



“The Creative Economy – Cities and States Get on The Creativity Train” What do Iowa, New England Miami Have in Common?

By Tom Tresser

When I was the managing director at a large theatre in Chicago in the late 1980's I tried to position the theatre as a community development agency.

The theatre was (and remains) in Uptown, a neighborhood that was economically challenged and had a reputation as being seedy and unsafe. Our theatre was very successful as measured by critical hits, number of subscribers and awards won for our productions. We had a number of community service programs, including programs for youth, seniors and people with limited incomes. We were growing and had ambitious plans for the future.

We wanted to move to a new space in the area and we were accepted into a program administered by the Department of Planning that partnered our theatre with a large commercial developer who was rehabbing the North Pier Terminal. The match-up would give us 500 hours of consulting time from the commercial developer and I proposed that they help us find an innovative way to create a mixed-use development with our theatre as the second-floor tenant.

We located an old movie theater and adjacent vacant lot. We secured the services of a well-known local architect to sketch rough plans. But we needed seed funding to secure the property and begin the design process. I met with a team from the largest bank in Chicago and showed them our plans. One banker looked through the documents and said, “I don't see how we can lend you any money. Your balance sheet isn't very healthy – you produce shows that lose money.”

Over 15,000 people came into the community to see our plays annually. It had won dozens of awards for artistic excellence. It provided a platform for new playwrights and employed several hundred artists each year. But our product lost money. The banker looked at our balance sheet and saw a big gap. Every nonprofit in America has that gap – which is the difference between the cost of the service they provide and the fees (if any) paid by the consumers of that service. But what didn't show up on our balance sheet was the positive effects of the theater's work and presence on the neighborhood and the city.

So, that was my introduction to several questions that have been asked and re-asked about America's creative and arts-related enterprises. That is – What are the economic and social benefits of the arts and related created enterprises? And what, if any, special considerations, such as governmental programs, direct grants, etc., should be available to creative enterprises?

After all, our government allows all kinds of favors for business and industry – including tax breaks, subsidies, contracts, regulatory relief and fawning political cover. There are a number of websites that track governmental favors for business, such as The Banneker Center for Economic Justice (see <http://www.progress.org/banneker/index.shtml>). There are many compelling reasons to assist an industry or sector and part of the push and pull of civic dialog is to help guide public policy toward making enlightened decisions about government assistance to the private sector.

Many people feel that America's creative enterprises, such as arts organizations, merit such special consideration because of the common good rendered by their successful operation. Arts organizations are a small, but significant, part of what we here at Newtopia have been calling the Creative Economy.

Increasingly, mayors, governors and other civic leaders are turning their attention to elements of the Creative Economy and have launched initiatives to help it grow and prosper in their regions.

IMAGINE IOWA 2010: A NEW STRATEGY FOR THE NEW ECONOMY

"We want to speak with a strong voice about the importance of a strong arts and culture sector to vibrant economy," said Director of the Iowa Department of Cultural Affairs, Anita Walker. Walker leads the Iowa state agency that includes the Iowa Arts Council and the State Historical Society. The department is two years into an ambitious plan to raise awareness about the Creative Economy of Iowa called Imagine Iowa 2010.

The Newtopia Creative Economy column reached Walker at her office in Des Moines and got the inside story on the creative project.



"Culture is no longer a frill. It is fuel," says Anita Walker, Iowa Cultural Affairs Director. Image from Iowa Public TV website

Imagine Iowa 2010 is a state-wide cultural plan for the arts, history, sciences and humanities.

The Iowa Department of Cultural Affairs developed the Imagine Iowa 2010 cultural plan with input from the steering committee, partners and constituents throughout the state. The overall mission is to distinguish Iowa as a national leader in culture and support an environment that allows the arts, history, humanities and sciences to thrive.

Cultural assets and needs were identified through a series of state-wide forums and a Cultural Caucus held in June, 2001. Delegates elected during the caucus, in addition to members of the steering committee and

constituents, developed a framework of goals and objectives that the Department and other cultural organizations are now in the process of implementing.

In February, the initiative published a comprehensive report. "The Creative Economy in Iowa," done by faculty members of the Iowa State University Department of Economics. The report stated that 306,000 people are employed by Iowa's creative industries, representing 23% of the nonfarm total workforce.

The report, along with the extensive reports of Imagine Iowa 2010, is online at www.culturalaffairs.org/about/imagine_iowa/index.htm.

