

CREATIVITY WORK\$

A Joint Project of the
Cultural Alliance of
Greater Milwaukee and the
Greater Milwaukee Committee

Milwaukee Regional
Creative Industries Project
January 2011

CREATIVE INDUSTRIES

A NEW ECONOMIC GROWTH OPPORTUNITY FOR THE MILWAUKEE 7 REGION

In 2008, despite the 12 percent decline in global trade, world trade of creative goods and services continued its expansion, reaching \$592 billion and reflecting an annual growth rate of 14 per cent during the period 2002 – 2008. This reconfirms that the creative industries have been one of the most dynamic sectors of the world economy throughout this decade.

United Nations Conference on Trade and Development,
Creative Economy Report 2010

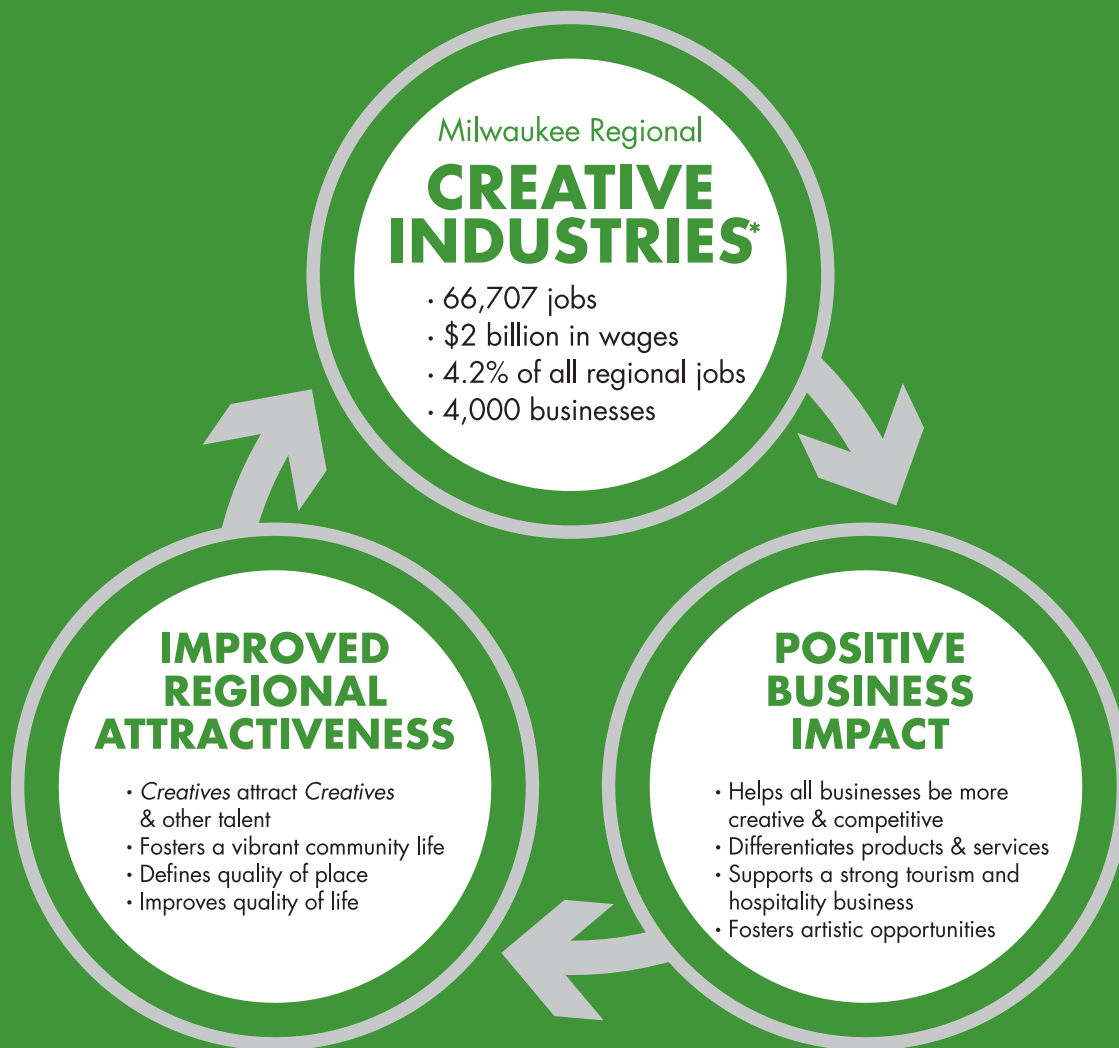
CREATIVE INDUSTRIES:

A NEW ECONOMIC
GROWTH OPPORTUNITY FOR
THE MILWAUKEE 7 REGION

JANUARY 2011

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THE IMPACT OF THE CREATIVE INDUSTRIES



*intersecting nonprofit arts and culture, independent creative workers, and for profit creative businesses

The creative industries found in the Milwaukee 7 region today are built upon a legacy that began more than 100 years ago. For much of the last century, southeast Wisconsin was known as the nation's industrial heartland, the roots of which were firmly planted in craft and design. The region's leading companies were more than assembly lines – they had highly skilled, innovative and creative craftsmen. Manufacturers like Allis Chalmers, A.O. Smith, Briggs and Stratton, Badger Meter, and Harley-Davidson were differentiated by their innovation in product design and delivery.

