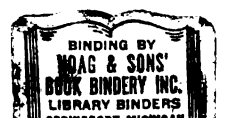


A SURVEY OF THE PRESENT STATUS OF
THE MICHIGAN APPAREL INDUSTRY

Thesis for the Degree of M. A.
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MARY MARTELL MASON
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ABSTRACT

A SURVEY OF THE PRESENT STATUS OF THE MICHIGAN APPAREL INDUSTRY

by Mary Martell Mason

Conducted as an exploratory and descriptive study of the Michigan apparel industry, this survey is part of the investigation of regional apparel markets undertaken by the Textiles, Clothing and Related Arts Department, College of Home Economics, Michigan State University. Information was obtained through a questionnaire from a representative group of apparel manufacturers regarding the structure and organization of firms, types of apparel produced, marketing facilities, extent of the market, and factors which would be influential in the expansion of Michigan apparel production.

Census data were used to establish background information concerning development of apparel production within the state and to show growth of production during the past twenty years. The two apparel classifications of importance for Michigan, according to census figures, are 1) women's and children's underwear and 2) children's outerwear.

Michigan's apparel production dates from the past century since a few of the participating firms have produced

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apparel for about 100 years. Most firms, however, were established in the twentieth century with the greatest growth period from 1940-1959.

The majority of firms in Michigan operate just one plant, although some firms maintain as many as three production units. The most important sources of materials for Michigan apparel producers are suppliers located in eastern and southern regions of the country. Most of the firms are relatively small with fewer than 100 employees, but several firms employ over 200 workers. There is a relative absence of union affiliation among the participating Michigan firms.

Ten firms answering the questionnaire reported production of apparel for women; four of the ten produce some type of underwear or nightwear. Seven firms manufacture apparel for children with an emphasis on infants wear. Four firms produce outerwear for men and boys. A large quantity of the apparel produced may be placed into the two categories of sport and playclothes or underwear and nightwear.

Market showings of Michigan produced apparel are held in several important trade centers, including Chicago, New York, Dallas, and Los Angeles. However, the use of road salesmen is a more important method of sales and distribution for most firms. Over half of the participating firms deal directly with retail outlets for the sale of the firm's

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apparel. A majority of firms distribute merchandise to all areas of the United States.

Factors which show conditions favorable to the expansion of apparel production in Michigan include an increasing market for most items produced, a suitable labor supply, transportation facilities, and the availability of financing. Several factors were considered as unfavorable, but the need for skilled workers trained to meet the needs of the apparel industry was stressed.

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By

Mary Martell Mason

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CHAPTER I

INTRODUCTION

The apparel industry is relatively young in the industrial history of America. Menswear production began on a limited scale in the early 1800's, but consisted mainly of cheap and poorly made garments for sailors, slaves, and laborers. The first real impetus to the industry came from the perfection of the sewing machine by Elias Howe in 1846 and from the Civil War. Demand for Civil War Army clothing brought about the first attempt of factory production. The first official report of a women's clothing industry did not appear until the United States Census of 1860, covering products such as hoop skirts, cloaks, and mantillas. Since that time, the industry has grown rapidly, expanding in numbers of factories, numbers of employees, and variety of garments, as well as increasing the quality of the goods.

Early in the twentieth century, the city of New York became the leading apparel production center of the country and still holds this position today. However, centers outside New York known as regional markets began growing in the late 1920's and became increasingly important. While New York has always produced a wide variety of apparel items,

regional markets have tended to be fairly specialized as to the types and price ranges of their products.¹

The trend toward development of regional markets is discussed by Hall in his book Made in New York. Hall presents some of the reasons for decentralization of the apparel industry from the New York Metropolitan Region. Two of the most important reasons he cites are the cheaper labor and lower cost of transportation which he feels are found in the Midwest. "For a long time now the central points for both population and income have been in the Midwest, and it is cheaper and faster to serve the national market from the general vicinity . . . than from anywhere else."²

Statement of the Problem

Neither the Detroit area nor Michigan has ever been considered a regional market as currently defined. However, a preliminary investigation disclosed some seventy firms classified as apparel manufacturing establishments in the state of Michigan. This seemed a substantial number on which to initiate an exploratory survey to discover the part Michigan plays in apparel production within the Midwest and throughout the whole nation. The basic problem of the investigation was to explore the present status of the

¹ Jeanette A. Jarnow (ed.), Fashion is Their Business (New York City: Fashion Institute of Technology, 1964), pp. 27-31.

² Max Hall (ed.), Made in New York (Cambridge, Massachusetts: Harvard University Press, 1959), pp. 8-9.

apparel industry in the state and to discover conditions which may affect its development. Those who are interested in the future development of the industry need to know more about the present industry, types and quantity of products, as well as trends and the potential for expansion.

Governor George Romney, along with economists and industrialists, made appeals during the early 1960's to manufacturers and producers in this country and abroad for industrial expansion in Michigan. At that time, in the Michigan State News, John P. Henderson, professor of economics at Michigan State University, was quoted on his opinions about the situation in Michigan. The automobile industry has become more regional in production and, thus, has taken much industry away from Michigan. Henderson credits the rise in income in the South and West (Florida, Texas, California) with an increase in tourism and recreation and indicates the great potential of Michigan in these areas.³ Studies already completed on the apparel markets in these states indicate the importance of the areas as recreational centers and credit this as a factor in the growth in importance of the area as a regional fashion market. The future could hold parallel developments for Michigan. Michigan is well established as a recreational area for both winter-time sports and summer resorts. Further investigation of the apparel

³"Michigan May Slip in Economic Importance," Michigan State News (East Lansing, Michigan), August 12, 1965, p. 3.

industry in the state, utilizing the recreational factor, might offer assistance and stimulation in the development of new industries for Michigan.

The Department of Textiles, Clothing and Related Arts is undertaking the investigation of several regional apparel markets to discover the importance they play in the national industry. As a segment of this larger departmental investigation,⁴ the present study focuses on Michigan. The main objectives are to find out what apparel items are being produced in Michigan, what is the extent of production, the place of Michigan in national production, and the potential for growth of the industry. The major objectives can be outlined as follows:

- 1) location of the apparel firms
- 2) exploration of the present status of the industry in regard to
 - a) structure and organization
 - b) types of apparel produced
 - c) marketing facilities and extent of the market
- 3) examination of factors which may be influential in the expansion of Michigan apparel production.

⁴Elinor R. Nugent, "The Production and Distribution of Apparel and Related Products in the Regional Markets within the National Apparel Industry," Michigan Agricultural Experiment Station Project No. 758. Research in progress.

Review of the Literature

Various aspects of the apparel industry have been discussed in books such as those written by Chambers,⁵ Crawford,⁶ Nystrom,⁷ Levin,⁸ and Roshco.⁹ These have been general investigations of apparel production covering such areas as job descriptions and the function of numerous activities making up the whole of the apparel industry.

Works by Hall¹⁰ and by Drake and Glasser¹¹ are more specifically focused upon the New York Market. These books discuss the existing market in New York and also investigate factors leading to decentralization to the growing regional markets.

One of the earliest studies of the regional markets of interest to colleges and universities was completed by

⁵Bernice G. Chambers, Fashion Fundamentals (New York: Prentice-Hall, Inc., 1947).

⁶M. D. C. Crawford, The Ways of Fashion (New York: Fairchild Publishing Company, 1948).

⁷Paul Nystrom, Economics of Fashion (New York: The Ronald Press Co., 1928).

⁸Phyllis Lee Levin, The Wheels of Fashion (New York: Doubleday and Company, 1965).

⁹Bernard Roshco, The Rag Race (New York: Funk and Wagnalls Company, Inc., 1963).

¹⁰Hall, op. cit.

¹¹Leonard A. Drake and Carrie Glasser, Trends in the New York Clothing Industry (New York: Institute of Public Administration, 1942).

Griffin.¹² It was a very general treatment of apparel producing centers because of the number included. Among the major centers she covered Boston, Philadelphia, Baltimore, Chicago, St. Louis, Minnesota, San Francisco, Los Angeles, and Dallas, plus seven secondary markets.

More specific investigations have been done on a small number of regional markets. Goodman¹³ discusses the apparel manufacturing and marketing facilities in California and the factors which have encouraged the formation of new market centers. In a study of the women's apparel industry in Florida, Hersker¹⁴ examined the existing industry. He also suggested a possible course for future development comparing the Florida resort area with similar developments in California. The fashion industry in Alabama was recently analyzed by Bourne¹⁵ and compared to earlier data concerning

¹²Tira W. Griffin, "A Survey of Selected Regional Apparel Markets Producing Women's and Misses' Apparel" (unpublished Master's thesis, Michigan State University, 1949).