In March of 2003 they held a conference on the Creative Economy in the rotunda of the state historical museum. Richard Florida gave the keynote address. Some 400 people attended, with about half from arts and cultural organizations and half from the business sector. Walker says a dozen legislators also attended and "three got religion and went to bat in the legislature to advocate for a people-based strategy to economic development." This includes \$1 million for the Iowa Cultural Trust – a remarkable accomplishment since Iowa was facing one of its worst budget shortfalls in recent memory.

Walker gave Governor Tom Vilsack a copy of Florida's "The Rise of the Creative Class" and the Governor started quoting from the book in his speeches. Walker says the Governor was inspired by Florida's central message as well as the core theme of tolerance. Governor Vilsack is a leader around the issue of diversity in the state of Iowa.

One lawmaker, State Senator Bill Dotzler, became a champion of the Creative Economy mindset inside the Iowa legislature. Dotzler, who will be soon retiring after 31 years at John Deere, represents the south-central 11th District. He is a Vietnam veteran who also served as a union rep inside John Deere. He's seen up close and personal how American manufacturing has changed and is convinced that the Creative Economy approach to economic development is the way to go.

"There's a direct connection between innovators and creative thinkers and economic success." Dotzler said when Newtopia reached him in Waterloo. "They demand amenities, such as parks, clubs, nightlife, and the arts as well as a world-class education system for their children." Traditional incentives aren't effective because without the right people, "the businesses won't stay."

Dotzler, a Democrat, and the ranking Minority member of the Economic Development Appropriations Committee, says it's been a challenge advocating this approach to economic development. "We have a hard time convincing rural legislators that arts and culture are key to future economic growth. In tough times arts and cultural programs are cut first. That's the opposite of what should happen." In the meantime, Dotzler will continue to work for and support the Imagine 2010 program.

The Imagine Iowa 2010 initiative has eight goal statements:

- (1) On Advocacy and Cultural Leadership:
"Iowa leadership— elected, corporate and community— demands investment in Iowa's cultural resources."
- (2) On Community Development and Cultural Tourism:
"Iowa communities experience economic vitality driven by a diverse, exciting cultural environment."
- (3) On Cultural Workers as Entrepreneurs:
"Iowa is a place where cultural workers can be financially successful and are recognized as a significant part of the economy."
- (4) On Education:
"Iowa is a national leader in cultural education."
- (5) On Financial Planning:
"Iowa Cultural organizations are vigorous, healthy, entrepreneurial and financially sound."
- (6) On Historic Preservation and Records/Archives:
"Iowa is recognized for its dynamic, creative approach to the preservation of its cultural heritage and ease of public access to historic documents, artifacts and resources."
- (7) On Marketing and Audience Development:
"Iowans of all ages enthusiastically participate in cultural activities."
- (8) On Young Iowans:
"Young people are involved, engaged and committed to Iowa culture."

Walker, who has a degree in journalism and was a TV news anchor for 15 years as well as a fundraiser for a nonprofit cultural group, is thrilled with the work that has started in communities around the state as a result of this initiative. She points out the programs started by cultural and civic leaders in Cedar Rapids and Johnson Counties. 150 cultural groups came together to form the Cultural Corridor Alliance (www.culturalcorridor.org) whose website offers a master schedule of activities and which is planning a network to share and swap cultural resources, such as exhibits and expertise.

Iowa 2010 is now involved in working out the implementation of the Iowa Cultural Trust, first established in 2002. It is dependent on the passage of the Iowa Values Fund that is slated to fund the trust and other initiatives, including \$4 million in tax credits for business relocation to establish arts and entertainment districts and \$45 million beginning in Fiscal Year 2005 for Community Attraction and Tourism (trails, bike paths and entertainment districts). Walker said the Trust was funded at \$1 million, which is encouraging given the general dismal situation in state finances across the country.

What would Walker advise city and state officials tasked with revitalizing their regions? "I would advise them to read Richard Florida's book. They should think more broadly about economic development – not just try to lure a company to their area. Create a people climate. If you start with that premise, then your mind opens up to asking what they need. Think more holistically about how to make a community a wonderful place to live."

NEW ENGLAND CREATIVE ECONOMY COUNCIL THINKS BIG



The New England Council is an alliance of businesses, academic and health institutions, and public and private organizations throughout New England formed to promote economic growth and a high quality of life in the New England region.

Leaders from the business and cultural organizations and states arts agencies met in 1998 at Tanglewood, the music center located in Lennox, MA. They were meeting to discuss research on the impact of the nonprofit cultural sector on the region's economy. The study had been conducted by the New England Foundation for the Arts (NEFA).