Building on its history as a processing hub with skilled craftsmen, the region became the nation's leading beer manufacturer; as well as a leader in leather production and printing – with names like Schlitz, Miller, Pfister & Vogel, and QuadGraphics. Individuals such as Brooks Stevens and Frank Lloyd Wright added unique design talents to the region's development.

In addition to this commercial development, the region's arts and cultural amenities grew from the widely varied populations that migrated here. Local fine arts organizations (many of them well over 50 years old) are rooted in western European traditions. There is also a wide range of diverse ethnic cultural contributions – including African-American, Latino, Polish, Irish and others.

The legacy of creativity and innovation that provided the foundation for the region's past growth will continue to be the key to a successful future, with a focus on developing innovative talent. A region's capacity to innovate depends on the breadth and depth of its creative capital – people, businesses, and support systems. Identifying, quantifying and understanding the value of a region's creative assets will help maximize creative capital, which in turn will optimize innovation capacity.

The purpose of *Creativity Works!* is to define, inventory, and measure the economic contribution of our creative industries. It is designed to link and leverage our creative industry assets into a cohesive economic cluster. Our goal is to generate our highest potential economic development by elevating the identity, value, contribution and potential of the

interconnected creative industries to help ensure a globally competitive and distinctive region.

This project was designed, managed and funded by the Cultural Alliance of Greater Milwaukee in strategic partnership with the Greater Milwaukee Committee. The Creative Industries project covers the seven counties of Southeast Wisconsin – Kenosha, Milwaukee, Racine, Ozaukee, Walworth, Washington, Waukesha. More than 800 people from around the region participated in and contributed to this project.

Mt Auburn Associates, a nationally recognized, 25-year-old economic development, strategy and evaluation consultancy, (www.mtauburnassociates.com) was contracted to conduct research and analysis for the project. The timeline was January - December 2010.

Mt. Auburn's final report:

- Defines, inventories and maps the enterprises and occupations within the creative industries
- Disaggregates the industries of the Milwaukee 7 region into five discrete enterprise segments
- Examines each segment to estimate its absolute and relative scale, diversity and value chain
- Analyzes the support structure
- Identifies strengths and challenges associated with each segment
- Profiles the creative industries in each of the seven counties
- Provides a list of suggested recommendations

This executive summary also identifies strategic initiatives and specific implementation priorities.

Prosperity will result from creativity that, directly and indirectly, produces employment, makes their sectors more competitive, contributes to making the region more desirable, makes people more innovative, and recognizes and rewards the talent that may lie outside the mainstream career pathways.

Mt Auburn Associates Report

ECONOMIC SIGNIFICANCE OF CREATIVE INDUSTRIES AND TALENT

WHAT DEFINES MILWAUKEE'S REGIONAL CREATIVE INDUSTRIES?

“Those organizations, individuals and companies whose products and services originate in artistic, cultural, creative and/or aesthetic content.”

This set of interlocking industry segments includes nonprofit arts/culture organizations, for profit creative businesses, and sole proprietor creatives – all of whom create, produce and distribute the above types of products/services.

TOTAL EMPLOYMENT IN THE CREATIVE INDUSTRIES

A comprehensive assessment of the creative industries takes into account each of the following:

- All jobs in commercial and nonprofit enterprises in the defined creative industry segments
- Jobs in creative occupations that fall outside the creative industry segments
- Jobs associated with freelance work and self-employment

