



National Arts Policy Roundtable

A Program of **Americans for the Arts**

2012 Briefing Book

*Leveraging the Remake: The Role of the Arts
in a Shifting Economy*

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the Sundance Resort
and Preserve, Utah**



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Introduction to the 2012 Topic

The 2012 Americans for the Arts National Arts Policy Roundtable explores the role of the arts in the twenty-first century economy. It responds to a growing public awareness that new modes of organization and growth based around human and cultural capital are at the heart of growing our nation's economy and in building strong communities.

The arts have always formed a critical link to creative thought processes, nontraditional problem solving, and community vitality. As such, there is enormous potential for the arts to lead the way in what is clearly a shifting and rapidly changing economy—and, along with it, a world that is no longer easily segmented into established categories. One of these categories includes the arts as a luxury. The new challenges of an as-yet undefined 21st century economy provide a natural segue for the arts sector to help set the tone for our global “new normal.”

Our Key Questions

The 2012 National Arts Policy Roundtable discussion will advance idea generation around a set of core questions designed to help move from thought to action:

1. How can the arts continue to flourish in this “new normal” of economic challenge?
2. What new paradigms and partnerships can be developed to help the arts help communities?
3. What challenges must be addressed?

“For innovation to flourish, we must embrace a new innovation paradigm that promotes collaboration between all players—big, small, public, and private—fosters creativity and emphasizes solutions that meet local needs.”

Beth Comstock, Chief Marketing Officer and Senior Vice President, General Electric

How did we get here?

Historical Antecedents:

In the briefing materials for the 2011 National Arts Policy Roundtable, a “GE Global Innovation Barometer” report was cited that provides evidence that executives believe that innovations that address human needs as well as business objectives will result in

greater company success and profitability than innovations that simply create profit. The report outlines a new landscape for innovation in the 21st century, placing an increased premium on addressing local needs, marshaling the creativity of individuals and smaller organizations, and forging strategic partnerships. Respondents also emphasized creativity as a critical means to innovation.

As further indication that social problem-solving is indeed growing as a cross-sector concern, President Obama established the White House Council for Community Solutions in December of 2012 to advise the federal government on ways to promote innovative social projects and mobilize citizens, nonprofits, businesses and government to work more effectively together to solve specific community needs. The council includes 24 nonprofit, foundation, and business leaders as members.

The Arts in America

The arts are a fundamental component of a healthy society, based on virtues that touch the individual, community, and the nation—benefits that persist even in difficult social and economic times: ¹

- Aesthetics: The arts create beauty and preserve it as part of culture
- Creativity: The arts encourage creativity, a critical skill in a dynamic world
- Expression: Artistic work lets us communicate our interests and visions
- Identity: Arts goods, services, and experiences help define our culture
- Innovation: The arts are sources of new ideas, futures, concepts, and connections
- Preservation: Arts and culture keep our collective memories intact
- Prosperity: The arts create millions of jobs and enhance economic health
- Skills: Arts aptitudes and techniques are needed in all sectors of society and work
- Social Capital: We enjoy the arts together, across races, generations, and places

¹ Kushner, Roland J. and Randy Cohen. "National Arts Index 2010: An Annual Measure of the Vitality of Arts and

The Arts as an Industry

The evidence of how the arts animate our communities is all around us, and most Americans appreciate the arts, at a minimum, as an amenity that improves quality of life. To consider the arts as an industry, however—one that supports jobs, generates government revenue, drives tourism, and strengthens the 21st century workforce—is not intuitive for most people. However, just as the traditional industries are responsible for producing food, steel and electricity, the creative sector is responsible for producing cultural nourishment, civic infrastructure and creative energy.

“From the largest to the smallest communities, the research clearly demonstrates that the arts attract audiences, spur business development, create local jobs, and generate government revenue. When we say that the arts mean business—that’s not just a slogan—it’s the truth.”

