

CALIFORNIA ApparelNews

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\$3.99 VOLUME 81, NUMBER 4 APRIL 11, 2025

REIMAGINED PIECES, SAVING THE BROKEN

While Kevan Hall's Fall/Winter 2025 collection boasted fresh looks, it also highlighted refreshed approaches to archival garments inspired by the Japanese discipline of *kintsugi*.
For more looks, see page 3.

ALYSSA GREENBERG

INDUSTRY FOCUS: FINANCE

Fed Maintains Rates, Possibly Signaling Rocky Road Ahead

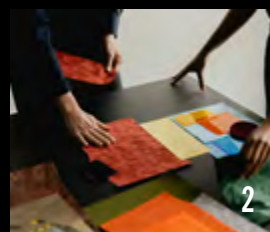
By Dorothy Crouch Contributing Writer

The Federal Reserve announced on March 19 that it would maintain its 4.25–4.5 percent borrowing rates, signaling caution as the first quarter of 2025 was coming to a close. These figures remain consistent with the Fed's December 2024 rates when it cut a quarter percentage point. At that time, the United States' central bank projected that it would make two additional cuts during 2025, but those remain to be seen after the March decision to hold steady.

Many leaders in the financial industry remain hopeful that those rate cuts will be made later in 2025 but also warn that fallout from Trump-administration tariffs and increased inflation might drive consumers to further tighten their budgets. *California Apparel News* asked financial leaders in the apparel industry for their thoughts on the current economic landscape. ➔ **Finance** page 6

INSIDE

Where fashion gets down to businessSM



Fashion Snoops rebranded ... page 2

Cross Colours x Black Radiance ... page 2

Q&A with Tricia Carey ... page 8

Resource Guide ... page 8



TRADE-SHOW REPORT

March L.A. Market Blossoms With Resilience Following January Fires

By Dorothy Crouch Contributing Writer

Buyers and brands reported positive feedback regarding the March 10–13 **Los Angeles Market Week** at **The New Mart**, **California Market Center**, **Cooper Design Space** and **Lady Liberty Building** as visitors to the city's fashion district placed orders for Fall 2025 styles and Immediates. Many showrooms and brands welcomed retailers to March market following a January edition that had been impacted by destructive wildfires throughout different areas of Los Angeles.

Building management at The New Mart, CMC and Cooper Design Space also hosted events during market to attract buyers. **Designers and Agents (D&A)** returned to The New Mart ➔ **L.A. Market Wrap** page 4

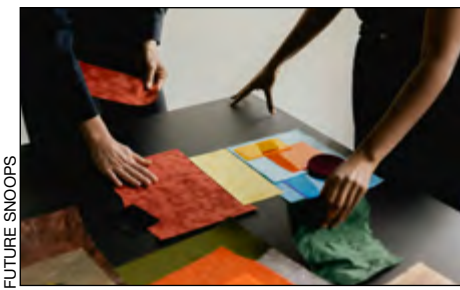
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Creative Possibility: The Currency of the Future

In mythology, the ability to see what lies in store was considered so powerful that even great monarchs would consult the oracles. And so, after 25 years, **Fashion Snoops**—whose clients have included **ASOS, LVMH, H&M, Under Armour** and **Reebok**—has reiterated its proven prognostication powers by rebranding as **Future Snoops**.

“The rebrand to Future Snoops was necessary to reflect the evolving needs of the creative industries,” explained co-founder and CCO Lilly Berelovich. “In an increasingly homogenized world and an overreliance on data-driven decision-making, the rebrand represents a bold commitment to human-led innovation and to empower businesses to embrace creativity. The rebrand reinforces our mission to provide not just trend insights but a more intuitive, culturally attuned approach that helps clients stay distinctive and future-proof in an increasingly uncertain market.”

In celebration of the new name, the firm has released a white paper entitled “The Creative



According to co-founder Lilly Berelovich, the continuing focus of Future Snoops “is to help clients harness human-led creativity as a competitive advantage.”

Unflattering: Breaking Free From the Age of Average” by Jenna Guarascio, Future Snoops’ head of content and innovation. Billed as a blueprint for change as well as a survival manual, the report’s key findings include first, that despite infinite data and cutting-edge technology, creative stagnation and market homogenization prevail across industries,

including fashion. Second, whatever companies optimize in the interests of efficiency, they correspondingly lose in distinctiveness. And finally, what they gain in predictability they sacrifice in possibility, and creative possibility is the currency of the future.