¹³Charles S. Goodman, "The Location of Fashion Industries with Special Reference to the California Apparel Market," Michigan Business Studies, Vol. X, No. 2 (Ann Arbor, Michigan: University of Michigan Press, 1959).

¹⁴Barry Jay Hersker, "The Women's Apparel Manufacturing Industry in Florida" (unpublished Doctoral dissertation, The University of Florida, 1962).

¹⁵Judith Mayton Bourne, "An Analysis of the Development of the Fashion Industry in Alabama, 1949-1962" (unpublished Master's thesis, Auburn University, Auburn, Alabama, 1962).

that industry. Another early study by Gross¹⁶ described the dress industry trends in St. Louis.

Several large studies have been conducted on the women's apparel industry in Texas. Johnson¹⁷ traced the development of the women's outerwear industry in the whole state from the standpoint of growth of new apparel production centers in regional markets rather than in the established New York area. Gano¹⁸ explained the growing importance of Dallas as a regional market. The recent work by Golly¹⁹ brought these earlier works up to date by describing the present status of the Dallas women's apparel market and the significance of the market to the national industry.

A selected group of American designers located in the New York area was interviewed by Stauber²⁰ to discover the

¹⁶Blanche Gross, "The Awakening of an Industry. Recent Trends in the Dress Manufacturing Industry in St. Louis" (unpublished Master's thesis, School of Business, Columbia University, 1943).

¹⁷Elton Davis Johnson, "Women's Outerwear Industry in Texas" (unpublished Doctoral dissertation, The University of Texas, Austin, 1954).

¹⁸Lowell R. Gano, "The Women's and Misses' Apparel Industry in Dallas, Texas" (unpublished Master's thesis, Southern Methodist University, Dallas, 1949).

¹⁹Jeanne Marie Golly, "A Study of the Present Status of the Dallas Women's Apparel Market" (unpublished Master's thesis, Michigan State University, 1966).

²⁰Elaine C. Stauber, "A Study of the Creative Methods of American Designers and Their Contributions to Fashion Apparel" (unpublished Master's problem, Michigan State University, 1967).

role of creative designers, the methods of creation, and the contribution to the apparel industry in the United States. Desjardins²¹ explored the women's knit outerwear and lingerie industry in the Reading-Berks County, Pennsylvania market area in regard to production and distribution. A survey of the Portland, Oregon apparel market, currently in progress, is being conducted by Ekenes²² to study the development of the market, influences upon it, and the current status of this market in regard to production, distribution, and growth potential.

Michigan has not been studied other than a recent investigation by Kilbourne²³ on custom design firms. Considering only a small segment of the entire production of apparel, Kilbourne's study is an important contribution to this initial investigation of the apparel industry in Michigan.

Researchers agree that regional markets and apparel industries are playing a significant role in the garment

²¹Andrea Ruth Desjardins, "The Production and Distribution of Women's Knit Outerwear and Lingerie by Firms in the Reading-Berks County, Pennsylvania Market Area" (unpublished Master's problem, Michigan State University, 1967).

²²Joanne Ekenes, "A Survey of the Portland Apparel Market through an Investigation of Selected Apparel Manufacturers" (research in progress, Michigan State University, 1968).

²³Helen Margaret Kilbourne, "A Study of a Selected Group of Custom Design Firms within the Michigan Apparel Industry" (unpublished Master's problem, Michigan State University, 1966).

industry in the United States. Although New York is still considered the major apparel producing center, the regional markets are growing increasingly important in the production of apparel and should expand to greater importance in the future.

Definition of Terms

Several terms will be defined to help clarify their meanings as used in this study.

The term apparel is used to refer to clothing of all types produced by the ready-to-wear garment industry, excluding shoes. The apparel industry includes the group of firms concerned with factory production of apparel. Each category of apparel has its own market, each consisting of all manufacturers in the classification.²⁴ A regional or apparel market refers to the apparel manufacturers in a particular geographic region which emphasize a specific garment style or line of garments.

The nature of this study requires explanation of three types of production establishments. A manufacturer operates an "inside-shop" which means the entire process of producing apparel is done at one location. The manufacturer buys, cuts, and sews the fabric, and sells the finished garments. A jobber buys the fabric, designs, and sells the

²⁴Mary B. Picken, The Fashion Dictionary (New York: Funk and Wagnalls Co., 1957), p. 220.

garments, but does not produce them. He sends the fabric to an "outside-shop" to be sewn into apparel. The man who runs the "outside-shop" is the contractor; he hires production workers and sews the fabric into garments according to specifications. In some cases, what appears to be an independent contractor is in reality a subsidiary, owned by a jobber or manufacturer.²⁵

Importance of the Study

The need for additional and more detailed investigations of the apparel industry has been suggested by Griffin, Golly, and Kilbourne. Griffin, having completed a survey of several regional women's apparel markets, concluded that more detailed studies of individual markets would be of greater value.²⁶ Golly suggested replication of her exploratory study in other regional areas "utilizing a higher structured interview schedule or questionnaire" which would provide information to help assess the position and value of the regional markets.²⁷ Kilbourne in her study of custom design firms in Michigan concluded that "more information about the apparel industry, its operation and significance in Michigan, would offer assistance and stimulation to firms

²⁵Hall, op. cit., p. 26.

²⁶Griffin, op. cit., p. 31.

²⁷Golly, op. cit., p. 111.

presently operating within the state and suggestions to those contemplating establishment."²⁸

The apparel industry in Michigan has been bypassed as an area for study by recent research. It is not considered a regional market by the trade so has been left unexplored. In Michigan both government and business are concerned with the expansion of industry. An analysis of the present status of the Michigan apparel industry should form an important source of information from which governmental officials, businessmen, and educators might draw. This study may also serve as a basis for more in-depth investigations of various segments of the apparel industry in the state. It is further hoped that the study will create guidelines for production, expansion, use of labor, and the training of labor in Michigan. Information might be used more specifically to train workers for the apparel industry if needs were made known.

²⁸Kilbourne, op. cit., p. 53.

CHAPTER II

METHODOLOGY

Research Design

The study of Michigan's apparel industry was designed as a survey and is therefore both exploratory and descriptive in nature. An exploratory study, as defined by Selltitz, is one in which there is an attempt "to gain familiarity with a phenomenon;"¹ in this case, the aim was to locate the apparel producing firms in Michigan. A descriptive study attempts "to portray accurately the characteristics of a particular . . . group" and "to determine the frequency with which something occurs."² Because of a lack of available information about apparel production in the state, the initial aim of the study was to describe the present status of the industry as to structure and organization, types of apparel produced, and marketing facilities.

¹Claire Selltitz, et al., Research Methods in Social Relations (New York: Holt, Rinehart and Winston, 1963), p. 50.

²Ibid.

Selection of the Method and Development
of the Instrument

Developing a profile of the industry requires compiling information about representative firms. Because of the broad scattering of firms throughout the state, a mailed questionnaire was decided upon as the best means to obtain the preliminary information desired. Limitations of a questionnaire were considered, but in order to facilitate reaching the entire population, this instrument was chosen as the best available. According to Selltitz, it is possible to cover a wider area and to obtain information from more people by means of questionnaires than by personal interviews when time and funds are limited.³

Questions contained in the questionnaire were based on the objectives and were aimed at obtaining unbiased answers. Most of the questions were designed as fixed-alternative (or closed) types to facilitate the respondent's answering. Selltitz points out that a closed question may help to insure that the answers are given in a frame of reference that is relevant to the purpose of the inquiry and in a form that is usable in the analysis. Also, the provision of alternative replies helps to make clear the meaning of the question.⁴

³ Ibid., p. 239.

⁴ Ibid., p. 258.

A few open-ended questions were included to allow expression of opinions relevant to the respondent's personal area of concern and within his own frame of reference.

The Pretest

The questionnaire was pretested for clarity to insure understanding by the respondents. Selltitz suggests a pretest be in the form of personal interviews,⁵ but for two reasons another method was used. First, because the entire known group of apparel manufacturers in Michigan was to be contacted, the pretest had to be administered outside the state. Secondly, because the study was to be conducted by mail, the pretest was administered in the same manner.

The questionnaire was sent to twenty-seven apparel manufacturing firms in Texas with a letter explaining the departmental study. On the basis of the way questions were answered on the six questionnaires returned, minor changes were made to make a few items clearer to the respondent.

Selection and Description of the Apparel Firms

Because the study was to be a survey of the existing apparel industry in Michigan, the first step was to compile a list of all manufacturing firms in the state. The best source of names was the Directory of Michigan Manufacturers,

⁵Ibid., p. 550.