Robert L. Lynch, President and CEO, Americans for the Arts

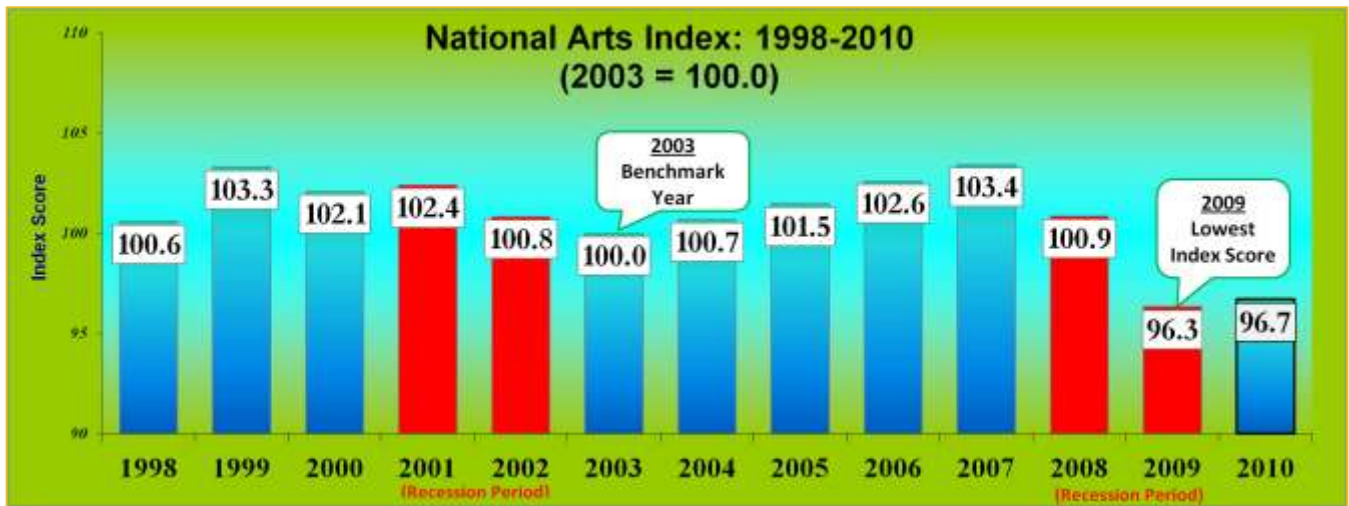
While all sectors are important for a vibrant and healthy economy, many benefits of the arts are difficult to measure using traditional economic metrics such as unit output, profits and GDP growth. Hence, while the following information may help to clarify the economic potential of the arts, it does not capture their total social value.

Jobs and Growth

Job creation is one of the most visible ways of measuring the economic impact of the arts.

Jobs in the creative economy:

- Increase national productivity and exports,
- Reduce human waste,
- Minimize harmful and costly unemployment,
- Generate tax revenue,
- Boost consumption, and
- Stimulate complementary sectors.



Health and Vitality of the Arts in the US, 2012 National Arts Index © Americans for the Arts

The American Arts Industry is comprised of over 113,000 non-profits and 800,000 arts-related businesses, ranging from nonprofit museums, symphonies, and theaters to for-profit film, architecture, and advertising companies. Non-profit arts and cultural organizations alone – just a fraction of the total arts and entertainment industry – are responsible for:²

- 4.25 percent of total businesses in the United States
- 3.3 million workers, including 2.2 million artists, (representing 2.1 percent and 1.5 of the overall labor force, respectively)
- \$135 billion (approx.) in annual economic activity, including
- \$22 billion in government revenue.

These jobs, businesses and revenue streams are considered *high-quality* relative to other many other sectors of the economy. This is because America's Creative Industries are characteristically:

- **Resilient:** According to the 2012 Americans for the Arts' National Arts Index, which evaluates the health and vitality of the arts in the United States, the arts sector was at its lowest point in recent memory in 2009. It turned a corner in 2010, however, with an overall rise in the index score from a revised 96.3 to 96.7. Furthermore, a variety of labor market indicators show relatively steady levels of employment in the arts in recent years, despite large labor market gaps in other industries.

² Kushner, Roland J. and Randy Cohen, "National Arts Index 2012: An Annual Measure of the Vitality of Arts and Culture in the United States: 1998-2010." Americans for the Arts, 2012. Arts & Economic Prosperity IV, Americans for the Arts 2012.

- **Cross-Pollinating:** The nonprofit arts, unlike most industries, leverage significant amounts of event-related spending by their audiences. According to the 2012 Americans for the Arts' Arts & Economic Prosperity IV Study, the typical arts attendee spends \$24.60 per person, per event, beyond the cost of admission. This spending stimulates commerce for local businesses such as hotels, restaurants, and retail stores.

Nonprofit Arts Attendees Spend \$24.60 Per Person, Per Event



from Arts and Economic Prosperity IV, © Americans for the Arts

- **Entrepreneurial:** According to the National Endowment for the Arts (NEA) analysis of U.S. Census occupational data, artists are 3.5 times more likely than other workers to be self-employed while the vast majority of arts non-profit organizations are operated as small businesses. This trend is increasing, as the number of self-employed “artist-entrepreneurs” has grown for eight of the past nine years for which data are available, from 509,000 in 2000 to 688,000 in 2009.

