

Institute of American Indian Art

Cultural Tourism Seminar
Cultural Entrepreneurship – Building Business

Presented by:

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www.culturalentrepreneur.org

Global trade in services and products of creativity continued to register an annual average growth of 14 percent even as world commerce declined by 12 percent in 2008.

*Creative Economy Report 2010:
A Feasible Development Option
United Nations Conference on Trade and Development*



UNCTAD

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

“The report shows that well-nurtured, along with the traditional sectors, the creative economy can be a source of growth, job creation, innovation and trade, while at the same time contributing to social-inclusion, cultural diversity and sustainable human development”

*Rebeca Grynspan,
The Associate Administrator of The UN Development Programme*





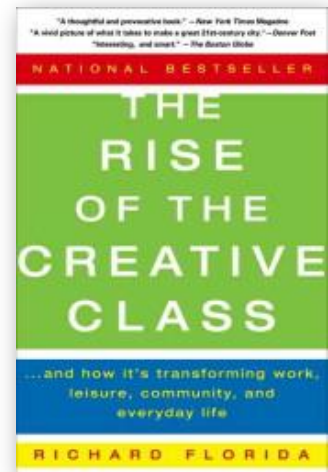
I was talking to my students at Carnegie Mellon. And they kept telling me, *"It's not just that we're picking a job; we're picking a place to live."* It became clear to me that the whole field of economic development and urban planning had tilted away from reality. I was seeing these trends happening and I said, *"I have to write this book."*

What people want from a city and what is driving a city economy is very different than what I had learned. I wrote it because I was trying to talk honestly and candidly about these changes I was seeing in society, that people were telling me about, that I was seeing in the data...It didn't seem like my field was really up to talking about it. Now the environment is so much better.

But back then many cities were much more constipated, they didn't reach out to artists, they were not really welcome to ethnically diverse groups of people or the gay and lesbian population.

And those people really felt their cities didn't really recognize their talents and capabilities and they were kind of an invisible Leadership.

Richard Florida





From “Creative Economy to Creative Society” Mark J. Stern and Susan C. Seifert

Urban policy-makers generally agree that regional economic development and job growth are the solution to urban poverty and its associated blight and pathology.

The Creative Economy is one of the today’s most popular remedies for ailing cities.

Europe

CULTURE/ EESC: EESC adopts Opinion aimed at boosting Cultural Sector

The European Economic and Social Committee (EESC) adopted an Opinion which urges for more focus on cultural and creative industries (CCIs), and also comments on the Commission's Green Paper entitled "Unlocking the potential of cultural and creative industries".

Whilst the share of manufacturing industries in the European economy diminishes, culture and creativity are essential assets for Europe's future. CCIs – investments, jobs – are expected to grow disproportionately.

The EESC calls for an "internal market" and a "European space" for creativity. To that end, the EESC pleads for a better definition of the sector, for more accurate statistics and for attention for the social impact of creativity clusters.

Among the main aspects to take into account, it mentions the requirement to offset the vulnerability of the sector's businesses – especially SMEs – and the shaping of a "critical mass" of investments, smart tax concessions, new funding models and instruments and the protection of intellectual property. It can also be useful to draw up Europe-wide business plan guidelines for creative projects/services/works, as well as performance indicators.

Creative Industries in the UK

Dec 29 2010

The following provides a brief introduction to the state of cultural and creative industries in the UK.

In the Economy:

Creative employment provides around two million jobs, in the creative sector itself and in creative roles in other sectors. Employment in the sector has grown at double the rate of the economy as a whole.

Creative industries contributed 6.2% of the UK's Gross Value Added in 2007.

Exports of services by the creative industries totaled £16.6 billion in 2007, equaling 4.5% of all goods and services exported. There were an estimated 157,400 businesses in the creative industries on the Inter-Departmental Business Register (IDBR) in 2008; this represents 7.3% of all companies on the IDBR.

As a nation we have the largest creative sector in the EU and relative to GDP probably the largest in the world. It is one of the few sectors that continued to grow throughout the recession.