In 1998 NEFA had presented findings which revealed that nonprofit cultural organizations and attractions generated \$3.9 billion in revenue each year while supporting more than 110,000 jobs in the region.

According to Garrett Kimberly, project director for the New England Council, the Tanglewood meeting led to an insight about the baseline cause or contributing factor behind the positive economic impacts revealed by the NEFA study. "The strong impact came from the process these organizations produced – not so much from the product they produced." The group resolved to look at creative enterprises, including for profit businesses and small design firms, in order to gauge the impact of the creative process on the region's economy

This decision led to the formation of the Creative Economy Initiative and the Creative Economy Council. The project is being administered by the New England Council and includes Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut.

The following organizations are the primary partners in the initiative: BAE Systems, The Boston Foundation, Boston Symphony Orchestra, Connecticut Commission on the Arts, Maine Arts Commission, Massachusetts Cultural Council, Massachusetts Port Authority, New England Foundation for the Arts, New Hampshire State Council on the Arts, Northeast Utilities, Philip Morris Management Corporation, Rasky/Baerlein Group, Rhode Island State Council on the Arts, State Street Corporation, Verizon New Hampshire, Vermont Arts Council.

Most coalition-based economic development initiatives start with a study and the New England Creative Economy effort published several documents. "The Creative Economy Initiative – The Role of the Arts and Culture in New England's Economic Competitiveness" was released in June of 2000. It laid out the broad picture of the Creative Economy in New England and calculated that some 247,000 people were employed in creative industries in the six relevant states. That represented 3.5% of the total workforce of those states. These jobs produced an annual payroll of \$4.3 billion. The report noted that employment in the creative sector was growing almost twice as fast (14 percent) than the average job growth in New England overall (8 percent). You can view the reports issued by the Creative Economy initiative at www.nefa.org/pubs/index.html.

The Creative Economy Council is now an ongoing effort with one full-time and two part-time staffers. It has started its action planning, moving from research to implementation, according to Kimberly. Two working groups are fashioning action plans, the Workforce Development and Arts & Technology groups. Kimberly reports that a number of the states that participate in the Council are pursuing their own local efforts.



The Governor of Maine, John Baldacci (D), elected in 2002, had a well-detailed position statement on the creative economy in his campaign platform. This vision, "Building Maine Communities Through the Arts and Cultures," was presented at a candidate's forum in August of 2002 and is now part of the Governor's official "My Vision For Maine" plan outlined on the state's website at www.maine.gov/governor/baldacci/vision/culture.html.

Governor Baldacci gets right to the point, "Maine's future prosperity depends upon a highly educated and creative workforce, and an innovative economy - one that prizes fine papermakers and shipbuilders, farmers and fishers, artists and designers, actors and musicians, and the cultural events and institutions that make for vibrant Maine communities. As the Bangor Daily News recently put it, 'Maine's sparse population in much of the state means that it must work to attract creative types - artists and authors, scientists and software designers - in addition to growing some locally, if (Maine) is to survive in the changing economy.'"

The Vermont Council on Rural Development is organizing and convening a Vermont Creative Economy Policy Council. A representative group of twenty leaders from around the state will be looking at the state's Creative Economy. In about a year, the VCEPC will release a summary of its research and deliver policy recommendations to legislators, the governor, and the administration that suggest ways to help this sector remain an economic engine for Vermont.

The New England Council's Kimberly, a former actor and stage director, offers this advice to economic development czars is "If you want to compete in the global economy, you need to invest in education and cultural resources. The return-on-investment will be economic competitiveness and a great quality of life."

MIAMI CASTS SPOTLIGHT ON ARTS AND ENTERTAINMENT



Miami Mayor Manny Diaz has established an Arts and Entertainment Council to "encourage, coordinate and enhance the development and promotion of quality art and entertainment of every variety and will foster creative endeavors throughout the community to position Miami as a leading international center for art, culture and entertainment."

The Miami Arts and Entertainment Council was created in June 2002 to advise the Mayor and the City Commission of Miami on arts and entertainment-related matters. In part, the Council functions like other local government arts

councils that exist primarily to serve the needs of non-profit arts organizations. The Council has an additional mandate: to market and promote Miami as a center of the global entertainment industry film, television, and music.

The Council includes representatives from the marketing and public relations sector, cultural arts organizations, the investment community, broadcasting and staff from the Mayor's Office of Film, Festivals, Art, Culture and Entertainment. The Council's chair is Seth Gordon, President of the marketing firm, Gordon Reyes & Company.