“We need people who think with the creative side of their brains—people who have played in a band, who have painted, been involved in the community as volunteers. It enhances symbiotic thinking capabilities, not always thinking in the same paradigm, learning how to kick-start a new idea or how to get a job done better, less expensively.”

Annette Byrd, Manager, Healthy Work Environment, GlaxoSmithKline Quoted in *Are They Really Ready To Work?* pp. 50–51. (Ready to Innovate Report, page 4)

- Future-Oriented: In response to the 2007 Americans for the Arts National Arts Policy Roundtable on *Thinking Creatively and Competing Globally—The Role of the Arts in Building the 21st Century American Workforce*, the Conference Board, in collaboration with Americans for the Arts and The American Association of School Administration compiled a report in 2008 titled *Ready to Innovate: Are Educators and Executives Aligned on the Creative Readiness of the U.S. Workforce?* Which was based on data collected from U.S. employers.



- Internationally Competitive: U.S. exports also increased from \$56 to \$64 billion between 2009 and 2010, up 12percent

The Conference Board, in collaboration with Americans for the Arts and The American Association of School Administrators

"The economic downturn that we're beginning to recover from has affected citizens and governments in a variety of ways and while Philadelphia's arts and culture sector has faced hardship, it continues to reflect a resilience that's critical to our economic vitality and sense of community. 2009 was a tough year, but I'm confident the arts and culture sector will boost America's economic recovery on a local and national scale."

Philadelphia Mayor Michael A. Nutter, National Arts Index Press release, January 24, 2010

from previous years. With imports at just \$23 billion, this translates to a \$41 billion trade surplus in 2010.³ Moreover, the U.S. Department of Commerce reports that the percentage of international travelers including museum visits on their trip has grown annually since 2003 (17 to 24 percent), while the share attending concerts and theater performances increased five of the past seven years (13 to 17 percent since 2003).

³ Kushner, Roland J. and Randy Cohen, "National Arts Index 2012: An Annual Measure of the Vitality of Arts and Culture in the United States: 1998-2010." Americans for the Arts, 2012.

The report concluded that employers consider creativity and innovation to be among the top five skills that will increase in importance over the next five years, and view “stimulating innovation/creativity and enabling entrepreneurship” to be among the top ten future challenges of U.S. CEOs. Similarly, a 2010 IBM Global CEO Study surveyed 1,500 Chief Executive Officers from 60 countries and 33 industries worldwide, and found that CEOs believe creativity is the most important leadership quality.



Regional Development

At a national level, the economic value of the arts is being recognized across a diverse range of policy areas. For example, nearly half of the nation's healthcare institutions today provide arts programming for patients, families and staff. Out of these institutions, over 78 percent do so for financial reasons, as the therapeutic benefits of the arts reduce overall hospital costs and lower medication requirements.⁴

"Who made the world? An accountant..? No, it was made out of chaos, and creativity led the way out of the chaos, so for God's sake let us focus on the creativity!"

Robert Redford

Michael Feeney Callan,
Robert Redford: The Biography,
Alfred A. Knopf, A Division of Random
House Inc, NY 2011. Page 163

⁴ Survey conducted by The Joint Commission, Americans for the Arts, and Society for the Arts in Healthcare. Americans for the Arts, 2008.

Many states are also beginning to appreciate the competitive advantages of a strong creative economy by directly developing their arts industries through targeted investment and collaborative strategy-formation with local businesses and non-profit actors.

Case Study: Michigan

According to Creative State Michigan, the Michigan arts sector has proved resilient in the face of significant job losses in the state during the recent economic downturn, with arts-related jobs increasing in number by 4 percent from 2006 to 2010 and arts-related businesses increasing by 43 percent in the same period.

In 2009, Michigan's creative economy:

- Produced \$51 of economic activity for every \$1 invested by the state government,
- Created 15,500 new arts-related jobs,
- Attracted over \$256 million in capital campaigns, and
- Generated over \$2 billion in arts-related tourism – more than golf, skiing, sailing, fishing, hunting and professional sports tourism combined.

As cities take shape as the economic units of the twenty-first century economy, the arts offer a variety of benefits to enhance business competitiveness and attract creative and talented workers. In recognition of these benefits, many cities have developed innovative projects to identify and nurture their artistic identities and resources:

- **Detroit:** In August of this year, Detroit residents made clear their understanding of the power of the arts to improve their communities by voting for a \$20 annual tax per household to keep the doors of the Detroit Institute of the Arts open and help to build financial sustainability for the long struggling institution.⁵ This follows on the heels of the cities of Tempe, Arizona, and Denver, Colorado, whose residents voted for a 0.1 percent sales tax to benefit the arts in their respective communities. This generates approximately \$40 million per year in support to arts and culture organizations in the 7-county region of Denver.⁶

⁵ Stryker, Mark, "Voters In 3 Counties Approve DIA Milage, Get Free Admission." *Detroit Free Press*, August 8, 2012.

