

# Analyzing the Creative Economy

(note: it requires creativity)



## REGIONAL TECHNOLOGY STRATEGIES

CARRBORO, NC

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# The value of creativity in an economy

2

- **Intrinsic value:**
  - the way creative arts and design help establish a cohesive identity for the community and contribute directly to the community's overall quality of life
- **Extrinsic value:**
  - Creativity's direct and indirect contributions to regional economies



# A major job generator but undervalued

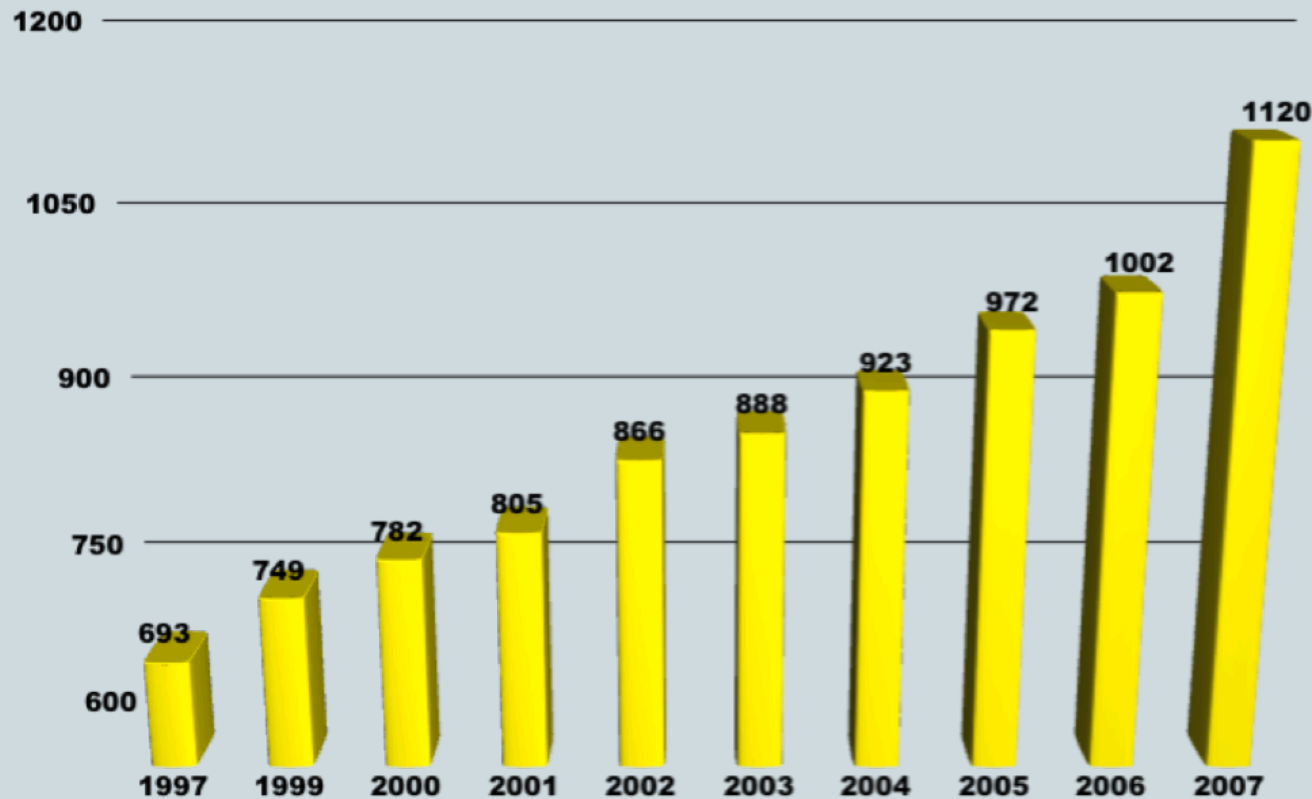
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- Large part of creative economy is:
  - suppressed
  - self-employed
  - non- or under-reported
  - misreported/self-reported
  - second source of income
- Large part is embedded in other industries & government



# Non-employer (Self-Employed) growth in Arts, Entertainment, & Recreation” 1997-2007

4



Growth,  
1997-2007

Arts SE: 66.1%

All SE: 40.6%

All Empl: 11.1%



# Creative Industries, as percent of total employment

5

Location	Percent employed	Year of report
Montana	5.0	2002
Colorado	3.9	2008
Mississippi	3.0	2010
Arkansas	2.8	2008
NC Piedmont Triad	5.0	2009
Southeast Wisconsin	4.2	2010
Wyoming	5.8	2009
North Carolina	4.0	2006
Washington, DC	8.6	2010



## Barriers to taking advantage of the creative economy

6

- Underestimation of scale and scope of art and design-based enterprises
- Perception of arts as mainly in terms of its cultural, not economic value
- Limited definition of sources of innovation in public sector
- Preoccupation with recruitment
- Lack of organization that represents full creative economy cluster



# Start with what you want to measure

7

- The definition of the creative economy varies depending on a number of factors:
  - Your economy
  - Your goal
  - Money & resources available
  - Need to update



