

BOOSTING THE CREATIVE ECONOMY
SUPPORTING ARTISTS, ENTREPRENEURS, AND SMALL BUSINESS

ACTION NEEDED

We urge Congress to:

- **Support legislation to invest in the country's creative economy and promote economic inclusion; to recognize artists, entrepreneurs, and nonprofit arts organizations as contributors to the small business community; improve and revitalize rural, remote, and underserved areas; and support the creative economy through federal programs and actions.**
- **Direct the Small Business Administration (SBA) and other agencies to ensure that existing economic development programs and tools encompass the creative economy, supporting the range of business types included in this industry.**
- **Ensure inclusion of creative fields in vocational education and training supports.**
- **Increase comprehensive measurement of the impact of the creative economy on the overall U.S. economy with coordination among the Bureau of Economic Analysis, the Census Bureau, and the Bureau of Labor Statistics, including updating NAICS Code classification system to better reflect the 21st century creative economy.**

TALKING POINTS: DATA ON THE CREATIVE ECONOMY

The creative economy is anchored by non-employer businesses (entrepreneurs) which are 75% of all businesses and include a high percentage of women- and minority-owned businesses as well as the vast majority of independent artists. Serving these businesses is a matter of equity and advancing the overall economy.

Numerous economic studies have identified the importance and impact of the creative economy on the nation's overall economy. A pre-COVID-19 annual Bureau of Economic Analysis study demonstrated that arts and culture production contributed \$878 billion to the U.S. economy (4.5% of GDP), a 3.6% increase over the prior year. The *Arts and Cultural Production Satellite Account (ACPSA)* is the only federal study to provide in-depth analysis of the creative sector's contributions to the economy.

Additional sector studies include the Americans for the Arts' *Arts and Economic Prosperity Study* and *Creative Industries* reports, as well as more recent studies on the impact of COVID-19 on the creative economy, such as *Lost Art: Measuring COVID-19's devastating impact on America's creative economy* from the Brookings Institute.

TALKING POINTS: DIRECT THE SBA & OTHER AGENCIES TO SUPPORT THE CREATIVE INDUSTRIES

- Expand programs at the SBA to increase micro-loans, business loans, and technical assistance for artists and other creative businesses. Continue to make the SBA more responsive to the needs of non-employer businesses and businesses with fewer than 20 employees. Serving these businesses is a matter of equity and advancing the overall economy.
- Require the Economic Development Administration (EDA) and U.S. Department of Agriculture's Rural Development Administration to ensure that traditional economic development tools, such as incubators and grant programs, support the creative economy throughout the country.
- Allow creative economy businesses to partake in the existing New Market Tax Credit.

- Ensure arts-based community development and creative placemaking is directly supported in the Community Reinvestment Act.

TALKING POINTS: VOCATIONAL EDUCATION

- Establish Creative Economy Apprenticeship Grants under the Department of Education to help teach the future creative economy workforce. This was a provision in the previously introduced PLACE Act (2020) and would ensure access to these growing fields by a greater portion of the U.S. populace.
- Ensure arts and design provisions of the *Perkins Career & Technical Education Act* are implemented. Congress should ensure that the implementation of the 2018 *Carl D. Perkins Act* provision that calls for school districts to provide detailed information on defined areas of a well-rounded education—including the arts—are fully integrated into their career and technical education programs and reportable in their annual application and reporting data to the U.S. Department of Education.

TALKING POINTS: COMPREHENSIVE MEASUREMENT & NAICS CODE UPDATES

- In concert with national experts, create a consistent definition of the creative economy for federal agency data collection and analysis. This should coordinate with updated NAICS Code classifications and Bureau of Labor Statistics classifications of 21st century creative industries.
- Mandate the Bureau of Labor Statistics, Census Bureau, Internal Revenue Service, and Small Business Administration collect data and issue annual reports to facilitate a better understanding of the roles of self-employment, contract work, freelance work, and multiple employment conditions and the impacts on workers, families, and the economy.
- Request the U.S. Department of Health and Human Services (HHS) measure the economic impact of the creative fields on medical care, medical education, public health, and the design of health care institutions.

BACKGROUND

The creative economy encompasses multiple business structures, from nonprofit to commercial, large corporations to small businesses and non-employer businesses, often challenging the creation of federal policy that supports and stimulates its contributions to the national economy. Arts and culture workers are not only artists, but also designers, technicians, security staff, art handlers, event planners, administrators, therapists, educators, and entrepreneurs. There are between 5.1 million and 8.8 million jobs in the creative economy. Additionally, creative occupations across industry types employ 7.6 million people, and arts workers are more than three times as likely as the general workforce to be self-employed.

There are two bills to improve support for the creative economy, both of which are being prepared for reintroduction in the 117th Congress. The CREATE Act: The Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy Act is written to strengthen federal support for our nation's creative economy. It was introduced last session by (retired) Sen. Tom Udall (D-NM) and Rep. Debbie Dingell (D-MI). The bill included provisions directing the EDA and Rural Development Administration to ensure that traditional economic development tools, such as incubators and grant programs, support the arts industry.

The second bill, the PLACE Act: The Promoting Local Arts and Creative Economy Workforce Act, introduced by Sen. Brian Schatz (D-HI) in January 2020 and Rep. Chellie Pingree (D-ME), is a bill that included 11 provisions, some similar to the CREATE Act, and others further expanding the federal government support of the creative economy workforce specifically.