Manufacturing Matters

What We Have Learned from Closing 70,000 U.S. Factories

Author: Chris LaCorata
Including excerpts from New York State Senator George M. Borrello

Editorial support: Linda Bigger

Executive Summary

U.S. manufacturing has changed significantly since 2000. Changes in trade partners and policy, increasing offshore production, and shifts in business perspectives have led to more than 70,000 factory closures and the loss of more than 6 million jobs.

To grasp the full importance of those numbers, we must take a step back and explore what happens to communities, industrial regions, and individual lives when a single factory closes, then multiply that times 70,000. The traumatic ripple effects of a single closure are wide and deep and lasting.

Company decisions that disassembled critical working practices and relationships in industry and manufacturing have led to overstretched supply chains, concerns for geopolitical risk, extra hurdles in product innovation, and threats to control over intellectual property. The resulting damage to U.S. manufacturing and competitiveness has been harsh.

The fortunes of communities and manufacturing are inseparable; revitalizing one or the other benefits both.

Despite appearances to the contrary, the very communities that have experienced the loss of manufacturers, with factory buildings standing empty, offer opportunities for growth and reindustrialization.

This is not a retreat to an idealized past. Instead, it is a call to appreciate and emphasize local strengths and attributes then pair them with modern technology to create new manufacturing production and stronger, economically stable, communities. It's time to build back and build anew, anchoring growth in the qualities that make each region and local area unique.

Key Takeaways:

- Moving operations offshore is costly and we can no longer afford the collateral damage it brings.
- Reshoring and retaining manufacturing in the U.S. benefit the domestic economy and help restore communities.
- Industrial revitalization does not rely on the "same old" plan; continuous improvement methods help businesses cut costs, sharpen their competitive edge, and avoid cutting jobs.
- Communities must build economic resilience and protect themselves from future plant closures by rethinking their approach to attracting new companies.
- Opportunities to rebuild communities are plentiful and our developer's playbook shows how working with the local industrial development agency can help create new jobs and sustainable business.

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Youngstown, Ohio and Gary, Indiana may be among the first cities that come to mind when you think of deindustrialization and outsourced manufacturing. But these are just two among hundreds of US towns and cities where remnants of factories, or fields where they once stood, provide silent testimony to manufacturing's departure and the influence of a single factory on a community and a network of other businesses.

Manufacturing makes up 9.4% of the U.S. GDP today, a substantial drop from its high of 25%, positioning the U.S. behind Finland, Poland, and other nations. Meanwhile, according to the Coalition for a Prosperous America, manufacturing's contribution to China's GDP has grown to 28%--triple that of the U.S.

Since 2000, more than 70.000 U.S. factories have vanished: closed outright or moved overseas. And they have taken more than 6,000,000 manufacturing jobs away with them. The economic and social implications of a plant closure are closely entwined, but the lingering social effects of the devastation are not often discussed.

The loss of U.S. manufacturing and industrial plant closures undermine the economic and social health of the nation and its communities as well as their future competitive strength.

One Plant Closure

Take a look at your own state. There are plenty of plant closures to go around, and no state is exempt. Whether you look at Lancaster, Ohio; Flint, Michigan; or Galesburg, Illinois, plant closures leave damage and broken commitments in their wake. Manufacturing matters. Far beyond the eyesore of abandoned facilities, lives and communities unravel when industry leaves.

A single plant closure can erase both union and management jobs. Frequently, it removes a town's largest employer. What's worse, these decisions may be made without discussion involving local leaders. Some closures happen in stages: first, the sale of a plant to a different corporation followed by an outright closure or relocation despite promises made to the community.

Economic Impact of Factory Closure

Decisions made by CEOs, corporate leaders, and government have led to the exodus of U.S. manufacturing, one facility at a time. Each factory closure has set off a ripple effect of influence that has shattered lives and gutted communities–even entire regions–while endangering the nation's security and prospects for the future.

Manufacturing matters: dollars spent in manufacturing have a multiplying effect on the economy. According to the National Association of Manufacturers, every $1 spent in manufacturing adds $2.64 to the overall economy (National Association of Manufacturers 2025); some estimates raise that value as high as $3.30 to $4.00. In terms of income, for each $1 of income from direct labor earned in manufacturing, the overall U.S. economy rises by $3.92 in labor income earned. *And nearly five workers are added to the overall U.S. economy for every one manufacturing worker added.* When plants close this relationship multiplies the downward momentum. When one plant closes, economic damage hits communities in familiar patterns of ever-widening circles that include these stages:

Reduction in Tax Base

- As jobs disappear, income falls, slashing the tax base.
    - With the closure of a single plant or company, or a sharp cut in workforce, a substantial portion of workers who find work may not ever regain lost income.
- Population drops as the best talent leaves to seek work, removing money and buying power from the community.
- Skilled workers and managers who were trained and groomed for advancement in the company leave, reducing the pool of talent available in the community should another plant open.
- A lower tax base makes it harder to afford redevelopment activities.
- Without the taxes paid by the manufacturing plant, water, sewer, and utility fees rise for local residents.