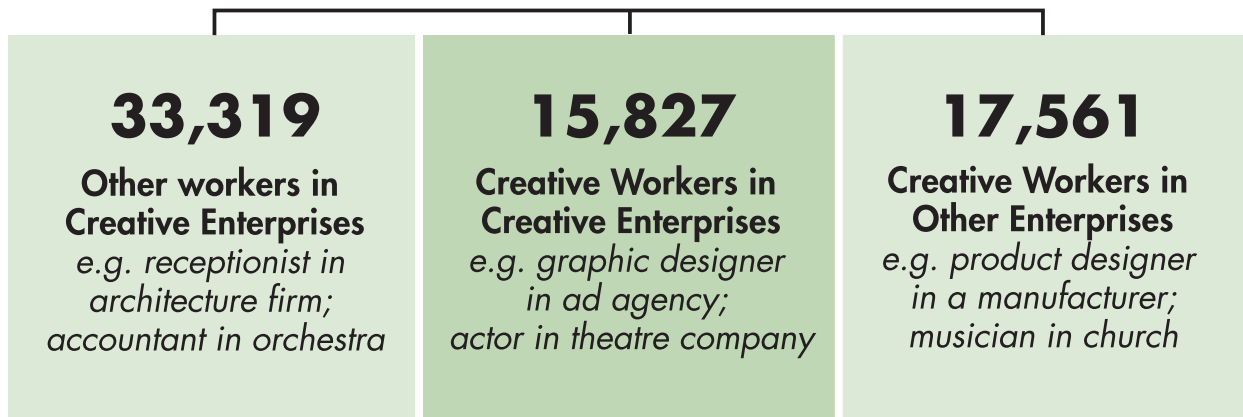
Two sets of data have been combined to make up the workforce of the creative industries – all of the workers within identified creative enterprises, and those workers that have a creative industry occupation in businesses which are outside of the creative industries.

There are 49,146 workers within the creative industries enterprises, and 17,561 creative industries workers in other enterprises. Combined, this means a total of 66,707 workers across the creative industries. Please see illustration opposite.

All data within this report is from 2009 unless otherwise noted.

MEASURING JOBS IN CREATIVE INDUSTRIES

TOTAL EMPLOYMENT:
66,707



49,146

CREATIVE ENTERPRISE SEGMENTS

CULTURE & HERITAGE

Museums, Libraries, Historic Sites

DESIGN

Built Environment: Architectural Services, Interior Design, Landscape Design, Architectural Woodwork and Ornamental Work
Product: Industrial Design Services, Fashion and Special Product Design
Communications: Printing, Graphic Design, Advertising

MEDIA & FILM

Newspaper and Periodical Publishing, TV and Radio Broadcasting, Software Publishing, Motion Picture and Video Production and Distribution, Music Publishing, Sound Recording Studios, Bookstores

PERFORMING ARTS

Theater Companies, Musical Groups and Artists, Promoters and Agents, Dance Companies, Musical Instrument Manufacturing, Musical Instrument and Supply Stores

VISUAL ARTS & CRAFTS

Visual and Crafts Artists, Art Dealers, Photography Studios, Fine Art Schools, Photographic and Art Supply Stores

33,388

CREATIVE OCCUPATIONS

ARTISTS

Craft Artists, Fine Artists, Multi-media Artists, Actors, Producers, Directors, Dancers, Choreographers, Writers, Musicians, Composers, Animators

CULTURAL

Archivists, Librarians, Library Technicians, Curators, Conservators, Audio-visual Collection Specialists

DESIGNERS

Architects, Landscape Architects, Industrial Designers, Interior Designers, Fashion Designers, Graphic Designers, Floral Designers, Set and Exhibit Designers

MEDIA

Audio, Sound and Broadcast Technicians, Camera Operators, Film and Video Editors, Median and Communication Workers, Photographers, Announcers, Agents, Sound Engineering Technicians, News Analysts, Broadcast Technicians, Technical Writers

These listings are representative and not meant to be all-inclusive.

Data in this report primarily derived from Economic Modeling Systems, Inc. It combines covered employment data from the U.S. Department of Labor's Quarterly Census of Employment and Wages with data from the Bureau of Economic Analysis, County Business Patterns, and Non-Employer Statistics from the U.S. Census. Mt. Auburn and RTS have also incorporated a proprietary methodology.

ECONOMIC SIGNIFICANCE OF CREATIVE INDUSTRIES AND TALENT

CREATIVE INDUSTRIES ENTERPRISES WORKFORCE

In 2009 there were

49,146

TOTAL WORKERS EMPLOYED BY CREATIVE ENTERPRISES

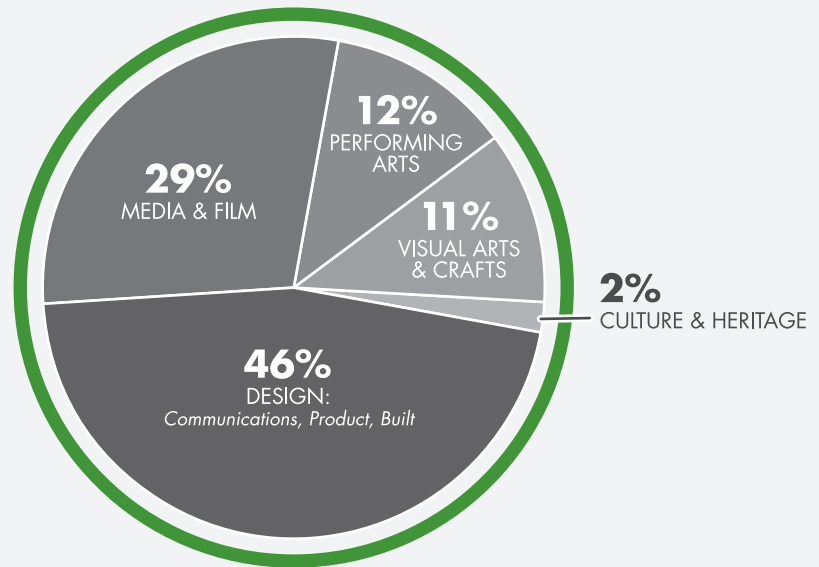
4100 individual enterprises; 85% are for profit and 11% are nonprofit