“Future Snoops is a creative futures agency,” Berelovich said. “But we don’t believe in predicting a singular future—we believe in the person creating it. We stay curious, we ask bold questions, we dare to try new things, and we truly care about our clients, so staying really close to what they need drives us forward. Our continued focus is to help clients harness human-led creativity as a competitive advantage.”

Headquartered in New York, Future Snoops boasts over 100 experts with experience in 10 key markets and 50 countries. A “Creative Unflattering” video conference is scheduled for April 15. To download the full report or register for the conference, visit futuresnoops.com.—*Christian Chensvold*

FASHION

Cross Colours x Black Radiance Tout Clothier as ‘Lifestyle’ Brand

Los Angeles-based heritage streetwear brand **Cross Colours** has carved out a new path thanks to its partnership with cosmetics brand **Black Radiance**. The Cross Colours x Black Radiance partnership opened the door for Cross Colours to pursue new categories that support its evolution from clothing to lifestyle brand while retaining its messaging of celebrating African American culture, peace, inclusivity and hip-hop influences.

“Someone is beside us now who really understands what we want, what we want to see and how we want to see the brand,” said TJ Walker, Cross Colours co-founder. “It really

mirrors our customers and our core values for the brand.”

The partnership has created a bridge for Cross Colours to join other fashion houses that have grown from their apparel roots into other products, said Sherry West, brand marketing manager at Black Radiance, a subsidiary of City of Industry, Calif.’s **Markwins**.

“When you see a designer’s collection coming down the runway, the models have that brand’s makeup on their faces. Now, Cross Colours has its own makeup,” said West. “When you are a lifestyle brand, you’re touching on every aspect of that consumer’s lifestyle.”



The Black Radiance x Cross Colours cosmetics collection has positioned the apparel label as a lifestyle brand.

The December launch of the collaborative makeup line was followed by a fashion show Feb. 27. Products in the collection reflect Cross Colours’ foundation of clothing in bright colors, including hues of blue, yellow, green and red.

“Nobody else is out there doing these really bold colors,” West said, explaining that inspiration came from the clothing brand’s early 1990s advertising campaigns and impactful messaging. “They have a saying, ‘Beauty without prejudice,’ and that was a guiding light. We wanted to add ‘Color without prejudice’ because when you look at other people’s palettes, there’s brown tones, there’s red. You don’t see the yellows and greens.”

West’s team captured the essence of Cross Colours beyond the hues of the cosmetics through the packaging. Development of the collaboration began at the intersection of the 30th anniversaries of Cross Colours and Black Radiance in addition to the 50th anniversary of hip-hop.

“The boombox, the mic—what a creative way to present our brand to customers with the packaging concept,” noted Carl Jones, Cross Colours co-founder. “It expresses hip-hop, our ethos, our culture—the music—it was a perfect presentation.”—*Dorothy Crouch*

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Inside the Industry

The **National Retail Federation** has forecast that retail sales during 2025 will grow between 2.7 and 3.7 percent over 2024 to between \$5.42 trillion and \$5.48 trillion. The announcement was made during the NRF’s fifth annual “State of Retail & the Consumer” virtual event on the health of American consumers. “Overall, the economy has shown continued momentum so far in 2025—bolstered by low unemployment and real wage gains—however, significant policy uncertainty is weighing on consumer and business confidence,” said NRF President and CEO Matthew Shay. “Still, serving customers will remain retailers’ top priority no matter what the economic environment.” The forecast compares with growth of \$5.29 trillion in 2024.

Z SUPPLY, the women’s brand known for its everyday essentials, has released its second collaboration with the iconic Diamond Cross Ranch. Since 1912, Diamond Cross, located at the base of the Grand Tetons in Jackson Hole, Wyo., has been an anchor of authentic Western culture. The breathtaking landscape and horseback riding have inspired the ranch details on clothing made from Z SUPPLY’S signature feel-good fabrics. “The collection reflects the natural beauty and charm of the American West,” said Z SUPPLY President Mandy Fry. “Our customers couldn’t wait either, and we’re so happy to launch these new styles, which exude cowboy cool. It’s been amazing to see such a strong response, and we’re eager to continue this partnership with fresh, ranch-inspired designs.”

The **Levi’s** brand continues to push the boundaries of style and culture with its latest campaign, “Easy in Levi’s,” featuring music icon, fashion trailblazer and Global Brand Ambassador Diljit Dosanjh. “Few stars today shape trends like Diljit Dosanjh,” the company said in a release. “From sold-out world tours to turning heads in film and fashion, his influence transcends borders. This partnership reflects the brand’s ongoing commitment to blending denim heritage with contemporary style in India.” The campaign unfolds through a series of dynamic montage films that capture Donanjh effortlessly moving through his world. “His style is unfiltered, authentic, relaxed and easy,” said the company, “perfectly embodying the campaign’s message: Loose Fits aren’t just about what one wears, they’re about how one feels.”

