

Ways to Use Your Arts Economic Impact Study

An arts economic impact study is a resource that can be marshaled to serve many purposes. Principal among those is the reorientation of the thinking of political, business, and community leader's regarding the role of the arts in the economy. This reorientation exercise can center on the quantitative aspects of the study, the qualitative findings, or a combination of the two. As long as the use of the study does not exceed its methodological foundations, the creative application of the findings is usually appropriate. Following is a brief review of ways such studies can successfully be used to condition the administrative, political, business and community environments in which the arts are imbedded.

Create a New Context for the Arts: Economic Impact studies answer an implicit question: "What are the arts worth in monetary terms " to a particular area. While the economic contributions of the arts are seldom their primary value, placing the arts in an economic context can help shape perceptions of the arts. To many, the arts are considered an endeavor where public and private monies are expended with no apparent return. For this group of individuals, a positioning of the arts as an economic asset is an important means of gaining their attention. The fact that the arts provide a tangible return on investment to those who invest in them will be new information to this group. Their acceptance of the economic argument for the arts may open the door to their acceptance of other, more sophisticated arguments regarding the value of the arts.

Specific Arguments:

- Compare the collective budgets and the total number of employees of the arts organization's studied with a profile of companies and/or industries recently sought out for recruitment to the state. Ask the question, wouldn't the state be most pleased to attract an industry the economic size of the existing arts sector? Pose the question; Isn't the relatively small level of subsidy needed to keep the state arts sector healthy less expensive and more productive than attempting to replace it with a new industry of similar size and scope?
- Compare the arts industry, as measured by the study, to a large employer in the area that received economic development incentives. Note that the nonprofit arts sector is not the only segment of the economy that receives government subsidies in return for its contribution to the economy.
- In economic terms, relate the arts industry of an area to one of the principal industries of the area. For example, illustrate how artists are employed to produce wood furniture or sports equipment in a logging community. By doing so, the target audience will gain an understanding of the synergies that do and might take place in communities between the arts and other industries.

Build Constituencies for the Arts: By demonstrating the economic value of the arts, new supporters can be developed among members of the public or elected officials who remain unconvinced as to the intrinsic value of arts. For example, many individuals who value entrepreneurship can appreciate an arts organizations efforts to become self-sufficient through an endowment-building campaign or the launching of earned income

initiatives. Also, rural legislators can be expected to be responsive to very small arts industry segments that are meaningful in the context of economically depressed and/or areas losing population.

Specific Arguments:

- Focus on the income and expenditures of individual artists in small communities. In such communities, these artists can represent very significant small businesses. Informing the artists of their economic value and linking them to community and political leaders will help build a broader coalition to support the arts.
- Providing leaders with qualitative information about the role of the arts in tourism development, in the building the creative capital of the workforce, and in the maintenance of the health of local economies can build new allies for the arts. Using the study to educate communities about these relationships can go a long way toward broadening and deepening coalitions that will support the arts.

Integrate Arts into Planning: Many communities struggle with the effects of growth. Economic impact studies help demonstrate that a healthy climate for the arts contributes to the ability of businesses to attract quality employees. In addition, as the public becomes more concerned about quality of life issues in their own environment, the aesthetic capacities of the arts can be drawn upon to inform urban planning efforts.

Specific Arguments:

- Because economic development officials know that labor is very mobile and that the quality of life is an important factor in decisions both individuals and businesses make about relocation, the arts should be a part of all economic development strategies. The arts are seldom the single reason that employees and businesses chose to move or stay in an area, however, increasingly they are part of the basket of tools used for such purposes.
- As the public becomes more particular about the aesthetic dimensions of where they live, work, and vacation; community leaders are increasingly pondering ways to build and maintain communities that have a higher level visual aesthetic quality. The visual arts, architecture and graphic design components of the arts sector are important resources that can help leadership address these issues.

Portray the Arts as a Vital and Growing Industry: Economic impact studies should be designed to allow the tracking of data from one period to the next in order to demonstrate growth. Even modest growth is impressive in the context of dying manufacturing industries or new and unstable information industries. If the study cannot be updated every year, use anecdotal information--such as the construction of a new multi-million dollar performance facility, a successful endowment campaign, or a six-figure grant to an organization in the community--to demonstrate growth.

