HOW CITIES CAN NURTURE CULTURAL ENTREPRENEURS

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ABSTRACT

Since the Great Recession, North American mayors and city councils have boosted investments in arts and culture as creative placemaking to improve the quality of life, to attract residents, managers and workers, and to welcome visitors. Many city leaders are newly aware that artists bring income into the city, improve the performance of area businesses and creative industries, and directly create new businesses and jobs. Because of extraordinary levels of self-employment, artists often choose cities of residence based on factors other than job and employer locations. Their innovative challenges differ greatly from those faced by scientists and engineers. Artists and related cultural workers tend to fall through the cracks in traditional workforce and small business development programs. As a result, American cities have explored new ways of supporting artists that include space provision, artist-targeted websites and marketing projects, incorporating artistic work into city enterprises, and entrepreneurial training programs tailored to the realities of arts and design as occupations. This policy brief summarizes reasons for and variations in new initiatives to spark cultural entrepreneurship, sampling bottom-up experiments and providing a menu of options for cities of all sizes and character. The brief also counsels city leaders to focus on what is distinctive about their cities, rather than replicating generic strategies elsewhere (e.g. large, expensive arts venues). Via references for further reading, it directs city leaders to various resources for exploring place-appropriate creative entrepreneurship policies.

THE CITY ROLE IN SUPPORTING CREATIVE ENTREPRENEURSHIP

Since the 1990s, and especially since the Great Recession, U.S. state and local governments have increased investments in arts capacity and programming, while federal funding (National Endowment for the Arts) declined in real terms. Recovering from four difficult years, direct cultural expenditures by county and municipal governments increased nearly 3 percent, to $747 million, in 2013 from 2012 (Stubbs, 2013). While cities for more than a century have supported large arts venues (museums, concert halls, theatres), recent expenditures increasingly have been directed to support for artists and for creative placemaking partnerships among artists, arts organizations, and other community players.

City appreciation for cultural entrepreneurship has grown following economists’ and city planners’ documentations of the roles that artists play in the local economy. Many artists and designers contribute to the city’s economic base, bringing in income from elsewhere by exporting their creations—books, recordings, visual art—and by travelling to perform elsewhere. Pools of artists attract and anchor cultural industry firms in fields like publishing, advertising, music, design, and architecture. Artists often work on contract in other industries to design and market products and services (visual artists, musicians, and writers) and improve employee relations (actors). Some artists create
jobs and generate income for others in the area from new products and applications (Markusen and King, 2003). Even remaining in the nonprofit world, artists can become entrepreneurs who support dozens of jobs and incomes—think of Garrison Keillor’s *A Prairie Home Companion*, a public radio enterprise. Artists also enliven cities and neighborhoods, attracting other skilled residents and employers (Florida, 2002; Markusen, 2006).

Despite heightened interest in fostering artists/designers as innovators and entrepreneurs, most cities have found that traditional policies and services don’t work for artists. Venerable workforce development programs, funded by the federal government but administered by state and local governments, target the hard-to-employ and displaced workers. Small business programs are geared to certain manufacturing, service, and retail industries, insensitive to the occupational training and aspirations of would-be entrepreneurs.

**ARTISTS AS DISTINCTIVE ENTREPRENEURS**

Artists as potential entrepreneurs bring strengths and deficits to enterprise development that differ from other types of entrepreneurial candidates. In a comparison of scientists, engineers, and artists as aspiring entrepreneurs, Markusen and Schrock (2013) note the particularities of each. Engineers are more apt than artists or scientists are to have worked in commercial businesses, often large ones, but they are much less apt than artists are to have experienced unemployment or marketed their own skills and ideas outside of firm walls (Schrock, 2003). Scientists as entrepreneurs are less likely than engineers to have worked in a commercial environment and more likely to have been situated in laboratories and universities more remote from business imperatives (Markusen and Oden, 1996). The design of entrepreneurial training programs for scientists will differ from designs for engineers and for artists.

Artists are many times more likely to be self-employed than are scientists and engineers. Some 48 percent of artists reported in the 2000 Census long form that they are self-employed. This is augmented by data from the Current Population Survey, which includes those who work at music, writing, and visual and performing art as a second occupation (Markusen and Schrock, 2006a). In 2011, artist self-employment rates estimated from the American Community Survey (and not including second occupations) ran 34 percent, 3.5 times the national workforce average (Nichols, 2011). In contrast, scientists and engineers experience very low rates of self-employment—in the 2000 long form Census results, on the order of 4 percent to 9 percent, below the national workforce average (Markusen and Schrock, 2013).

