THE CREATE ACT
SUPPORTING ARTISTS, ENTREPRENEURS, AND THE CREATIVE ECONOMY

ACTION NEEDED
We urge Congress to:

- Cosponsor the CREATE Act in order to invest in the country’s workforce and creative economy; to recognize artists, entrepreneurs, and nonprofit arts organizations as contributors to the small business community; and support the creative economy through federal programs and actions.

TALKING POINTS: STRENGTHENING FEDERAL POLICY TO SUPPORT THE CREATIVE ECONOMY

The Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy (CREATE) Act aims to serve more thoroughly the people, places, and programs that make our nation’s creative economy prosper in all its cultural, social, and commercial forms. The legislation outlines similar steps to better invest in our country’s workforce and creative economy.

This sweeping legislation expands on the research of numerous economic studies. A 2018 Bureau of Economic Analysis study found that arts and cultural production contributed $763 billion to the U.S. economy (4.2% of GDP), a 4.9 percent increase over the prior year. The Arts and Cultural Production Satellite Account (ACPSA) is the first federal effort to provide in-depth analysis of the sector’s contributions to the economy. Additional sector studies include the Americans for the Arts’ Arts and Economic Prosperity Study, and Creative Industries reports.

Through a dozen provisions that make minor adjustments to existing federal programs, the CREATE Act takes steps to better invest in our country’s workforce and creative industries, while empowering the entrepreneurial spirit of artists and encouraging their role as contributors to the small business community.

Primarily, the bill aims to support the people who comprise the creative economy—artists and creative entrepreneurs—by:

- Expanding programs at the Small Business Administration (SBA) to increase micro-loans, business loans, and technical assistance for artists;
- Requiring the Economic Development Administration (EDA) and U.S. Department of Agriculture’s Rural Development Administration ensure that traditional economic development tools, such as incubators and grant programs, support the creative economy throughout the country;
- Improving the visa processing time for foreign guest artists and U.S. nonprofit arts organizations.
- Ensuring access to FEMA’s disaster relief assistance for self-employed workers, like artists, impacted by natural disasters.

The CREATE Act also supports creative community development, improving the places each of us call home through:

- Developing a model to promote the creative arts in local economic initiatives, such as cultural district planning;
- Creating an Artist Corps to increase national service through the arts, as called for in the Serve America Act.

Arts Advocacy Day 2019
Lastly, the bill seeks to amend and enhance federal tax policies surrounding the creative economy that were not addressed in the tax reform bill:

- Modifying the rules to encourage charitable contributions of fractional gifts;
- Allowing artists to take an income tax deduction of the fair market value of their work when making a charitable contribution.

**BACKGROUND**

Introduced by Sen. Tom Udall (D-NM) and Rep. Debbie Dingell (D-MI) on Arts Advocacy Day 2017, and anticipated to be introduced again for the 116th Congress, this legislation is designed to strengthen the creative economy. Entitled *Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy (CREATE) Act*, the comprehensive bill aims to better support our nation’s creative economy and builds off of research of numerous economic studies.

The bill, as introduced, has three titles: 1) Support for artists and entrepreneurs; 2) Support for the creative economy, and 3) Creative community development.

Provisions include direction that the U.S. Small Business Administration (SBA) works with micro-lenders, traditional lenders, and regulators to ensure that artists and entrepreneurs have access to micro-loans and that loan program criteria are not discriminatory toward arts-related businesses. There is also a requirement that the Economic Development Administration (EDA) and Rural Development Administration ensure that traditional economic development tools, such as incubators and grant programs, support the arts industry. The legislation also includes a demonstration project to promote the creative arts in local economic planning.

Support to artists trying to get back on their feet after a disaster such as Hurricanes Harvey and Maria impacting Florida, Texas, Louisiana, and Puerto Rico and wildfires in the western states.