The Artistic Dividend:
How Artists Contribute to Economic Development

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For two decades, policymakers around the world have emphasized arts and culture as arenas for both building place competitiveness and revitalizing aging city precincts and small towns. Popular policies include the building of large physical arts facilities and nurturing arts organizations through ongoing public spending. The arts' economic contribution is then estimated by totaling local arts organizations' and patrons' expenditures and adding multiplier effects.

But such an economic impact approach under-estimates the contributions of creative workers, namely artists, to a local economy. Many artists are self-employed and make contributions to a city's economic base. In the US as a whole, for instance, 68% of writers, 50% of visual artists, 39% of musicians and 24% of performing artists are self-employed compared with just 8% of American workers overall. Every year, self-employed artists labor to produce artistic performances, canvasses and photographs, books and magazine articles, tapes and films and videos that are consumed by paying customers or sold via bookstores, galleries, art fairs and art crawls, the internet, private patronage or contractual arrangements. Many of these sales bring income into the region from consumers and businesses elsewhere.

Local artists' creations also enhance the design, production and marketing of products and services in other sectors. Their work, often done on contract rather than as employees, helps the city or town's businesses win or expand markets elsewhere. The list of artist-employing industries is surprisingly broad. Of course, it includes performing arts, media, motion pictures and video, sound recording, advertising, publishing and printing. But industries many other industries employ large numbers of artists: professional, scientific and technical services; religious organizations; specialized design services; toys, amusements and sporting goods manufacture; drinking places and restaurants; management, scientific and technical consulting; civic, social and advocacy organizations; and computer systems and design.

Artists also help boost local economic activity by providing opportunities for local residents to spend their discretionary income at home rather than buying commodities from afar, an important contribution that economic impact studies fail to measure. If great local music clubs, live theatre and dance, and art fairs attract local people who would otherwise travel elsewhere to participate or who would buy CDs or DVDs instead, artists are helping the region to capture larger shares of local incomes and thereby increasing the size of the economic multiplier. A vibrant and diverse community of artists will also attract new businesses, facilitate the recruiting of new employees from elsewhere, and further draw artists to the region. They will also enhance the quality of life for the community at large.

Our work on a large set of US cities shows that the distribution of artists varies greatly and cannot be explained simply by the presence of cultural industries. The three metros with highest artist concentrations in the last Census were Los Angeles, New York and San Francisco, but not Chicago, the second largest US metro. A group of "second tier" metros also hosted artistic specializations from 10% to 36% above national norms: Washington DC, Seattle, Boston, Minneapolis/St. Paul, Orange County, Miami, Portland and San Diego. In contrast, another group of cities, including some fast-growing ones, showed significant artist deficits: St. Louis, Houston, Pittsburgh, Riverside-San Bernardino, San Jose and Tampa.

Because so many artists are self-employed, they have greater freedom than most other workers to choose where they wish to live. Many choose a city without regard to particular employers but in response to a nurturing artistic and patron community, amenities, and affordable cost of living. Among larger cities, Los Angeles had by far the highest net in-migration rate of artists--more than two artists arrived in the region for every one who left. Los Angeles' artistic distinctiveness has been fed both by a large stream of artists in-migrants hoping to make their fortunes in that city and by fewer artists leaving. The New York metro attracted higher numbers of in-migrating artists, but lost many more to out-migration than did Los Angeles. In other words, churning in the artistic workforce was greater in New York and may be attributable to that city's higher concentrations of actors and dancers and to its higher cost of living.

Mid-sized cities were among those that are attracting artists: Portland, San Francisco, Washington, Kansas City, Houston, Seatle. In contrast, some US metros, even fast-growing ones, lost artists through net out-migration--Detroit, Chicago, Philadelphia, San Jose (capital of Silicon Valley), Cleveland and New Orleans among them. Young artists aged 16 to 34 migrate away from small towns at very high rates. They seek schooling and experience in larger, more arts-rich cities. However, in mid-career and again after retirement, artists are apt to leave cities and move back to smaller towns. This life-cycle pattern of movement is more pronounced among artists than many other occupations and is an added way that artists cross-fertilize and bring to their sequential home towns new ideas and expertise.

In sum, artists comprise a relatively footloose occupation and can serve as a target of regional and local economic development policy. Artists have unique career formation needs that are relatively inexpensive to support. They need unusually large spaces to work and store materials. They need business and technology training. Many cities and smaller towns have recycled older industrial buildings into artists' studios and live/work spaces. Some have figured out ways of adopting existing workforce development and small business programs to the relatively unique skill needs of artists. Others have built artist-centered spaces or events that offer artists ways to network and present and sell their work. More economic development attention to occupations in general--an emphasis on human as well as physical capital--can help policymakers shape regional economic diversity and improve quality of life for citizens simultaneously.

For further reading, please see

Ann Markusen and Anne Gadwa. "Arts and Culture in Urban/Regional Planning: A Review and Research Agenda." *Journal of Planning Education and Research,* Vol. 29, No. 3: 379-91, 2010.

Ann Markusen and Anne Gadwa. 2010. *Creative Placemaking.* Washington, DC: Mayors' Institute on City Design and the National Endowment for the Arts in partnership, October, 2010.

Ann Markusen and Greg Schrock. The Artistic Dividend: Urban Artistic Specialization and Economic Development Implications." *Urban Studies,* Volume 43, No. 10: 1661-1686, 2006.

Ann Markusen, Sam Gilmore, Amanda Johnson, Titus Levi, and Andrea Martinez. *Crossover: How Artists Build Careers across Commercial, Nonprofit and Community Work.* Minneapolis, MN: Project on Regional and Industrial Economics, University of Minnesota, 2006.