

The Arts Bring a Competitive Edge to Local Economies

“Art does more than hang on a wall or bow before a curtain. Art interacts with an audience, changing society and changing with it ... The arts are a competitive advantage for California. They further define and enhance the creative genius and character of California. The creative resources in the state maintain cutting-edge quality and establish a basis for economic strength.”

— *The Arts: A Competitive Advantage for California*, KPMG Peat Marwick, 1994.

Cities and counties are finding that nonprofit arts organizations contribute significantly to California’s economic growth and job creation. The KPMG study referenced above, which was commissioned by the California Arts Council, a state agency, revealed that the arts:

- Add more than \$2 billion to the state economy;
- Create 115,000 jobs; and
- Generate \$77 million in state and local income and sales tax revenue.

“The arts must be part of a community’s investment strategy,” asserts Gary Schaub,

director of cultural services for the City of Walnut Creek. “It is one of the amenities a city can offer that creates its identity and becomes an important tool for business investment. The arts pay important economic, educational and social dividends for cities.”

Cultural Tourism Infuses \$158 Million Statewide

“The arts have created a new type of tourist. The ‘cultural tourist’ is more likely to seek out an art museum or music festival than a shopping district or theme park,” observes Sonia Tower,



Fujima Kansuma

director of the City of Ventura Office of Cultural Affairs. While tourism is widely recognized as an effective economic development tool, cultural tourism adds a new twist. Economic impact studies show that cultural tourists stay in town longer and spend up to four times more than day visitors statewide.

The enormously successful campaign, “California’s Culture’s Edge,” created and implemented by the California Cultural Tourism Coalition, brought more than \$154.6 million into California in 1998. Using a cooperative effort and precisely targeted marketing strategy, this program has been hailed as a national model for destination marketing. Distributing 200,000 copies of a 32-page travel planner to selected American Express cardholders and travel agents resulted in visits to California within six months by 115,000 of those who received the books. The planners recommended visiting California to experience the rich cultural diversity of its three major urban areas — Los Angeles, San Diego and San Francisco — and suggested the culturally themed travel itineraries.



Dancers performing on Main Stage in Santa Monica

The Arts Bring Jobs and Revenue

Santa Monica (population 92,578) has actively pursued art as an economic development strategy. The total annual revenue of nonprofit arts and entertainment in Santa Monica is estimated to be at least \$407 million, or 7 percent of the city’s \$5.7 billion economy, accounting for 26,000 jobs.

“Everywhere you look, you see art,” says Maria Luisa de Herrera, cultural affairs manager for the Santa Monica Cultural Affairs Division. Art plays a visible, important role in the redevelopment of the 3rd Street Promenade, a colorful district of art galleries retail and restaurants; and the Bergamot Station, a former factory, now the site of 30 art galleries.

Santa Ana is another community that has embraced art in its economic development activities. The city, whose motto is “A Place for Art,” has found the most successful way to revitalize the downtown is to bring in arts and entertainment. Jim Gilliam, the city’s arts administrator, describes the Artists Village in the museum district as a new way to create a “live-work” arrangement for artists. The Artists Village makes its home in several historic buildings, which house theaters, restaurants, dance companies and studios.

Local Champions of the Arts

Communities that successfully integrate art into infrastructure and reap the financial rewards of increased tax revenues are consistently supported by individuals who are local “arts champions” — elected officials, business and community leaders



Drumming workshop, Santa Monica

committed to the arts. Arts champions provide leadership, make substantial financial investments and cultivate similar financial support and leadership from the community at large.

“The arts are vitally important to the cultural and economic life of any region. By cultivating an interest in the arts, we provide the stimulus for economic development, take full advantage of our diverse cultures and tap into the tremendous potential of each individual,” says Supervisor Muriel Johnson, of the Sacramento County Board of Supervisors, arts advocate and founder of the Sacramento Metropolitan Arts Commission.

The Importance of Cultural Planning

Serving as a regional centerpiece for Santa Clara County, San Jose has transformed its downtown area with arts facilities. The San Jose Civic Arts Commission (a city agency) and the Silicon Valley Arts Council (a county agency) jointly funded a unique planning process to create a cultural blueprint. These arts agencies worked in partnership with local officials, hundreds of businesses and arts organizations to complete San Jose’s downtown revitalization. Art in public spaces welcomes visitors and creates an atmosphere of vitality, using the area’s cultural diversity as inspiration.

Creating a cultural blueprint is a planning process that engages the community in discussion about cultural issues and goals. Planning assesses the community’s cultural assets, strengths and weaknesses, and identifies opportunities for creating vibrant communities.

Conclusion

When a community integrates arts into infrastructure and provides an environment that nurtures an arts community, the return on its investment is enrichment. The arts are an essential component of any community’s identity and quality of life, and provide a way to expand both the local economy and the cultural horizons of residents and visitors. ■



Street festival in Ventura

For More Information

Communities interested in learning more about establishing or expanding local arts programs may find the following resources helpful:

- The California Arts Council offers program and funding information of interest to cities and counties at www.cac.ca.gov.
- The California Association of Local Arts Agencies is a membership organization of art agencies (www.calaa.net) that offers a “Tool Kit” for communities considering the creation of a local arts agency.
- Americans for the Arts is a national membership organization of arts agencies and a clearinghouse of information about the arts in America (www.artsusa.org). Americans for the Arts will hold its annual conference in Los Angeles, June 10–12, 2000.

This article is the first of a four-part series, which is a collaborative project of the California Arts Council, a state agency, and the Institute for Local Self Government, the nonprofit research arm of the League of California Cities. The California Arts Council is committed to making quality art available and accessible for all Californians.