According to the South Florida Business Journal, the arts and culture sector contribute \$500 million annually to the Miami area's economy and employ more than 8,500 people.

The Council published a planning document in March 2003 that outlined a number of goals for its work:

- establish an open and organized process to coordinate the city's support for arts and entertainment activities
- position Miami as an international leader in the visual arts
- expand the film, television, music and production arts industries
- provide comprehensive production assistance for feature films and independent producers
- promote Miami as one of America's great special event cities
- create a dynamic live music and nightlife environment
- ensure greater use of and support for Miami's performing arts facilities
- strengthen arts and entertainment-related educational programs
- build an integrated arts and entertainment community - create a web site featuring an array of community-building tools, organize an annual arts and entertainment awards/recognition gala
- schedule regular opportunities at city commission meetings for the mayor and commission to honor local artists and entertainers

At a December 2002 Greater Miami Chamber of Commerce luncheon, Miami-Dade Mayor Alex Penelas said "Business people often look at growth rates of economic sectors to gauge their worthiness for investment. In our county, the arts and culture contribute real financial value to our economy and the arts are also a powerful force for revitalizing our neighborhoods, socially as well as economically."

However, according to an article, "Between the Arts and a Hard Place," by Daniel Chang, published in the July 6, 2003 issue of The Miami Herald Sun, the Miami area has a way to go to produce a sturdy and stable arts scene.

Michael Spring, director of the Miami-Dade County Department of Cultural Affairs, is quoted as saying "When you dive down beneath the surface and take a look at how long [Miami's arts institutions] have been around, most have been around a generation or less. When you stack that up against Chicago or Cleveland, you see there have been generations . . . that have established a tradition of going and traditions of giving."

Chang goes on to note that by comparison, Miami's arts institutions are accomplished but embryonic, valued but underfunded, aspiring to greatness with the \$255 million planned Performing Arts Center (with a 2,20-seat symphony hall and a 2,480-seat ballet opera house) but struggling to make ends meet, as with the Florida Philharmonic Orchestra.

The same article quotes Miami Mayor Diaz, "A world class city can't exist without an arts component," but, noting their financial situation, "We don't have the resources" to create new funding programs.

CONCLUSION – TURNING UP THE VOLUME ON CREATIVE ECONOMY INITIATIVES

The Creative Economy efforts discussed here are just a sample of programs that have started around the country and internationally in the past few years. In future columns we'll take a look at what's happening in Canada with their initiative to attract and retain young talent and the colossal ten-year program to strengthen the Creative Economy of London.

We can see a few common stands in these Creative Economy efforts:

- Richard Florida's research, publications and personal appearances are galvanizing elected officials and civic leaders from the cultural and private sectors to think and act differently about economic development

- Having a well-researched white paper is very important to stake out the territory for Creative Economy initiatives and communicating the scope of the playing field
- The participation and leadership of the elected leaders, such as the Governor and State Senator in Iowa or the Mayors in the Miami area are key to getting this new thinking accepted and actionable
- A broad coalition approach that brings together business leaders with cultural sector leaders and government officials is required and leads to cross-disciplinary thinking and solutions

As an old-time theatre producer and cultural activist, it warms my heart to see creativity being taken this seriously in so many places. However, it remains to be seen what the results from these efforts will be. You'll have to stay tuned to this channel for future updates!

NEXT COLUMN – Newtopia's Creative Economy reporter looks at the Illinois Creative Economy and what booster programs are on the drawing board for Chicago.

Tom Tresser is a consultant, producer, educator and trainer who can help individuals, companies and communities leverage and amplify their creative assets in order to solve problems, create economic value and trigger civic engagement. Tom has been a long-time advocate for an increased appreciation for the role of creativity in the life of the community. In 1991 he started an organization that organized artists and cultural workers for political activism and taught "Arts and Public Policy" at Roosevelt University, where he organized a center for the study of cultural policy. Tom was Director Cultural Development at Peoples Housing, a nonprofit community development corporation operating in northeast Chicago, where he organized a community arts program that combined culture and economic development. Tom served as lead organizer for the Chicago Park District for two years in a pilot project that transformed a major regional park into a community cultural center. In April 2004, Tom was elected to a two-year term for the Local School Council for the Abraham Lincoln Elementary School in Chicago's Lincoln Park neighborhood. He lectures on "The Politics of Creativity" and conducts leadership training sessions for artists and creative professionals. He teaches classes on arts and civic engagement at DePaul University and Loyola University.



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