Overall growth in the creative industries enterprises workforce was 7% 2002 – 2007, and then declined 6% from 2007-2009.

Below is the breakdown of the 49,146 workers in the creative industries enterprises.

Creative Industries Enterprises Workforce Composition By Segment

Economic Modeling Specialists Inc. Mt. Auburn and RTS Proprietary Methodology

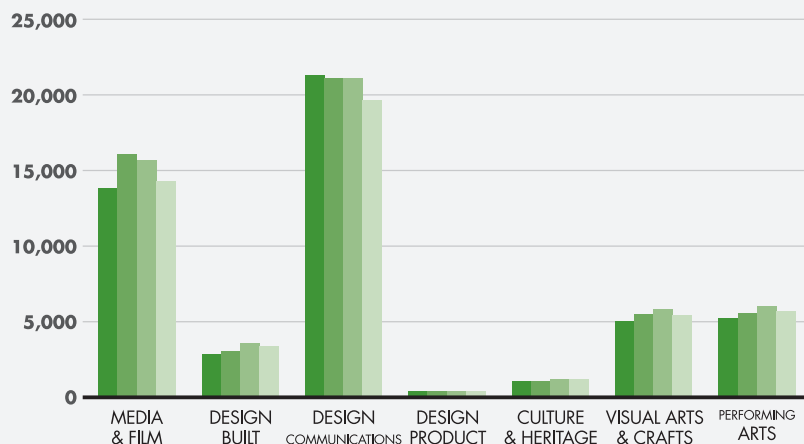


CREATIVE INDUSTRIES WORKERS WITHIN OTHER ENTERPRISES

In addition to workers in the creative enterprises, there are **17,561** creative industry workers embedded in other enterprises. These are workers who have creative industry occupations but are employed by a business other than a creative industry, e.g. a product designer in a manufacturing firm or a graphic designer in a bank.

Employment Performance by Creative Enterprise Segment

Economic Modeling Specialists Inc. Mt. Auburn and RTS Proprietary Methodology



Segment	2002	2005	2007	2009
MEDIA & FILM	13,976	15,706	15,448	14,201
DESIGN BUILT	2,751	2,884	3,179	2,970
DESIGN COMMUNICATIONS	21,326	21,292	21,288	19,813
DESIGN PRODUCT	188	172	164	184
CULTURE & HERITAGE	706	732	893	903
VISUAL ARTS & CRAFTS	5,022	5,463	5,597	5,321
PERFORMING ARTS	5,321	5,590	6,039	5,754

Creative Industries Enterprise Segment Profiles

Economic Modeling Specialists Inc.

ENTERPRISE SEGMENTS	# OF JOBS IN CREATIVE ENTERPRISES	% OF TOTAL	GROWTH '02 – '09	TOTAL WAGES	% OF TOTAL WAGES
<i>Communication</i>	19,813	40%	-7%	\$1,039,505,697	50%
<i>Built Environment</i>	2,970	6%	+8%	\$183,837,824	9%
<i>Product</i>	184	0.4%	n/a	\$6,568,770	0.3%
Design	22,967	46%	-5%	\$1,229,912,291	59%
Performing Arts	5,754	12%	10%	\$93,347,744	4.5%
Visual Arts & Crafts	5,321	11%	6%	\$89,355,566	4%
Media & Film	14,201	29%	2%	\$637,950,160	31%
Cultural/Heritage	903	2%	28%	\$27,331,592	1.5%
TOTAL	49,146			\$2,077,897,353	

CREATIVE INDUSTRIES ENTERPRISE SEGMENT PROFILES

Above is an aggregated profile of the creative industries enterprise segments.

Economic development researchers, practitioners, and policymakers have come to identify and recognize the crucial role of creative enterprises and creative workers as significant to local and regional economic strength. These enterprises and individuals can, in many cases, serve as a catalyst for change and growth, contributing to the identity of a place, leveraging a competitive advantage, creating new employment opportunities, and, in turn, impacting the overall economic well-being of entire neighborhoods, cities, and regions.

