

New Economy Funding Initiative

WISCONSIN ARTS BOARD

CREATIVITY. CULTURE. COMMUNITY. COMMERCE.

THE ROLE OF THE ARTS & THE ARTS BOARD IN WISCONSIN'S ECONOMIC OUTLOOK

The Great Recession of 2008 and 2009 drives ongoing debate about how and when our economy will recover. Recovery as return to past development practices, though, will not position Wisconsin for economic growth. Recovery must contribute to our economic reinvention, already in motion before the crisis. The shift from a traditional commodity-based, mass production economy to a knowledge-based, creative economy demands strategic focus on productivity, innovation and entrepreneurship.

We must invest in 21st century infrastructure that leads us forward instead of chasing an old economy, prepares our workforce for the jobs that will stay and drives traditional sectors onto new ground. The Council on Competitiveness recognized this back in 2005: "from an economic development perspective, many communities are still pursuing the old, incentive-based strategies. These don't work in a world in which firm success depends ever more on the quality of ideas and talent, and ever less on traditional infrastructure."¹

To "till the fields of innovation"² the state must then provide that 21st century infrastructure necessary for growth. It goes beyond traditional definitions - roads, bridges, dams and air traffic control - to include a healthy arts and culture industry to animate regional economic development.

Traditional tax incentives no longer work as a central investment strategy to attract, retain, and expand business and industry. In the new creative economy, the emphasis has shifted to the attraction, retention, and expansion of human talent and creativity. And educated and trained workers, bright innovators and entrepreneurs all look to live in communities with strong cultural centers, places where diverse populations are welcome.

A first-level economic investment strategy is to support artistic, cultural, and entertainment activities and occupations - essential "fuel" for other existing and expanding economic activities in a community. A pivotal 2007 national study on regional development establishes the strong symbiotic relationship between occupations in the artistic and entertainment realms and regional



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The Council on Competitiveness

labor productivity: “Our findings indicate that these occupations are not just consumers of regional resources; they are producers of them as well.”³

In this context, the Wisconsin Arts Board asserts its increasingly vital role as a state agency in the progression described in its positioning statement: **Creativity. Culture. Community. Commerce.**

The creative and cultural assets in a community are essential to foster a robust arts education program for all ages that develops creative capacity in the workforce. These assets are at once the magnetic force that attracts creative workers and entrepreneurial types, and the sustenance that allows them to thrive. Without a strong arts and cultural presence, a community cannot breed its own creative talent nor attract it. And that talent is essential to innovative and competitive commerce in urban and rural areas alike.

The Arts Board is uniquely positioned to provide leadership to engage public, private, and nonprofit sectors in a shared agenda to establish Wisconsin’s stronghold in the creative, knowledge-based economy. Specifically, the Arts Board leverages its singular position in state government to generate research; examine trends; educate policy makers; convene stakeholders; provide technical assistance, information, and grants; and partner with arts and community organizations as well as individual artists to provide programs and services for the people of Wisconsin.

The Arts Board’s work informs educational programming and institutions as well as regional economic development strategies for growth.

The Wisconsin Arts Board will play a central role in the reinvention of a robust state economy. We propose increasing government investment in the critical arts and culture sector through increased appropriation to the Arts Board. With a multi-layered approach, the Board can stimulate growth and strengthen the impact of artists and arts organizations on regional economies, and expand community capacity for creativity, innovation, and entrepreneurship. We need to be positioned to meet the demand for research and data to drive better regional decision making. With expanded capacity, we can:

- Offer more detailed trend analysis;
- Provide regular briefings to policy makers at all levels of government;
- Deliver service packages specific to growing the statewide networks we convene; and
- Continue to develop innovative local, regional, and state partnerships that better leverage resources at every level.

Non-profit arts organizations
and their audiences in
Wisconsin generate

\$418 Million
in Economic Activity
15,000
full time jobs

Americans for the Arts, 2007.⁴

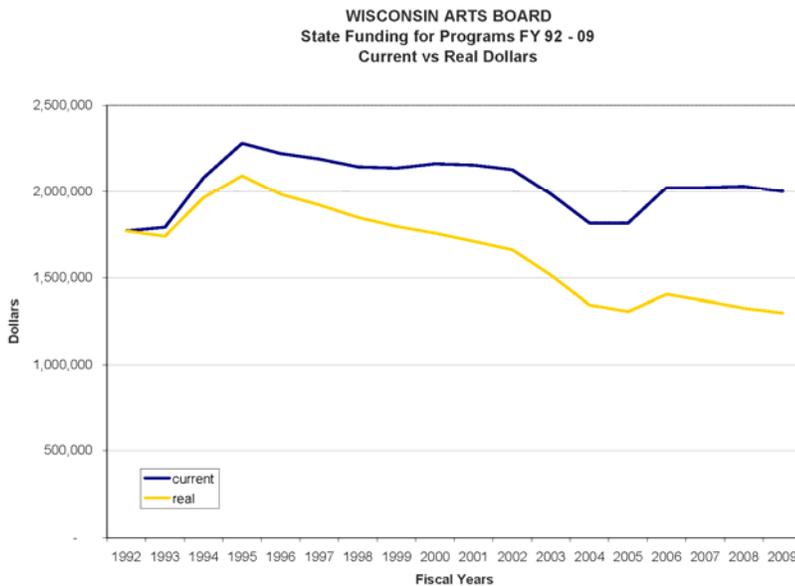


Michael Macone, owner of *The Potter's Shed* in Shell Lake, introduces Arts Board members and staff to his multi-faceted business.