Artists are much more likely to have experience in commercial sectors—as employees, contractors, workers, or independent agents—than scientists or engineers are. But they are also more likely to also work—simultaneously and sequentially—in nonprofit and public sectors. In a survey of thousands of Los Angeles and Bay Area artists, large shares of respondents reported making a majority of their income from commercial sectors activity, where they learned the discipline of the market and how small and large
firms work, But they spent disproportionately more time in nonprofit and community sectors, where they more often innovated and improved their skills (Markusen et al., 2006). But artists are much less apt to have experienced leadership positions, complex management structures, and a marketing and customer orientation that characterize professional positions in technology firms.

For cities, one attractive feature of artists is that they often choose where to live and work in response to factors other than job offers or commercial cultural activity. Compared to scientists and engineers, who disproportionately leave Midwestern land grant university degree programs for jobs elsewhere (Ellis, Barff, and Markusen, 1993), many artists are relatively footloose, free to favor amenities or other factors over the search for a job. Artists, scientists, and engineers are likely to migrate across states and regions at rates much higher than all other occupational groups (Markusen and Schrock, 2006a), but their destinations are quite different. Science and engineering professionals are more likely to follow jobs, while artists are more likely to favor quality of life and lower-cost-of-living communities.

Artists’ extraordinarily high self-employment rates often mean that they lack adequate workspace; ongoing opportunities for professional training, skill upgrading, and networking; marketing savvy and outlets; and business training appropriate to their aspirations. Over the past quarter century, support for arts and design careers has diversified, as experiments at providing work and living space, discipline-specific and community-based convening centers, entrepreneurial training programs, and marketing opportunities have generated successful models for cities of all types and sizes.

CITY CREATIVE ENTREPRENEUR POLICY OPTIONS

Despite encouraging experiments, most cities are not very experienced at supporting creative entrepreneurs; nor are the arts and design institutions that train them. In general, programs that should be suited to artists—workforce development, small business incubation—aren’t, for historical and bureaucratic reasons. Here are seven strategies that mayors and city councilors may champion to foster creative entrepreneurs.

A. Know who your artists are

Identifying the arts and design strengths of your city can provide a good foundation to build on. The American Community Survey and other sources provide detailed information on what kinds of artists and designers work in your region, both for companies and self-employed, and reveal age, gender, socioeconomic, and other information about them. For instance, work on the 2000 Census, a 5 percent rather than the 1 percent ACS sample, showed that Kansas City hosted more than 5,000 working artists, with visual artists and designers particularly prominent (Markusen and Schrock, 2006a; Frisch and Bohrer, 2008). Visual artists and writers in the Kansas City metro are more likely to be employed in the private sector than in other metros, likely due to Hallmark Cards’ significance as an employer. Indeed, overall, Kansas City artists
enjoyed relatively high median incomes, ninth among the top thirty metros, and more impressive if Kansas City’s moderate cost of living is taken into account. During the Great Recession of 2007–9, the Kansas City metro grew its artistic labor force faster than most other large cities, though not as robustly as Seattle and Minneapolis/Saint Paul metros. If your city hosts larger contingents of young artists, you face distinctive challenges with career aspirations and needs than cities with higher shares of established artists. Knowing which disciplines are prominent locally, the age, gender, ethnic, and racial composition of your artistic workforce, the mix of private/nonprofit/public jobs, and the degree to which artists and designers are self-employed will help you tailor your distinctive entrepreneurial approach. If you can compare your artistic workforce with those of other cities, you will learn even more (Markusen and Schrock, 2006a; Grodach and Seman, 2013).

Some cities have gone beyond relying on secondary data to mount surveys of resident artists that probe their views of the city as a place to live and work and on assets and deficits that affect their ability to make a living. For instance, a 2008 Creative Entrepreneur study for the City of San Jose, Calif., found that, while artists were not particularly in need of artist live/work options, many lacked adequate workspace (Markusen, Gadwa, and Shifferd, 2008). That finding helped the city shape its subsequent artist space initiatives.

B. Encourage convening and equipment-sharing artists’ centers

Often initiated by artists themselves, run by nonprofits, and organized along disciplinary or geographical lines, artists’ centers are dedicated spaces for artists to convene, share equipment and space, and learn from each other, often in formal classroom settings that simultaneously generate income. Minnesota’s artists’ centers have been a feature of the creative landscape, both urban and rural, since the 1970s. Those based in larger cities serve disciplines such as composing, playwriting, printmaking, photography, filmmaking, ceramics, and writing, while others in inner city neighborhoods or small towns foster cross-disciplinary work. An artist center is generally open to all comers for a modest annual membership fee, thus encouraging learning and mentoring among experts and novices in both artistic technique and business acumen. In these dedicated spaces, often modestly sized, artists access opportunities to raise money for, perform, exhibit, and market their work. Twin Cities’ Artist Centers have hatched and continue to groom top-quality talent for the region’s exceptionally strong creative industries, including publishing, advertising, music, broadcasting, and live performance arts. They operate as inexpensive incubators of entrepreneurship, launching successful small firms and viable artist proprietorships (Markusen and Johnson, 2006; Markusen, 2012).