⁶ Carlin, Brad, "Local Option Tax Strategies for Supporting the Arts." Americans for the Arts, 2004-05. The Detroit Institute of the Arts is asking voters in Wayne, Oakland and Macomb Counties to approve a 10-year tax that works out to \$20 per year on a home worth \$200,000. It is intended to raise an estimated \$23 million a year, nearly as much as the museum's current annual operating budget.

- **Paducah:** The city of Paducah, Kentucky established the Artist Relocation Program in 2000 in order to foster an artistically stimulating environment and revitalize declining neighborhoods. This program provides financial incentives to artists to relocate to its historical Downtown and Lowertown areas. To date, Lowertown artists and residents, primarily through a generous and innovative financing arrangement offered by community partner Paducah Bank, have invested over \$30 million to restore the community to its previous glory.

- **Nashville:** In 1988, the Metropolitan Nashville Airport Authority introduced the *Arts at the Airport Program* in order to provide a more pleasant transit experience for travelers and showcase the Middle Tennessee region's visual and performing arts. With the support of additional funding from the Tennessee Arts Commission and the State of Tennessee, this award-winning program has featured works and performances by local, regional and national artists alongside a permanent collection of 239 original works in various styles and media by renowned Tennessee artists.

“Small and rural communities across the country continue to face drastic population shifts and economic upheaval. Many efforts are underway in these areas to create and implement economic revitalization and community development strategies. In analyzing resources, strengths, and needs, communities are increasingly seeing the potential of their existing creative economies—sectors of the economy that include arts cultural and heritage organizations, businesses and workers—as strong revenue, employment and quality of life generators, or “creative industries,”

Building Creative Economies: The Arts, Entrepreneurship, and Sustainable Development,

Community Building

University of Pennsylvania researchers have demonstrated that a high concentration of the arts in a city leads to higher civic engagement, more social cohesion, higher child welfare, and lower poverty rates. A vibrant arts community ensures that young people are not left to be raised solely in a pop culture and tabloid marketplace.

The 2007 publication *Creativity and Neighborhood Development*, published by The Reinvestment Fund in collaboration with the Social Impact of the Arts Project (SIAP) at the University of Pennsylvania, identifies four domains within which the arts create community value:

1. Social capital and civic institutions
2. Public assets and infrastructure
3. Economic assets and market relationships
4. Flows of information, capital and people

Depending on the size and composition of a community, the value generated in each of these domains can vary considerably. Nevertheless, most successful local or regional arts-based strategies rely on a combination of elements for value generation.

For example, the Philadelphia Mural Arts Program (MAP) was originally founded in 1986 to combat graffiti, but has since evolved into a vibrant public and private partnership with a broader community-development mission. Today, the program is responsible for over 2,700 murals throughout the city, and employs more than 300 artists and over 3000 young people each year.⁷

In many respects, the Philadelphia MAP program resembles a smaller-scale version of the Federal Art Project (FAP), still considered to be one of the most ambitious federal arts programs enacted during the New Deal era under the Works Progress Administration (WPA).

Case Study: Philadelphia's Crane Arts Building Reconstruction⁸

In 2008, the Reinvestment Fund released a report titled *From Creative Economy to Creative Society*, which concluded that neighborhoods in Philadelphia with high levels of cultural resources were highly likely to experience revitalization over the 1980s and 1990s compared to those with low levels. Even among the most at-risk neighborhoods, those with many cultural organizations within one-half mile were three to four times more likely to see poverty decline and population increase as those with few groups.

Shortly after this report, a real estate developer and two artists purchased a former plumbing factory called the Crane Arts Building and converted it into an arts center, Crane Arts LLC, to provide concerts for the local neighborhood.⁹ The project was financed entirely through loans, and aimed to recover operating costs through renting space to artists. Before the sale had been completed, waiting lists to rent and use the space grew at such a speed

⁷ Nowak, Jeremy. *Creativity & Neighborhood Development: Strategies for Community Investment.* The Reinvestment Fund, December 2007.

⁸ "Crane Arts: Financing Artists' Workspace." A Collaboration of the Social Impact of the Arts Project and The Reinvestment Fund, August 2007.

⁹ Nowak, Jeremy. *Creativity & Neighborhood Development: Strategies for Community Investment.* The Reinvestment Fund, December 2007.

that the developers initiated talks to purchase additional vacant lots in the area to meet the additional demand. Today, the building features four stories of artist work spaces and a highly regarded gallery.