Mt Auburn Associates Report

ECONOMIC SIGNIFICANCE OF CREATIVE INDUSTRIES AND TALENT

COMPARATIVE DATA ON THE CREATIVE INDUSTRIES ENTERPRISES

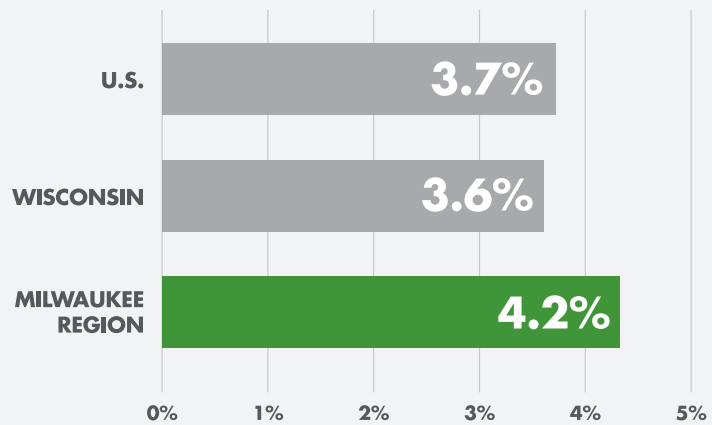
These graphs show information on how the creative industries enterprise workforce fares in comparison to other regional and industry data.

4.6% Atlanta
4.2% Milwaukee
3.6% Charlotte
3.4% Cleveland

A sampling of creative industries enterprises employment in various metropolitan areas. Greater Milwaukee's creative industries enterprise workforce compares favorably with many other sectors.

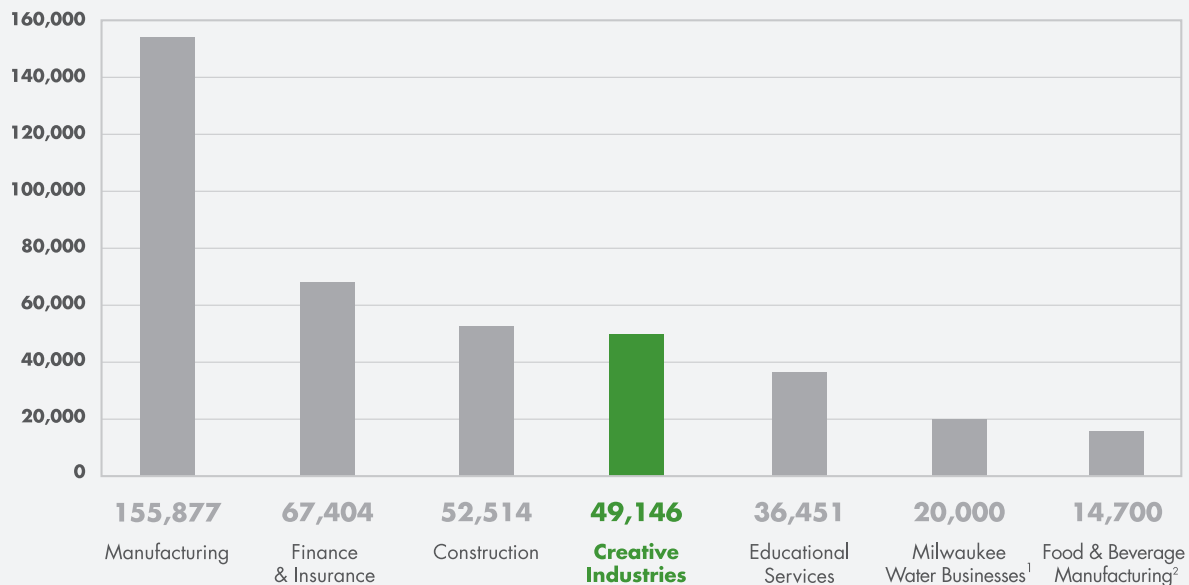
Creative Industries Employment as % of Total Employment in the Region, State, & Nation

Economic Modeling Specialists Inc. Mt. Auburn and RTS Proprietary Methodology



Creative Industries Enterprise Workforce Compared with Other Sector Employment

Economic Modeling Specialists Inc. Mt. Auburn and RTS Proprietary Methodology



1. Milwaukee Water Council 2. Milwaukee 7 Report

REGIONAL COUNTY PROFILE

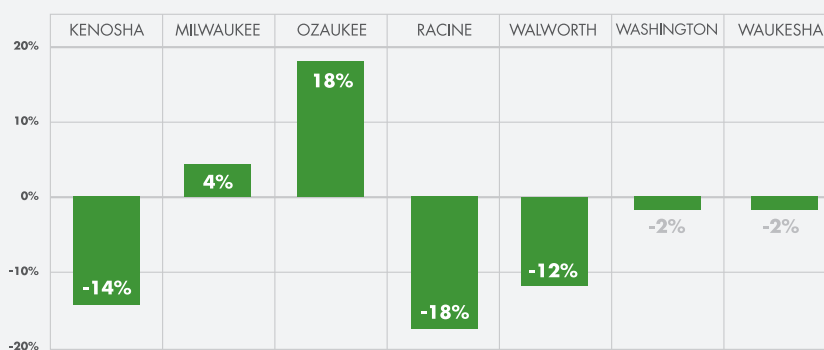
Milwaukee is responsible for about 50% of creative enterprises employment; Waukesha County is responsible for 28% of creative enterprises employment. The remaining 5 counties comprise between 3-7% of creative industries employment.