1965. Other sources were the Yellow Pages sections of Michigan Bell Telephone directories. This survey resulted in the collection of seventy names of manufacturing firms.

A letter of introduction explaining the study (Appendix A), a copy of the questionnaire (Appendix B), and a return envelope were then sent to the head of each manufacturing firm. Two follow-up letters (Appendix C) were sent at two-week intervals in order to encourage additional responses.

The mailing resulted in a return of twenty-seven questionnaires representing 38 per cent of the firms contacted. Four responding were found categorized as apparel manufacturing firms, but since they were not really manufacturers were not included in the final analysis. Three respondents returned their questionnaires with the notation that the firm had ceased operation. Other firms in the original listing of seventy might not have been included if sufficient information about their production had been available. Twenty usable questionnaires remained from the twenty-seven responses which supplied the data.

The questionnaires were sent out in March of 1966 and returned by the participating firms during the following two months. The census data in Chapter III include 1963 figures published in 1966 and 1965 figures published in 1967.

Method of Analysis

Because the questionnaire was structured with fixed-alternative responses, most of the coding was taken directly from the questionnaire. The replies were then hand tabulated by simple count of the frequency with which the various categories in each set occurred. The answers to the open-end questions were compiled and presented as expressed by each respondent. The apparel firms were assured that all responses would be kept confidential; therefore, all information supplied by the firms is presented anonymously.

CHAPTER III

THE DEVELOPMENT, STRUCTURE, AND ORGANIZATION OF THE MANUFACTURING FIRMS IN MICHIGAN

A survey of the Michigan apparel industry should present background information concerning the development of apparel production within the state and the structure and organization of the firms involved. Little published information is available on the historical development of an apparel industry in Michigan. However, the first part of this chapter will draw upon published census data for figures which will show the growth of apparel production and the place of the Michigan apparel industry within the East North Central regional area.

The remainder of the chapter will deal with information drawn from the questionnaire. Dates of the establishment of the firms will be presented to show the beginning of an apparel industry in the state. The second section of the chapter will cover the structure and organization of the apparel producing firms and will include: 1) ownership and location, 2) production and operation, and 3) sources of materials, labor, and apparel design.

Development

Information drawn from several editions of the Census of Manufacturers indicates that the production of apparel and related products in Michigan has shown a substantial increase during the past twenty years. Table 1, taken from the volumes on area statistics, deals with production of apparel and related products, as classified by the census, in Michigan since 1947. Because the aim of this study was to survey the whole apparel industry in Michigan, it seemed pertinent to present figures on the total industry to show developments preceding recent trends. Many figures are available on more detailed classifications of apparel items, but because each census categorizes the items differently, the figures are not comparable; therefore, some classifications were excluded from the discussion.

Examination of Table 1 indicates a decrease in the total number of manufacturing firms, but the figures show a substantial increase in employees. The figure for total employees more than doubled, and value added increased by six and one-half times from 1947 to 1965. The trend in the value of the industry as a whole in terms of employment and value added is definitely upward and could reasonably be assumed to have continued in view of the natural economic developments up to the present time.

Table 1. Number of establishments, employees, production workers, and value added by manufacture of apparel and related products^a in Michigan from 1947-1965

Year	Establishments N	Employees N	Production Workers N	Value added by Manufacture Adjusted (\$1,000)
1947	235	9,103	8,011	34,043
1954	291	10,218	8,761	52,027
1958	251	11,010	9,008	57,110
1963	247	16,099	13,853	165,023
1965	NA ^b	19,576	16,667	224,194

Source: U.S. Bureau of the Census, Census of Manufacturers, 1947, III, Statistics by States, p. 303; Census of Manufacturers, 1954, III, Area Statistics, p. 121-7; Census of Manufacturers, 1958, III, Area Statistics, p. 21-8; Census of Manufacturers, 1963, III, Area Statistics, p. 23-10; Annual Survey of Manufacturers, 1965, p. 11.

^aStandard Industrial Classification no. 23.

^bFigure not published.

Table 2 presents figures for specific apparel classifications in Michigan and the East North Central region as recorded in several volumes on industry statistics by geographic areas. A comparison of figures for Michigan and the East North Central region reveals the place of this state within the census region. Four classifications of apparel items are listed, including men's and boys' furnishings, women's and misses' outerwear, women's and children's

Table 2. Number of establishments, number of employees, and value added by manufacture in East North Central region^a and Michigan for years 1958, 1963, and 1965

	Establishments N			Employees N			Value added by manu- facture adjusted (\$1,000)		
	1958	1963	1965	1958	1963	1965	1958	1963	1965
Men's and boys' furnishings ENC Michigan	243 28	210 24	NA ^C NA ^C	17,937 1,128	15,999 590	16,248 659	87,169 4,629	13,970 4,188	115,130 5,444
Women's and misses' outerwear ENC Michigan	381 22	336 22	NA ^C NA ^C	22,900 532	22,228 1,045	21,011 1,037	120,653 2,566	137,873 5,335	150,588 5,080
Women's and children's underwear ENC Michigan	NC ^b NC ^b	60 16	NA ^C NA ^C	7,379 1,350	7,154 1,571	6,777 1,665	51,473 5,887	58,033 9,304	55,853 10,195
Children's outerwear ENC Michigan	53 17	37 10	NA ^C NA ^C	1,996 926	1,940 826	SD SD	9,212 4,301	10,556 5,152	SD SD

Source: U.S. Bureau of the Census, Census of Manufacturers, 1958, II, Industry Statistics, pp. 23-3, 23-4; Census of Manufacturers, 1963, II, Industry Statistics, pp. 23-5 to 23-8; Annual Survey of Manufacturers, 1965, pp. 2, 11.

^aThe East North Central region (ENC) includes the states of Ohio, Indiana, Illinois, Michigan, and Wisconsin.

^bFigures not comparable to later ones because of different items included in classification.

^cFigure not published.

^dWithheld from census because the estimate did not meet publication standards.

underwear, and children's outerwear. The place of Michigan in terms of figures in the classification of men's and boys' furnishings and women's and misses' outerwear is relatively small. However, in only one classification, men's and boys' furnishings, have Michigan firms failed to show an increase in the total number of employees from 1958 to 1965. But from 1963 to 1965 men's and boys' furnishings evidenced increases in both number of employees and value added.

The apparel classifications of greatest importance for Michigan are women's and children's underwear and children's outerwear. In both classifications Michigan has over one-fourth of the establishments in the East North Central (ENC) region. In 1965 Michigan's production of women's and children's underwear involved 25 per cent of the employees of ENC in this classification, and accounted for 18 per cent of the value added for ENC. From 1958 to 1965 the value added increased by 73 per cent, while for the whole region the value added for women's and children's underwear increased by only 9 per cent. In the classification of children's outerwear, Michigan employed 43 per cent of the total employees for ENC in 1963¹ and claimed 49 per cent of the value added for the region. The increase in value added over 1958 was 19 per cent versus 14 per cent for the whole region. These two categories of apparel manufacturing

¹Figures are not available for 1965.

indicate the greatest importance of Michigan within the ENC region. One other factor, however, should be pointed out. Although the number of Michigan firms producing women's and misses' outerwear is not outstanding within the ENC region, the total number of employees nearly doubled from 1958 to 1963 and an even greater increase could be noted in the value added for that period of time. The 1965 figures show a very slight decline in both number of employees and value added for women's and misses' outerwear.

Figures presented from the Census of Manufacturers indicate the importance of Michigan apparel firms in some classifications of apparel items and suggest possibilities for further developments in the production of women's and children's underwear and children's outerwear.

Establishment of firms

The apparel manufacturers in Michigan were asked to indicate the year of the firm's establishment (Appendix B). From the dates, a substantial increase within any specific time period or irregular growth could be detected. The following text table indicates that almost half of the firms have been founded since 1940 and that as many firms developed in the period from 1940-1959 as did in the forty year period of 1900-1939:

	<u>Number of Firms</u>
Years:	
1860-1879	2
1880-1899	2
1900-1919	4
1920-1939	3
1940-1959	7
1960-	2

Eighteen respondents designated their firm as manufacturers at the time of establishment. One of these firms, beginning production in the nineteenth century, also processed raw cotton into the yarn used in the firm's product. Another firm indicated functioning as both manufacturer and jobber when founded. One firm was listed as a jobber only when established; another explained functioning as "sales with labor on a contract basis" which also is the operation of a jobber.

Structure and Organization

Ownership and location

The respondents participating in this study indicated two firm's under individual ownership, four under partnerships, two as open corporations, and twelve firms as closed corporations. The greatest number, three-fifths of the firms, were closed corporations.

