

A Select Summary of Quantifiable Benefits of Cultural and Heritage Tourism

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The arts and cultural industries (A&CIs) create jobs, income, tax revenues, new capital for local economies, sustainable economic development and enhance quality of life. All statistics below are attributed to A&CIs.

Santa Fe, NM

- Generated over \$1 billion in revenues representing just under 20% of the County's Gross Domestic Product
- Santa Fe's Arts and Cultural Industries employed 12,567 people representing 17.5% of total employment in Santa Fe county
- Paid \$231.5 million in wages and salaries
- The funds that the A&CIs inject into the economy create new jobs and new sources of income on a net basis
- The \$814 million that the A&CIs and cultural tourism bring into Santa Fe may account for as much as 39% of the total inflow of money (new capital) into the local economy

Albuquerque, NM (and Bernalillo County)

- Annually generate \$1.2 billion in revenues, \$413 million in wages, and 19,500 jobs, totaling 6% of all employment in the County
- Half of this activity is funded by dollars from outside the region, generating economic growth and opportunity
- In 1978 when the City of Albuquerque established its Percent for Public Art Program, there were only 3 such programs in the country; today, there are nearly 500, with many of the newer programs allocating 1.5 to 2%.

Davenport, IA

Downtown Davenport, Iowa, a city of 100,000 people, is experiencing a boon of recent cultural investments. Along the Mississippi River, all within a five block corridor, is the new Figge Art Museum, the River Music Experience and an innovative arts warehouse project recognized by locals as simply "Bucktown" which houses retail shops, cooperative galleries, artist studios, cultural organizations and loft-style condominiums. DavenportOne, a municipal improvement district, is working to encourage entrepreneurial culture and promote the idea of advancing home-grown companies that will create more opportunities in the greater Davenport area.

- Iowa's creative industries directly generate \$18.1 billion in industrial output, create \$12.1 billion in value added, and require 305,972 job holders receiving \$10.95 billion in labor income.
- When compared to all other jobs in the economy, jobs in creative industries pay 60 percent higher earnings per worker.

Arkansas

A national model shows that the concentration of arts and design workers has a significant impact on county employment growth. From 1990 to 2000, each additional percentage point in the concentration of arts and design workers is associated with a 13 percentage-point increase in total employment, after taking into account other factors that could affect employment. If a county has 1 percent of its workforce in arts and design, its total employment was likely to have grown 13 percentage points between 1990 and 2000.

Actual employment growth in Arkansas between 1990 and 2000 grew 24 percent. The model suggests that without artists and designers, that growth would have been only 15 percent. Similarly, Arkansas' establishments, which grew 18 percent, would have grown only 13 percent in the absence of arts and design workers.

When compared to the more conventional clusters presented to the state by the Monitor Group in 2007, the creative economy cluster ranks third, exceeded only by transport and logistics, Arkansas' largest cluster, and perishable processed foods.

The economic model of factors that could affect overall growth in employment or establishments shows that the concentration of artists and designers is associated with significant growth in both categories. While not a guarantee of growth, the concentration of artists and designers appears to be a factor that can influence growth across Arkansas.

Knowledge-intensive companies and talented people tend to locate where creative enterprises and cultural venues flourish. The investments in artistic and cultural programs and amenities in northwestern Arkansas, for example, are a public service to the state's residents but also a strategy to attract a growing and more diverse work force and revive downtown economies.

Maryland

- 14 million people attended arts events in Maryland, an increase of 6 percent from 13.1 million in FY 2006.
- Arts audiences generated \$385 million in direct spending on goods and services in FY 2007, \$50 million more than in FY 2006.
- Arts organizations generated \$170 million in direct spending on goods and services, \$15 million more than in FY 2006.
- Audience spending and arts operations generated a total of \$556 million in direct spending, compared to \$500.5 million in FY 2006 and generated a total economic impact of \$1.2 billion, an increase of 12 percent from the previous year.
- Every \$1 of direct spending in this arts sector generates \$2.13 in total expenditures on goods and services in Maryland, three cents more on every dollar than in FY 2006.

- Total full-time equivalent jobs generated by this arts industry increased to more than 15,000, compared to 13,700 in FY 2006.
- Total employment generated \$418 million in salaries, an increase of 11 percent from FY 2006.
- These nonprofit organizations and their audiences generated \$43 million in state and local taxes in FY 2007, a \$6 million increase from FY 2006.