Public Services Decline

- Budget cuts based on reduced taxes lead to reduction in services including police, fire, education and community resources.
    - Communities may even divert already-limited public funds away from schools or services to create incentives for companies to remain in the community, placing children and families at a further disadvantage
- Crime and arson increase; landscapes and infrastructure deteriorate without adequate maintenance.
- Once being marked as a “failing” community with a reputation for crime, attracting new businesses and residents becomes harder.

Threatened Livelihood of Small Businesses and Suppliers

- Without the factory, suppliers to the plant lose business: both part suppliers as well as service companies and contractors.
    - Less disposable income in the community reduces traffic in stores and restaurants and reduces demand for optional expenses and activities. Participation in community or youth sports may become too costly for families. Retail and dining hours of operation are cut, further reducing potential jobs and income for those workers.
- Utility/power costs increase for other businesses when the factory is no longer a volume customer.

- ➢ Transportation and freight costs rise for businesses that remain in the area. Reduced shipping volume disturbs the delicate balance that allows for best priced and most efficient transportation of goods.
- ➢ Cycle repeats as small businesses/supplier companies may also be forced to close.

Social Impact of Factory Closure

Economic factors are in turn related to human and social costs that persist for decades. Youngstown State University studied and documented the social impact of deindustrialization on workers, families, and communities (McCormack 2020).

- ➢ Job loss slashes income, reduces or eliminates benefits and healthcare coverage.
- ➢ Loss of income leads to home foreclosures and financial stress.
- ➢ Family tensions increase; family and financial stress lead to mental and physical health challenges.
- ➢ Displacement as workers move away, disrupting social networks, breaking up family units, and removing valuable workers from the community.
- ➢ Desperation can lead to drug-related illegal activities as a source of income.
- ➢ With persistent unemployment, levels of depression, crime, drug and alcohol abuse, and violence increase.
- ➢ The individual's sense of identity is further damaged by loss of supportive relationships with coworkers, despite not being at fault.
- ➢ Hope disappears; people feel a lack of purpose in life.

Communities as well as individuals internalize the sense of failure. The report notes that the general sense of failure "undermines the community's identity and sense of competence. . . . creating a cycle of failure from which it is difficult to escape."

Communities have been demolished and feel as if they have been branded “of little value” when plants close. Multiply this damage by the number of factories lost in the US. The challenge is even more significant when unemployment is concentrated in a single area. Local support funding quickly runs out with increased demand. Communities turn to federal and state sources for support which in turn affects the entire population, not just a local region.

The individual stories of each community are unique, but the pattern is similar. Muncie, Indiana, the “Middletown” studied in the 1920s by researchers Robert and Helen Lynd, experienced industrial growth and reached a peak in the 1970s and 1980s when more than 20% of the city’s population (17,000 people) were employed in heavy industry (“Documenting Deindustrialization” 2026). By 2000, that number had fallen to 5,000 workers, making up just 7% of the city’s population. BorgWarner, Ball Corporation, General Motors, and Delco Remy are just some of the companies that have left the area. The drop in population from a high of about 76,000, to a 2026 population of around 65,000 is no coincidence.

While Muncie’s larger population can more easily cushion the effect of plant closures, communities like Bruceton, Tennessee find it virtually impossible to bounce back. Alana Semuel (Semuels 2015) traces the economic changes in Bruceton in her article in *The Atlantic*. Located in Carroll County, with a current population of around 29,000, Bruceton was once a thriving community. It was home to three factories of

the Henry I. Siegel Company, (2026) locally known as H.I.S. Formed in 1935, by the mid 1980s, H.I.S. was the third largest maker of women's clothing. As the major employer in the community, the company employed 1700 people, two hundred more than the town's 2020 population. Layoffs began in 1995 and the last 55 workers were let go in 2000. It appears that the community has not regained the dynamic energy it once had.

Whether it's one large employer or several, losing manufacturers from a community has a profound impact not only on the lives of those now unemployed, but on the surrounding network of communities. Communities matter and manufacturing affects their strength and survival. Plant or company closure can be initiated with the stroke of a pen; building back takes extended effort and time. Consider, then, the combined economic and social damage related to the closure of one facility and multiply that times the 70,000 – or more – factories closed since 2000.

Lessons Learned

Without evaluation of root causes, this pattern of plant closures and relocation overseas is too easy to repeat. We need to understand the underlying historical conditions and events in order to move forward and break the cycle.

Historical Context and Changes in Trade

Post WWII demand for goods and housing rose rapidly. Growing families (the Baby Boom) needed new homes, vehicles, and labor-saving appliances. The demand for goods appeared unlimited and US industry was thriving. Existing factories returned to peacetime production; meanwhile, new manufacturing facilities were being built in Germany and Japan to replace those destroyed in the war.

In 1994, the North American Free Trade Agreement went into effect and changed the dynamics between the US and its neighbors, Canada and Mexico. What have been the results?

Mexico

The Department of State's 2025 Investment Climate Report: Mexico reports that Mexico was the largest trading partner of the United States in 2024 ("Mexico - United States Department of State" 2025). By the end of 2024 more than 18,000 U.S. companies like Caterpillar, IBM, General Motors and the poster child of outsourcing Whirlpool now operate in Mexico (devadmin 2019). The most frequently cited reasons for outsourcing to Mexico or "near shoring" is reducing the risk of elongated supply chains from Asian nations and reduction of labor costs. Also in 2024, the Foreign Direct Investment figures show that US investment in Mexico reached more than $36 billion, a record high.