Firms were asked the location of production plants to determine if the apparel firms were grouped in certain areas of the state. Responses revealed six firms are located in the Detroit area; thirteen are located in other Michigan cities including Grand Rapids and Manistee; and one firm is located in a rural area. Two firms had production plants outside of the state, although offices were maintained in Michigan. One firm did not give this information. A Michigan map (Figure 1) indicating the location of these firms shows grouping around the Detroit area and also around and near the Grand Rapids area.

When asked for reasons for the firm's location, the responses were as follows:

	<u>Number of Mentions</u>
Reasons for Location:	
Suitable labor supply	10
Other	5
Financing available	3
Transportation facilities	2
Materials available	1

The firm indicating that materials were available had its production plant outside of Michigan; none of the firms producing in Michigan gave that as a reason. Also, two of the firms reporting a suitable labor supply had plants outside the state. Among the "other" alternative, three

Figure 1. Location and number of firms producing apparel in Michigan.



indicated residence as a reason, one health, and one acquired the machinery and building at a "price" because the predecessor went bankrupt. Two firms indicated "no reason" and four gave no response to the question. The existence of a suitable labor supply seemed to be the most important concern in choosing a location, which may indicate the reason for most of the manufacturing firms being located in or near a city.

Operation and production

Most of the firms have maintained operation and production until the present with only a few changes. Seventeen firms are now operating as manufacturers (or inside shops). One firm indicated operating as a jobber and one a contractor. Two other firms would be classified as jobbers, although they explained their operation in other terms. One firm indicated the combined functions of manufacturer and jobber. The full-scale manufacturer is essentially the most important type of firm presently in operation.

The number of plants run by each firm is one factor indicating the extent of production of apparel in Michigan. Thirteen firms produce apparel items in just one Michigan plant. Three firms manufacture in two plants and two produce apparel in three plants. Of the two firms maintaining offices in Michigan but with all production outside the state, one operates one plant and the other runs four. One

of the apparel manufacturing firms which operates one plant in Michigan, has recently closed a second Michigan plant, and produces apparel in nine plants in other areas of the country.

In reply to the question of whether the production was organized on the section or assembly-line system, twelve answered "yes" and eight answered "no" but gave no explanatory remarks.

Michigan apparel manufacturers use several methods of wage payment for production employees within one firm. The responses showed:

	<u>Number of Mentions</u>
Method of Wage Payment:	
Piece	16
Hourly	10
Salary	4

One firm noted that their method of wage payment was hourly mostly for men, piece mostly for women, and salary for supervision.

When asked to indicate whether the firm had union affiliation, more firms indicated no unionization than those who had unionized. Thirteen firms have not affiliated with a union; six have unionized. One firm did not respond to the question. Of the six having union affiliation, five indicated the date of initiation as being 1900, 1935, 1946, 1949,

and 1951. There seems to be no specific time period of unionization for these firms. Recent pressures of some unions evidently have not affected the apparel industry in Michigan.

Sources of materials, labor,
and apparel design

The source of materials needed in the manufacture of any commodity is an important factor in operation because of the cost of transporting these materials. One interest in this study was to discover from what sources Michigan apparel producers were obtaining materials and the amount from each source.

In item 9 of the questionnaire (Appendix B) the respondents were asked to give the percentage of materials the firm obtains either in Michigan or outside of Michigan, and if the latter, to indicate from where. Table 3 summarizes the responses giving the number of mentions under each generalized geographic area by the percentage of materials the firm obtained from sources in that area. Responses indicate sources in the East and the South supply greater quantities of materials for Michigan apparel manufacturers than any other sources. As used in the table, the East includes responses of general references to the East, New England, and also more numerous references to New York City. The South was also referred to generally, but includes specific references to North Carolina. The table reveals that ten

firms purchase materials needed for apparel production from sources in the South; five of these obtain from 51-100 per cent of the needed materials from this area. Twelve firms purchase materials from sources in the East with five obtaining from 76-100 per cent from these sources.

Table 3. Number of mentions of sources of materials by percentages

Percentages	Sources of Materials		
	South N	East N	Midwest N
1- 25	-	2	6
26- 50	5	4	1
51- 75	2	1	-
76-100	3	5	1
Total	10	12	8

The Midwest as used in Table 3 includes general references, plus references to Chicago and Michigan. Only one firm indicated purchasing all needed materials in the Midwest and most were from a source in Chicago. Although Michigan as part of the Midwest was mentioned as a source of materials seven times, only one firm indicated obtaining as much as 50 per cent, while the other six specified acquiring 10 per cent or less of the firm's materials from Michigan.

Foreign sources of materials were mentioned by one firm. An additional four firms indicated 100 per cent of their materials were obtained outside the state, but did not specify the source.

Responses indicate that the labor supply is drawn from the local area rather than other areas in Michigan. The two firms with production plants in other states expressed the reason for location as a suitable labor supply.

The number of full-time production employees and part-time production employees in each establishment is an important indicator of the size of the firm. However, it was also of interest to discover how many employees were men and how many were women in order to realize the potentials for further employment in the industry.

Table 4 presents figures on the approximate number of production employees as reported by the firms. The largest number of firms hire from one to forty-nine employees. But of more importance to note is the fact that among the participating firms, eleven employed under 100 and seven employed over 200, resulting in a large gap in the sizes of the establishments. Michigan seems to have relatively small firms with fewer than 100 employees or relatively large ones with over 200. The second and third columns of Table 4 show the numbers of men and women employed, indicating that women form the greater part of the employees in the participating firms.

Table 4. Number of firms indicating number of full-time employees by men and women together, men, and women

Number of Full-Time Employees	Employees		
	Men and Women N	Men N	Women N
1- 49	9	12	10
50- 99	2	3	1
100-149	-	1	-
150-199	-	-	-
200-249	1	-	2
250-299	3	-	2
300-349	-	-	3
350-399	2	-	-
400 and over	1	-	-
Total	18 ^a	16 ^{a,b}	18 ^a

^aTwo firms did not respond.

^bTwo firms employed no men.

The firms reported approximate figures for their full-time production employment. The following text table presents the totals for all but two of the participating firms:

	<u>Number</u>
Employees:	
Men	353
Women	<u>2152</u>
Total	2505

These figures indicate that women employees represent 86 per cent of the production workers.

No definite relationship between size of firm and the hiring of additional employees during peak seasons was revealed. Both small firms and relatively large ones do some hiring of extra production workers. Larger firms which hired additional employees generally used more extra help than did the smaller firms.

To discover the means by which the apparel manufacturers obtain apparel designs to be produced, the respondents were asked to indicate the firm's source of apparel designs and designers. Item 15 of the questionnaire (Appendix B) required the respondents to indicate whether the firm employed a designer, whether the designer was from another Michigan area, or whether the designer was from out of the state. The question also supplied a response of whether the source of apparel design was an adaptation of existing designs. Responses were indicated as follows:

	<u>Number of Mentions</u>
Source of Apparel Design:	
Designer employed by your firm	13
Adaptation of existing designs	4
Designer from out of state	3
Designer from other Michigan area	1

Two of the three firms specifying a designer was from out of the state indicated the designer as coming from New York City. Another firm indicated deriving designs from "multiple" sources. Most of the participating firms indicated the designer was employed by the firm. However, some firms reported the designs were produced by the management staff. Smaller firms not able to maintain a separate designing staff would be more likely to have such an arrangement.

The census figures presented in this chapter indicate a growing apparel industry in Michigan. Information received from the manufacturers shows a variety of means by which the firms are organized and point out some important factors concerning sources from which the firms obtain materials and a labor supply.

CHAPTER IV

APPAREL ITEMS PRODUCED IN MICHIGAN

Michigan apparel manufacturers produce a diversity of products that range from undergarments to leather sportswear suitable for men, women, infants, and children. Michigan manufacturers range from small apparel firms making such items as red flannel sleepwear¹ to large, full-scale manufacturers producing name brand garments to be distributed throughout the country. The firms represented in this study demonstrate the diversity of apparel items manufactured throughout the state.

The first section of the chapter will be a discussion of the apparel items that are produced. The information will be organized in three production groupings: first, women's apparel; secondly, infants' and children's apparel; and, finally, men's and boys' furnishings. Types of merchandise manufactured in Michigan will also be presented; firms were asked to categorize their apparel as to sport or playclothes, streetwear, formal wear, or underwear and nightwear. The last part of the chapter will deal with the seasonal aspect of the apparel items produced in the state.

¹Arnold S. Hirsch, "Red Flannel Town," The Detroit News Pictorial Magazine, March 13, 1966, p. 44.

Apparel Items

Women's apparel

Women's apparel is a general heading covering a wide variety of garments from nightwear to wedding gowns. Sizes also showed a wide variety from very small to quite large and from petites to half sizes. Table 5 summarizes the information received from those Michigan firms manufacturing apparel for women.