BACKGROUND

1992 was the last year in which the Wisconsin Arts Board's budget was increased beyond obligatory salary raises. At that time, the appropriation represented fifty-nine cents per capita, ranking Wisconsin 30th in the nation for state arts agency funding. Today, Wisconsin ranks consistently in the bottom 20 percent of the fifty states.

2010 General Purpose Revenue funding for the Arts Board totaled just forty-three cents per capita, and the actual dollar increase over the intervening eighteen years accounts for only 49% of what would offset the cost of inflation over that period.



Americans for the Arts' *National Arts Index 2009* lends greater definition to our fiscal challenge. Their data portrait of the health and vitality of arts in the U.S. shows a decline in charitable giving to the arts, accompanied by loss in market share of philanthropy. That trend occurs even as personal arts creation – i.e. making art and video, playing music – increases, as does the number of arts organizations and the demand for arts education.

Even as Arts Board funding has effectively declined, the shift to a creative, knowledge-based economy generates increased demand for the Arts Board's services and expertise and for grants to accommodate changing regional economies.

FY 10 Per Capita State Arts Funding	
Arts Midwest (average)	\$1.26
National (average)	\$.96
Wisconsin	\$.43

Source: National Assembly of State Arts Agencies, *FY 2010 Legislative Appropriations Annual Survey*, January 2010

GOAL

Secure \$1.00 per capita arts funding – an additional \$3,204,858 – annually for grant purposes in the 2011- 2013 State of Wisconsin biennial budget. The total funding requested is \$5,622,558, based on 2008 data from the US Census Bureau.

In addition to expanding the capacity for the Arts Board's work as described above and to increasing grants to existing state arts organizations, the additional strands this funding will support are as follows:

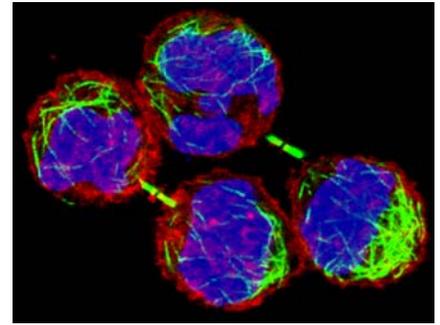
NEW PARTNERSHIPS WITH THE NONPROFIT ARTS AND THE CREATIVE INDUSTRIES

Wisconsin's artists are an entrepreneurial force, creating new products, services, and small businesses that contribute to a strong creative economy. Wisconsin's nonprofit arts organizations provide outlets for the work of these artists and animate the communities in which they live. Creative and talented people of all types – in the arts, sciences, business and technology - want to live and work in places where they can benefit from the productive interactions of a population that is diverse by every measure. Wisconsin's arts and cultural organizations provide places and events for these interactions to occur *and* play a direct role in developing a community's creativity quotient with outreach and educational programming that engages all ages.

Wisconsin's nonprofit arts sector, in this economic context, will continue to be a growth industry, with a steady increase in the number of organizations and with significant expansion of facilities. These facilities are laboratories for creativity, community gathering spaces, and, in many cases, brand trademarks of a community and even the state. Witness the use of images of the Calatrava addition to the Milwaukee Art Museum to signal Milwaukee's and Wisconsin's participation in the creative economy and serve as our trademark in national and world tourism. Indeed Wisconsin's brand celebrates a history of fostering a culture of original thinkers across economic sectors: *"In Wisconsin, originality rules."*

The Wisconsin Arts Board led the way to build bipartisan support for legislation creating crucial tax incentives to make our state's film, television and video production industries competitive. The incentives brought over \$18 million in new spending to the State of Wisconsin in just the first year, as well as growth in the industry and recognition for our workforce's creativity and work ethic.

With expanded capacity, the Arts Board will be positioned to support successful, strategic growth in every sector.



CHO Cells Dividing. Photo courtesy of Ahna Skop, member of the WI Task Force on Arts and Creativity in Education



The Milwaukee Art Museum's Calatrava Addition.