China

Also in 1994, President Bill Clinton's China Doctrine delinked human rights from trade securing permanent status of China in the WTO entry. Clinton signed the legislation granting China Permanent

Normal Trade Relations (PNTR)—formerly known as Most-Favored-Nation (MFN) status—into law on October 10, 2000.

In his 2023 article for the Coalition for a Prosperous America, "Job Loss by Metro Area Shows Devastation from China Shock," Andrew Heritage states, "The trade deficit with China has cost the U.S. **3.4 million** manufacturing jobs since 2001" (Heritage 2023). He points to the results of research on more than 927 U.S. cities and towns indicating high job loss in hundreds of communities across the nation as a result of imports from China.

From the late 1980s onward, financial engineering involved hostile takeovers and high finance dealings brought in new company owners and factory leaders without experience in those industries but with a keen eye for profit. A 2020 analysis by the Economic Policy Institute found a **net loss of about 70,000 manufacturing establishments between 1997 and 2018** (Scott et al. 2022)**.**

High costs of moving operations offshore

Innovation hurdles increase

One CEO decision to move operations offshore can affect a company's innovation opportunities. As we have watched the gutting of US manufacturing for the past 40 plus years, we have seen the fulfillment of predictions like this one (Markides and Berg 1988) in the Harvard Business Review: "A company that subcontracts its manufacturing to foreigners will soon lose the expertise to design and the ability to innovate, because it won't get the feedback it needs." Innovation is hampered when US research and development teams are half a world away from their manufacturing facility. Proximity promotes more effective and rapid iterations.

Collaborators become competitors

In many circumstances, when manufacturing is transferred to another nation, proprietary designs and plans go to that nation as well, fulfilling the prediction that "collaborators become competitors." And, depending on the product, it's a short step from this point to the endangerment of national security. Protection of intellectual property is a tremendous concern that demands diligence and expertise in understanding how to work with foreign laws and regulations. IP theft affects the nation as well as the welfare of individual companies; legislation has been introduced to put an end to practices that enable other nations to gain access to trade secrets and IP through the courts ("Grassley Sounds the Alarm on Chinese Theft of American Intellectual Property | United States Senate Committee on the Judiciary" 2026).

Other nations advance as U.S. reduces emphasis on manufacturing

At the time that the US was devaluing manufacturing, other nations were not. U.S. corporations focused on shareholder value and competitive pricing, claiming that high domestic costs prevented them from competing with foreign imports, particularly in the auto industry. Meanwhile, between 1994 and 2005, Toyota built seven plants in the US in California, Indiana, West Virginia, Alabama, and Texas (Toyota 2025).

The success of these factories, producing quality vehicles made by U.S. workers, points up the hypocrisy of the corporate rationale that labor costs and lagging worker efficiency stood in the way of producing quality products and competitive automaking production.

Damage to communities lingers and spreads

Financial engineering creates a revolving door of factory ownership. Plant sales and takeovers may recognize only the money to be made and look at factories and communities as commodities, parts to be dismembered and sold in pieces without regard to commitments made to employees, unions, and communities. New plant leadership may understand manufacturing in the abstract, but when their key area of expertise is the art of the deal, plant maintenance and operations suffer.

Overall, we've come to recognize that CEO decisions affect American communities for generations and have the potential to destroy far more than jobs.

Benefits of retaining manufacturing in U.S.

Proximity to suppliers

When suppliers are nearby, response time improves. An in-person visit for evaluation or quality checks is easier to accomplish, especially if the supplier is not only domestic, but geographically close. Issues that arise can be addressed more quickly. Managers have the ability to maintain greater control over production, and with that, greater assurance that specifications will be met satisfactorily.

Shorter distances mean that components and finished products spend less time in transport. That translates to shorter lead times in the production process and faster delivery of finished goods to customers.

Simplified supply chain

The longer the supply chain and the more entities involved in the transportation process, the greater the possibility for error or other challenges and delays at each handoff. When you avoid excess handling and long-distance transport, you also gain more control and more predictable supply. A shorter supply chain also means less cost for transit and less burden on the environment.

Participation in the local and domestic economy

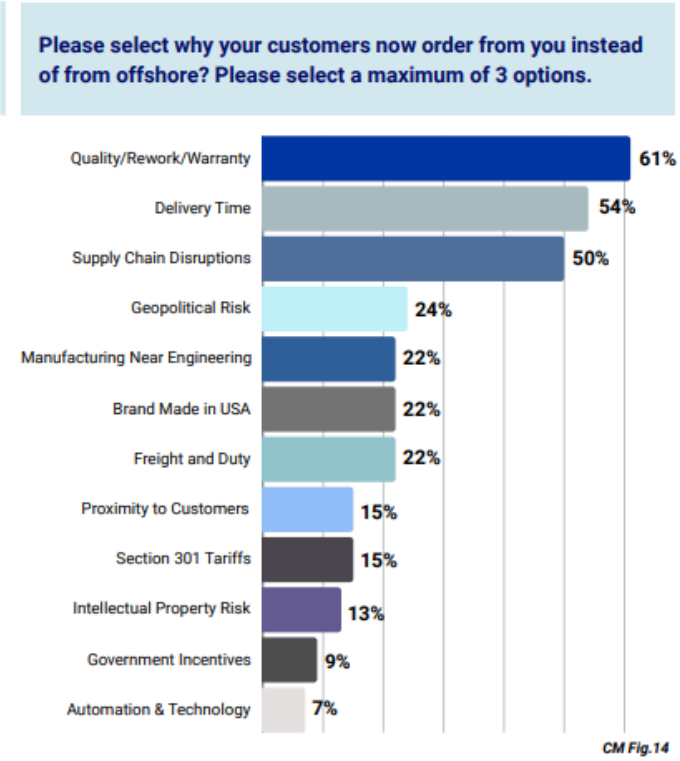
Taxes support services and critical infrastructure that communities depend upon, and manufacturers pay taxes. Manufacturing creates multiple tiers of jobs within local communities which in turn helps strengthen the US economy.