Kingpins, the pioneering denim supply-chain sourcing event and global platform, has announced Vivian Wang as its new chief executive officer while founder Andrew Olah transitions into an advisory role, offering guidance in shaping the show’s future. Under his leadership, Kingpins evolved from a small, intimate sourcing event in New York into a powerful platform for the worldwide denim community. “Andrew’s vision has been the foundation of everything Kingpins stands for today,” Wang said. “He saw an opportunity to create something entirely new for the denim industry—a space where business, innovation and collaboration could thrive. It’s an honor to carry forward his legacy and build upon the incredible platform he created.” Wang has been with the company since its founding, previously serving as managing director and head of global sales.

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GETTY IMAGES



Kevan Hall F/W '25 Reimagines Archival Pieces Using Japanese Methods

The Fall/Winter 2025 collection from Kevan Hall relied on traditions and heritage as the designer reworked some of his beloved pieces from his nearly 40-year career while also creating new garments that rely on traditional Japanese design techniques. Hall was inspired by a journey to Japan where he participated in workshops covering indigo dyeing, *kintsugi*, the practice of repairing broken pottery with gold, and *suminagashi*, which is a method of creating a marbled effect with floating ink.

“Care for tradition and restoring and saving things that are broken resonated with me through the *kintsugi* concept, where you are not discarding something—you’re making something that is broken even more beautiful,” Hall said. “That can apply even to people’s lives. People go through brokenness and heartache and heartbreak but there is always some possibility that things can be put back together and restored.”

Hall embarked on his journey through a partnership with **Japan Airlines** as the company seeks to promote travel to lesser-traveled regions. The resulting project, “Journey to Japan: a Fashion and Travel Exhibition,” was unveiled in a gallery-style exhibition in

New York Feb. 11 at **Stellan Holm**, located in Manhattan’s Chelsea neighborhood. The presentation showcased 12 styles featuring silk organza, indigo-dyed denim and meticulous artistry such as embroidered cranes and beaded dragonflies.

While Hall’s exhibition boasted fresh looks for Fall/Winter 2025, refreshed approaches to archival garments were also showcased. Hall reimagined pieces including garments worn by members of his celebrity clientele.

“A couple of those pieces we showcased, one of which was our Whitney gown for the late Whitney Houston, were reimagined in one of the traditional Japanese techniques,” said Hall. “Also, the Charlize Theron gown was revisited in a beautiful new beading pattern that was inspired by the journey to Japan.”

Hall was also inspired by each region’s vintage shops, gracious locals and the landscapes comprising fall foliage in pink hues and the autumnal golden shades of maple trees.

“The world is a beautiful place,” said Hall. “Folks should get out and travel, and be open to other cultures, other people around the world. America is a wonderful place, but there are other places we should embrace and love.”—*Dorothy Crouch*



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TRADE-SHOW REPORT

L.A. Market *Continued from page 1*

while **Brand Assembly** held its latest edition at the Cooper Design Space. The CMC hosted the **Ethical Luxury Summit**, a fresh approach to mindful fashion by **Vegan Fashion Week** founder Emmanuelle Rienda.

Business ticks up at The New Mart

Traffic at The New Mart experienced a notable increase during March market. Tom Keefer, The New Mart's general manager, reported attendance growth of approximately 25 percent.

"This was a significantly stronger market than prior years," Keefer said. "We were also very pleased with our partnership with Designers and Agents and the additional brands they brought."

MaryAnn Piazza, event production and operations manager at D&A, noted that the show's exhibitors reported the "level of orders written was notably ahead for this market."

"Buyers know they can expect to discover inspiring new resources in addition to the well-established U.S. and international collections that have distinguished D&A and create the culture of community and creative integrity it is known for," said Piazza.

Exhibitor Michelle Saber represents **Moma** and **Fiorentini + Baker** and noted trends for Fall such as knee-high boots with buckles.

"Many of my retailers who couldn't make it to New York came to L.A.," Saber said. "Sometimes the timing of New York overlaps with Europe, so I suggest they come to D&A in L.A."

CMC marks growth and evolution

The CMC welcomed buyers to March market with fresh offerings that paid off for the building's management.

"This market introduced a number of new resources for our retail buyers to explore,



DANIEL TAYLOR

The CMC hosted the Ethical Luxury Summit, which featured collections such as Label Oued x Balmain.



