerspaces are often times blurry, so the final total of makerspaces could end up higher or lower than fifteen (15).
    - We have also documented twenty-seven (27) unique web-based resources that makers/artisans frequently utilize in common enterprise operations.
- At this point in the research, almost all (probably about 95%) of the artisans are from or operate their enterprises in Portland rather than the suburban cities such as Beaverton, Hillsboro, or Gresham. This could be due to the fact that many identify Portland as the brand in play, as

opposed to the suburban identity (e.g. “Portland Made” vs. “Beaverton Made”), regardless of where they actually live or work. In other words, there is more power in identifying with Portland (especially on an artisan’s web space) than with Portland’s suburbs.

- The industries that are the most represented in the database as of right now are fashion, jewelry, textiles, bags, and accessories.
- At this point we have yet to deeply look at the following: Record Labels/Studios, Restaurants/Food Carts, Glassblowing, Digital Makers, and many others.
- We will complement our online research by searching the RefUSA database that has provided limited but valuable information, especially for more established and larger enterprises.

Artisan/Maker: Observations, Insights

- The bios of almost all enterprises reflect the values of working **autonomously**, **deliberately**, **locally**, **consciously** (socially and environmentally), and **making things by hand,** especially in **small batches**. Other values that are commonly reflected are **honesty, friendship,** and **sustainability** (many go as far as defining what exactly sustainability means to them).
- Some have had desk jobs and left that world to pursue their passions, while others eschewed professional life altogether. Many seem to reject the notion of “cubicle life.”
- While there are some artisans that seem to be pushing back against globalization/mass production, instead many seem to be pushing back against making compromises in terms of quality of life.
- Some examples of what bios say:
    - “Putting my hope into art, I get back freedom” (Almost Monday).
    - “I believe in real food, small economies, and sense of place” (Bees and Beans).
    - “My commitment is to work passionately in the direction of my interests, to rise to the challenges of opportunity, to strive for authenticity, and to look for play in everything I do.” (The Harkaway Project)
    - “The objective of the company is rooted in the intention to proactively function as a regenerative and restorative service that utilizes the earth's resources with integrity and consciousness.” (Earthbound Industries)
    - “I realized that if I was going run my own business as a living I wanted to make pieces for myself and like-minded people.” (Primecut Bags; from the Hackwith Design Blog)
    - “I believe in sustainability, seasonality, regionality, trust and transparency in our food culture.” (Salt, Fire and Thyme)
- There is little doubt that there is some sort of collective consciousness at work: the power of style/trend is also at work, but trends seem to change in the way a flock of birds changes directions while in flight – with little resistance, common acknowledgement of changes, and almost immediate response.
- While it does appear that most artisans are educated, it doesn’t appear that they are trained as entrepreneurs or in business: many appear to have degrees from art schools or in subjects such as art history, natural sciences, anthropology, or even culinary trade school degrees.
- There is a particular way of naming/renaming things on websites: for example, **lookbooks** instead of catalogues, or **stockists** instead of proprietors (or any other “where to find our products” prompt).
- Most artisans appear to be in the twenty to thirty-nine (20-39) age range, mainly white, not persons of color.
- Artisans seem to be evenly distributed women/men.

- Most artisan enterprises are between two to six (2-6) years old, and many are one to two (1-2) years old.

RefUSA Database

- We have begun our search of the RefUSA database and have completed three hundred and forty one (341) queries, finding data on fifty-three (53) enterprises. The information is extensive and valuable and our experience suggests that it is fairly reliable.

Artisan/Maker Interviews

- To date, eight (8) interviews have been conducted. We will reserve our observations from interviews until we have a larger number to draw on.

APPENDIX: PORTLAND MADE COLLECTIVE SURVEY

1. What is your name?

2. What is the name of your enterprise?

3. What is the address of your enterprise?

4. Web address?

5. Phone?

6. How many years has your enterprise been in operation?

7. What is your primary product or service?

8. What percentage of your market is in - Combined answers should = 100%

	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Portland Metro										
Northwest (outside Portland Metro)										
USA (outside Northwest)										
International										

9. What is the range of your annual revenues?
   - o 0 - 20,000
   - o 20,000 - 50,000
   - o 50,000 - 100,000
   - o 100,000 - 500,000
   - o 500,000 - 1 million
   - o 1 million +

10. On average, over the last three years, what percentage have your annual revenues grown?

11. On a scale of 1 to 5 how well does each of the following describe you?
    (1 is lowest, 5 is highest)

	1	2	3	4	5
Artisan					
Entrepreneur					
Maker					
Business person					

12. How many full time workers do you employ?

13. How many part time workers do you employ?

14. On a scale of 1 to 5 how important is each of these challenges to your enterprise?
    (1 is lowest, 5 is highest)

	1	2	3	4	5
Marketing					
Personnel					
Product Development					
Finance					
Efficient Systems					
Administration					
Distribution					

15. Please list two other enterprises that might benefit from being members of the Portland Made Collective.

16. Thank you for participating in this survey. Are there any comments you would like to add?