Kenosha, Racine and Walworth have seen a drop in creative industry employment while Milwaukee and Ozaukee have seen an increase in creative industry employment.

A profile summary, including a review of creative assets as well as challenges and opportunities of the creative industries in each of the seven counties is provided in the full report.

Creative Industry Job Growth by County 2002 – 2009

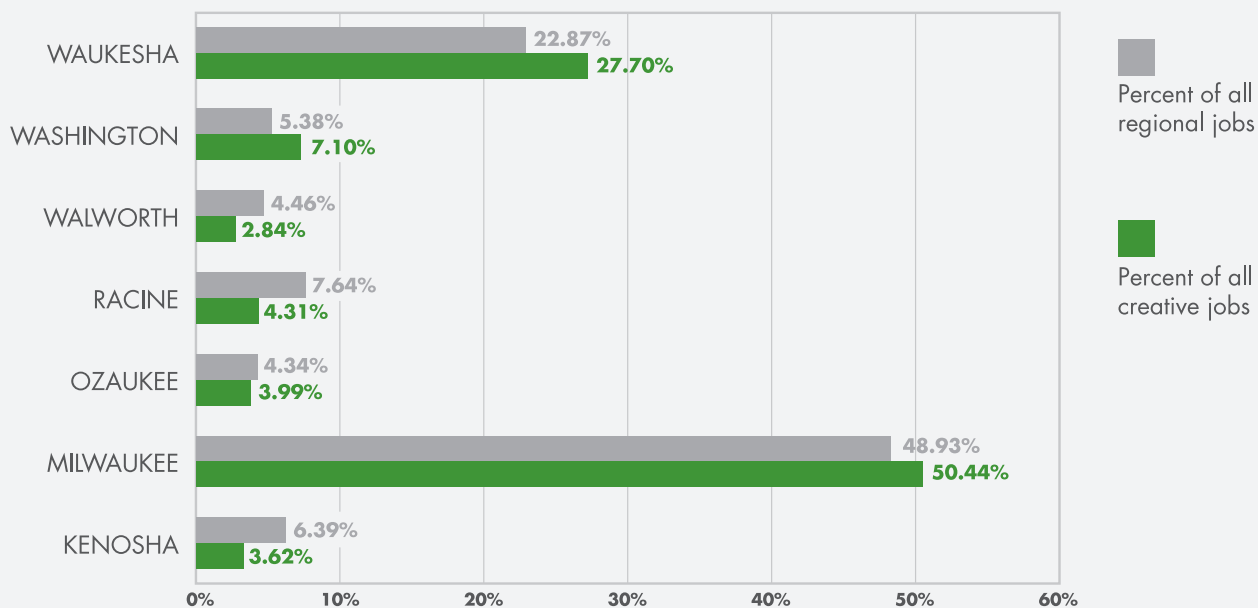
Economic Modeling Specialists Inc. Mt. Auburn and RTS Proprietary Methodology



Percent of Change between 2002–2009

Relative Concentration of Creative Jobs By County

Economic Modeling Specialists Inc. Mt. Auburn and RTS Proprietary Methodology



Southeast Wisconsin's economy and prosperity will depend less on how much it produces and more on what it produces, less on its cost of living and more on quality of living, less on its workers' skills and more on its people's talents, less on corporate identities and more on entrepreneurial energies.

Mt Auburn Associates Report

ECONOMIC SIGNIFICANCE OF CREATIVE INDUSTRIES AND TALENT

CREATIVE INDUSTRIES SEGMENT CHALLENGES AND OPPORTUNITIES SUMMARY

An overview of each creative industries segment, including identification of key assets, historical context, and current profile is fully developed in the Mt Auburn Associates report.