Case Study: Art at Work (AAW)¹⁰

- **Background:** Art at Work is a national initiative to improve municipal government through strategic arts projects with municipal employees, elected officials and local artists.
- **Aim:** Art at Work has demonstrated that artmaking is a valuable, cost-effective, sustainable tool to both address intransigent municipal problems and deepen the public's awareness and appreciation of local government's role in creating healthy, educated, engaged, economically vibrant communities.
- **Location:** Since 2007, the City of Portland, ME which has been AAW's home for the national pilot.
- **Results:** Collaborations between more than 60 city employees and 30 local artists have created 200 original artworks, engaged over 25,000 people in the region, and reached over a 1 million others through local and major media outlets. Their posters, photographs, prints and poems hang in galleries, city parking garages, lunchrooms, recycling centers, police stations, libraries, conference rooms and maintenance shops.
- **Impact:** AAW has proven that the arts can help strengthen cross-cultural understanding, enhance communication, raise morale and increase understanding and cooperation between city agencies and the public. Initiatives pairing members of the Portland police department and immigrant youth have been praised by the Police Commissioner for their effectiveness in reducing tensions between these two groups through visual art, performance, poetry, photography, video and music.

Human Capital¹¹

As the global economy becomes increasingly integrated, a nation's competitiveness will increasingly come to depend on its ability to foster its human capital. Broadly defined,

¹⁰ Art At Work <www.artatworkproject.us>

¹¹ Root-Bernstein et al. "Arts Foster Scientific Success: Avocations of Nobel, National Academy, Royal Society and Sigma Nu Members," *Journal of Psychology of Science and Technology*, v1.2. Springer Publishing Co, 2008.

Human Capital can include any of the knowledge, skills, and values held by a person that allows him or her to engage in economically productive pursuits.¹² By that definition, the arts have a vital role to play in crafting a workforce that can respond proactively to the unique challenges of a changing economic environment through innovative and creative means. By fostering nonlinear thinking, the arts can contribute significantly to the development of human capital—when they are supported and encouraged in the labor force.

A myriad of research has indicated that students with an education rich in the arts have higher GPAs and standardized test scores, lower drop-out rates, and even better attitudes about community service. Moreover, these benefits are reaped by students regardless of socio-economic status, suggesting that the arts have a critical role to play in reducing inequality and improving the demographics of the most deprived populations in the community.

Moreover, many benefits from the arts extend beyond the creative sector and traditional arts industries. For example, compared to the average person, Nobel laureates are:

- 25 times as likely as average scientists to sing, dance, or act;
- 17 times as likely to be an artist;
- 12 times more likely to write poetry and literature;
- 8 times more likely to do woodworking or some other craft;
- 4 times as likely to be a musician; and
- 2 times as likely to be a photographer.

There is also a long-tradition of artists-turned-inventors in the United States:

- Samuel Morse (telegraph) and Robert Fulton (steam ship) were prominent painters before they turned to inventing (visit the Smithsonian American Art Galleries).
- Camouflage was invented by the American painter Abbot Thayer,
- In medicine, the stitches that permit a surgeon to correct an aneurysm or carry out a heart transplant were invented by American Nobel laureate Alexis Carrel, who took his knowledge of lace making into the operating room.
- Knute Rockne, the revolutionary Notre Dame football coach in the 1920s, got the idea for his innovative Four Horsemen offensive backfield by watching an evening at the ballet. To perfect the offense, he had his players take dance lessons to develop the timing and agility needed to execute said gridiron maneuvers.

¹² Becker, Gary S. "Human Capital." *The Concise Encyclopedia of Economics*. <http://www.econlib.org/library/Enc/HumanCapital.html>. 2008.

Tourism and Cultural Diplomacy

In addition to developing existing human capital, the arts can attract external cultural and economic investment to a region and build links between regions. These regional connections have positive economic effects with visiting patrons spending nearly twice as much on non-admission purchases at arts events as local attendees.¹³

Cultural diplomacy projects can take a number of forms:

- **Cultural Enrichment:** With the help of an International Cultural Exchange Grant from the Miami-Dade County Department of Cultural Affairs, *Karen Peterson and Dancers* (KPD) has established a Miami-Balkans collaboration whereby local residents learn to dance with traditional Balkan instructors. This effort has also resulted in a number of residency exchanges between Miami and Montenegro, Serbia and Bosnia.

Sundance Institute's FILM FORWARD program has also made great strides in enhancing cross-cultural understanding, collaboration and dialogue around the globe by engaging audiences through the exhibition of film and conversation with filmmakers. Since its inception in 2010, the program has reached nearly 28,000 audience members through 210 screenings and over 40 workshops in the United States and around the globe in China, India, Africa, Tunisia, Turkey and Colombia.