Table 5. Number of firms, apparel items, size range, and wholesale price range of women's apparel in Michigan

Number of Firms	Apparel Items	Size Range	Wholesale Price Range
4	Underwear and/or nightwear	S-XXL 10-42 32-52	\$4.00-207.50/doz. 6.50-9.00/garment
2	Sportswear	5-15 10-20 38-46	30.00-60.00/doz.
1	Unlined suits and dresses	12-20 14½-24½	3.75-6.75/garment
1	Suits and coats	3-13 petites 5-15 juniors 8-18 misses	24.75-38.75/garment
1	Bridal gowns and bridal party dresses	4-20 10½-24½	14.95-49.75/garment

Among the participating firms producing apparel for women, more manufactured underwear and/or nightwear than any other kind of garment. Four of the nine firms producing apparel items for women manufactured such items as bras, girdles, panties, and other lingerie, sleepwear, and a variety of robes, dusters, and shifts. The apparel items are available in a full range of sizes. Most of these items are priced by the dozen lot in a variety of price ranges. One firm, however, priced robes by the garment rather than by the dozen.

Two firms reported the production of sportswear for women. Sportswear might also be described as separates, which includes skirts, slacks, shorts, and a variety of tops to go with them. These are offered in junior or misses sizes and in a price range from \$30.00 to \$60.00 a dozen. One of the firms did not include a price range but indicated only that its merchandise was "high quality."

Other kinds of apparel items produced for women include inexpensive unlined suits and dresses, suits and coats, and bridal gowns. The items were all offered in a full size range.

Infants' and children's apparel

Information presented in Table 6 reveals that among the firms producing apparel items for children, the grouping of infantswear holds the most important position. Infantswear

includes bibs, plastic pants, sleepwear, stretch sleep-and-play suits, diaper sets, swimwear, and sunsuits. These items are sized differently by the different manufacturers, usually in number of months or sizes designated as small through extra-large. Two firms produced girls' dresses in sizes from 1-14. One of these firms also made blouses in the same size range. Dresses were wholesale priced by the garment, but blouses were priced by the dozen lot. The firm producing sportswear for children did not specify the types of items this included.

Table 6. Number of firms, apparel items, size range, and wholesale price range of infants' and children's apparel in Michigan

Number of Firms	Apparel Items	Size Range	Wholesale Price Range
5	Infantswear	0-12 mos. S-XL T2-3X	3.60-90.00/dozen
2	Dresses and blouses	1-14	3.75-22.75/garment 22.50-45.00/dozen
1	Sportswear	3-6X 7-14	"high quality"

Men's and boys' furnishings

Firms included in this study had a very small representation of manufacturers of men's and boys' furnishings.

Table 7 summarizes responses in this category. Outerwear

includes pants, trousers, western jeans, overalls, and suits. Only one of the firms made boys' trousers in the smaller sizes. All of these items were priced by the individual garment.

Table 7. Number of firms, apparel items, size range, and wholesale price range of men's and boys' apparel in Michigan

Number of Firms	Apparel Items	Size Range	Wholesale Price Range
2	Outerwear	3-8; 6-12 26-50 waist 32-50	1.85-9.25/ garment
1	Shirts	"made-to-order"	

In response to the question on the apparel items manufactured, one firm listed simply leather and suede for men and women in a price range of \$7.00 - \$125.00 per item. The kinds of items were not specified.

Types of Merchandise

The apparel firms were asked in Item 23 of the questionnaire (Appendix B) to select from a given list an appropriate type of merchandise which would best describe the apparel items they manufactured. Responses follow:

	<u>Number of Mentions</u>
Types of Apparel:	
Sport or playclothes	9
Underwear or nightwear	9
Streetwear	7
Other	4
Formal wear	2

Two categories, sport or playclothes and underwear or nightwear, each received nine mentions as the most important apparel items. Among the "other" responses, three of the four firms were manufacturers of infantswear and specified a particular garment item. Because the present day infantswear is often a combination sleep-play garment, classification under one of the given categories was difficult. If included in either the sport or playclothes category or the underwear or nightwear category, these three firms would increase the totals for the two outstanding types of merchandise produced by Michigan apparel firms. The fourth "other" response listed men's work clothes and outerwear.

In addition to this information, firms which produced more than one type of merchandise were asked to indicate which type was most important in terms of sales and to explain why. Of the eight responses, half of the firms produced infantswear, one girdles, another women's coats, and the eighth indicated men's work clothes as the most important

product because of the volume of sales. Two of the four firms producing infantswear indicated infants' sleepwear. One specifying sleepwear as the most important product explained it as the specialty of the firm. The other also listed infants' pants and bibs and explained that this merchandise was more basic and produced year around. One of the four firms producing infantswear specialized in infant gift items. The last firm mentioned all general infantswear as important to sales.

Responses to this question, along with the responses to the preceding one and the census data in Chapter III, form a strong implication for the importance of the infantswear industry and for the women's underwear and sleepwear industries in Michigan. These two general types of apparel classifications stand out as most important to the apparel industry in Michigan.

Seasonal Lines

In addition to the general categories of apparel produced by the Michigan apparel industry, it was of interest to discover the seasonal lines produced and which ones were most important to the manufacturing firms. The following text table shows the number of firms producing in each seasonal line:

	<u>Number of Mentions</u>
Seasonal Line:	
Fall	16
Spring	11
Winter	6
Summer	6
Holiday	5
Transitional	3

The Fall line is most important to the Michigan apparel manufacturers and the Spring line is next in importance. Two firms did not respond to the question; presumably, their product had no seasonal quality or the manufacturer did not feel he could designate a season.

Firms which produced more than one seasonal line of apparel items were asked to indicate which line was more important in terms of sales. Again the Fall line topped the list with six mentions as the most significant in terms of sales. Among the explanations were "back to school sales," "sales run higher," "dollar volume," and "longer season." The Fall and Winter seasons together were listed twice as most important. One explanation was that the seasons were longer, and the other dealt with the character of the product: footed sleepwear for children. One firm indicated that winter weight apparel accounted for 75 per cent of sales but gave no explanatory remarks. Two firms indicated the Holiday line as most important because of gift items promoted.

The Spring seasonal line was mentioned once as being a longer buying season. And the Spring and Summer line received one mention again as a longer season not cut off by holidays.

The above results indicate that most of the Michigan apparel manufacturers taking part in this study generally consider the Fall or Winter lines as the most important. The results also show that the diversity of the apparel items manufactured in Michigan results in diversified attitudes by the manufacturers. One firm considers the Fall-Winter season the longer one; another considers the Spring-Summer season longer. In many cases the favored season is due to the character of the garment or garments which the particular firm produces.

CHAPTER V

MARKETING THE APPAREL PRODUCED IN MICHIGAN

Michigan produced apparel items are found in a variety of outlets from mail-order catalogs to specialty shops. The following chapter examines the methods that Michigan apparel firms use to present merchandise to prospective buyers of retail establishments, and then, the kinds of retail outlets in which Michigan manufactured apparel will be found. Information indicating the extent of the Michigan industry and its place in the national apparel industry will also be presented.

Presentation and Distribution

The manufacturing firms were asked to indicate the apparel trade centers in which they exhibited merchandise. The greatest number of firms display apparel in four major markets: Chicago, New York, Dallas, and Los Angeles. Other markets suggested by the questionnaire were St. Louis and Miami. St. Louis received just one response; Miami was not used at all. Several manufacturers mentioned additional secondary markets: Detroit, Cleveland, Columbus, Minneapolis, Atlanta, and San Francisco. Six firms indicated no

participation in any formal trade center showings and one firm did not respond to the question. The following text table shows the number of manufacturers exhibiting in each of the mentioned apparel markets:

	<u>Number of Mentions</u>
Apparel Markets:	
New York	9
Chicago	8
Dallas	7
Los Angeles	4
Detroit	3
St. Louis	1
Cleveland	1
Columbus	1
Minneapolis	1
Atlanta	1
San Francisco	1
Miami	-

Because market showings are only one means of selling a firm's merchandise, another question was directed to the percentage of each sales method used: market showings, road salesmen, or other. Table 8 shows the number of firms using approximate percentages of each of these two main sales methods. Road salesmen were mentioned fifteen times, market showings eight times, and an "other" alternative five times.

Among the participating firms, the use of road salesmen was by far more important to a majority of the firms than was the use of market showings. Nine firms used road salesmen for 90-100 per cent of their sales. The "other" response included two firms which conduct all sales through a New York sales office, one firm which indicated that 50 per cent of sales were through the factory office, one firm whose owner transacts 100 per cent of the sales, and one firm which sends 90 per cent of the sales directly to mail-order houses.