The 2025 Reshoring Survey Report from the Reshoring Initiative supports these benefits and summarizes why domestic contract manufacturers are gaining OEM orders (Moser and Anemogiannis 2025). OEMs surveyed identified the top four issues that caused them to choose US contract manufacturing partners:

- Quality/rework/warranty
- Delivery time
- Supply chain disruption

- Geopolitical risk/concerns

Geographically close suppliers were the norm before offshoring entered the picture. At that point, an extended supply chain affected by geopolitical risks was a non-issue and close proximity for in-person quality checks or rework were common practice. A resurgence in choosing U.S. contract manufacturers is a return to standard practices before offshoring placed oceans and thousands of miles between suppliers and manufacturers.



Source: https://reshorenow.org/content/pdf/2025_Reshoring_Survey_Report.pdf
(Moser and Anemogiannis 2025)

These CMs are winning back orders based on quality, delivery time, geopolitical risk, and manufacturing near engineering (innovation and new products). These were all things that any operations executive worth their salt would have known. We went from using local suppliers 100 miles away, which had a one-week lead time, to suppliers in China, 6,500 miles away, with a five-to-six-week lead time. The pattern for just-in-time manufacturing was disrupted. To address and stabilize this elongated supply chain, companies reverted to increasing inventory.

The result we see in this survey report shouldn't be a surprise, but it throws a harsh light on the damage we have done to our manufacturing systems: “OEMs are open to moving to domestic CMs for faster deliveries, reduced freight and duty costs, lower geopolitical risk higher quality products, and increased collaboration with engineering teams.”

What it takes to build back

Building back involves restoring and revitalizing both industries and communities. Manufacturing is key to this process. Moving production overseas is not the only method for reducing costs. Instead, companies must examine processes, capacity, and untapped potential that exists in the current factory then use continuous improvement methods to cut costs without the need to layoff workers or relocate operations.

1. Industrial revitalization

Reestablish domestic manufacturing (reshoring)

The move to promote reshoring creates incentives to reopen plants that had been closed or expand domestic operation. It may also mean the development of new facilities or manufacturing locations. New regulations and emphasis are promoting this. Manufacturing matters. While reshoring is not enough on its own to replace jobs lost from offshoring based on advancements in manufacturing, it is a critical move in the right direction.

Currently, small or rural communities that were hit hardest when plants closed have not been on the radar as part of the reshoring discussion. Further discussions on reshoring should include measures to address economic healing for these communities.

Comparing areas where jobs were lost (ETQ 2025) with areas seeing the bulk of reshoring raises questions (Wendling 2025). Are the communities that were most damaged by offshoring the ones seeing the return of industry? Money is flowing toward businesses in this process, but is it being used wisely or misdirected? The nation has a record high inventory of available manufacturing properties that could be repurposed, so is new construction truly the best option considering both cost and time needed to begin full operation?

Cut costs without cutting jobs

Keep factories operating profitably so they aren't tempted to leave. Manufacturers have other options to improve methods within existing sites instead of consolidating operations, closing plants, and cutting jobs

One personal experience example documents the process of unifying three manufacturing organizations and achieving a $44 million cost reduction over 24 months without plant shutdowns or layoffs (LaCorata 2026).

Create new businesses and manufacturing operations

As operations reshore, support functions need to be reestablished. Supply chains have been stretched until they have broken; instead of working with suppliers located within a 100-200 mile radius of the plant, global sourcing has added layers of handling and increased the potential for the chain to break down at any linkage point.

Embrace modern methods and technologies and other perspectives

Take advantage of today's tech–from automation and robotics to 3-D printing methods, e-commerce, and apprenticeship and vocational education models from other countries.

For example, 3-D fixtures may be designed and created to support printed circuit board assembly processes. Or the US could take a page from Germany's playbook and establish stronger, broader, more portable apprenticeship standards that would elevate a range of trade and technical careers,simultaneously making a dent in the skills gap and raising the status and standards for skilled trades.

2. Leadership Development

If we anticipate a resurgence in industry and open 1000 new factories, who will lead them? We must also prepare to train leaders–and do that rapidly–building on some key attributes.

Life experience in manufacturing

Manufacturing is a unique environment. By its very nature it encompasses not only the physical space of the factory but also the interconnected network of people, customers, processes, technologies, and regulations that contribute to the production of a valued product. At the core of this complex environment are various stages of developing leadership. Event after event, your skills go through one cycle after another of challenge, test, learn and repeat.