LADY LIBERTY BUILDING

The Lady Liberty Building welcomed buyers to a close-knit market community in DTLA.



DOROTHY CROUCH

New York brand Namai showed at Brand Assembly's Los Angeles edition at the Cooper Design Space.



D&A

Designers and Agents Los Angeles at The New Mart afforded opportunities to those unable to attend the New York show.

which has proven integral for our continued upswing in retailer traffic at the CMC during market," said Yvette Beltran, the CMC's senior marketing manager.

Kay Gailey co-owns the **Peaches Boutique** in Snohomish, Wash., with her two daughters. Gailey's shop specializes in women's apparel and lifestyle and will soon expand into men's clothing.

"We carry **Free People** and met with them. We have **Michael Stars**. We have **Barefoot Dreams**. We also have **Vuori**, which everyone loves," Gailey said.

The CMC also featured the Ethical Luxury Summit. This next step in the evolution of Rienda's Vegan Fashion Week brand featured important partnerships including a VIP black-carpet gala powered by the **MMGNET Group**.

Designers from the Moroccan **Label Oued Collective**—with **Mina Binebine**, **Nadia Chellaoui**, **Youssef Drissi** and **Angeline Dangelser**—used reclaimed fabrics, courtesy of **Maison Balmain**, to create pieces featured at an ethical fashion show.

"I meet designers who love Vegan Fashion Week and they use upcycled leather or wool," Rienda said. "It's important to incorporate these designers into this conversation and grow the movement in a way that is inclusive, not judgmental."

L'Atelier 7474 founder Audrey Geschwind, a

Paris-based designer whom Rienda represents in the U.S. and describes as 'the Queen of French savoir-faire,' noted the significance of the Balmain partnership. "Luxury fashion houses are embracing ethical practices due to consumer demand, environmental concerns and industry innovation," Geschwind said.

Cooper California-community focus

The Cooper Design Space management created an environment to promote established and emerging brands.

"The [Cooper Design Space] promotes multiple activations and events on its various floors to drive attendance and showroom interaction," said Margot Garcia, general manager at **Investors' Property Services**, which manages the Cooper. "Brand Assembly has brought a fresh creative energy that matches the sought-after Cooper boutique vibe."

Brand Assembly Los Angeles welcomed attendees from California, Colorado, Florida, Mississippi, New York, North Carolina, Oregon, Texas and Washington.

"We were coming off a really strong New York market," said Brand Assembly founder Hillary France. "This energy around Brand Assembly was strong. Attendance was great."

Bianca Kuttickattu, founder and creative director of New York-based sustainable

brand **Namai**, decided to try the California edition after a successful New York show.

"Our product is relevant to the California market. We wanted to increase our presence on the West Coast," said Kuttickattu. "Our two bestsellers were a crop jacket and regular light jacket."

Show organizers worked with **Orla Flora**, an Altadena, Calif.-based floral business whose owner, Renata Ortega, lost her studio and home in the Eaton Fire, noted Emily Cox, Brand Assembly's community director.

A 'family' atmosphere at Lady Liberty

Organizers at the Lady Liberty Building created an intimate boutique environment. Empera Arye, building manager at Lady Liberty, welcomed buyers to showrooms including **Citizens of Humanity**, **Frank & Eileen**, and **The Globe Showroom + Omarche Showroom**.

"We're a smaller, boutique-showroom building, and we have a nice mix of trendy, hip lines," Arye said.

The culture at the building relies on camaraderie, with showroom representatives supporting each other and their businesses.

"There was a better vibe, and it was more upbeat," noted Arye. "Maybe it's getting L.A. back on its feet and getting Los Angeles back. We had more traffic." ●



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What do the Federal Reserve's unchanged interest rates signal for apparel businesses and do you see any relief in 2025?

Finance *Continued from page 1*

el business: *What do the Federal Reserve's unchanged interest rates signal for apparel businesses and do you see any relief in 2025?*

Louis Barone
Senior Advisor
The Hedaya Capital Group



While the March Federal Reserve meeting concluded with no change to interest rates, the Fed signaled two rate cuts were expected in 2025. In December, they had projected two quarter-point reductions for this year, which still remains a possibility.

Will interest rates alone signal a further slowing trend for apparel businesses? Not singularly.

We should look at the slump in consumer confidence and apparel-buying trends as a combination of factors: the uncertainty of interest-rate cuts along with Trump's new or increased tariffs and reversal of course on many of them as well as concerns about inflation and a weakening labor market. Consumers, affected by the recent period of high inflation, are increasingly price sensitive.