DESIGN:

- There is a growing design district in the Third Ward that is gaining national attention
- The region's post secondary institutions are developing innovative and collaborative efforts to teach and encourage design thinking
- The region is developing a new signature reputation in fashion design
- Proximity to Chicago is important for the design industry
- There is not a good system in place for connecting companies to design talent
- Designers, like many artists, need improved entrepreneurial skills
- An aging workforce in printing is causing concern about source of future talent

FILM AND MEDIA:

- Public television and radio stations are critical and stable components of the creative industries and keeping them sustainable is essential
- There is a pool of young, talented filmmakers and film program graduates who want to work and live locally
- Entrepreneurial opportunities in web-based media and gaming depend on high-level connections
- There is a need to develop a large market for filming to keep this sector supported locally
- Demand for print media and publishing is experiencing some decline
- The community tends to want safe media, not 'edgy' material, and a mix is necessary
- Minority populations needs to be recruited and trained for this field

PERFORMING ARTS:

- There is significant breath, depth and quality of performing arts for a city this size
- The region is particularly strong in theater and has a symbiotic relationship with Chicago and Minneapolis
- There is a vibrant music scene, particularly in the commercial popular music genres
- There are concerns about the sustainability of the sector, both its organizations and its activities
- Many marketing and audience demographic challenges are facing this sector
- In order to survive, these organizations need greater access to information, technical assistance and networking

VISUAL ARTS AND CRAFTS:

- Reaching markets beyond local galleries and the region is a significant area of opportunity
- Diversity of visual arts and crafts is a strength but it also presents a challenge because there is no clear brand or identity
- Artists believe there is a substantial need for more networking among artists and other creatives
- Even with many venues in the region, artists believe there is room for more places to sell their work along with assistance to market their products

CULTURE AND HERITAGE:

- There is an opportunity to better leverage the assets of the museums and heritage sites
- Efforts underway by the larger institutions to change their approach offers new opportunities
- The region's residents and businesses could more fully appreciate the value of the region's culture and heritage venues
- Museums are facing challenges to remain sustainable, with increasing pressure for 'new experiences'

KEY FINDINGS

1. Our region's creative industries are a significant economic industry cluster, with penetration across all businesses and counties, and targeting them for focused development will yield significant community return.
2. Connecting and convening the creative industries is critical to sustain its impact, attract more talent, and fulfill its potential.
3. A common voice, along with a strong support system, is necessary for successful cluster development but what is in place is fragmented, siloed and underresourced.

With targeted focus, this economic industry cluster will **create jobs and businesses, enhance competitiveness** of other businesses, be an important asset to **attract and retain talent**, and **increase the vitality and quality of life** throughout the region.

Four strategic initiatives have been identified.

1. GROW THE CREATIVE INDUSTRIES INTO A SIGNATURE REGIONAL DRIVER

- Recommend that the State of Wisconsin establish the creative industries as a targeted area of focus for economic development within the new administration's restructure of the commerce department
- Provide direct funding and information assistance to creative industries
 - Microcap seed funding programs, particularly \$20,000 to \$100,000
 - An inventory of creative work spaces will help foster collaboration and new business development
- Create a robust networking system to connect and engage the creative community
 - Formal and informal gatherings; building on *Creativity Works!* model
 - Launch an interactive website to link and leverage the people and businesses of the creative industries
- Increase the market for creative goods and services
 - Product showcases and a 'buy local' campaign
- Establish a 'creatives-in-residence' program to connect artists and other creatives with regional businesses in order to spark creativity and innovation

- Brand the region as a top tier, globally competitive creative industries hub
 - Showcase the creative industries and raise their profile in the regional economy; designate 'creative ambassadors' to make presentations across region
 - Develop a 'brand' and case statement for the region's creative industries
- Work with municipalities and private developers to increase and enhance public art as a 'place-making' revitalization – start with an inventory of public art and the policies that govern it across the region

2. EXPAND THE REGION'S CREATIVE TALENT BASE

- Promote Milwaukee region as a center of excellence in providing high quality creative education for its youth; including reinstating arts as a high school graduation requirement
- Establish a regional Creative Higher Education Consortium
 - Develop a region-wide student-to-enterprises internship program
 - Expand articulation agreements between technical institutions and four year colleges/universities

STRATEGIC INITIATIVES

- Develop a campaign focused on retaining and attracting talent back to region
- Provide more extensive professional development opportunities for individuals and businesses in the creative industries; partner with GMC Talent Dividend.

3. STRENGTHEN THE SUSTAINABILITY OF THE CREATIVE INDUSTRIES INFRASTRUCTURE

- Establish a program to develop sustainable business models for nonprofit creative industry businesses, with focus on earned revenue
 - Formalized 'loaned executive' program bringing in senior executives from local successful businesses to work on business modeling
 - Link to network of existing business service organizations and appropriate higher education institutions for technical assistance, workshops, etc.
 - Develop a roster of 'pre-approved' business and strategic planning consultants for technical assistance and to provide workshops
 - Develop a self-assessment 'toolkit' for organizations to periodically assess their capacity to adopt a more viable business model
 - Secure financial support to commence this initiative
- Commence regional campaign to 'experience your creative community'
 - Develop coordinated program for businesses to purchase tickets for cultural activities around the region
 - Offer special 'get to know your creative community' weekends to throw open the doors of nonprofit and for profit creative businesses