REGIONAL ECONOMIC DEVELOPMENT

Wisconsin is particularly well-suited to a regional approach to economic development. It is a state of many small and mid-sized cities that anchor regional economies. The Arts Board's positioning statement – **Creativity. Culture. Community. Commerce.** – establishes the progression of strategies necessary to 1) develop, attract and retain a talented workforce; 2) capitalize on a region's distinctive assets and culture; 3) deepen connections among citizens, the city and the region, and the region to the global community and economy; and 4) foster innovation and entrepreneurial commercial activity to build sustainable economies.”⁵

Increased investment would allow the Wisconsin Arts Board to provide timely critical briefings for both public and private sector leaders, helpful resources, emerging research, and partnership funding to Wisconsin's regional economic development organizations that have remapped our state. The Board's singular expertise can then better foster effective development of the creative economy infrastructure needed for each region to fully prosper.

ARTS EDUCATION

New information technologies today transform the economic and cultural landscape in which we live and work. The call for more workers proficient in STEM (Science, Technology, Engineering and Math) studies in Wisconsin will translate to higher levels of bold thinkers, working innovatively and taking entrepreneurial risks, with arts and creativity education positioned as core curriculum. The Wisconsin Arts Board leads to add the arts to STEM, for high-energy STEAM power in Wisconsin's economy, receiving national recognition for its work in this area.

In April, 2008, Lieutenant Governor Barbara Lawton, Chairperson of the Wisconsin Arts Board and State Superintendent of Public Instruction Elizabeth Burmaster convened the *Wisconsin Task Force on Arts and Creativity in Education*. The Task Force addressed how to best prepare our children to thrive in a fast-changing world where the school model as a knowledge factory is as outdated as the traditional mass production models for manufacturing.

The Task Force's detailed "Plan for Action" recommends changes in state-level policies and local practices to integrate development of creative capacities across the curriculum. Six communities are at work developing models to build a rich curriculum of arts education and development of creative capacities, both in the classroom and in partnership with organizations and the private sector in the community.

Wisconsin's Regional Economic Development Organizations

- Centergy
- Grow North
- Momentum West
- New North
- Northwest Regional Planning Commission
- Milwaukee 7
- 7 Rivers Region
- Southwest Regional Economic Planning Coalition
- Thrive



Participants in Danceworks Milwaukee's MadHot Ballroom Dance Competition, an example project in the Task Force's report.

The specific expertise represented by the Arts Board and staff in developing education for creativity competencies is currently unduplicated by any state agency. Additional funding will result in faster and broader implementation of Task Force recommendations, policy changes within the public sector, and in dissemination of strategies for the business and non-profit community partnerships, toward the end of building a truly competent 21st century workforce for all sectors

MOVING FORWARD

The Wisconsin Arts Board's contributions to the state's quality of life and economic outlook are well-established. Wisconsin's citizens would see a growing return on their investment in the extensive expertise of the Board and staff with an increased appropriation in the next budget, timed to speed economic recovery and lay the foundation for growth in all parts of the state.

With \$1 per capita, a median and average appropriation for a state arts agency, the Wisconsin Arts Board's increased capacity for research and data analysis would provide a blueprint for identifying and supporting the creative industries – advertising; architecture; arts and antique markets; crafts; design; designer fashion; film, video and photography; software, computer games and electronic publishing; music and the visual and performing arts; publishing; television and radio – as a critical sector in community and regional economic development.

With \$1 per capita, the Wisconsin Arts Board could advance development of innovative partnerships, some already identified but waiting to be catalyzed. Better collaboration between sectors (public, nonprofit, private) will attract and leverage increased investment in the arts throughout the state. This includes small business development support for the arts.

With \$1 per capita, the Wisconsin Arts Board could advance groundbreaking work that links development of creativity in education to the solutions needed for building sustainable businesses and communities, and to creative industries partners in our state.

We have only begun to mine the economic development potential of the Board and staff. Our goal is to develop a statewide creative sector strategy that aligns with the nonprofit sector, strategic out-sector partners, and Wisconsin's creative industries. We invite you to join us.

(1) Council on Competitiveness. *Measuring Regional Innovation: A Guidebook for Conducting Regional Innovation Assessments*. Prepared for the U.S. Department of Commerce Economic Development Administration. Council on Competitiveness, 2005, p. 7.

(2) Lohr, Steve, "Can Government Till the Fields of Innovation." *New York Times*, June 20, 2009.

(3) Pp. 5 and 41, Florida, Richard; Mellander, Charlotta; and Stolarick, Keven. "Inside the Black Box of Regional Development: Human Capital, the Creative Class and Tolerance." April 2007.

(4) Americans for the Arts, *Arts and Economic Prosperity III: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the State of Wisconsin*, 2007.

(5) Similar assertions have been posited by others, including Carol Coletta, President and CEO, CEO for Cities,



Sir Ken Robinson, Ben Sidran, and Lt. Governor Lawton at the Creative Wisconsin Summit, January, 2009.

“We need to create environments—in our schools, in our workplaces, and in our public offices---where every person is inspired to grow creatively.”

“ ...Because as the world evolves, the very future of our communities and institutions will depend on it.”

*Sir Ken Robinson,
The Element*