“Examples of innovative and effective international cultural engagement can be found throughout the United States, in diverse neighborhoods and communities both large and small. Catalyzed by increasing global connectivity and changing domestic demographics, international cultural activities are no longer solely confined to large metropolitan areas and political, economic and cultural capitals. Through the support of communities and local arts agencies, the international nexus of culture can now be found in our own backyards, where local efforts driven by artists, citizens, and newcomers are becoming the backbone of the international cultural engagement efforts.”

Backyard Diplomacy: Prospects for International Cultural Engagement by Local Arts Agencies: Special Report, Americans for the Arts 2011.

¹³ Arts & Economic Prosperity IV, Americans for the Arts, 2012.

"Envisioning a Greater Role for the Arts in Cultural Diplomacy and Engagement: *"Cultural interaction in its broadest sense profoundly influences—both positively and negatively—the world's political and economic systems; the arts can be a force in tipping those interactions towards the positive. The arts act as powerful catalysts for opening new dialogue, building bridges to better understand, and providing the creative common ground from which new ideas and relationships are sown. Though states and corporations and individuals are often economically and politically entwined with one another, problems erupt when we are not as culturally interconnected as we need to be. The need for deepening cross cultural and transnational understandings is great."*

"The Role of the Arts in Strengthening and Inspiring the 21st Century Global Community," Report from the Americans for the Arts National Arts Policy Roundtable, 2009

- **Marketing Leverage:** After being designated a UNESCO City of Crafts and Folk Art in 2005, Sante Fe leveraged its international cultural reputation to promote local artists by providing business and marketing training for local artists and arts organizations. It also established a website that connects tourists with more than 80 authentic local arts experiences (at www.santafecreativetourism.org).

- **Dispute-Resolution:** Barenboim's Seville-based Arab-Israeli Youth Orchestra, the *West-Eastern Divan Orchestra*, uses musical performances to bring together communities suffering internal conflict. In 2011 they embarked on an international tour that included performances at the West Bank and the demilitarized zone between North and South Korea in an attempt to promote peaceful trade and coexistence between conflicting cultures while improving the international profile of the orchestra and its members.

Building strong communities towards a better future: Co-founded by violinist Nabeel Abboud-Ashkar, Polyphony Education Israel provides music education and other innovative programs to serve Arab and Jewish youth in Israel so that they and their families can come together through music. Working in schools, community centers and diverse international performance venues, these programs seek to narrow the education gap within Israeli society and create common ground for Jewish and Arab youth. The organization is a model for cooperation based on cultural exchange, dialogue, and partnerships and strives to innovatively engage young members of Israel's diverse communities to foster a more just and peaceful society.

How Can We Facilitate the Transition to a Twenty-First Century Arts-Inclusive Economy?

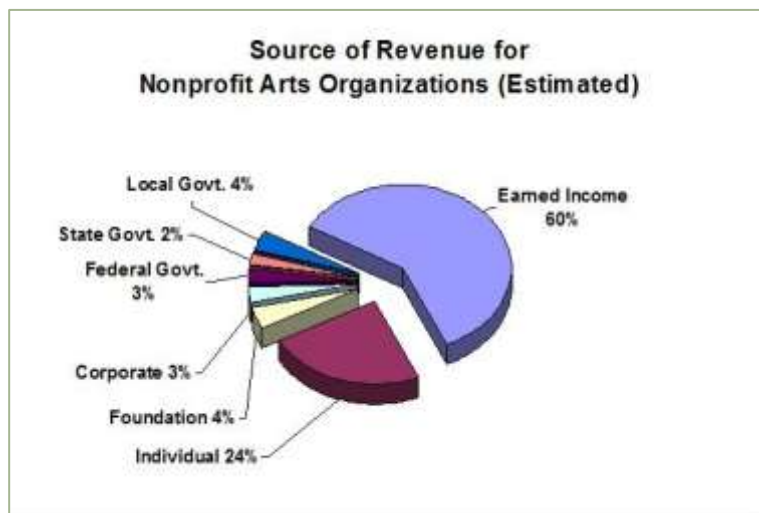
As governments search for innovative pathways to recovery, arts organizations are well positioned to use their creative assets, communicative skills and community connections to

challenge the dominant narrative that there is no alternative to weak growth and high unemployment.