Operating a glass factory differs from manufacturing printed circuit board assemblies or auto parts. Top management is historically chosen from the ranks of experienced managers. Experience is critical and industry-specific expertise isn't gained overnight.

Moving manufacturing overseas shattered the pattern of leadership development that relied on training up workers through the ranks. Skills must be developed and battle-tested. Hands-on leadership training instills a deep understanding of the industry along with preparedness and a sense of stewardship. Growth from within forges an understanding of how decisions are made in relation to a particular type of industry.

Mission minded

Where is your focus as a leader? Is it on self or on the overarching purpose of the business and the enterprises your company serves? Back in 2002, in an interview article in Fast Company (Collins 2026), author Jim Collins captured CEO thinking of the 1990s–the decade when NAFTA came into being:

> It was popular to speak about the 1990s as the greatest wealth-creation moment in history. In reality, it was just as much a period of wealth transference on a grand scale. One group of people simply transferred wealth to themselves at the expense of another group of people. A whole generation saw it as a once-in-a-lifetime opportunity to get in, get theirs, and get out before the bubble burst. They saw it not just as an opportunity, but also as an entitlement. And we are paying the price today.

We see the results of this thinking in the empty factory buildings across the country in decisions that reflect more self-interest than mission-minded focus.

Cultural shift

It's time to rethink the track to the C-Suite. A CEO who comes up through the operating ranks with actual experience running a factory might be more measured and consider domestic operations differently through a lens of stewardship and responsibility.

Attitudes also need to shift to enable the nation to cultivate more individuals equipped to be manufacturing leaders. A career path through manufacturing offers tremendous opportunity for leadership development that can be applied to leadership in many other areas. Manufacturing offers careers for personal and professional growth and taps the natural talents of people with a vast range of learning styles.

3. Community Revitalization

Building back healthy communities begins at the local level. It involves energy, ideas, and a willingness to create new partnerships with business and industry. Some aspects of creating a business-friendly environment are not under local control, such as establishing balanced, intelligent tariff levels and a corporate tax rate that's attractive to business (rather than a rate so high it sends corporations packing).

Create protective "firewalls"

Communities must take measures to protect themselves and the gains they make to prevent repeating the cycle of plant closure and its repercussions.

One way to accomplish this is to create "firewalls" as businesses re-establish in the region and as new companies are formed:

- Community boards should require accountability from companies that enter or re-establish themselves. As part of the development process, agreements protecting workers and communities should be required, such as a transition fund to help workers or severance pay if the organization decides to leave or cease operation.
- Requirements need to be appropriate to the nature of the transition and should include benefits.
- If taxpayer-funded incentives have been provided and accepted by the employer, a fund should be established to recoup all the funds with interest.

Build economic resilience

Communities matter. They also need to build resilience by cultivating diverse types of new businesses while keeping the focus on the unique combination of strengths and attributes of the area. In the words of New York State Senator George Borrello, "Instead of chasing the same dream everyone else is chasing, we should focus on what we do better and build there" (Borrello 2026)

Borrello was the former Chautauqua County Executive whose expertise was instrumental in helping me develop plans for a vertically integrated grower/processor operation called Empire State Brands. He emphasizes the importance of building on uniquely local strengths in economic development: "It means being strategic; understanding where you can actually compete and where you can win."

Communities need to re-think their approach to feature local attributes:

- **Update the definition of the ideal new business** for the community: target cultivating multiple smaller businesses, each with a modest number of new jobs, rather than waiting for a Fortune 500 manufacturer to tap the community as the location for a new plant.

- **Aim for a diverse network of small businesses** to help buffer the effects of changing economic conditions and provide a balance within the community. Starting small and growing together enhances the opportunities for collaboration.

- **Intentionally collaborate with local community colleges** for internships, specialized coursework and certifications.

- **Focus on unique community and regional attributes**. Use these as a springboard for planning and development that accentuates the assets of the area:

    - Natural features and resources–lakes, rivers
    - Proximity to transportation features and hubs–train transport, key highways, airports
    - Agricultural resources–unique soil conditions, consistent winds or predominant weather/climate conducive to specific crops
    - Historical, cultural, or other special attributes or points of interest

- **Use the resources of local and regional industrial development organizations**. Local communities have more tools for growth than they may realize. These organizations have access to a wide range of resources: funding, coaching, talent, connections, and even buildings and facilities that can be converted to new functions.

This last point cannot be overstated. Local industrial development agencies, like the County of Chautauqua Industrial Development Agency, are a treasure. They offer innumerable resources and provide an excellent starting point for your re-industrialization journey. Very often their files will contain reports, evaluations, and project plans that focus on local and regional strengths. We worked closely with the CCIDA throughout the planning stages for Empire State Brands.

Real-life Business Development Examples

Wine Country

Consider the example of California's Napa Valley ("The History of Notorious Napa Valley | NapaValley.com," n.d.). Although grapes were introduced into the region in 1839 and wine production initially began around 1861, disease and market conditions combined to wipe out most of the wine industry. For decades, farmers focused on other crops. Not until the mid 1940s, when seven wineries formed a plan to collaborate, did the region reinvent itself. Then, in 1976, what's known as the Judgment of Paris brought California wines worldwide attention and established the region as the producer of some of the world's best wines.

