

## Valley Business Journal

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# Business, Corporate Support Help Keep Arts Groups Afloat

At a time when more communities are recognizing the importance of nurturing their relationships with local arts and cultural groups, there's a question of how the economic downturn will impact the arts.

"No doubt Wall Street is going to hit Main Street," said Paul Costello, director of the Vermont Council on Rural Development.

Still, Costello and other proponents of the arts are optimistic. High gas prices, he said, could benefit the region's downtown areas by prompting more people to take advantage of local arts and cultural opportunities.

Maureen Burford, artistic director with Revels North of Hanover, NH, echoed Costello's opinion.

"People are really turning to their home front for entertainment, and I think that's part of the way Revels North contributes to the local economy," said Burford. "We are offering things right here in the Upper Valley that people can come and do, making this a really wonderful and engaging place to live." Revels North stages music, dance and arts programs.

The arts do more than provide entertainment and nurture appreciation of cultural events: it also impacts a community's quality of life by providing jobs and boosting the economy.

In Vermont, more than 1,980 arts-related businesses employ 6,614 people, according to the Creative Industries 2008 report released by the Vermont Arts Council, which counts on the Vermont legislature and the private sector for funds.

Vermont's arts-centric businesses grew almost 9.6 percent from 2007; employment growth by such businesses since 2007 was 1.8 percent, the study shows.

In New Hampshire, 3,184 arts-related businesses employ a total of 11,284 people, the study showed. New Hampshire's art-centric businesses grew 18.39 percent from 2007, while employment growth since 2007 was 19.68 percent, according to the study conducted for the Americans for the Arts group.

In both states, the largest employment category was visual arts and photography, followed by design and publishing.

More than half of New Hampshire's workers in the arts industry are employed in for-profit businesses, according to the New Hampshire Business Committee for the Arts. The study shows seven percent work for nonprofit groups, and 14 percent work for government agencies. More than a quarter are self-employed.

Nationally, arts-centric businesses make up 4.3 percent of all businesses and 2.2 percent of all jobs. The country's 612,095 arts-related businesses employ close to three million people.

## **The Creative Economy**

The term "creative economy" has become common as many area communities and economic development planners take a serious look at the arts as a means of buoying their economies. Such leaders are recognizing the key role the arts play in employment, local spending and in attracting new residents and visitors, contributing to the area's overall economic growth.

Historically, artists were looked up to and supported by patrons, and their work was admired for its enrichment value. In the past, the arts hadn't been regarded for their economic value.

A few years ago, however, the term "creative economy" came into vogue, following a book by Carnegie-Mellon economist Richard Florida. Since that time, community leaders have begun to reassess their notion of the arts and their effect on the economy.

When Florida wrote his book in 2004, he proposed that economic success was no longer based on drawing factory workers, but on attracting young entrepreneurs and innovators who would create jobs and who were drawn to strong community centers where arts and culture were in place. He cited communities such as Boston, MA, Austin, TX and Burlington, VT, which he called the country's number one creative economy city with a population under 250,000.

The idea of the creative economy began to be seriously looked at by communities seeking to grow and evolve their economies.

For example, revitalization efforts in White River Junction, VT have transformed it from a depressed former railroad town to a thriving artistic center that now is home to the Tip Top Building, which houses artist studios and art-related businesses, and the Center for Cartoon Studies.

Other communities throughout the state and region have also caught on, noting the vital role the arts play in building and sustaining the economy through employment and by attracting visitors who boost local economies with their spending.

## **The Arts And Tourism**

As part of this overall movement, Vermont and other states around the nation have begun examining and promoting the idea of cultural heritage tourism as a means to

attract and bolster visitor numbers.

A 2000 survey about cultural heritage visitors conducted by the University of Vermont showed 40.5 percent of visitors to the state reported visiting a cultural or historical site, or participating in cultural activities. Additionally, 9.3 percent of all visitors said such visits were their primary purpose for visiting Vermont.

Furthermore, studies done by the Travel Industry Association of America showed cultural heritage tourists spend more money than the average American traveler and stay 1.44 nights longer. They are also more likely to shop while traveling.

These statistics offer evidence of the viability of the arts as an economic and tourism base. However, it is difficult to measure the overall impact, said Alex Aldrich, executive director of the Vermont Arts Council.

"It is very difficult to prove that specific arts-related activities in a place make a difference," said Aldrich. "And yet, if one asks anyone in Brattleboro, Brandon, Bellows Falls, South Burlington, Bennington, North Troy, White River Junction and numerous other towns around the state what has been the catalyst that rebuilt, renewed and galvanized their towns, the arts would be at or very near the top of everyone's list."

The overall value of the arts, he added, should be examined beyond "dry, impersonal statistics" such as meals and revenue from sales and taxes.

"The hotel, restaurant, and shopping sector claim the bulk of that revenue as being generated by them. They are technically correct," he said. "But, it doesn't take a lot of imagination to dig a little deeper and ask, why are people going out to dinner or shopping or spending an overnight in this particular community more than they used to? The answer isn't just because the restaurant or hotel is nicer than it used to be . . . it's that Vermont has come to mean more than good skiing, great hiking, biking and camping and designer outlet shops. It actually has art."