Specific Arguments:

- Arts administrators are aggressive entrepreneurs. Although they are engaged in nonprofit activities, their challenging environment necessarily focuses them on issues of institutional growth. In many cases if the organizations fail to grow, they will die. This growth imperative and the creative skills that accompany it is a contributor to the overall dynamism of a state or local economy. In addition it creates new jobs and other opportunities for residents.
- Periodically, the arts enjoy special success in terms of the construction of a new building or the creation of an endowment. These occasions are times at which the arts community can call special attention to the contributions communities and volunteers make to build new assets—assets that expand the overall community asset base. The arts economic impact study can collect and document these successes so that they can be formed into argument for the arts as a dynamic part of the economy.

Support a Tax Initiative: The results of an economic impact study can demonstrate how the arts can generate new, incremental revenue from visitors and tourists through the establishment of a culture-oriented taxing initiative. These arguments can resonate with residents, who are often persuaded by the "pay-for-use" concept behind a taxing district--that the out-of town participants in activities should help pay for them.

Specific Arguments:

- Many communities can only support the development of cultural facilities if someone outside the community pays for them. By establishing a tax district or other means to capture taxes from out-of town visitors, a state or community can build and maintain cultural facilities they could not otherwise afford.
- The creation of a tax district can serve as a tool for a community to collectively build quality of life-oriented cultural institutions. These institutions can leverage a flow of retirees who may choose to relocate in the area, employees who wish to work in the area and/or new business enterprises that may wish to locate in a region where they can offer their employees a menu of offerings.
- The economic contributions of the arts to an economy are significant enough to be deserving of a larger and more steady flow of public dollars that will both stabilize them and allow them to generate an even greater economic return.

Publicize the work of an Artist Community: Success stories and other qualitative information often provide compelling arguments in support of the value of attracting and retaining artists in a state. These stories can be used to publicize the work of a small group of artists working cooperatively and the power of individual artists to make an economic contribution to small communities. These stories help enhance the quantitative findings of a study, and remind people to view the intrinsic value of the arts as intertwined with their economic impact.

Specific Arguments:

- Artists are strong contributors to a quality workforce. In order to have flexible time in which to pursue their artistic careers, they often staff jobs in the economy for which they are overqualified. In spite of the fact that this dynamic is problematic for artists (they should be able to make money as artists) the result is an infusion of highly qualified persons into what would otherwise be a temporary workforce with far fewer qualifications.
- Artists are a leading element in the collective aesthetic consciousness of a state. Imagine a state with no artists, a state where the youth have no opportunity to work directly with artists and a population that must rely on artists from outside the state who do not share their experiences and beliefs. If a state does not nurture its artists, it will lose its chief recorders and story tellers.

Increase Sources of Revenue: Economic impact studies can demonstrate that a very small public investment in the arts can yield significant returns. Use study results to demonstrate how public funds allocated to the arts leverage substantial private contributions. The leveraging capacity of public arts funds can be readily illustrated through quantitative and qualitative report findings.

Specific Arguments:

- The public investment in the arts is generally quite small, yet those monies can attract significant funds from the private sector and also leverage significant earned income. This attracting power of public arts money can build arts organizations in a way public funds alone are unable to do. How many other government agencies use their funds to leverage as much private sector support?
- Public art monies are often used to support pilot projects and other endeavors that are considered too risky to undertake by other funders. Although private sector funders occasionally support such risk-taking, the public sector is commonly on the front line offering research and development funds, free consultation and evaluation services. The underwriting of such risk contributes to the economic growth of the arts sector and ultimately to the economic health of the state.

Illustrate the Wide Reach of the Arts: Contrary to popular opinion, arts production pervasive across large areas; artists and arts organizations often are willing to reside in remote or disadvantaged areas to take advantage of relatively lower costs of living. This fact can be used to demonstrate that the benefits of the arts are not confined to urban or suburban corridors. New technologies in particular provide additional means for artists and arts organizations to operate in remote areas and to have impact far beyond their home area.

Specific arguments:

- The geographic breadth of the arts sector in a state is commonly quite impressive. While arts detractors often view the field as being composed only

of classical art forms centralized in large urban areas, an economic impact study illustrates the great diversity of a state's cultural community.

- The arts have a strong capacity to reach underserved communities. This reach is illustrated by their inclusion in economic development projects, in social service agencies, and other community building endeavors. In many cases, the arts are both less expensive and more successful as a strategy to assist these populations than are other interventions.