

National Assembly of State Arts Agencies

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State Arts Agencies and Creative Economy Research: Frequently Asked Questions

Almost every state arts agency conducts formal research to measure the size, scope and impact of its creative economy. However, states do not take a one-size-fits-all approach to investigating the economic benefits of the arts. States employ a variety of methodologies to highlight the connections between state investment in the arts and economic growth. In addition to studies commissioned by state arts agencies, the National Endowment for the Arts and the U.S. Bureau of Economic Analysis produce data on trends in arts and cultural employment and compensation. This combination of state and federal information paints a vivid picture of how the arts boost state economies.



Taping a show for Appalshop. Photo courtesy of the Kentucky Arts Council

This FAQ attempts to answer some of the common questions asked by state policymakers, administrators and the public when using creative economy data.

Is there one definition of the creative economy?

No. A variety of definitions deriving from a large body of literature describe the nuance of the interaction between the arts and economic production. Terms such as *creative economy*, *culture economy*, *creative industries* and *cultural industries* refer to distinct concepts but encircle a similar idea of economic value associated with goods, services and intellectual property born of creative work. Often, the idea of the creative economy includes not just the performing, visual and literary arts but also design, media, film and the creative components of other industries that embed originality into their products or services.

A popular definition comes from John Howkins who, in 2001, defined the creative economy as "the transactions of creative products that have an economic good or service that results from creativity and has economic value."

The United Nations Educational, Scientific and Cultural Organization (UNESCO) defines cultural and creative industries as "sectors of organized activity whose principal purpose is the production or reproduction, promotion, distribution and/or commercialization of goods, services and activities of a cultural, artistic or heritage-related nature."

"The Creative Economy is not a single super-highway, but a multitude of different local trajectories...."

—UNESCO

What types of studies do states use when measuring the creative economy?

State arts agencies approach the measurement of their states' creative economies in a variety of valid ways. **NASAA's Interactive Database of State Creative Economy Studies (IDSCES)** draws on 97 unique, publicly available creative economy studies conducted in 45 states. It foregrounds the purposes, methods and key data points for each state level study. The database unearths a variety of methods including in-depth case studies, input-output (economic impact) models, surveys, secondary data reporting, indexing systems and mixed-methods approaches.

In nearly every case, state arts agencies employ a consultant or partner to conduct creative economy research. Common state arts agency partners include:

- The [Western States Arts Federation \(WESTAF\) Creative Vitality Suite](#). This tool allows states to measure and compare state and local economic data as provided by [Economic Modeling Specialists, Inc.](#)
- The [Arts and Economic Prosperity Study from Americans for the Arts](#) is a long-standing economic impact study that collects organization level surveys to measure the economic impact of nonprofit arts organizations.
- [Regional Technology Strategies](#) and [Mt. Auburn Associates](#) have worked with a number of state arts agencies to conduct in-depth research on state creative economies including case studies, secondary economic data reporting and economic impact analysis.

Several states partner with universities to conduct creative economic research. Here, academic partners seen as credible by policy officials within a state provide local insights and rigorous analysis. Examples include the California Arts Council's work with the Otis College of Art and Design and New Mexico Arts's work with the University of New Mexico's Bureau of Business and Economic Research.

This report on [America's Creative Economy](#) from the National Creativity Network is an excellent overview of the many types of reports and data points included in studies at the state and local levels.

Why do states use different methods of measuring the creative economy?

States have adopted their measurement strategies for a variety of reasons. One reason is that a state may have a unique cultural asset base that requires special efforts to measure. For instance, Mississippi, the birthplace of American blues, included special case studies of

Mississippi Delta blues music production in one of its economic impact studies. Minnesota, recognizing that it is home to the highest concentration of individual artists in the Midwest, released a study placing a special emphasis on the contributions, needs and working conditions of artists in the state.

Particular policy or evaluation needs also can drive a state's choice of measurement methods or industry definitions. For instance, digital entertainment is a growth component of Georgia's creative economy, so its latest study is constructed to allow the state to examine trends in that industry. In Louisiana, the arts were identified as vital to helping the state rebuild after Hurricane Katrina, so many of the state's cultural economy measurement activities were designed to support progress toward that policy objective.

Finally, different measurement methods have varying cost and time implications. While an in-depth custom study may yield deeper insights, signing on to a national study may be more affordable.

There is no one "right" approach, though some methods may prove more rigorous and some data sources may show higher quality and utility than do others.

Are there any common denominators among states?

While the methods and definitions used to conduct economic impact studies vary a great deal, most try to address the following topics:

- industries or subsectors important to the state's creative economy
- arts related occupations and employment
- economic output of creative enterprises
- tax revenues generated by creative industries

What makes the Arts and Cultural Production Satellite Account different from other creative economy research?

The Arts and Cultural Production Satellite Account (ACPSA) is produced by the U.S. Bureau of Economic Analysis (BEA). BEA is the federal agency within the U.S. Department of Commerce that is responsible for estimating gross domestic product.

Key to the importance of the ACPSA is access to BEA national income and product accounts that very precisely define arts and culture production within and across industries. For example, the ACPSA includes only the percentage of software publishing related to computer games, computer-assisted design (CAD) and other arts related software. Jewelry manufacturing data is restricted to the artistic contribution and not commercial costume jewelry. The ACPSA also includes fractional production by advertising services, educational services (e.g., colleges and universities) and printing, to name a few. Detailed documentation on ACPSA method and data sources is available from [BEA](#) and the [NEA](#).

The ACPSA quantifies the contributions of the arts and culture to the overall U.S. economy. While state level economic impact studies are instrumental to understanding the contours of the creative economy in an individual state, BEA data is structured and standardized to support national analysis and trends over time. In particular, BEA's national income and product accounts include gross domestic product—which captures the final

value of the goods and services produced in the United States. This is a very powerful tool for assessing the economic benefits of the arts in our nation, one widely understood and trusted by policymakers.

Is ACPSA data available for my state?

Yes! In cooperation with the National Endowment for the Arts, NASAA has produced an interactive dashboard that allows you to explore state level ACPSA data relating to America's creative economy and work force. The [Creative Economy State Profiles](#) tool reveals key statistics for individual states, including value added to state economies through arts and cultural production as well as employment and compensation figures for the creative work force. It also supports regional comparisons, shows how arts and cultural production and employment compare to other industries, and illustrates trends over time.

Where can I learn more?

Contact NASAA's [research staff](#) or explore [NASAA's Creative Economy Resources](#).