The climate and potential already existed in the region, but it took focused attention by local businesses to establish–or reestablish–the valley as a prominent wine region. Similar scenarios play out in other regions of the US.

Heart of the Midwest

Farming instills a can-do, do-it-yourself attitude that leads to practical innovation. One eastern Indiana farm led to the start up of two entirely different companies, HyFlex Corporation and NexGen Manufacturing. In the 1960s, HyFlex began manufacturing scissor lifts and other equipment; they have since expanded their products into other industries. Allen Mills, CEO of NexGen Manufacturing is the grandson of HyFlex's founder. Mills grew up on the farm yet had exposure to a wide range of metal forming techniques. After college and time spent working in the family business, Mills developed NexGen as a full-fledged high-tech fabrication company ("From a Farm Shop to a Modern Manufacturing Engine" 2026). Not only is NexGen thriving in a rural area (Knightstown, Indiana has a population of 2,140; the county where it's located has a population of less than 48,000), but they have created the StrongStart program to train young people for careers in real-world manufacturing.

New Manufacturing in Rural New York

Experience is a powerful teacher. Following in the steps of another flattens the learning curve. With that in mind, what follows is an outline of the steps we took in creating a project called Empire State Brands. Based on continuous improvement methodologies, the project was successfully prepared and projected to create $91 million in economic activity. The timing and conditions of the COVID pandemic ultimately prevented the project from taking place.

One Developer's Playbook for Cultivating a New Manufacturing Business

The 10 key development steps we followed in creating the Empire State Brands innovative grower/processor project can readily be applied to any other new small business manufacturing enterprise, including those in rural areas or smaller communities.

1. Identify Target Communities
2. Review Local County/Region Economic Strategy
3. Connect with the Local Industrial Development Agency
4. Request an Introductory Conversation
5. Seek Feedback from Angel Fund/Venture Fund
6. Brainstorm Ideas with Local Stakeholders
7. Research the Top Three Ideas
8. Conduct a Feasibility Study and Write a Business Plan
9. Identify and Select a Site
10. Secure Funding

Opportunity in Our Own Backyard

Manufacturing matters. It's time for CEOs and business leaders to rethink the value of producing at home, with a supply chain measured in hours or days, not weeks. Communities that have been overlooked could become new hubs of production.

The timing is right to bring the pieces together–ideas, energy, industrial development groups, new tech, and available properties that can be adapted to house new businesses.

The actions of one CEO can shape the future of generations in a single community. If we don't reach these decision makers, the pattern of companies vanishing from communities could play out once again. Manufacturing needs a backstop so that US gains in reshoring don't disappear. And that backstop includes waking up to seeing how other countries see the US.

Our failure to adopt the long view, the fascination with today's bright, shiny object, is noticed–studied–by other nations who take a different approach. As the ranking of global production shifts among nations of the world, it's time for the US to behave accordingly and remember that the game is on–and there are no guarantees that the US will win. We need to be observers of other nations, identify what they are doing right and where we can improve by modeling other approaches and attitudes.

Modern manufacturing opens new avenues for change and creativity and it is no longer synonymous with resource-devouring industries and unchecked environmental pollution. Smaller scale production and e-commerce open up new horizons; automation helps leverage the abilities of a smaller workforce.Instead of demonizing manufacturing, young people, job seekers, and the public at large need to grasp that manufacturing offers a fulfilling career track, exciting challenges, and the opportunity to earn a good income. Partnering with community colleges can streamline the process for new workers by providing desirable training.

The power of one individual

We must tap the heart of the community and the power of the individual, or of 6,000,000 individuals whose livelihood has been outsourced. Cracker Barrel's example teaches us that consumer outrage over a logo and image redesign can drive a corporation to change course.

Imagine the possibilities if that level of attention and concern could be directed at redressing the loss of manufacturing jobs by the millions of individuals and immediately and indirectly affected by plant closures.

It takes just one individual with vision and the heart of an entrepreneur to tap into local industrial development agency resources and begin a new manufacturing business that will bring new jobs into a community. The process is both sustainable and more within reach than many realize.

Potential for the Future

As a nation, we have reasons to be optimistic. Conditions are favorable for those with an entrepreneurial spirit and the drive to follow through. Opportunities exist for new businesses to develop, including those that support the regeneration of US industry. The data shows that small business loans are on the rise, in number and in value (Sceranka 2025), and the U.S. has a vast stock of available facilities that could be repurposed for new manufacturing.

To support growth and new business, industrial development agencies exist throughout all regions of the country, and they have access to a vast network of individuals who are eager to contribute expertise and funding toward business creation. Awareness of this resource is critical.

Reshoring is underway, however, further discussions and safeguards are needed. As manufacturing is brought back to the U.S., guardrails or backstops must be established to prevent history from repeating itself, so that communities don't suffer a repeated round of loss.

As technology changes the possibilities, new solutions arise. With automation and robotics it's possible for a factory of 100 to do the same level of work as that would have required a workforce of 500 in years past, so it becomes easier to fully staff manufacturing facilities in smaller or more remote communities. E-commerce is a new and favorable option that opens up possibilities for even the smallest rural communities.

The key to making these important changes stick is ensuring that the general public, community development organizations, and corporate leadership understand the full social and economic ramifications of each plant closure. Without that deep-rooted understanding, the cycle could happen again.