The apparel industry remains marked by uncertainty moving into 2025. With projected year-over-year fashion-industry sales growth between 2 and 4 percent, the sector aligns with the global GDP growth forecast of 2.9 percent. While it's growth, it's sluggish growth. Lululemon joined Nike in warning that slumping consumer confidence will hurt sales. Target and Walmart have reported customers pulling back.

The Fed cutting rates once or twice for the balance of 2025 at the anticipated quarter point won't by itself be a signal for relief for apparel businesses. It can only be a component for longer-term growth in 2026 and beyond when coupled with tariffs and inflation.

Darrin Beer
Western Regional Manager
CIT Commercial Services—a subsidiary of First Citizens Bank



The Federal Reserve's decision to keep interest rates unchanged signals a cautious approach amid economic uncertainty. While last year's rate cuts of 1 percent provided some relief, borrowing costs continue to be elevated. Further-

more, inflationary pressures, especially as tariffs and trade policies are put into effect, impact the cost of goods. Some relief in borrowing costs may come later in 2025 as the consensus is for two anticipated rate cuts by year-end. Lower rates may help stimulate consumer spending, especially on discretionary purchases like apparel.

During this period of economic uncertainty, most of our clients are focused on inventory and expense management while paying close attention to gaining efficiencies in the supply chain. Some relief in borrowing costs is certainly welcome, but apparel companies must continue to focus on operational efficiencies as they navigate the current economic climate.

Mark Bienstock
Managing Director
Express Trade Capital



Tariffs! The outcome of both the existing tariffs announced against China, Mexico and Canada along with the retaliatory tariffs will have a profound impact on the overall economy and apparel sector in particular.

The Fed has just guided for two potential quarter-point cuts; however, tariffs are inflationary, and this can put the Federal Reserve in a very difficult position regarding any further cuts. Apparel manufacturers face a very daunting task in potentially absorbing some of these costs while also trying to pass some of them on to the retailers. Only those companies that had the foresight to diversify their sourcing supply or have substantial factory relations while running a very lean operation are poised to deal with the upcoming pricing pressures that will be inevitable.

Sydney Breuer
Executive Vice President and Western Regional Manager
Rosenthal & Rosenthal



Despite earlier forecasts of more interest-rate reductions for 2024 and into 2025, the Federal Reserve did not change interest rates at its recent meeting. Recent indicators reflect a stable unemployment rate and inflation a bit above

the Fed's target rate. Overall, the economy has expanded at a solid pace.

However, the "recent" economic data are not recent enough considering the pace of changes we are seeing. They do not take into account (or at least not fully) the recent imposition of tariffs, the threatened imposition of more tariffs and retaliatory tariffs. Additional economic uncertainty exists with the DOGE's [Department of Government Efficiency] efforts at reducing or eliminating certain fundings and the federal-government-worker reduction. This economic uncertainty can weaken demand across the board.

Tariffs lead to higher prices, which in turn lead to inflation. The Federal Reserve has a target inflation rate of 2 percent, but the tariffs will push inflation higher so I do not expect to see any relief for the apparel industry—or other industries for that matter—as to interest rates in the foreseeable future.

Tae K. Chung
Senior Vice President, Business Development
Republic Business Credit



The Fed's decision to keep interest rates steady suggests its aim to control inflation without stifling economic growth. Consumers may continue spending on apparel; however, spending on non-essential goods could decrease. High or un-

changed interest rates may limit consumers' disposable incomes, especially as mortgage rates, car loans and other essential payments continue to rise. In the apparel sector, cautious consumer spending could slow growth or increase demand for value-driven and discounted products.

Within the industry, higher interest rates may increase borrowing costs for apparel businesses, affecting their ability to finance inventory or expansion efforts. Suppliers, manufacturers and logistics companies may also face higher financing costs that could trickle down to apparel companies, leading to higher prices for consumers and tighter margins for businesses. This can make it difficult to maintain profitability unless apparel businesses can absorb or pass on these interest-driven costs.

Economic recovery or improved consumer sentiment could also boost the industry. When consumers feel secure about their financial futures, they spend more freely, potentially benefiting apparel manufacturers. If pent-up demand from previous years due to economic uncertainty leads to a surge in purchases, the fashion industry may also experience a significant bounce back.

In summary, while the Fed's decision to keep rates steady may pose challenges for the apparel industry in the short term, a potential economic recovery or improved consumer confidence could offer relief as we look ahead.