C. Develop sustainable artist studio and live/work buildings

Many cities have encouraged the development of artists’ studios and live/work buildings. In large cities, these may house many dozens of units and, in small towns, as few as seven or ten. Some are privately developed and run, others are built and managed by nonprofits, such as Artspace Projects, headquartered in Minneapolis.
Some take advantage of vacant vintage industrial and warehousing structures, while others build from the ground up. Many of the live/work buildings house cafés and offer collective space for exhibits and dance and music practice and performance. Many conversions rely on low-income tax credits, historical preservation tax credits, city loans and land or building write-downs. Live/work space and buildings are facilitated when zoning ordinances permit work and residential uses in a single structure. Many cities lack such zoning flexibility—for decades, ArtSpace Projects was unable to develop a single live-work building in its headquarters city of Minneapolis, while cities such as Boston, Chicago, Saint Paul, Minn., and Seattle allow them (Johnson, 2005). In 2001, Cleveland enacted an extraordinary Live-Work Overlay District Zoning Ordinance to permit artist space in an aging industrial area near its downtown (Guild, 2013). Nonprofit management, as in the dozens of ArtSpace buildings around the United States, ensures that the space remains affordable. Artist live/work and studio buildings engender entrepreneurship by putting artists into close living and working proximity with each other. Group art “crawls,” where studios and apartments are periodically opened up to the public for viewing and sales and performances, augment artists’ incomes. The case for artist space is powerfully articulated by the Urban Institute’s Maria Rosario Jackson and Florence Kabwasa-Green (2007). Two excellent evaluations of artist live/work and studio buildings confirm that these situations improve artists’ abilities to pursue their careers and make their neighborhoods more lively, commercially viable, and safer, without displacing low-income residents (Gadwa, 2010; Gadwa and Muessig, 2011).

D. Provide entrepreneurial training tailored to artists and designers

Overwhelmingly, surveys of artists underscore that they need and want to develop business skills. Many organizations—some nonprofit, some linked to higher educational institutions, some for-profit—offer artist-tailored entrepreneurial training. Some venerable programs, like Saint Paul-based Springboard for the Arts, pioneered career counseling and planning services linked to courses and curricula that offer modules on writing business plans, property rights issues, pricing, marketing, finding further artistic training, grants-writing, and other topics. In the first decade of the current century, these programs proliferated, often built from the bottom up by non-profit organizations, in turn supported by foundations and state and local resources as well as modest fees for artists, and tailored to unique city circumstances. Another early mover, Los Angeles’ Center for Cultural Innovation, with its two editions of Business of Art workbook (Center for Cultural Innovation, 2008, 2012), serve the enormity of that metro’s thick and dispersed artistic community. In Kansas City, Artist INC has been a pioneer in developing and sustaining artist professional development training, as has Cleveland’s Community Partnership for Arts and Culture. Artists in smaller cities can be served as well, by outreach from bigger cities or through programs explicitly tailored to smaller places, such as Montana’s Artrepreneur Program. Developing and running these professional development programs was greatly aided by artist-centric Leveraging Investments in Creativity’s (http://www.lincnet.net/) ten-year periodic convening of these and other artist training initiatives around the United States (2003–2013).
E. Build networking and marketing opportunities for artists

To build careers, overcome the isolation of self-employment, and capitalize on synergies among artists, including across disciplines, city leaders can build and support physical and virtual networks among artists. They also can help develop live marketing venues and strategies that will amplify artists’ commercial success and learning through exposure to customers and other artists and professionals. Some cities and states have invested in high-visibility websites that invite all artists to present their work and advertise live events, as well as access the broad portfolio of resources available. Chicago’s CAR (Chicago Artists Resource), a city initiative, has for more than a decade offered artists the opportunity to tell their own stories, advertise upcoming events; access professional development resources, grant opportunities, and upcoming auditions; and find space (http://www.chicagoartistsresource.org/). Minnesota’s artists.org (http://www.mnartists.org/) provides thousands of the state’s artists (and arts organizations) an opportunity to mount a webpage with photos, profile, and links to performances, galleries, and other ways to access their work. Some cities and states have mounted programs to help artists reach markets directly, such as Montana’s Made in Montana program, where regional artists’ works are favored in state parks and other vendor outlets, and Louisiana’s Creative Economy initiative, which showcases and sells artists’ works in its freeway-side tourism welcome stations.