However, in order to be effective advocates, arts organizations need to be financially sustainable in the long term. Currently, support for the nonprofit arts is derived from a delicate balance of earned revenue, government support, and private sector contributions. The pie chart below provides a snapshot of what the average revenue picture looks like for a nonprofit arts organization in the U.S.:

“Support from individuals . . . is by far the most important source of revenue for arts organizations in this country . . . Religious organizations and political campaigns have long recognized the power of creating a broad base of individuals giving relatively modest amounts of money. Kickstarter and the other platforms that crowdsource donations for arts organizations and projects are becoming increasingly important in helping the arts catch up.”

Victoria Hutter, NEA spokesperson



© Americans for the Arts

As demonstrated by the chart, nonprofit arts organizations are generally able to earn slightly more than half of the money it takes to sustain their operation. The remainder must be raised through contributions and grants. Even small fluctuations in contributed revenue can mean deficits for many organizations. Consequently, arts organizations face two ongoing challenges:

1. Advocating for greater governmental support for the arts and the creative economy
2. Diversifying their own revenue sources.

Achieving these goals requires collaboration with other advocacy movements, coordinated development strategies with local business, non-profits and governments, and innovative community engagement.

One option, in the spirit of the New Deal and the 1973 Comprehensive Employment and Training Act (CETA), is to advocate for the expansion of public arts-related job creation programs in conjunction with similarly interested advocacy groups, economists and policymakers.

Alternatively, arts advocates may develop innovative new financing models alongside their communities and partner businesses that aim to reduce the collective reliance on external funding and/or discretionary government grants.

Timeline- Creativity Works! The Milwaukee Regional Creative Industries Project

Phase 1: The Cultural Alliance of Greater Milwaukee is formed in 2005 by a group of cultural leaders that recognized the need for an umbrella organization representing the arts and culture sector in greater Milwaukee.

Phase 2: In 2008, the Cultural Alliance publishes a major audit of region's arts sector, entitled *The Cultural Asset Inventory of the Seven County Region*, which concludes that the Greater Milwaukee region possesses exceptional arts and culture assets, but weak supportive infrastructure.

Phase 3: After consultation with regional governments, business leaders, and the local creative community, the Cultural Alliance forms a Creative Coalition with the Greater Milwaukee Committee, a private sector civic organization dedicated to economic and cultural development, in order to better integrate the interests of the for-profit and nonprofit arts communities. This Coalition then launches the *Creativity Works! Milwaukee Regional Creative Industries Project* with the goal of inventorying and growing the region's creative economy.

Phase 4: The Creative Coalition enlists the support of a representative from the Wisconsin State Department of Commerce, submits a proposal and is approved for a \$146,250 grant from the Department of Commerce's Economic Development Administration to define, inventory and map its region's creative economy and develop a strategic action plan for its creative industries.

Phase 5: In 2011, the *Creativity Works!* Project releases its findings in a report, with the overarching recommendation for a strategic action plan for the region's creative sector.

Subsequently, the Cultural Alliance is reformed as the Creative Alliance Milwaukee, with the new goal of adding jobs, small businesses and increased capacity in the region.

Phase 6: The Creative Alliance publishes its 2012 Vision and Strategic Plan.¹

(Our region's creative industries are a significant economic industry cluster, with penetration across all businesses and counties, and targeting them for focused development will yield significant community return." - Key Finding, CREATIVE INDUSTRIES: A New Economic Growth Opportunity for the Milwaukee 7 Region, Milwaukee Regional Creative Industries Project, January 2011)

Handshakes, Not Handouts

The recent growth of coordinated, decentralized growth models in both the public and private sector presents arts organizations with a number of innovative ways to diversify revenue.

At the federal level, the 2011 Americans for the Arts funding guide, *Artist as Entrepreneur*, provides a broad overview of various sources of federal economic funding, as well as advice on how to adopt the language of economic development grants.

In the private sector, the internet and social media are opening up new sources of funding through crowd-sourced and peer-to-peer investment. In June 2011, for example, global artist and activist Spencer Tunick received over \$115,000 from over 700 backers via Kickstarter to produce a site installation at the Dead Sea in Israel showcasing the importance of water in the region.¹⁴ Sundance Institute's #ArtistServices program has helped artists launch over 80 successful campaigns, raising over \$2.7 million since initiating their partnership with Kickstarter in January, 2011. Since its launch in 2009, Kickstarter has successfully funded over 28,000 projects, a large percentage arts related, for a total of \$275 million invested.

Case Study – “Power2Give”¹⁵

Power2Give.org was launched in 2011 by the Arts and Science Council (the local arts agency serving Charlotte, NC), the Knight Foundation and various private businesses to enable local

¹⁴ Fruchter, Ari. “Naked Sea- Spencer Tunick Dead Sea Installation.” Kickstarter.com. n.d. web. September 13, 2012.