Table 8. Number of mentions of sales methods by percentages

Percentages	Sales Methods	
	Road Salesmen N	Market Showings N
0- 9	-	-
10-19	1	4
20-29	1	1
30-39	-	1
40-49	-	-
50-59	2	1
60-69	-	-
70-79	2	1
80-89	-	-
90-99	4	-
100	5	-
Total	15	8

Items 19 and 20 of the questionnaire (Appendix B) sought information from the firms about the distribution of merchandise to retail outlets. Eleven of the firms transport finished apparel items directly to retail outlets, two deal with wholesalers, and two utilize both means of distribution. Five responses could not be included because the respondents contradicted one answer with another. The two firms utilizing both means of distribution indicated a greater use of the direct-to-retailer method. One firm showed 90 per cent direct use and 10 per cent through a wholesaler; the other showed 95 per cent direct use and 5 per cent through the wholesaler.

A complete presentation of the types of retail outlets used by the firms either directly or through wholesale distribution is found in Table 9. The table shows that the most important retail outlets for Michigan produced apparel items are department stores, specialty shops, and chain stores, and that most of the items are distributed directly from the factory to the retailer. The apparel distributed through a wholesaler goes ultimately to department stores and specialty shops.

Extent of the Industry

One aim of this study was to discover the extent of the market for Michigan produced apparel. In order to find out 1) whether Michigan apparel is sold mainly within the

state, regionally, or nationally, and 2) the annual volume of sales, items 18 and 21 in the questionnaire (Appendix B) were directed toward obtaining the needed information.

Table 9. Number of mentions of direct and wholesale distribution by type of retail outlet.

Type of Retail Outlet	Type of Distribution	
	Direct N	Wholesale N
Department stores	11	1
Specialty shops	8	2
Chain stores	7	-
Discount houses	4	-
Mail-order houses	5	-
Variety stores	2	-
Drug stores	1	-

The manufacturing firms were asked to indicate to which areas apparel items are sent and the approximate percentage of sales volume represented by each area (Table 10). Only two of the twenty participating firms counted on over 50 per cent of sales volume within the state of Michigan. Three firms depended on at least 50 per cent of sales volume within the Midwest area. Another three firms distributing goods regionally extended beyond the Midwest area: the sales area for the first firm included the East, West, and

Northwest; another firm included the South; and the third included all the states east of the Rockies. Twelve of the twenty participating firms indicated that apparel was distributed nationally. Nine of these twelve firms counted on over 50 per cent of sales volume from national distribution, and six of those nine firms counted on over 90 per cent of sales volume from national distribution.

Table 10. Number of mentions of area of distribution by percentages

Percentages	Areas of Distribution			
	State N	Regional N	National N	International N
0- 9	6	-	-	2
10-19	1	2	1	-
20-29	3	-	2	-
30-39	-	-	-	-
40-49	1	1	-	-
50-59	-	1	1	-
60-69	-	2	-	-
70-79	1	-	1	-
80-89	-	-	1	-
90-99	1	1	4	-
100	-	2	2	-
Total	13	9	12	2

Manufacturers willing to reveal dollar figures estimated the total dollar sales volume for the firm's apparel for the year 1965. Table 11 shows that a greater number of firms fall into the "under \$1,000,000" range than into any of the other ranges. The firm listed as over \$7,000,000 had a total dollar volume far above that figure, but operates nine plants outside of Michigan in addition to one in the state.

Table 11. Total yearly dollar volume by number of firms

Yearly Dollar Volume	Firms N
Under \$1,000,000	5
1,000,000-1,999,999	-
2,000,000-2,999,999	1
3,000,000-3,999,999	2
4,000,000-4,999,999	1
5,000,000-5,999,999	2
6,000,000-6,999,999	1
7,000,000 or over	1 ^a
Total	13 ^b

^aTotal volume for firm operating nine additional plants outside Michigan.

^bSeven firms preferred not to give this information.

CHAPTER VI

TRENDS IN THE MICHIGAN APPAREL INDUSTRY

One of the major objectives of this study was an examination of factors which may be influential in the expansion of Michigan apparel production. Information was obtained regarding present demands for apparel products, recent expansion, and future growth plans of the firms. In addition, the firms were given a list of possible favorable and unfavorable factors affecting the expansion of Michigan apparel production. The results of these inquiries would give some indication of the trends within the industry and how the firms' management felt about growth potentials for the apparel industry in the state.

Present Demand

Three of the firms contacted in the original mailing returned questionnaires with the notation that business had been discontinued. Several reasons were given by one firm: mainly lack of help; high taxes; and remoteness from main sources of supply and markets, resulting in high freight costs.

The respondents were asked in the questionnaire to indicate whether the market was increasing, decreasing, or

remaining about the same for products like those the firm manufactured (Appendix B). Sixteen firms noted that the market for similar goods manufactured is increasing. One noted a decreasing market and three felt the demand was remaining about the same. It was difficult to discern whether the firms were reporting optimistically about their own future or looking objectively at the market for similar products.

Growth and Future

The firms were first asked about expansion since 1950 and then about expansion plans for the next five years. Fifteen firms have expanded in the area of facilities or plant, fourteen in employment, and thirteen in diversification of products. Two firms reported no expansion, one of which noted the firm was regressing, and one firm gave no response.

When asked to indicate the amount or type of change which might be anticipated, eight firms responded. All reported substantial increases in plant space with two indicating rearrangement for better production. One firm, having been in operation just since 1955, has already increased plant facilities by 50 per cent. Another firm with one substantial increase completed, has additional plant space under construction. One firm reported the addition of an office in New York City.

In the area of employment, two firms reported a 50 per cent increase, one doubled employment, one increased by six times, and one gave figures representing an increase of twenty-five times the number of employees when the firm began operation in 1950.

Two firms reported the addition of one new product and one has added three new product lines. One firm noted a 50 per cent increase in production. An infantswear manufacturer who started with the production of one item has expanded to a wide range of products for infants.

Although over half of the firms indicated plans for expansion in each area, specifying the extent of increases expected was difficult. Eleven firms plan expansion in facilities or plants. Fourteen firms plan an increase in employment and eleven expect some diversification in products. Five firms were unable to indicate any expansion plans.

Five firms did note specific expansion plans in facilities or plant, four noted specific increases in employment, and two firms, both in the manufacture of infantswear, planned production of additional products. One of the latter is adding a line of toddler sizes and expects a sales increase of 50 per cent.

Factors Affecting Expansion

The final question asked of the Michigan apparel firms was directed toward finding some general factors which

the firms felt would be influential in the growth or decline of the apparel industry in the state. A suggested list was given (Appendix B, question 28), and space was left for further comments or explanatory remarks. Table 12 shows which of the suggested factors were considered as favorably or unfavorably affecting expansion of the apparel industry by the participating firms.

Table 12. Favorable and unfavorable factors affecting expansion of Michigan apparel industry by number of mentions

Factors Affecting Expansion	Favorable N	Unfavorable N
Regional market for your product	7	3
Regional market for a particular seasonal apparel item	2	2
Raw materials available	2	12
Suitable labor supply	9	10
Transportation facilities	12	2
Advantage of industrialized areas	5	5
Advantage of rural areas	3	3
Presence of labor unions	-	8
Short-term financing available	7	1
Long-term financing available	7	3
Legal restrictions on organizations	-	5
Legal restrictions on financing	-	4
Existing tax system	1	8

About one-third of the respondents felt a favorable regional market existed for the products the firm manufactured. Nearly half of the firms felt a suitable labor supply was available. Twelve of the twenty firms mentioned that transportation facilities were a favorable factor. The availability of both short-term financing and long-term financing was mentioned by seven firms.

The factor mentioned most as being unfavorable to the expansion of the apparel industry in Michigan was the availability of raw materials. Presented in Chapter III are figures showing that most of the firms obtain raw materials from the East and/or from the South. Half of the firms mentioned the availability of a suitable labor supply as being an unfavorable factor; nine out of twenty felt a suitable labor force was available. The reason for a split in opinions on this factor might be due to the location of the particular firm. Eight of the firms mentioned the presence of labor unions as an unfavorable factor; however, only six firms indicated union affiliation. These eight firms may foresee possible pressure by union leaders in the future. Another eight firms considered the existing tax system as unfavorable to the expansion of apparel production in Michigan.

Six firms supplemented responses to the last item on the questionnaire with written comment. Four of these six felt strongly that a suitable labor supply was lacking. One

firm emphasized "no trained help" and that double the number of present workers could be used. Another firm remarked that expansion was not possible because of a "skilled labor shortage, especially designers, pattern makers, and sewers." One respondent noted that because the apparel industry's labor supply consists primarily of women, a requirement to meet this need was an industrialized area with high male employment. The fourth firm expressing a need for skilled labor was of the opinion that Michigan is too oriented toward the auto industry. This person felt a great need for trade schools to train young girls from underprivileged areas, which would thus meet a need of the apparel industry.