Denver, CO

Denver area culture - driven by more than 300 cultural and scientific organizations - has flourished since 1989 when voters in the seven-county metro region approved the Scientific and Cultural Facilities District (SCFD). This nationwide funding model established a .01 percent sales and use tax - a penny on every \$10 spent - to support culture. Key Findings:

- Arts and culture are big business in Metro Denver, generating more than \$1.4 billion in economic activity.
- The cultural industry employs well over 10,800 employees, disbursing \$95 million in wages and almost \$16 million in payroll, seat and sales tax in 2005.
- A destination for cultural tourists, Metro Denver attracted 2.4 million visitors from outside of the Metro Denver region, and 1.0 visitors from outside of Colorado. This cultural tourism created \$387 million of economic impact - new money for the Metro Denver economy.
- SCFD infuses approximately \$38 million annually into the cultural community. Of the \$1.3 billion in total economic activity generated through this investment, \$387 million was true economic impact, representing a 10:1 return on investment.

Colorado Springs, CO

The Role of Arts and Entertainment in the Economy of The Pikes Peak Region Springs Into Action, Greater Colorado Springs Economic Development Council, January 2004. This report includes a “tip of the iceberg” survey conducted in November and December of 2003 to assess the economic impacts of 10 of the larger nonprofit arts and culture organizations in the Pikes Peak Region. Key Findings:

- Total economic activity in the community generated by the 10 organizations is \$51 million.
- A total of 754 direct and indirect jobs are supported, generating \$19.7 million in household earnings.

- Nonresident visitors to events directly added an additional \$3.5 million in expenditures and 147 jobs to the Colorado Springs economy. Indirect expenditures in the area totaled \$2.6 million.
- Local economic activity supported by resident visitors amounted to \$7.8 million in expenditures, supporting 187 additional jobs and \$2.7 million in earnings.

Indianapolis, IN

The Indianapolis Cultural Development Commission was created in 2002 to support and encourage an environment where arts and culture flourish and to let the world know about the city's vibrant cultural scene. The Commission created six cultural districts, a public art program, and a fast track funding program. *The Fast Track Funding Program* was created to give a financial boost to organizations that develop and market local cultural and artistic events and activities that support cultural tourism for the city.

Paducah, KY

The historic area was revived with city leadership and a private community bank. City used code enforcement and home ownership and artist relocation incentives to create live/work spaces. Result was for every \$1 spent by the city, \$11 was spent in private investment.

The Artists Relocation Program started in 2000 has relocated over 70 artists to Paducah. The Lowertown Arts District is dual zoned for commercial and residential use. The Program offers 100% financing available for purchase and rehab of an existing structure or also new construction. The basic loan package is a 30 year fixed rate loan at 7% interest. The program can provide free lots for new construction. The City of Paducah provides up to \$2500 in architectural services. National marketing of the Artists Relocation Program and the Lowertown Arts District is another attractive benefit.

Bilbao, Spain

A massive infrastructural transformation and urban regeneration process has turned Bilbao's wasteland of industrial ruins into a service-oriented and culturally attractive city. The flagship of the entire redevelopment is Frank Gehry's spectacular Guggenheim-Bilbao Museum. The museum brought \$147 million into the local economy in 2001 and another \$23 million in taxes, which represents about 4,415 jobs. The first year it was opened 1.3 million tourists visited it.

Northern Ireland

Northern Ireland has successfully utilized Creative Economic Development as a revitalization strategy.

“Northern Ireland's Creative Industries have an important role in helping the UK become the world's creative hub. Creative industries in the UK are growing twice as fast as any other – at the rate of 8% per year. Latest estimates suggest that Northern Ireland has around 2,500 creative enterprises employing 33,000 people or 4.7% of the workforce and

generating over 900 million pounds per year or about 5% of the economy. As such the sector has a vital contribution to make and should not be viewed as a being on the fringe, but as a central part of the economy. Creativity is all about new ideas, new products, and services, new business sectors, new business models and new types of business support.”

Creativity Minister, David Hansen MP
Department of Culture, Arts and Leisure
United Kingdom
February 5, 2006

Selected Culture & Economic Development Tools

- CID's and BID's
- Film Production Tax Rebates
- Filmmaker Gross Receipts Tax Deduction
- Film Investment Loan Program
- Tax Increment Financing Districts
- Certified Local Government Program (CLG)
- Local Historic Preservation Act
- Main Street Program
- Arts and Cultural Districts
- Quality of Life Incremental Tax

National Leaders in Cultural Economic Development

Florida – Culture Builds Florida's Future

Iowa – Imagine Iowa 2010: Great Places to Buy Iowa

Louisiana – Louisiana: Where Culture Means Business, Louisiana Rebirth: Restoring the Soul of America

Maine – Maine's Creative Economy

Maryland – Arts and Entertainment Districts

Massachusetts – Cultural Facilities Fund

Michigan – Cool Cities, Cultural Economic Development Strategy

Montana – Clusters of Creativity, Economic Impact of Artists

New York – Cultural Development Area Bill

New England – New England Cultural Data Base

Rhode Island – Arts Districts

Vermont – Advancing Vermont's Creative Economy, Vermont Council on Rural Development

Washington – Creative Vitality Index

Wisconsin – Grow Wisconsin