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Arts and Economic Development

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Arts and Economic Development
Iryna V. Lendel, Ph.D. & Merissa C. Piazza

Levin Research Conference
August 21, 2014
Presentation Overview

• Research Project – Community Partnership for Arts and Culture
• Role of Arts an Economic Development Mechanism
• Research Questions
• Methodology
• Typology
• Quantitative & Qualitative Description
• Economic Impact
Arts as an Economic Development Mechanism

Role of the Arts:

• Stabilize and redevelop neighborhoods
• Youth engagement
• Economic impact
• Creativity and innovation
• Penetrate in other industries and occupations
• Arts sectors involve more than just “arts” organizations
Research Questions

VACD= Visual, Arts, Craft & Design

What is the economic impact of the VACD sector on the local economy?

- What constitutes the VACD sector in Cuyahoga County – composition of industries and occupations?
- What characteristics help describe the sector now and its dynamics over the last decade?
- What industries, components, and types of products are significant to the vitality of the Cleveland VACD sector?
- Which unique properties of the Cleveland VACD sector make it thrive and contract?
- What challenges is the Cleveland VACD sector experiencing?
- What are prominent examples of success in the Cleveland VACD sector?
- What economic impact do the Cleveland VACD sector and its components create for the local economy?
How to Measure Arts as an Economic Development Mechanism – **Mixed Methods**

**Literature Review:**

We reviewed over 36 articles and studies on

- Arts as economic development
- Arts and its economic impact

...to create and determine the best methodology for our assessment of arts as an economic development mechanism in Cleveland.
How to Measure Arts as an Economic Development Mechanism – **Mixed Methods**

**Quantitative**

**Secondary Data:**

- Establishment Level data on employment and wages (QCEW)
- Occupational level data on employment and median yearly salaries (BLS OES)
- Individual databases based upon subject
  - Other public databases and sources (Hoovers, Reference USA, magazines, and websites)
  - Social network searches (Facebook, MySpace)
How to Measure Arts as an Economic Development Mechanism – **Mixed Methods**

**Qualitative**

1. Individual Interviews
2. Focus Groups
3. Surveys
   - Online of amateur artists to best gauge earnings and expenditures of “part-time” artists not formally in the business sector
   - In-person intercepts of artists in the informal sector to best gauge engagement in sector, typology, and earnings
   - Phone survey of Galleries to assess sector, their perceived role in sector and the changing nature of galleries in the visual arts domain.
**From CPAC:** Individual artists and company names

**Web-based Search:** MySpace, Facebook, Cleveland.com, CleveScene.com,

**ES202 Search:** Searched by *visual arts* keywords

**Public Search:** magazines, newspapers, interview referrals, focus groups, survey, public databases

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**Framework of Research Investigation**

1. **Step 1:** NAME OF COMPANY
2. **Step 2:** NAICS
3. **Step 3:** EMPLOYMENT
4. **Step 4:** WAGES

**Outcomes**

- Industry Data Analysis
- Directory
- Input Information for Economic Impact
Typology of VACD Sector

- Visual Arts, Crafts, & Design Sector
  - Architecture & Design
  - Artists
  - Education, Health, & Museums
  - Galleries & Promoters
  - Mediums
  - Glass
  - Jewelry
  - Metal, Stone, & Wood
  - Photography
  - Printing
  - Textiles
2012 VACD Employment by Subsector in Cuyahoga County

Total: 9,573 employees

Source: Quarterly Census of Employment and Wages (QCEW)
Employment Location Quotient and Average Wage Growth of the Cleveland VACD

Source: Quarterly Census of Employment and Wages (QCEW)
Note: All data adjusted to 2012 dollars using CPI average for US cities, Midwest for Ohio, and Cleveland MSA for Cuyahoga County. In addition, the subsector Education, Health, & Museums is not included in Figure IV due to data suppression.
Respondent Words to Classify the Arts Scene

- Vibrant
- Exciting
- Talented
- Creative
- Growing
- Up and coming
- Disappointing
- Lacking attention
- Improving
- Healthy
- Affordability
- Needs a uniform front
- Good arts scene
- Growing interest
- Arts neighborhoods move around
- Art buyers here
- Not huge
- Not very active
- Constantly changing
- Active
- Getting stronger
- Developing
- Diverse
- Vital
- Struggling
- Do it yourself
- Struggle with identity
- Ambitious
- Disconnected
- Lack of knowledge
- Infancy
- City of magic
# Economic Impact of the Cleveland VACD Sector, 2013

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Employment</th>
<th>Labor Income</th>
<th>Value Added</th>
<th>Output</th>
<th>Tax</th>
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<tbody>
<tr>
<td>Direct Effect</td>
<td>9,707</td>
<td>$491,254,691</td>
<td>$760,047,355</td>
<td>$1,794,410,357</td>
<td>$135,415,475</td>
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<td>Indirect Effect</td>
<td>4,460</td>
<td>$269,272,489</td>
<td>$412,907,991</td>
<td>$639,315,215</td>
<td>$75,721,066</td>
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<tr>
<td>Induced Effect</td>
<td>3,677</td>
<td>$174,389,430</td>
<td>$297,455,644</td>
<td>$469,642,477</td>
<td>$62,750,114</td>
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<tr>
<td>Total Effect</td>
<td>17,844</td>
<td>$934,916,610</td>
<td>$1,470,410,990</td>
<td>$2,903,368,049</td>
<td>$273,886,655</td>
</tr>
</tbody>
</table>
Prominent Examples of Success in the Cleveland VACD Sector

1. **MOCA Cleveland: Sturdy, Dynamic, & Stylish** – The Museum of Contemporary Art (MOCA) Cleveland
2. **Tremont: Creative Placemaking** – the Tremont neighborhood
3. **St. Clair Superior: Creative Reuse** – the St. Clair Superior neighborhood
4. **Public Art: Placemaking in Action** – public art in Cleveland
5. **Artist Activists: Heightening Social Awareness** – Donald Black, Jr. and Mimi Kato
7. **Dan Cuffaro: Remaking the Regional Economy** – designer, educator and businessmen Dan Cuffaro
8. **Cleveland CycleWerks: Starting Up** - motorcycle manufacturer Cleveland CycleWerks
Looking Forward...

**Challenges**

- Consumer Base Expansion
- Art Neighborhoods
- The Grassroots Nature and Authenticity of Cleveland’s Art Neighborhoods
- Neighborhood Revitalization
- Dispersed Location of the Visual Art Scene
- Lack of Communication
- Sector in Transition: Changing Landscape of the Art Market
- Digital Products
- The Small Business of Visual Artists
- Art Galleries
- The Millennial Generation
- Public Art

**Opportunities**

- Stimulating Local Demand and Growing Pool of Customers
- Encouraging Asset-Based Development
- Sustaining and Growing Support
- Fostering collaborations and closing communication gap