One firm considered the business activities tax and the personal property tax as undue burdens, and therefore, unfavorable influences on the expansion of the apparel industry in Michigan. The final comment was a very general one to the point that conditions for production and distribution in Michigan are not favorable.

Several very influential factors have just been reviewed as unfavorable influences on the expansion of apparel production in Michigan. Among these are nonaccessability of raw materials, lack of skilled labor, and the presence of labor unions. In spite of these seemingly detrimental factors, the firms participating in this study optimistically look toward an increasing market for their products; nearly three-fourths have expanded since 1950 in each of the areas

of facilities, employment, and diversification of products; and, over half of the firms indicated plans for expansion in each area in the next five years. Despite the unfavorable conditions, a future for the apparel industry in Michigan seems possible.

CHAPTER VII

SUMMARY AND RECOMMENDATIONS

Summary

The apparel industry in Michigan although relatively unexplored has been selected for investigation as part of the departmental study on regional apparel markets. Although neither the city of Detroit nor Michigan has ever been considered a regional market, a preliminary search disclosed quite a number of apparel producing firms in the state. Regional apparel markets have been growing rapidly and becoming increasingly important since the 1920's. Interest in the growth of apparel industries has prompted several studies to be conducted on the regional markets. The emphasis of this study was the present status of Michigan's apparel industry. Through information regarding the structure and organization of firms, type of apparel produced, marketing facilities, and the extent of the market, the importance of Michigan's apparel industry could be determined. In addition, one primary objective of the study was an examination of factors which may be influential in the expansion of production.

Information regarding the present status of the Michigan apparel industry was obtained by sending questionnaires to the heads of all known firms which produced apparel. The questions were aimed at obtaining factual information about the operation of the firms and the types of apparel produced. Questions were also included which permitted free expression of opinions concerning the future of the apparel industry in Michigan and possibilities for expansion in the state.

Census data were used to establish background information concerning the development of apparel production within the state. The census figures showed a decline in the total number of manufacturing firms in Michigan from 1947 to 1965, but indicated double the number of total employees and an increase in value added of six and one-half times during the same period. The apparel classifications which show the most importance for Michigan, according to the census information, are first, women's and children's underwear and secondly, children's outerwear. These two classifications of apparel showed very substantial increases in both number of employees and value added from 1958 to 1965, and from 1958 to 1963, respectively.

The information obtained from the manufacturing firms indicates a wide variety in sizes of firms in Michigan. The firms also produce a wide variety of kinds of apparel

items. The unique quality of the Michigan apparel industry is found in this diversity of firms and apparel items produced.

Some of the firms in the state have been in existence for over a century. Four of the twenty participating firms recorded date of establishment in the nineteenth century beginning in the early 1860's and have been operating for nearly 100 years. The greatest growth period for the establishment of newer firms was from 1940-1959.

A majority of the participating firms are closed corporations. Respondents indicated that sixteen of the firms are located in Michigan cities because of the available labor supply.

Most of the firms utilize the inside-shop method of production, or what may be identified as the full-scale manufacturer. The majority of firms operate just one plant, although some firms maintain as many as three. The manufacturers use a combination of hourly and piece wage plans for their production employees. A relative absence of union affiliation is seen in the Michigan apparel industry.

Michigan apparel producers use as the most important sources of materials suppliers from the East and the South. Only a very small percentage of materials was indicated as being supplied from Michigan. The resulting transportation cost would prove an important factor in production costs.

The number of employees in each establishment is an important indicator of the size of the firm. Most of the firms are relatively small with less than 100 employees. Several firms, however, employ over 200 workers. Most of these employees are women. A majority of the firms maintain an apparel designer as part of the over-all organization.

The Michigan manufacturing firms participating in this study indicate the production of a wide variety of apparel items. Ten firms produce apparel for women ranging from lingerie to bridal gowns. Four of the ten firms produce some type of underwear or nightwear. Seven firms manufacture apparel for children with an emphasis on infantswear. Four firms produce outerwear for men and boys. Each manufacturer offered a full range of sizes according to the character of the product. Infantswear, lingerie, and other small apparel items are wholesale priced by the dozen lots; larger and more individualized garments such as dresses and trousers are generally priced by the piece.

The information received from the manufacturers revealed that a large quantity of the apparel produced may be considered to be either sport and playclothes or classified as underwear and nightwear. These categories of garment items include apparel for women and girls as well as for infants. Information obtained from the manufacturers agrees with the information drawn from census data.

The Fall line of merchandise represented the greatest quantity of apparel produced within the Michigan apparel firms, with the Spring line second. The Fall line also was designated as the most important in terms of sales by a majority of the firms.

Several important apparel markets are used by the apparel manufacturers in Michigan. These include Chicago, New York, Dallas, and Los Angeles. However, the use of road salesmen is a more important method of sales than market showings for most of the firms.

Over half of the participating firms deal directly with retail outlets for the sale of apparel. Michigan produced merchandise goes mainly to department stores, specialty shops, and chain stores.

A majority of the participating firms distribute merchandise to all areas of the United States. Nine of the twenty firms depend on over half of the firm's sales volume from national distribution. A few of the firms concentrate distribution within the Midwest area.

The thirteen firms willing to disclose an estimated yearly dollar sales volume indicated a range from \$150,000 to \$7,000,000 with one firm having out-of-state plants exceeding that figure.

Information received from the firms indicates an increasing market for most of the items produced in Michigan. Most of the firms reported expansion of facilities,

employment, and product diversification for the time period since 1950. In addition, over half of the firms indicated future plans for expansion in the same areas.

The factors cited most often by the firms as favorable to the expansion of apparel production in Michigan included a regional market for the products, a suitable labor supply, transportation facilities, and the availability of both short-term financing and long-term financing. The factor mentioned most as being unfavorable to expansion of the apparel industry was the lack of availability of raw materials. Other unfavorable factors noted were the lack of a suitable labor supply, the presence of labor unions, and the existing tax system in the state.

Several firms supplied additional comments to the inquiry of whether conditions were favorable or unfavorable to the expansion of apparel production in Michigan. These comments expanded on the particular factor the respondent felt was most unfavorable to expansion. The factor mentioned by four out of six respondents was the lack of a suitable labor supply; the comments emphasized the need for workers trained to meet the needs of the apparel industry.

In spite of the many unfavorable conditions cited by the apparel firms, many reasons exist to believe that the apparel industry in Michigan will grow and become increasingly important. Increases in the production of women's and children's underwear and of children's outerwear can be seen

in the census figures for total employees and value added for these two apparel classifications. The census figures show a definite expansion of these two apparel industries. The importance of these two categories of apparel can also be seen in the information supplied by the manufacturing firms which described the kinds of apparel items produced, including women's lingerie and infants' wear. Several factors favorable to the expansion of the Michigan apparel industry were pointed out by the firms, including a regional market for the products, a suitable labor supply, transportation facilities, and the availability of financing. Half of the firms felt a suitable labor supply existed and half felt the supply was lacking; the opinions on this factor undoubtedly depended upon the area in which the manufacturing firm was located. Another favorable factor derived from the responses was that most of the firms reported an increasing market for apparel items produced by the firm.

Additional research on the part of educational institutions, business, and the state government will increase the source of information initiated in this study and will help to discover the needs which must be met in order to see an expansion of the apparel industry in Michigan. There is reason to believe that an expanded Michigan apparel industry can exist in the future.

Recommendations

This survey of the present status of the Michigan apparel industry probed an area which has been relatively unexplored. As an initial study the aim was to be a compilation of information regarding the existing industry. The information will serve as a basis for determining the industry's potential for expansion. Because of the extent of industry which was discovered, suggestions for continuing and expanding the study of Michigan's apparel industry may be made.

Replication of selected parts of the study utilizing an interview technique would provide additional information which would help assess the present position and the future of the apparel industry in Michigan. A more detailed investigation into specific kinds of apparel production in Michigan would also help in the assessment. More firms should be contacted to report a more complete picture of the developmental trends of the industry.

According to the findings in this study and the findings of the Kilbourne study of Michigan custom design firms, there is a crucial lack of skilled labor in the state. A survey of all apparel producing firms in Michigan to discover the needs of the industry for trained labor would assist the apparel industry in its plans for expansion. Assistance would also be given to persons in government and industry concerned with unemployment problems.