[Sidebar]

Manufacturing Business Ideas: One Developer's Successful Roadmap

10 Step Process to Define a New Manufacturing Enterprise with Local Emphasis

Big business will come and go. Far too often these big corporations with no deep ties to the local community leave behind a trail of destruction on their exit that can last a generation. But what if local entrepreneurs with roots in the community could get resources and support to launch a small or medium scale manufacturing venture that helps to create jobs, and more importantly, an economic "firewall" against the ebb and flow of big corporate manufacturers.

The challenge, of course, is finding an idea for a new small- to medium-sized manufacturing model that has the potential to scale significantly. Having a custom fit for a local community is important as it helps tap into hidden strengths, local resources and funding programs.

The following is a step-by-step process we used in collaborating with local stakeholders and the Industrial Development Agency to create a new innovative grower/ processor project called Empire State Brands which was projected to create $91 million in economic activity. Ultimately the project was derailed by the COVID pandemic but the process, based in continuous improvement methodologies, was successful.

Development Steps:

1. Identify Target Communities

This was an easy one for me, as my wife and I had roots in the community and had personally experienced the effects of factory closures. Yours might be your home town.

2. Review Local County / Region Economic Strategy

Nearly every county, region or state in the U.S. has enlisted a third party consultant to define the strengths and weaknesses of the community. Suggested paths forward with target industries are usually defined. This is good base information to begin the thought process.

This is an example of our local agency https://www.yorkcountyed.com/

3. Connect with the Local Industrial Development Agency

Most US counties have an economic growth agency that exists to recruit and support the local business economy. It's vital to connect with these agencies for information and insider knowledge of the community along with county/state resources and programs.

I connected with the Chautauqua County Industrial Development Agency (CCIDA).
https://planningchautauqua.com/development/industrial-development-agency-ccida/

4. Request an Introductory Conversation

Request to meet with a representative. This introductory conversation will help you learn more about the agency and their band width and level set on your objectives.

This is an important decision point. If the representative shows little interest in engaging with entrepreneurs then you're wasting your time as it is likely they might only be interested in landing bigger fish. If they engage, find out what businesses they believe could fill a gap or meet an untapped opportunity, especially those a little guy could launch.

Understanding the "why" of these target industries is important. In my case I got a huge response from the CEO, CFO and their teams. Their reach of expert resources helped to build a base of critical information.

5. Seek Feedback from Angel Fund/Venture Fund

Identify the local angel or venture funds and ask for a meeting to gather their feedback on new business ideas.

Angel funds do not invest in start-ups but are always happy to give guidance to entrepreneurs on new business ideas. In some cases, they can connect entrepreneurs to high net worth people who could provide seed money to help fund a start-up.

Members of these funding groups can also be important coaches and mentors. As advisors or members of an advisory board, they help with raising capital or running the business especially in the start-up phases.

Based on my experience as a member of the local Angel Fund, I can tell you we are always searching for new investment opportunities.

6. Brainstorm Ideas with Local Stakeholders

Work with the local agency to connect with local stakeholders. Many of these individuals have extensive knowledge of the area and even have seats on local planning boards and other agencies. Conduct brainstorm sessions with stakeholders and agency executives.

The local Industrial Development Agency (IDA) helped us connect to resources at the state level. The county executive who is now a state senator attended one meeting to give his personal view on business ideas. His comments were instrumental in focusing on the business ideas with the highest potential.

With their help we conducted several brainstorm sessions to flush out business ideas that could fit the opportunity. These local experts were the perfect team to engage in a high-level discussion of issues and concerns with each potential concept. After setting the criteria we multi voted down to the top three ideas with the biggest potential.

7. Research the Top Three Ideas

Armed with three good potential ideas for new manufacturing enterprises we took the next several months to assess each for market potential.

We decided that an integrated grower/processor model for ingredients and finished food products had the highest potential and met all of our objectives. Based on this decision we moved to the next step.

8. Conduct a Feasibility Study and Write a Business Plan

We needed more information to test the model, so we reached out again to the IDA and requested another work session.

This time we wanted to understand more regarding other crops that could grow considering the soil and weather characteristics. This led to a work session organized by the state senator representing the region.

It was with her help that we organized a team of crop specialists from Cornell University's Center of Excellence. A past VP of Quality, who now focuses on consulting, and I facilitated the session. The work session turned out to be very informative because it helped to not only validate our model but also highlighted several new crop varieties, previously unknown to us, that could be added to other products.

Convinced we had learned enough and were on the right track, we now felt comfortable bringing in a third-party consultant to conduct a feasibility study on the model proposed.

An industry consultancy was vetted and selected. Since this was an expensive and important exercise the county offered to pay 50% of the study and I picked up the rest. To our excitement, the outcome was positive and we were confident we had the right model.

It was now time to roll up all information into a comprehensive business plan and pitch deck. Collaborating with the same consultancy, we worked together on a formal B-plan to include financials. Up

until this point, travel expenses were our only financial investment. The study and business plan were the biggest investment to date in the project.