Gino Clark
Senior Vice President
Milberg Factors



Uncertainty is a recurring theme, but this is nothing new for the apparel industry. Over the last 30 years I've come to appreciate the resilience of the industry and its ability to adapt and overcome seemingly endless obstacles. The Fed's wait-and-see

decision to hold interest rates steady was explained by relative strength in employment and price stability.

During the last meeting, the Fed reaffirmed its plans to decrease the federal-funds rate two times by the end of 2025. They also discussed several variables that may negatively impact the economy, including possible tariff increases. This pending economic uncertainty does signal a cautious tone, especially in the apparel industry, because it relies heavily on imports and consumers' discre-

tionary spending. For example, one successful apparel importer monitors weekly retail-sales performance style by style and limits inventory positions to the best-performing styles.

Any apparel company that understands its core strengths, monitors its performance closely and maintains a strong capital structure will be able to overcome any uncertainty and take advantage of opportunities as they arise. At Milberg, we understand our strength isn't just to provide funding—we offer peace of mind. Our financial strength, deep business understanding and entrepreneurial mindset allow us to deliver the flexibility and resources needed to succeed—no matter what the market brings.

Martin F. Efron
Executive Vice President,
Head of Factoring
White Oak Commercial Finance, LLC



The Federal Reserve's decision to keep interest rates unchanged is a reflection of two opposing economic signals. On the one hand, the Fed is seeing signs of a slowing economy, which historically would prompt a rate cut to stimulate

growth. On the other hand, inflation remains above the levels the Fed would like, and recent tariff implementations are likely to prevent inflation from easing in the near future, a situation that would normally lead to higher rates.

For apparel businesses, this decision doesn't bode well. A slowing economy combined with persistent inflation typically results in reduced consumer spending power leading to a weaker sales environment. While some companies may still thrive due to market differentiation or operational efficiencies, the broader industry is likely to face significant challenges in the short and medium term. I don't expect significant changes in interest rates for the remainder of 2025.

Having said all this, in these very uncertain times, the outcomes are also not as certain as they used to be. Apparel businesses should focus on what they can control: remaining nimble and adjusting to both the economic challenges and the evolving consumer landscape.

What do the Federal Reserve's unchanged interest rates signal for apparel businesses and do you see any relief in 2025?

Eric Fisch
Senior Vice President and National
Sector Head, Retail and Apparel
HSBC Bank USA N.A.



We've seen numerous large retailers scale back forecasted revenue growth for the coming year, fearing reductions in consumer confidence will lead to less spending. Nearly every brand I speak to has positioned the year conservatively and reduced production to better manage risk. In any time of uncertainty, liquidity is king, and too much product can lead to losses and brand damage through discounting. Scenarios like this can become self-fulfilling prophecies. If a brand significantly reduces inventory, cuts marketing spend and curtails any store expansion, it is guaranteeing a lackluster year. It also risks getting eclipsed by other competitors who chose to continue spending on growth. Some of the most iconic brands today were able to grow through periods of recession as others took a conservative approach.

Companies can balance these two approaches through resourcefulness and creativity. Instead of traditional social-media spend, we are seeing more companies looking to promote organic customer content through their own channels. Rather than take risks on large inventory positions, more brands are trying limited-release styles and colors that cycle quickly and create newness with less investment. Opening new doors requires large up-front investment so we are seeing more interest in owned concessions inside department stores, which involve a fraction of the capital expenditure. Ultimately, risk yields reward, but this year prudence and adaptability may be the favored route for most companies.

Rosario Jáuregui
Senior Vice President, New Business
Merchant Financial Group



The anticipation was that rates would continue to come down this year. We still believe that will be the case throughout 2025, but how quickly is still unpredictable.

However, the unchanged interest rates are not the sole issue manufacturers face in 2025. A big topic is the rising tariffs that are directly affecting the sourcing prices and production costs. Manufacturers are looking outside of China for production solutions as well as trying to lean on all their production and retail partners to participate in the additional costs. This has been challenging to say the least as many manufacturers have not fully secured this much-needed relief from their suppliers and vendors. A reduction in interest rates surely would have helped the savings for apparel companies, but that has not come as quickly as some have hoped.

Manufacturers are still facing significant pressures from consumers who continue to pull back from going to bricks-and-mortar stores. More than 50 percent of consumers

are buying directly from Amazon, Temu and Shein, which ship directly to consumers. The added pressure of requests for extended selling terms from traditional retailers will also cost manufacturers as their working-capital loans are not collecting and paying down as quickly as they would like with the interest rates at the current level.

Manufacturers can avoid or minimize turbulence down the line by managing expenses, increasing digital abilities, shaping a defined brand identity and continuing to adapt to consumer trends to capture a new growth opportunity.