Joanne Wise, co-vice chairwoman of the Upper Valley Arts Alliance – an initiative that resulted from the Creative Economy Program held in Woodstock, VT in 2004 – has been scheduling presentations named Here is Arts that examine the impact on the Upper Valley region of two area arts organizations: the Lebanon Opera House and Northern Stage. The sessions are part of the Leadership Upper Valley talks; the presentation is done by Risa Bridges-Hall.

According to the information, 70 percent of Lebanon Opera House's \$1.4 million operating budget, or \$980,000, is spent in the local community on staff, marketing, production and special programs. At Northern Stage, \$1.6 million, or 75 percent of its operating budget, is spent in the local community on staff, artist fees, housing, production, marketing, administration and education programs. The presentation shows art creates employment, with \$1.05 million being paid in wages between the two organizations. In addition, it showed the two organizations sell a combined \$80,000 in tickets annually. Based on attendance, it is believed an additional \$1.45 million is spent by patrons for ground transportation, event-related childcare and lodging.

Recently, Northern Stage also conducted a feasibility study of building a new theater in White River Junction. The results indicated a potential regional impact of 155 jobs with an audience spending \$1.3 million per year, and an economic impact of \$5.2 million per year.

Such figures, said Wise, have caught the attention of the business community. "They think of the arts as warm and fuzzy and don't see the financial or economic impact as being significant until we can start getting this info out there," Wise said.

The work of her organization is a good example of how examining the arts' economic impact has generated creative programs that rely on the relationship between businesses and the arts.

For example, when the Upper Valley Arts Alliance first formed in 2004, much of its early work revolved around organizing an Arts for All Day that attracted several thousand people, said Wise. However, group members soon realized they wanted to do something beyond event planning, "something that would get the arts and business people together," she said. The group chose to begin holding seminars on how businesses could attract and retain employees.

"If we have new people coming in, we're accomplishing that because the arts and the culture are really a major part of the community that is drawing them," Wise said. "If we didn't have all this stuff going on, would you really want to live here? That's the thing, I think, that has made a huge difference."

Bob Flint of the Springfield Regional Economic Development Corp. agrees. "When we did our strategic economic development plan a few years ago, we worked around the concept of a circle of prosperity, appreciating that none of these things exist in a vacuum," Flint said.

"You don't have just a strong business community and nothing else. You have to have a healthy artistic community to have it be a healthy community and encourage people to live here. You also need healthcare and education. All these things interface. They are all part of having a healthy community, and by extension, a healthy region."

The Hanover, NH Chamber of Commerce has caught on to this idea. Doug Wise, chairman of the chamber's board of directors, said one of his goals is to drive home the point "that our view of the world has to go beyond Main Street, but without Main Street, we are dead."

"You have to find the right balance with making Main Street vibrant . . . you can't walk away from what Main Street businesses need to do, but at the same time, you have to look at the region," he said. "Hanover depends on things that are not in Hanover, whether that be the arts or accommodations or transportation. We have to take a more global view of the world, and part of that global view of the world is the arts."

Wise, like many others, is beginning to note the narrow perspective historically given to the arts, and wants to expose business leaders to opportunities connected with the

arts.

An example is his message that area businesses may want to consider staying open later and taking advantage of the thousands of people coming to the Hood and the Hop between 7:00 p.m. and 9:00 p.m. at night. "Hanover is asleep at that time," he said. "People come out to the theater, but we have not offered them the opportunity to buy a snack or shop because we're closed."

While he acknowledged the potential economic burden for businesses keeping later hours, he encouraged them to try it. "Do something for a week or a month. Try it, and if it doesn't work, it doesn't work," he said.

For many towns like White River Junction, the role of the creative economy has been an impetus to revitalization.

"In Vermont, the creative economy isn't just about five percent of the economy engaged in culture or crafts such as bookbinding," said Costello. "In Vermont, the story of the creative economy is really the story of Bellows Falls, Brandon and Vergennes where local community residents have come together and built a project that puts up the flag that this is a town on the move that is doing something creative and innovative."

For example, Costello cited the northern Vermont town of Vergennes, where a group of citizens organized to renovate the town's opera house, turning that section of town into a thriving community center. "They had the renaissance of the entire downtown of this community, which in turn attracts young people, new business and jobs," he said.

Now, Upper Valley communities such as Randolph, VT have caught on and participate in the Creative Communities Program, which encourages Vermont communities to view development through the lens of the creative economy. Randolph has acted on this goal by outlining priorities such as creating stronger collaborations centered on the creative economy, improving Internet access and promoting environmental initiatives that define Randolph as a green community.

That's not to say the arts won't experience some hard times ahead. During lean economic periods, the arts often are left out of personal spending, leaving groups to compete for a more shallow pool of cash.

Charles Shackleton of ShackletonThomas, a Bridgewater, VT-based furniture and pottery business, said he's concerned about the economy's effect on artists. However, he noted "artists are creative people" who will find a way to weather the downturn. One idea, said Shackleton, is for some organizations to consolidate and use their talent in new ways.

Flint said he anticipates a slowdown in charitable contributions. He cautioned that nonprofits, "artistic or otherwise, are in all likelihood going to have to tighten their belts."

When it comes to the creative economy, said Costello, as a state Vermont has been "much less philosophical and much more action-oriented in building platforms."

"When everyone was wondering what the creative economy was and how do we define it, we said, 'Don't expect the government to define it for you, consider how do you define innovation and creativity in your community as a driving force that will raise the flag and attract young people and new businesses.' That's the question, and that defines it in action."

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