Cities, Regions and States Investing in their Cultural and Creative Economy:

Hawaii Office of Cultural Industries – Colorado Office of Creative Industries
Louisiana – Massachusetts
Maryland – State of NY – Berkshires – Portland, ME
Portland, OR – Philadelphia – San Diego – Brooklyn
New Orleans – Austin – Dallas – Baltimore – Beacon, NY – Chattanooga
Indianapolis – Paducah, KY – Manitou Springs, CO – Bisbee, AZ
Silver City – Davenport
San Francisco – Savannah – Rochester, NY – Cincinnati
Stone Mountain, GA – Hardwick, VT – Los Angeles
Lansing, MI – Greensboro, NC – Ann Arbor, MI – Riverside, CA
Detroit – Santa Fe – Albuquerque

And, countries making important investments in their Cultural and Creative Economies:

China, including Hong Kong – Singapore – Vietnam

Creative London – England

Scotland – Canada – Australia

Caribbean Countries – South Africa

Thailand – Indonesia

Examples of Investments in Local Cultural and Creative Economies

A fresh Alaska Dungeness crab sits on a table at the crab station at Icy Strait Point in Hoonah. Since opening in 2004, Icy Strait has brought in hundreds of thousands of visitors, including 123,000 people in 2010, according to corporation figures. The attraction has created more than 130 seasonal and permanent jobs annually with most of the jobs going to Hoonah residents, making the corporation the largest local employer.



AP photo: Icy Strait Point

“But Four Directions is much more than a lending tree. In addition to its business and educational services, the organization has launched a major economic development initiative—the Cultural Tourism Program—that will bring jobs and visitors to Indian country in Maine. “We feel that culture is a natural resource tribes have that can be developed to help them create a healthy vibrant economy in their communities. We want to help them create that tourism economy and we’re going to do it by supporting businesses that support tourism,” Hammond said...

The program includes a virtual Wabanaki trail, a virtual Wabanaki marketplace, and a branding initiative that will showcase—and market—the products made by dozens of small business and micro-enterprises, artisans and artists. The goal is to get Maine Indian-made products directly to the consumer, thereby maximizing the income for these cottage industries. When it has established markets and distributors for these products, Four Directions anticipates growth opportunities for emerging entrepreneurs in home décor, clothing, cultural performance, food products, beauty products, jewelry, art and eco-tourism, to name a few.”

Adapted from the Cherokee Nation Cultural Tourism consumer and group tours, the education tour program features the Cherokee History Tour, Will Rogers Tour and the Civil War Tour. Education Tours

“But now, Nashville is striving to show it’s much more than that (country music). Bluegrass has moved its way south from Kentucky to Nashville and the area also attracts Christian contemporary, jazz and blues artists...music industry had a \$6.38 billion impact on Nashville’s economy and that 35,000 jobs were directly tied to music production and music related tourism.”

“Yale Bologna Festival in Yale, MI draws 20,000 people to this town of 2,000”

“San Jose, CA holds a Mexican Heritage Festival with music, art, film and dance. That draws 50,000 people over a three-day weekend... it funnels \$6 million into the economy”.