- Broaden base of funding support for the creative industries
 - Update the 2008 Argosy Foundation report on assessing successful public funding mechanisms around the country to determine options for more systemic and sustainable sources of public funding
 - Create a clearing house of funding sources for for profits and nonprofits
 - Develop new resource avenues for entrepreneurial start-ups in the creative industries
- Establish local, regional and state level 'offices of creative industries' to support the development of a strong creative economy
 - Support the Wisconsin Arts Board's initiative to start a Creative Industries Advisory Council at the state level
 - Provide an Office/Department of Creative Industries within both the City and County governments

4. ESTABLISH SEGMENT COUNCILS TO INTEGRATE CREATIVE INDUSTRIES

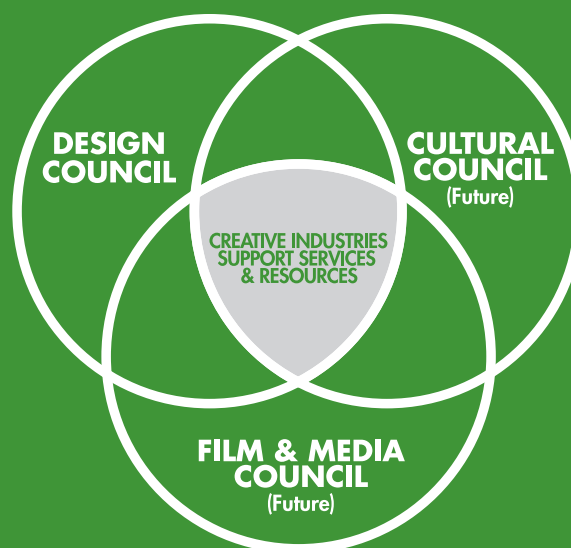
- Prioritize establishing a regional Design Council – given its creative industry dominance, strong heritage and competitive advantage potential
 - Key industry leaders as co-chairs
 - Incubate ala Milwaukee Water Council
- Explore the potential of developing a Film/Media Council and a Cultural Council (combining performing arts, visual arts/crafts, and culture/heritage)
- Each Council would start with the research data, extensive profile information, and framework for development provided in the full Mt Auburn report

IMPLEMENTING A CREATIVE INDUSTRIES STRATEGIC ACTION PLAN

The Cultural Alliance of Greater Milwaukee will continue to develop the creative industries. The Alliance will transition its business model to support a full scope of resources and services for the creative industries, with a focus on eliminating silos and duplication, and increasing collaboration in order to foster sustained growth. The Alliance will support the implementation of a strategic plan for the creative industries based on the strategic initiatives outlined in this report.

Current initiatives underway that are linked to the *Creativity Works!* project include:

- Launching a website to connect and leverage the creative industries workers as well as those seeking creative industry talent.
- Developing the design for a 'creatives-in-residence' program to embed creative talent in organizations across the region to spark creativity and innovation.
- Implementing a networking strategy to link online and in-person connections to grow businesses and opportunities for all creative talent in the region.
- The partnership between Spreenkler and UWM Peck School of the Arts to establish business incubators and internship programs with design students.
- The Milwaukee Ballet's Harmony Initiative, a unique downtown collaboration including the Ballet, UWM Peck School of the Arts, and the Medical College of Wisconsin.
- Developing a regional Design Council to establish a nationally reputed center for design innovation and creativity.
- The Marcus Center for the Performing Arts Parking Structure Redevelopment Project; first arts nonprofit project designed to achieve financial self-reliance through real estate development.



A VISION

THE creative hub of the Midwest and one of the top five in the nation

PROJECT LEADERSHIP

Creativity Works! was a regional project, funded and managed by the Cultural Alliance of Greater Milwaukee with strategic support by the Greater Milwaukee Committee.

Honorary Co-Chairs Betsy Brown, C-K Advertising and Mike Jones, MillerCoors, along with Working Co-Chairs Jill Morin, Kahler Slater, and Paul Mathews, Marcus Center for the Performing Arts led an Executive Council and Regional Planning Committee of over 75 stakeholders from across seven counties.

THE FULL MT AUBURN ASSOCIATES REPORT

Mt Auburn's full final report is robust in its analysis of the segment, regional and county data, as well as outlining examples of local creative industries and models of useful programs around the country. Anyone interested in truly understanding the M7 creative industries must read the full report, located at www.creativityworksmke.com.

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Kahler Slater
Marcus Corporation
M&I Bank
MillerCoors
Spirit of Milwaukee
The Wagner Companies
West Bend Mutual
Wisconsin Arts Board

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The winners in the current globalized economic environment are going to be the individuals, businesses, organizations, and governments that can grow and capitalize on their creative assets and act on their creative impulses in productive ways. The creative industries that are defined and quantified in this report represent the core of the region's creativity.

Mt Auburn Associates Report