Replication of a similar exploratory study in other major regional markets as well as in secondary markets would contribute to existing knowledge. In addition, repeated studies would help in future comparative analyses of regional markets and help to establish the place of regional markets in the national apparel industry.

The questionnaire developed for the Michigan apparel industry study obtained most of the desired information. Some respondents, however, misunderstood a number of questions. If the instrument were to be reused, several suggestions should be made for revision. The two questions concerning distribution of merchandise were misunderstood by several respondents. The question concerning the source of apparel design should be revised to solicit more effectively the information desired. Several firms did not supply full information about the apparel items manufactured; a check list might facilitate responses to a similar question.

An important recommendation from this study is that a broader and more detailed investigation of the apparel industry in Michigan should be undertaken. More information would assist educators, businessmen, and governmental officials in assessing the existing industry within the state and the contribution of Michigan to the national apparel industry. Those agencies which might find such information of particular value are the Department of Economic Expansion and the Michigan Chamber of Commerce.

Information should be gathered and made available to the persons concerned with the development of the apparel industry itself. Most important would be the assistance which could be offered as encouragement to the growth of the apparel industry in Michigan.

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APPENDIX A

LETTER OF INTRODUCTION

Your firm holds an important place in the apparel industry in Michigan which, according to the latest U.S. Census figures, has increased \$104,715,000 in value added by manufacture during the period from 1958 to 1963. Many who are interested in the future development of the apparel industry would like to know more about present trends in the industry and the potential for expansion. Since developing a profile of the industry requires compiling information about representative firms, we would like to request your participation in this study.

The enclosed questions are aimed at exploring the present status of the apparel industry in Michigan and at discovering conditions which may affect its development. Responses to specific items will be used to compile figures on the industry as a whole and will not be used to give detailed analysis of individual firms. The information you give in response to these questions will be kept strictly confidential. If you wish to make additional comments on any question where space is not provided, please use the back of the page indicating the number of the question to which you refer.

This study is under the direction of Dr. Elinor Nugent, a member of the research and teaching staff in the Department of Textiles, Clothing and Related Arts, College of Home Economics, Michigan State University. As a graduate student under her direction in the department, I am undertaking as my research the study of the Michigan Apparel Industry. This study is a part of a major regional study under Dr. Nugent's supervision.

If you are interested in a summary of the results of this study, I shall be glad to make it available to you upon request. Thank you for your cooperation and assistance. We would appreciate having the information from your firm at your earliest convenience.

Sincerely,

(Mrs.) Mary Mason
Assistant Instructor

(Mrs.) Elinor Nugent
Associate Professor

APPENDIX B

QUESTIONNAIRE

MICHIGAN APPAREL INDUSTRY STUDY

In completing the following questions, check the most appropriate choice and give an estimate of percentages and/or a few words of explanation for those questions for which information is needed.

1. Date of firm's establishment: _____

2. Function of firm when established:

___ manufacturer (inside shop)

___ jobber

___ contractor

___ other, specify _____

3. Present type of operation:

___ manufacturer (inside shop)

___ jobber

___ contractor

___ other, specify _____

4. Present ownership of firm:

___ individual

___ open corporation

___ partnership

___ other, specify

___ closed corporation

5. Total number of production plants:

_____ in Michigan

_____ outside of Michigan

6. Location(s) of production plant(s):

___ Detroit

___ other Michigan city, where? _____

___ rural area, where? _____

___ outside of Michigan, where? _____

7. Reason(s) for location in those areas:

___ materials available

___ financing available

___ suitable labor supply

___ other, specify

___ transportation facilities

___ designer employed by your firm
 ___ designer from other Michigan area
 ___ designer from out of state, where? _____
 ___ adaptation of existing design
 ___ other, specify _____

16. Apparel trade center(s) used to exhibit firm's merchandise:

☐ Chicago ☐ Dallas ☐ Los Angeles
☐ New York ☐ St. Louis ☐ Miami
_____ other

17. Percentage of each sales method used by your firm:

☐ road salesmen _____ %
☐ market showings _____ %
☐ other, specify _____ %

18. Areas to which products are sent and approximate percentage of sales volume represented by each area:

☐ within the state _____ %
☐ regional, where? _____ %
☐ national, where? _____ %
☐ international, where? _____ %

19. Which type(s) of retail outlets does your firm utilize, directly or through wholesale distribution?

Direct	Wholesale	
<input type="checkbox"/>	<input type="checkbox"/>	department stores
<input type="checkbox"/>	<input type="checkbox"/>	specialty shops
<input type="checkbox"/>	<input type="checkbox"/>	chain stores
<input type="checkbox"/>	<input type="checkbox"/>	discount houses
<input type="checkbox"/>	<input type="checkbox"/>	mail-order houses
<input type="checkbox"/>	<input type="checkbox"/>	variety stores
<input type="checkbox"/>	<input type="checkbox"/>	other, specify _____

20. Referring to question number 19, indicate the approximate percentages if you use more than one method of distribution.

☐ direct factory-to-retailer _____ %
☐ factory-wholesaler-retailer _____ %

21. Would you be willing to give an estimate of the total dollar sales volume for your firm for the year 1965?

_____ dollar volume

22. Describe the apparel items you manufacture using the listed categories and indicating whether the apparel is for men, women, boys, girls, and/or infants (for example, men's trousers, women's 2-piece dresses).

APPAREL ITEM	BRAND NAME	SIZE RANGE	WHOLESALE PRICE RANGE
--------------	------------	------------	--------------------------

23. a. Which of the following types of merchandise most appropriately describe(s) the items your firm manufactures?

<input type="checkbox"/> sport or playclothes	<input type="checkbox"/> underwear or nightwear
<input type="checkbox"/> streetwear	<input type="checkbox"/> other, specify _____
<input type="checkbox"/> formal wear	

- b. If your firm produces more than one type, indicate which is most important in terms of sales?

Why?

24. a. Which seasonal line(s) is (are) most appropriate to the items your firm manufactures?

☐ Fall
☐ Winter
☐ Holiday

☐ Spring
☐ Summer
☐ Transitional

- b. Which is more significant in terms of sales?

Why?

25. Is the market increasing, decreasing, or remaining about the same for products like those manufactured by your firm?

☐ increasing
☐ decreasing

☐ remaining about the same

26. In what area(s) has your firm expanded since 1950? In the space following the area, indicate the amount or type of change.

☐ facilities or plant _____

☐ employment _____

☐ diversification of products _____

☐ other, specify _____

27. In what areas does your firm intend to expand its operations in the next 5 years? In the space following the area, indicate, if possible, the extent of increase expected.

☐ facilities or plant _____

☐ employment _____

☐ diversification of products _____

☐ other, specify _____

28. Which of the following would you consider favorable or unfavorable toward the expansion of apparel production in Michigan? Indicate by "+" for favorable items and "0" for unfavorable items; leave blank those you do not feel are applicable.

☐ regional market for your product
☐ regional market for a particular seasonal apparel item; specify _____
☐ raw materials available
☐ suitable labor supply
☐ transportation facilities
☐ advantage of industrialized areas
☐ advantage of rural areas
☐ presence of labor unions
☐ short-term financing available
☐ long-term financing available
☐ legal restrictions on organizations
☐ legal restrictions on financing
☐ existing tax system
☐ others, specify _____

Comments:

Note: The questionnaire was not sent to the firms in the above form. It was altered for purposes of presentation.

APPENDIX C

FOLLOW UP LETTERS

Questionnaires sent to apparel manufacturers in Michigan are being returned promptly by many firms. However, since the forms are not signed, those firms supplying information cannot be determined. If yours is among those received, or has recently been mailed, we thank you for your quick reply.

If your response to the questionnaire has been delayed, would you please take a few minutes to complete the questions and return the form as soon as possible. The information you can give us is important and should be included in the study.

We express again our appreciation for your cooperation and assistance in completing this research.

Sincerely,

(Mrs.) Mary Mason
Assistant Instructor

(Mrs.) Elinor Nugent
Associate Professor

Four weeks ago you received a letter concerning a survey of the apparel industry in Michigan. Enclosed was a questionnaire which, when completed, would supply us with information about your firm. We have reason to believe that your response has been delayed, so we have taken this opportunity to send you another questionnaire and envelope for your convenience.

We hope you will give this second request thorough consideration. There is increasing interest by many leaders of Michigan in the expansion of existing industries. We are especially interested in one particular area, apparel manufacturing, and the possibilities for expansion in this field. Your firm being a part of this industry should have as many important facts to contribute to the whole picture as other firms.

Many have already responded to our original request for information. You can still be an important participant in this survey. We would appreciate receiving your reply very soon.

Sincerely,

(Mrs.) Mary Mason
Assistant Instructor

(Mrs.) Elinor Nugent
Associate Professor

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