9. Identify and Select a Site

Our target region had several vacant food processing operations that had been exited years earlier by the likes of Kraft, ConAgra and Carriage House so this step was a no-brainer for us. We worked out a deal with the IDA to purchase a 300,000 square-foot food processing plant left vacant by ConAgra and now owned by the county. An added benefit was that the factory was in an opportunity zone; this opened up other state and federal programs such as tax / energy incentives.

10. Secure Funding

With the B-plan and pitch deck now finalized we got to work on securing funding for the project. Through the relationship with the IDA and the fact that our proposed business met all the state targeted industry growth initiatives we applied for and won a $2.9 million grant award to help fund the project. The award along with securing a building that provided substantial runway for future growth in an opportunity zone helped with operating costs. Production equipment created collateralized assets for debt and working capital would then have to be raised through investors. Once again, the IDA, County Executive, and State Senator helped to connect us with investor groups and pitch meetings.

Overall Findings and Conclusions

As stated this project was derailed by COVID and ended up in a pivot to a direct-to-market brands model. With that said, connecting to a local Industrial Development Agency in our case made all the difference. It is highly recommended that connecting with the local Industrial Development Agency should be priority one for any developer/investor or entrepreneur who wants to launch something substantial. The IDA is the key to accessing critical resources and guidance to support your efforts.

Bio: Chris LaCorata

Chris LaCorata is the founder/ President of LaCorata Beverage LLC and the developer of a line of award-winning products under the registered trademark “GRAASI”. GRAASI was an unintended result from an effort to create new manufacturing jobs in his wife’s home town that was sidelined by the COVID 19 pandemic. See the origin story of GRAASI here https://graasi.com/pages/our-story

He previously served as Executive Vice President of Operations and has spent more than 30 years in manufacturing and operations roles in the industrial and CPG industries literally starting on the factory floor. As a seasoned operations executive he has a substantial track record of building world class manufacturing organizations leading business teams through a wide spectrum of challenging situations to include large scale factory operations, high growth periods, revitalizing distressed operations, roll ups and integrations.

He is a strong advocate for U.S. Manufacturing after having a front row seat to the harm done to American communities as a result of factory shut downs and outsourcing to foreign nations. He has been featured in a series of podcasts as a subject matter expert on the economic/social influence of factories

on American communities along with his thoughts on the current “wellness” trends and how the food/ beverage industry must step up and seize the moment.

Chris is the author of “The Leadership Crisis” (2008 Edge Publishing) on leadership talent and “Manufacturing Matters: What We have Learned from Closing 70,000 Factories” (2026 Inc. Magazine). Chris’s operational case studies have been featured in Industry Week and Industry Today. Most recently Chris has been named as one of “The 5 Most Distinguished Leaders in Food Industry to Watch in 2026” by Inc. Magazine.

He has been a supporter of the small business community and a member of the Charlotte Angel Fund that has invested in a series of early stage businesses in the southeast.

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Appendix

Press release from New York State Senator George M. Borrello

Case Study: Building on Local Strengths in Economic Development

As state and local leaders continue to debate solutions to economic challenges, State Senator and former Chautauqua County Executive George Borrello is emphasizing a principle that guided his time in office: communities are more successful when they build on their own strengths rather than compete for the same high-profile projects.

“Everyone wants to pursue the shiny new thing—a new Amazon warehouse, chip manufacturing plant or whatever the latest big-ticket project happens to be,” Borrello said. “But there is enormous competition for those projects. Instead of chasing the same dream everyone else is chasing, we should focus on what we do best and build there. That’s where you get something more effective and more impactful.”

“That doesn’t mean ignoring opportunity,” he added. “It means being strategic; understanding where you can actually compete and where you can win.”

That philosophy guided a collaborative effort involving then-County Executive Borrello, developer Chris LaCorata, and the Chautauqua County Industrial Development Agency (CCIDA) to identify industries where rural Chautauqua County already had a natural advantage. Among the most promising was agricultural and food processing, supported by the region’s land, climate, and existing infrastructure.

As part of that effort, the project team examined which crops could realistically thrive in the region. After a series of work sessions with Cornell crop specialists, it was determined that Chautauqua County could successfully grow several of the top hop varieties used in both the brewing and extract industries.

Building on those findings, plans were developed for a vertically integrated operation that would include the growing, processing, and packaging of hops, malted barley, wheat, rye, and other grain products, creating a comprehensive, locally rooted agricultural supply chain.

The strength of that proposal was reinforced when it secured a highly competitive $2.94 million award from New York State through Empire State Development, which was recognition of both its viability and its potential economic impact.

“That level of state investment doesn’t happen by accident,” Borrello said. “It showed this was a serious, well-founded project with real potential to create jobs, sustain our existing agricultural base, and drive the growth of an industry that already has a foothold here.”

Although the COVID-19 pandemic ultimately prevented the project from moving forward, the level of state support underscored its credibility and the likelihood that, under normal conditions, it would have delivered meaningful economic benefits to the region.

Borrello said the effort also highlighted a broader challenge: in New York’s difficult business climate, economic development often requires more than site promotion. It demands active partnership.

The collaboration among county leaders and stakeholders reflected a clear understanding that attracting and growing businesses requires sustained, hands-on support at every stage.

While not every initiative reaches completion, Borrello said this locally driven, strength-based approach remains the most reliable path to long-term economic growth.

“The key is identifying what sets your community apart and then doing the work to build around it,” he said.

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