Richard H. Kwon
Executive Vice President,
Portfolio Manager
Finance One, Inc.



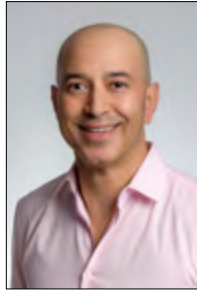
The Federal Reserve's decision to hold interest rates steady, with modest cuts planned for later in 2025, offers little relief for small-business apparel companies. High borrowing costs combined with inflation and tariffs are curbing consumer spending, and margin compression is more pronounced for companies in the budget-apparel category. To thrive, these companies must pivot toward innovation and differentiation, leveraging unique offerings to move beyond the budget segment and capture more-profitable markets.

Incorporating smart fabrics and wearable tech is one way to transform products into experiences that command a premium. Brands like Levi's and Ralph Lauren have successfully integrated technology into their clothing lines, offering features like gesture controls and fitness tracking. Even adding a single smart feature can elevate apparel brands, appealing to tech-savvy consumers willing to pay more for enhanced functionality.

Consumers are also embracing brands with environmental sustainability in mind, favoring eco-friendly options such as bamboo fabrics, mycelium leather and recycled plastics. Brands like Adidas have seen success with sustainable lines, turning ocean waste into stylish gear. By adopting eco-friendly materials and practices, companies not only attract environmentally conscious buyers but also enhance their brand story and image.

To succeed in this market, apparel companies should invest in innovation and differentiation. Sourcing eco-friendly materials, collaborating with tech startups and adopting sustainable production methods like zero-waste cutting are a few examples. By embracing these strategies they can turn economic challenges into opportunities for growth and resilience.

Marco Vinicio Valverde
Partner, Apparel National Practice
Leader
Moss Adams



The implications of unchanged interest rates are in consumer spending, cost of borrowing and investment decisions. Stable interest rates typically support consumer confidence and spending. If borrowing costs remain low, consumers may feel more comfortable purchasing discretionary items like apparel.

For apparel businesses, unchanged rates mean that financing for inventory purchases, expansion or operational improvements remains affordable. This can be crucial for businesses looking to invest in growth or navigate supply-chain challenges. A stable interest-rate environment can encourage apparel businesses to pursue investments in technology, sustainability initiatives or supply-chain enhancements without the pressure of rising borrowing costs.

Overall, the biggest uncertainty and challenge currently facing the industry is the uncertainty on tariffs and their impact. Tariffs on imported goods can increase costs for apparel businesses that rely on overseas manufacturing. If tariffs remain uncertain or high, companies may face squeezed margins, which could lead to higher prices for consumers and, eventually, lower demand for their product if prices rise significantly. Companies might be forced to rethink their supply chains, potentially leading to diversification of suppliers or shifts to domestic production, which can be more expensive.

In summary, while the Federal Reserve's unchanged interest rates may provide a stable environment for apparel businesses, the ongoing uncertainty regarding tariffs poses challenges. The outlook for relief in 2025 will depend on economic conditions, tariff resolutions and the ability of businesses to adapt to changing market dynamics. Monitoring these factors will be essential for making informed strategic decisions.

Kenneth L. Wengrod
Managing Member
Stealth Management Group, LLC



The Federal Reserve's decision to hold interest rates steady isn't just a macro signal—it's a reality check for our industry. Borrowing remains costly, and the consumer is still cautious. But if you're in apparel and waiting on the Fed to cut rates before you act, you're in the wrong business. Interest rates are out of our control. What is in our control? Supply-chain speed, inventory discipline and margin protection.

Every single day in your supply chain has a dollar value. Time is more than money—it's risk exposure, cash flow, markdowns, avoidance and customer relevance. The most disciplined operators are treating time like cur-

rency: nearshoring, tightening logistics, forecasting with precision and moving inventory to optimal minimums—not just to survive but to win.

Will there be rate relief in 2025? Possibly. But the best-run brands won't need it. They've already done the hard work—rationalizing SKUs, investing in agility and focusing on the customer, not the central bank.

This industry has always been about speed, creativity and execution under pressure. That hasn't changed. The Fed won't make you profitable—you will. Control what you can. Move faster. Run leaner. Lead smarter. That's how the next generation of apparel leaders will rise—regardless of what the Fed does next.

Michael Wildeveld
Director of Veld Mergers and
Acquisitions
The Veld Group



The American apparel industry has clearly shouldered the burden of increased regulation, skyrocketing real-estate expenses and continued minimum-wage increases, so it's no wonder that so many firms have offshored their manufacturing components to lower-cost operators outside the U.S. The Federal Reserve's unchanged interest rate may be impactful in many CapEx-intensive industries, but since apparel is no stranger to challenges, the lack of rate changes is not as consequential as several other factors.