“Celebrating the Local” Christine Jordan Sexton

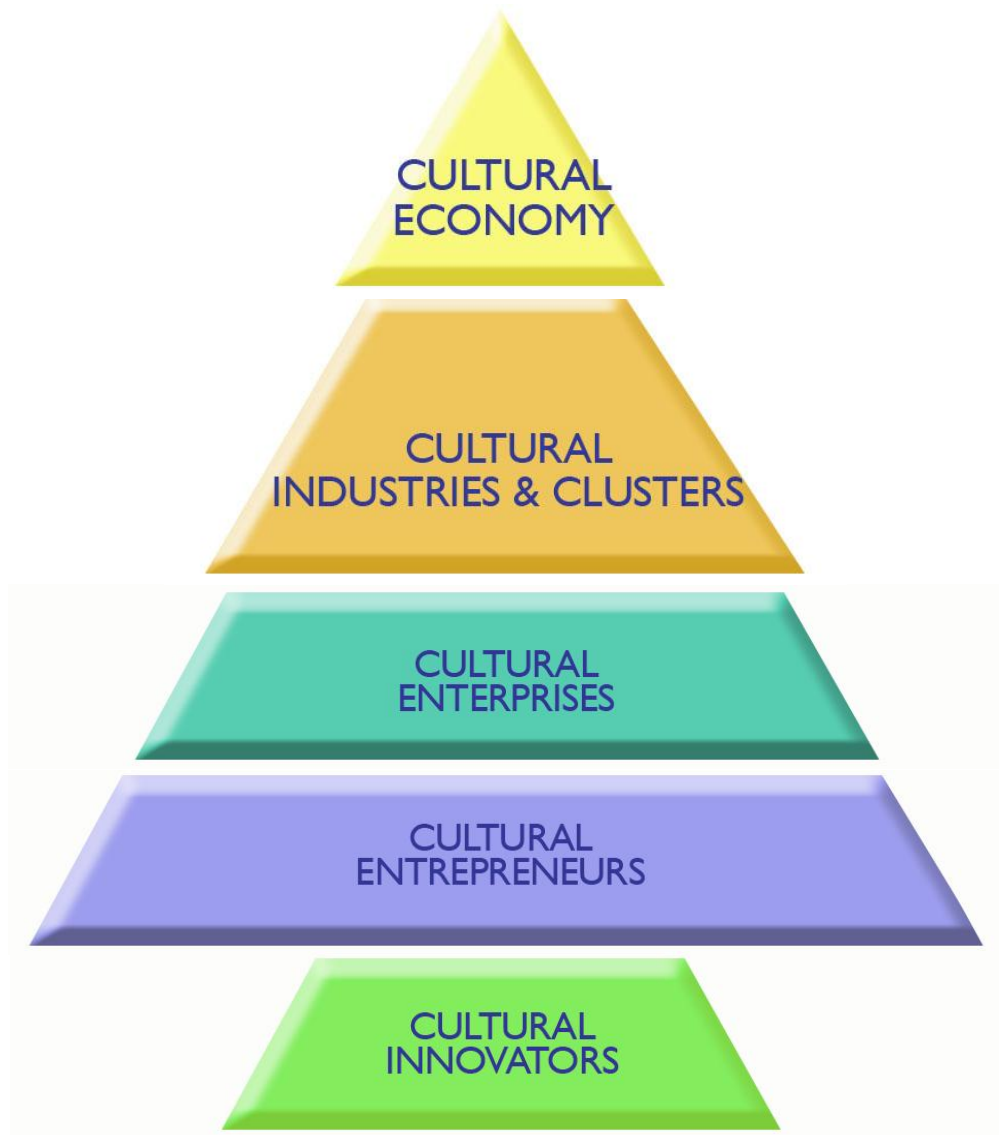
“Harrisburg, PA is abuzz with art galleries and restaurants-also is an example of successful place making. Midtown Harrisburg-once blighted-now is bustling with activity”

Ventura, CA “The \$61 million mixed-use, mixed income utopia is called WAV- Working Artists Ventura. It has 54 live-work units for artists with monthly rent starting at \$400. The top floor features market-rate lofts selling for more than half a million dollars per unit-which helps subsidize the cost of the affordable units.

The WAV is an economic engine and a cultural force.” Steve Wright, Cultivating the Arts: Cities benefit from using the arts as an economic development tool.



