

Clusters of Creativity: The Role of Arts and Design in North Carolina's Economy



North Carolina's creative industry is a critical part of the state's economy

- Creative sector employment is estimated at more than 4 percent of total employment in North Carolina.
- Nearly 159,000 people are employed in creative industries, with total wages of more than \$3.9 billion.
- Creative enterprises include a wide range of industries, including the arts, entertainment and new media, and design.
- Nonprofit and public sector arts organizations working directly with the North Carolina Arts Council provide over 1,200 full-time jobs earning over \$43 million in total salaries and each year involve nearly 43,000 volunteers whose time is valued at \$13 million.
- The presence of creative professionals in a given county is the single most important factor associated with the amount that visitors will spend.
- The presence of creative workers is also strongly associated with rising household incomes.
- Counties with higher proportions of workers in arts-related occupations are more likely to retain current residents and attract new ones.
- Original creative content in products is a major competitive edge for manufacturers, especially as globalization makes competition increasingly difficult.
- Many rural areas are developing their rich cultural traditions in craft and music as sustainable place-based economic development strategies to replace the loss of jobs in agriculture and manufacturing.

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Purpose: The North Carolina Department of Cultural Resources and the North Carolina Arts Council commissioned this research to create a model describing the scale, scope and impact of the segment of the state's economy driven by aesthetic content.

Defining the Creative Economy

Creative Clusters are areas where like-minded people and businesses cluster around a common creative theme. Think about pottery in Seagrove, galleries in Asheville, music in the Triangle, or film in Wilmington.

The creative sector can be grouped into three sub-clusters:

1. **The Arts**—artists, artisans, craft makers and their support structures and distribution, such as museums and libraries
2. **Entertainment and New Media**—theater, movies, video, the music industry and their suppliers and distributors
3. **Design**—architects, interior designers, web designers, fashion apparel and associated manufacturers

Creative Enterprises are the segment of the state's economy that is driven by aesthetic content. An enterprise participates in the creative economy in one of five ways:

1. **Originates** unique creative intellectual property
2. **Produces** creative products
3. **Delivers** creative products to the public
4. **Provides materials, parts, or equipment** to enable the origination, production or delivery of creative assets
5. **Facilitates and/or provides services** that support creative activity

Creative enterprises deliver a wide variety of products:

Tangible products: Designs, songs, stories, books, pictures, games, dances, scripts, clothes, jewelry, decorations and other made objects.

Intangible products: Ideas such as style, fashion, branding, image, film adaptations, color schemes and other intellectual property.

Why are Creative Enterprises Important?

- The knowledge economy requires creative professionals.
- Creative industries are a new high growth economic sector.
- Creative industries drive dynamic place-based economies.
- Creative enterprises spur community revitalization.
- Creative enterprises help neighborhoods, cities, regions and nations shape and communicate their identity.
- The arts provide new approaches to societal problems.
- Creative products provide a competitive edge and entry to global markets in both manufacturing and service sectors.
- Better designed products add value for consumers.