The threat of import tariffs, on the other hand, is highly advantageous to the industry in the long run. Since I reside on the sell side of the mergers-and-acquisitions space, I have been delighted to have already encountered foreign firms that have expressed an interest in acquiring domestic producers or their facilities in the past month.

This interest in American manufacturing has already occurred more than I've likely seen in the entire past decade. ●

Editor's note: Responses were made prior to the Trump administration's implementation of "Liberation Day" tariffs on April 2 and their subsequent pause on April 9.

Responses have been condensed for clarity and space.

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SUSTAINABILITY

Tricia Carey's Next Steps in Circularity
Advocacy Lead to FibreTrace

By Dorothy Crouch Contributing Writer

Over the course of her nearly 30-year career, apparel-industry veteran Tricia Carey has become a trusted textile and denim expert, and sustainability advocate. Carey's passion for circularity and advocating for traceability along supply chains in the apparel industry recently led her to become a strategic adviser with textile-verification technology provider FibreTrace.

California Apparel News spoke with Carey regarding her work with FibreTrace in addition to the necessary steps forward that are crucial for creating change and making greater traceability progress in the apparel industry.



Tricia Carey

California Apparel News: How did your experience and values lead you to FibreTrace?

Tricia Carey: I started to see these missing pieces of the industry. It seems every 20 years we go through major changes. The last major change was when trade with China opened up around 2005.

Now, traceability and transparency are essential. The Uyghur Forced Labor Prevention Act very quickly went into effect, and it's being monitored and enforced. Customs and Border Patrol has a dashboard to track everything. That is the big difference.

This is putting traceability and transparency—because they go hand in hand—at the top of the list of concerns, especially for U.S. brands. European brands are looking at it more from the Digital Product Passport to collect information.

CAN: What is the greatest challenge the traceability-technology segment faces in the apparel industry?

TC: Greenwashing and false claims. Some brands have been making sustainability claims that are unverified. Without having robust data of their traceability efforts, they cannot be making those statements.

The other challenge is that we see some traceability technology is very siloed. In order for the industry to move forward, the tide has to raise all the boats. We have to integrate and exchange with all systems.

CAN: Are there any specific solutions that you are currently focused on at FibreTrace?

TC: FibreTrace has the physical luminescent pigment and handheld scanner. It can, in real time, verify, and it also has the digital platform that can also harmonize with other platforms using the physical pigment and work with Retraced, TrusTrace and Textile Genesis. It works across and plugs into other

PLM platforms.

The luminescent pigment is embedded at the fiber source and can be used whether it is a natural fiber or man-made synthetic fiber. It can be added into the solution stage before extrusion or, if it's a natural fiber, it can be added at the ginning stage. It's a unique signature, which is able to show whether it's U.S.A. cotton versus cotton from Brazil.

There is research and development underway for responsible leather and natural-rubber fibers. Currently, the first target is to work with cotton because of all its challenges.

There is traceability through and through. They would be able to work with recycled fibers as well.

CAN: What emerging traceability-technology innovations are you looking forward to seeing implemented over the next five years?

TC: There needs to be greater education around what is needed for traceability and transparency. It would be really helpful to have

an industry report to review the technologies. It would be much easier if there was a common education.

There is going to be a need for a combination of technologies: traceability, plus a life-cycle assessment and developing a fabric PLM tool. Overall, this will have to connect back to DPP and any type of legislation that is being developed.

CAN: What types of jobs are these innovations going to create?


TC: There needs to be more advocacy around how the industry is evolving and the type of talent that will be needed in the future. In companies like FibreTrace, and looking at traceability and transparency, there is a lot of tech development. You need someone to make sure it's being applied properly, so you need your IT person but you also need a textile technologist. Tech people don't always think of the textile industry as an area [for job opportunities].

CAN: How do you remain hopeful regarding the future of a more-sustainable apparel industry?

TC: I get to work with amazing people who are dedicating so much of their time and energy toward change for the industry. There is a strong role that multi-stakeholder initiatives have as well.

This is a big systems change that the industry is going through, and it's about the investments that we make now for the future. ●

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PUBLISHED BY TLM PUBLISHING INC.
APPAREL NEWS GROUP
Publishers of:
California Apparel News
Waterwear

EXECUTIVE OFFICE
The New Mart
127 E. Ninth St., Ste. 212
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PRINTED IN THE U.S.A.

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