Artist rendering view from the corner of Ventura Avenue and Thompson Blvd

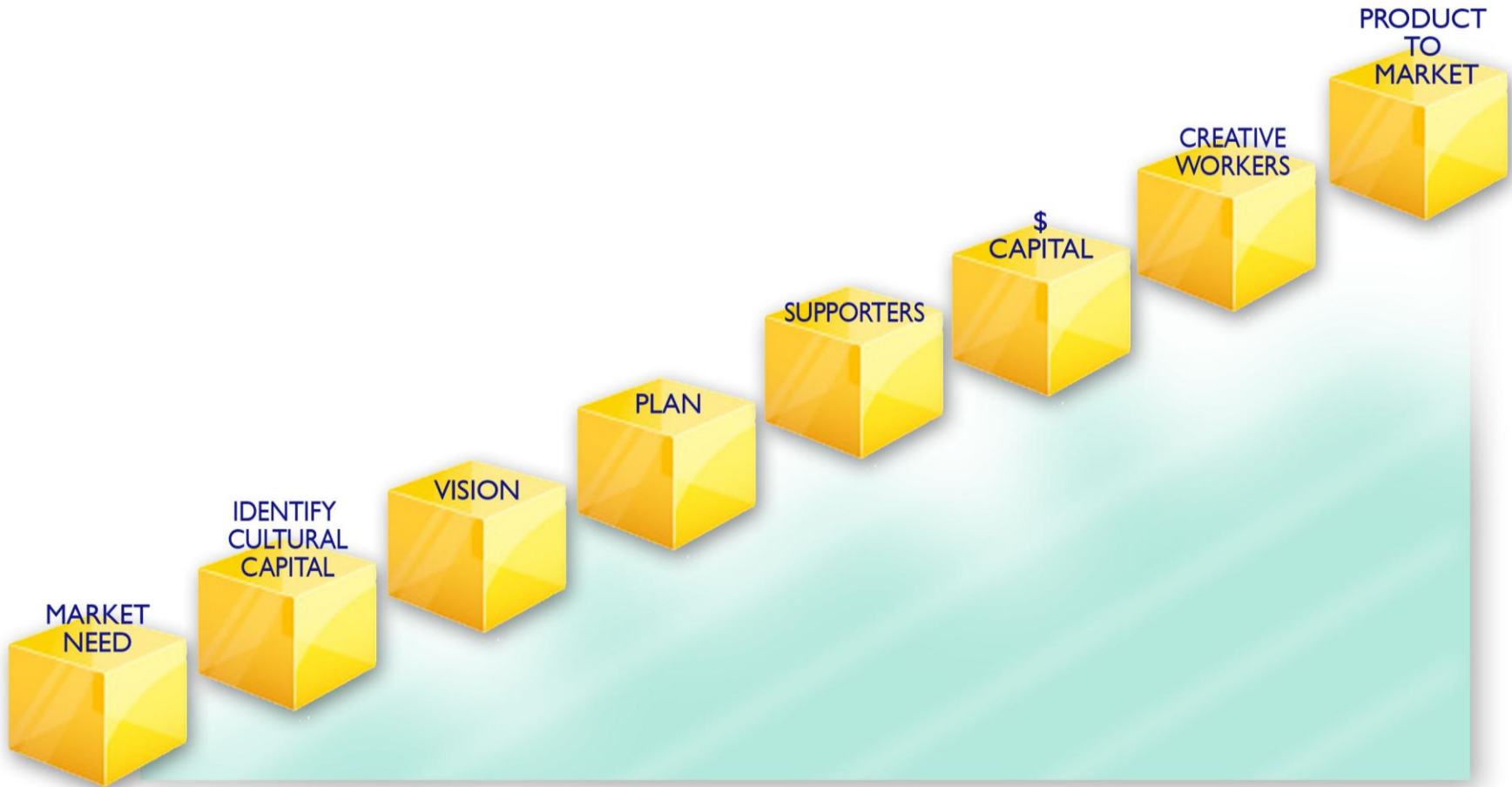




Cultural Entrepreneurs

Cultural Entrepreneurs are cultural change agents and resourceful visionaries who generate revenue from a cultural activity. Their innovative solutions result in economically sustainable cultural enterprises that enhance livelihoods and create cultural value and for both creative producers and consumers of cultural services and products

Cultural Entrepreneurs: Producing Cultural Value and Wealth, Chapter 6,
Tom Aageson, "Culture and Globalization: The Cultural Economy,
Sage Publications





Cultural-Creative Entrepreneurial Ecology

Pro Entrepreneurial

Cultural Capital is Honored and Treasured

Financing

Market Linkages to National and Global Markets

Local Markets with National Interest

Supportive Infrastructure (Housing, Production Services)

Public-Private Partnership

Innovative Policy Towards Entrepreneurship

Higher Education in Creative Studies & Entrepreneurship



Building Your Cultural Economy Around the Cultural Entrepreneur

Entrepreneur-led development requires support in five areas for success:

Cultural Industries Policy

Education, Training, Mentorship, Technical Assistance

Investment in Infrastructure & Entrepreneurs

Creating Markets, Developing Market Links

Sharing Our Wisdom



Cultural Enterprises

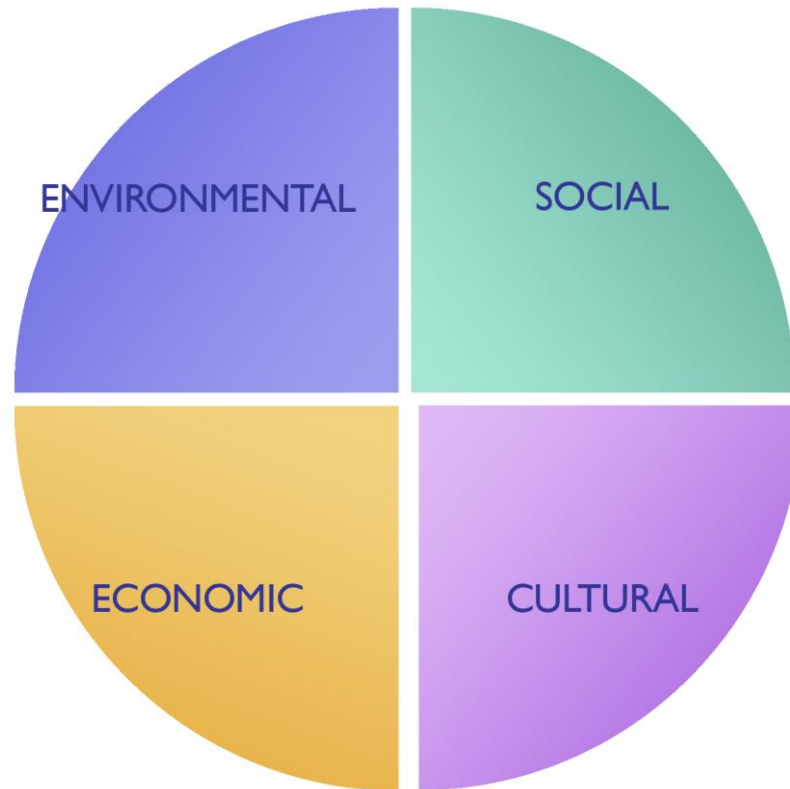
Cultural enterprises are commercial or nonprofit ventures that connect creators and artists to markets and consumers.

They create, produce and market cultural goods and services, generating economic, cultural, environmental and social opportunities for creators while adding cultural value for consumers.

Cultural Entrepreneurs: Producing Cultural Value and Wealth, Chapter 6,

Tom Aageson

Cultural-Creative Enterprises Create Integrated Blended Value and Sustainability



Cultural-Creative Enterprise Brands

Putumayo World Music created a new music genre by aggregating music of a type or region and publishing CD's.



Sundance: Robert Redford's brand includes the Sundance Film Festival, Sundance Institute, Sundance Cinemas, Sundance Catalog, and the Sundance Channel

sundance

Bilbao, Spain: This Spanish city made a huge capital investment to create their cultural economy out of the ruins of deteriorating city using the brand equity of Guggenheim and Frank Gehry



Lima, Peru: Cordon Bleu established a branch of their school in Lima and today Lima is a culinary capital in South America



Miami-Basel Contemporary Art Show

Miami, desiring to become a major contemporary art center, partners with the Basel contemporary art show and gains immediate recognition and builds Miami's economy



Cultural Industries and Creative Industries

CULTURAL INDUSTRIES	CREATIVE INDUSTRIES	CULTURAL INDUSTRIES	CREATIVE INDUSTRIES
Film	Film	Tourism-Creative and Cultural	Tourism-Creative and Cultural
Visual Arts	Visual Arts	Writers	Writers
Performing Arts	Performing Arts	Artisans & Artists	Artisans & Artists
Design (Graphic, Fashion, Industrial)	Design	Theater	Theater
Museums	Museums	Culinary	Culinary
Architecture	Architecture	Healing Arts	Healing Arts
Music	Music	Education	Education
Galleries	Galleries	Literature	Literature
Markets, Festivals	Markets, Festivals	Heritage	Heritage
Advertising	Advertising	Landscape	Landscape
Publishing	Publishing		New Media
			Computer Games
			Software

Cultural-Creative Economy Clusters

City of Santa Fe Music: Santa Fe Opera, Pro Musica, Santa Fe Chamber Music Festival, Santa Fe Symphony, Santa Fe Community Symphony, Santa Fe Desert Chorale, New Music, Santa Fe Jazz Festival, Santa Fe University of Art and Design Contemporary Music Program



Creative Education: Santa Fe University of Art and Design, Institute of American Indian Art, Santa Fe Community College Art and Design, New Mexico School of the Arts.