F. Embed artists in city development strategies

Several important city agendas could better use the talents of local artists and designers—for instance, in tourism, economic development, neighborhood revitalization, transit station design, and public safety. Some cities have experimented with artists-in-residence. Marcus Young, for instance, has been Saint Paul’s artist-in-residence since 2006, lodged in the Public Works Department, a relationship that has been so successful that the City recently added two more artists-in-residence to its roster. Some cities have strategically crafted artist-friendly strategies. San José, in a 2008 initiative led by the City’s Chief Strategist, an executive in its Department of Economic Development, launched a Creative Entrepreneurship effort that required various city agencies, including planning, housing, transportation, and workforce development, to sit on a small, high-energy advisory committee along with key area leaders from universities, for-profit and nonprofit arts, and developers, to set out an agenda that would enliven downtown San José and other city precincts by recruiting and retaining artists in many disciplines to live and work in the city. Many of the final report’s recommendations (Mirikitani et al., 2008) have been adopted. San José also seed-funded its very successful ZERO1 biennial, where regional and worldwide artists working on the interface between art and technology display their creations—green cars, for example. ZERO1’s ambition is to marry art and technology in a way that will revitalize the region’s aging tech industry (Markusen and Gadwa, 2010). Seattle, in an effort initiated by a mayor and expanded by subsequent mayors, launched Seattle: City of Music that nurtures musicians of all genres, as well as music industry organizations and music venues with a highly visible City-financed office and website (Markusen, 2012).
G. Partner with local arts and policy faculty for entrepreneurial research and training

Most cities cannot afford research on the needs of artists or on their contributions to city life and economy. Many house universities and colleges whose faculty, both in the arts and in the policy sciences, can provide research and evaluation that could augment the quality of the city’s creative workforce. Since cultural entrepreneurs’ networks are quite place-rooted, local researchers are well positioned to analyze and celebrate artist-nurturing milieus. A solid relationship with social science, arts policy, and urban planning researchers also can help amplify a city’s artistic prominence, encouraging creative in-migration and retaining local artists. For instance, University of Washington geographer William Beyers’ studies on Seattle’s music industry played a key role in that city’s strategizing and, arguably, on the perennial flow of young musicians into that city (Beyers et al., 2004, 2008). Working relationships with arts educational institutions—universities, colleges, conservatories, arts high schools—can encourage badly needed entrepreneurial training as part of the curriculum and alert current students to the benefits of staying in your city. Your city workforce development agency can be encouraged to reach out to these institutions.

This seven-point overview leaves out many other strategies, including the significant role of grants for artists, engaged in by cities like Los Angeles where they are funded from hospitality tax revenues. Public art projects, both visual and performance, rely on artists for execution, but often cities do not take advantage of this relationship to ask artists to engage with community and mentor other artists, or to explore these artists’ experiences as community residents and contract workers. City land and facilities—parks, waterfronts, streets, abandoned land—sometimes offer artists opportunities for marketing their work, teaching kids, and accessing free space for creation and sharing. Philadelphia’s Mural Arts program, well into its third decade, is an example of an artist initiative that beautifies neighborhoods while it provides skills to youth and prisoners that will help them find future work (Markusen and Gadwa, 2012).

DESIGNING AN ARTIST-ENTREPRENEURIAL CITY

The creative entrepreneur impulse, now officially sanctioned through the Our Town (NEA) and ArtPlace (a foundation consortium) funding streams, favors “distinctive city” strategies, shifting away from a nineteenth- to twentieth-century model in which cities replicated, at considerable cost, the art palaces of other, larger (including European) cities (Markusen and Schrock, 2006b). Many of these investments are expensive to maintain, not to mention building anew. But critics increasingly are noting new trends in arts participation, where people care more about the experience, the venue, and the uniqueness of cultural offerings, challenging a nineteenth-century Euro-centric model of large-scale fine arts presentation (Brown, 2012; Brown and Markusen, 2013). Increasingly, artists, rather than arts institutions, are providing the impetus for making and remaking a city. At the same time, economic development strategy/practice is increasingly turning to occupational approaches, asserting the significance of human
capital and entrepreneurship in supplementing traditional industry-targeted programs (Markusen, 2004).

For a city government to work efficiently with creative entrepreneurs, it must reconfigure its staffing structure and reach out to new partners. Making city programs more artist-friendly can be achieved with a cross-departmental working group where cultural affairs, economic and workforce development, parks and recreation, transportation, and housing staffers share perspectives and shape an effective, transparent strategy. The working group can help solve roadblocks, such as zoning ordinances that forbid artist live/work space or noise ordinances that make it difficult for musicians to make a living. It can modify business and workforce development programs to incorporate unique circumstances of creative entrepreneurs. It can pave the way for artistic talent to be engaged in transportation and other major public works programs. Beyond city hall, mayors, city councilors, and city employees will need to better understand and work with arts nonprofits, particularly those that are artist-nurturing and focused. The twenty-first century will belong to the distinctive city, and entrepreneurial artists and designers are key to that future.
REFERENCES


Markusen, Ann, and Greg Schrock. 2013. The Distinctive City. Project on Regional and Industrial Economics, University of Minnesota, unpublished manuscript.