# Can we agree on a basic list?

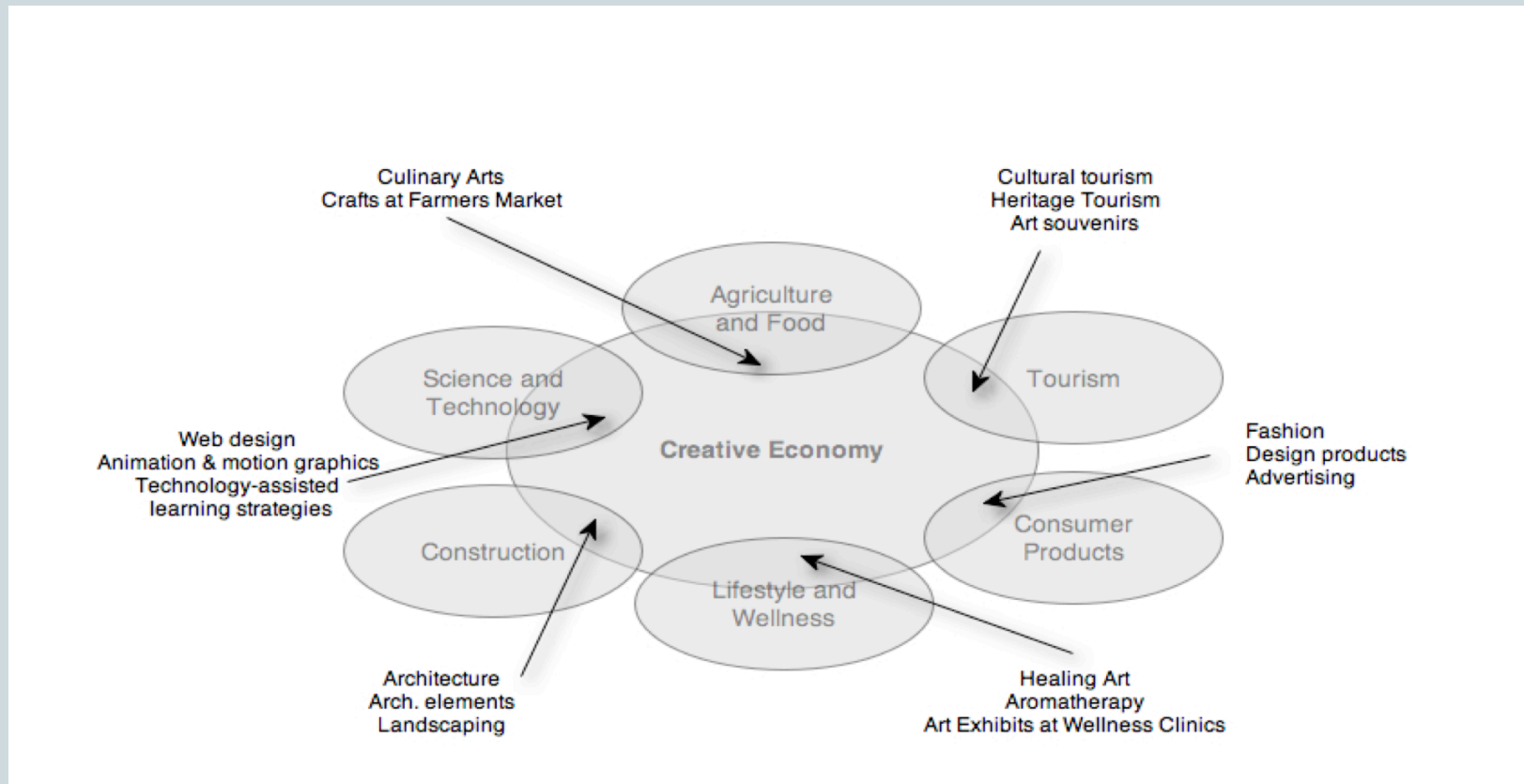
8

- **It definitely includes:**
  - The arts: music, painting, writing, dance, etc.
  - Arts training and instruction
  - Places that support, display or sell creative products
  - Organizations that fund artistic creation
  - Products used to specifically create art



# Integrating Creative with Related Sectors

9



# Where do things get fuzzy?

10

- **Embedded creativity**
  - Auto design
- **Sometimes creative**
  - Computer software
- **Fuzzy data**



# Where's the creativity in measurement?

11

- **Data issues**
  - Definitional: NAICS vs. SOC
  - Self-employment
  - Analyze manufacturers directories for companies that are using creativity as the basis of their competitiveness
  - Collect directories of arts guilds
  - Conduct surveys of local artists and design manufacturers
- **Analyzing your economy**
  - What normally non-creative sectors in your economy really have significant creative elements?



# Methods

12

- Define the base set of “always creative” sectors by NAICS
- Define creative workers (as defined by skills)
- Define what else may be creative within your economy
- Examine staffing patterns in non-creative industries to estimate the size of creative employment in these sectors
- Conduct additional research to “ground-truth” the data
- Adjust the standard LMI data to include self-employment and other creative employment data gathered.



# The Reality

13

- You can do an analysis of the creative economy that solely relies on a fixed cookie-cutter methodology
- But if you do it will be wrong and will probably underestimate its size
- There is no black box and there is no substitute for creativity and getting dirt under your fingernails



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