¹⁵ “Power2give.org Reaches \$1 Million.” www.fundforthearts.com June 4, 2012. web. September 13, 2012.

communities to give directly to local arts, science and history projects in need of funding. It began as an online cultural marketplace in Charlotte-Mecklenburg, and has since expanded to additional satellite sites in Louisville, Miami and Greensboro. Since its founding, Power2Give has raised over \$1 million and funded nearly 430 projects from over 3,750 individual donations and matching gifts from corporations and foundations.

As the job market changes due to technological improvement and fluctuations in the foreign labor market, the U.S. economy is likely to move towards greater knowledge and service based jobs, including the arts. This shift will be aided by the rapid spread of digital sharing, which has increased cultural and artistic production while at the same time undermining elements of copyright law and the media industry. In the short term, however, high unemployment and low growth will remain a large drag on growth.

Simultaneously, however, technology is rapidly dissolving the barriers that have traditionally prevented people from connecting directly to each other, including artists and audiences. As these forces fundamentally alter the structure of the public sphere and human interaction, it is possible that non-economic community cultural development will flourish, enabling artists to play a greater role as links between different sectors of the economy.

Community Currency

Arts organizations and affiliated community organizations facing a scarcity of external investment may be interested in establishing a local currency to allow cash-strapped communities to trade internally by matching unused resources with unmet needs.

In Toronto, for example, local businesses and workers use “Toronto Dollars” that is redeemable at \$0.90 to the dollar, in exchange for greater liquidity in local payments. The remaining money is then invested in the local community projects such as youth centers, dance classes and activity centers for homeless people.

Given that a National Endowment for the Arts Survey of Public Participation in the Arts¹⁶ found that the public would like to increase its arts attendance in terms of dances, stage productions and museums by over 50 percent, it is possible that local businesses and households across the country would be willing to support arts organizations through such methods if properly designed and implemented by arts organizations.

¹⁶ “Why Should Government Support the Arts?” National Assembly of State Art Agencies, 2010.

Questions Going Forward

1. How can the arts industry as a whole harness its collective energies to more effectively advocate for sustainable and efficient growth of the arts in society?
2. How can creative workers and arts organizations work with other institutions and communities to help solve our pressing macroeconomic problems?
3. How can the creative sector best collaborate with other sectors of the economy to implement meaningful structural reform of the economy as a whole?
4. How can we share “bright spot” examples more broadly?

About the National Arts Policy Roundtable

The National Arts Policy Roundtable was launched in October 2006 by Robert L. Lynch, president and CEO of Americans for the Arts, and Robert Redford, founder of the Sundance Institute, on the premise that issues important to the arts are also important to society. Since its inception, the Roundtable has convened more than 175 top level decision makers and thought leaders from the fields of business, government, the social sector, education, and the arts in a unique cross sector forum designed to discuss issues—and propose solutions—critical to advancing American culture and vitality. Each Roundtable yields a series of recommendations on public policies and private sector practices that are necessary to move the issue addressed from thought to action, on such topics as the future of private sector funding for the arts, the role of the arts in building an internationally-competitive and creative 21st century workforce, fostering civic engagement, and strengthening global communities. Significant cultural policy achievements in both the private and public sectors have been the result. The findings and recommendations from the Roundtable are distributed broadly via Americans for the Arts website, publications and industry journals, op-eds, the media, and through Americans for the Arts' National Arts Policy Network which includes more than 5,000 local arts agencies across the country and over 200,000 citizen activists. For more information, visit www.artsusa.org/go/policyroundtable.

This Briefing Book has been written and prepared by Americans for the Arts for the 2012 National Arts Policy Roundtable by Nora Halpern, Vice President of Leadership Alliances; Randy Cohen, Vice President of Research and Policy; Christine Meehan, Leadership Alliances Manager; Rohan Grey, Researcher; and Hannah Jacobson, Executive Assistant to the President and CEO with thanks to National Arts Policy Roundtable Chair, Jeremy Nowak, President of the William Penn Foundation; and Founding Chair, Marian Godfrey. Americans for the Arts would also like to thank Charles Moore, Executive Director and Margaret Coady, Director from the Committee Encouraging Corporate Philanthropy (CECP) for hosting a pre-roundtable focus group of national corporate leaders at their 2012 Corporate Philanthropy Summit held in New York City in June. The CECP convening was moderated by Americans for the Arts Board member Tim McClimon, President of American Express Foundation and Vice President for Corporate Social Responsibility of American Express and we are grateful for his participation and insight. Our deep appreciation to the Sundance Institute, in particular, Robert Redford, Founder and President; Keri Putnam, Executive Director; and Cara Mertes, Director, Documentary Film Program for their continued collaboration.

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