Informal: 120 Creative Tourism Enterprises and Workshops

Regional Cultural Economy Clusters

Cultural Corridor:

Develop a destination strategy based on all of the cultural offerings from Albuquerque to Taos. Pool resources.

Move markets with larger budgets



Napa Valley:

A brand that is defined around vineyards, vintners and the good life

Southern Mexico:

Chiapas, Yucatan & Campeche have rich Mayan cultural traditions in communities that integrate cultural practices with food, Festivals, music, art and handcrafts

Cultural Capital

Cultural capital includes traditions, music, skills, dress, stories, art, feasts and celebrations, food, place, architecture, landscape, history, ethnology.

CAPITAL REQUIRED TO BUILD CULTURAL ENTERPRISES





Selected Culture and Economic Development Tools

CID'S and BID'S
Film Production TIF/TIDD's Tax
Rebates
Filmmaker Gross Receipts Tax
Deduction
Film Investment Loan Program
Tax Increment Financing Districts
Certified Local Govt. Program (CLG)
Local Historic Preservation Act
Main Street Program
Zoning
Cultural Enterprise/Industries Office
Affordable Housing Strategies

Arts and Culture Districts
Quality of Life Incremental Tax
Enterprise Zone Marketing
Micro/ SME Loan Fund
Incentives for Job-Producing
Economic Development Corps.
Incentives for Enterprise Expansion
Neighborhood Stabilization
Program
Incubators

Investing in Your Cultural Economy And Entrepreneurs





The Role of Education in Building a Future Local Cultural and Creative Economy

Abilities of our children to learn critical thinking skills, creative problem solving, innovation are now essential to functioning in our future economy.

Creative Britain plans to introduce creativity into the earliest of grades in order to prepare the future workforce.

Wisconsin just completed the
“Wisconsin Task Force on Arts and creativity in Education”

The Wabanaki Cultural Tourism Center would provide training in areas such as business development, hospitality, and culinary arts. This training would allow Native people to start sustainable and successful businesses. The end result would be a solid infrastructure that would capture more community and tourists dollars. Native artists and crafts people who make baskets, create works of art in various mediums such as wood, beads, drawing, photography, jewelry etc. would have outlets for their work.

IBM reports from their global survey of CEO's,
“creativity is now the most important leadership quality
for success in business, outweighing even integrity and
global thinking.”

Oregon-based Regional Arts and Cultural Council
(serving Clackamas, Multnomah and Washington Counties,
including Portland)
launched the Right Brain Initiative (RBI)
in the fall of 2010.

The RBI "is a collaboration among artists, arts organizations, school districts, governments, businesses and donors who are working to integrate arts education experiences into the standard curriculum of every K-8 classroom across the region's school districts. At present, 11,000 children and their teachers will be served in 20 pilot schools across 4 districts."

They expect to "roughly double in size each year for the next 4-6 years until every K-8 student... is being served."

John Eger, San Diego State University,
from his Huffington Post blog.



Actions Local Communities Can Take Now

Develop a Cultural and Creative Industries Policy and Gain
Local Commitment

Promote the understanding of cultural/creative enterprise
and cultural/creative entrepreneurs and all they
contribute to your society

Create an entrepreneurial ecology in the community

Seek out the cultural and creative entrepreneurs

Fulfill the five elements of success

Create capital for cultural/creative entrepreneurs
& their enterprises

Develop a cultural/creative “venture capital fund”

Establish benchmarks for measuring investments in
entrepreneurs and their enterprises,
taking into consideration economic, social, and
environmental and cultural sustainability



Vision:

We envision a world in which cultural entrepreneurship creates cultural value and economic wealth, self-determination, and cultural diversity in communities across the globe. We envision a world in which cultural entrepreneurs are catalysts for cultural innovation through their cultural enterprises. Toward this vision, we are creating the globe's first networked community of cultural entrepreneurs, cultural investors and cultural entrepreneurship educators.

Mission:

GCCE cultivates thought leadership and advocacy to foster an environment in which cultural entrepreneurs can successfully scale their cultural enterprises. GCCE connects cultural entrepreneurs with knowledge, technical assistance, market links and information, and access to financial capital necessary to the success of their venture.

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