

# 20 REASONS

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THE TEXAS ECONOMY DEPENDS ON THE ARTS  
AND THE CREATIVE SECTOR



Put your **ART** into it.

For the full report, visit [CreateTexas.org](http://CreateTexas.org)

The Texas Cultural Trust commissioned a 2008 economic study produced by Texas Perspectives that has found an undeniable connection between support for the arts, a vibrant creative sector and a strong economy. It's the ideas and ability to imagine taken from the arts that are the fuel for the creative sector. And it's the jobs from the creative sector that are the hidden power behind our economy. Here are 20 reasons both are vital to our economy and to the future of Texas.

## THE CREATIVE SECTOR FUELS THE ECONOMY IN TEXAS

FACT 1

Texas' creative sector employs nearly 675,000 workers. This represents an employment growth rate of 20% over the past five years.

FACT 2

Wages in the creative sector are, on average, 80.8% higher than non-creative industries. This is the real power behind our state's economy.

FACT 3

Creative sector industries not only generate commerce but also create jobs that cannot be outsourced, while supporting and re-circulating money within the community.

FACT 4

By 2016, it is projected that 1 in 12 jobs throughout Texas will be creative industry jobs.

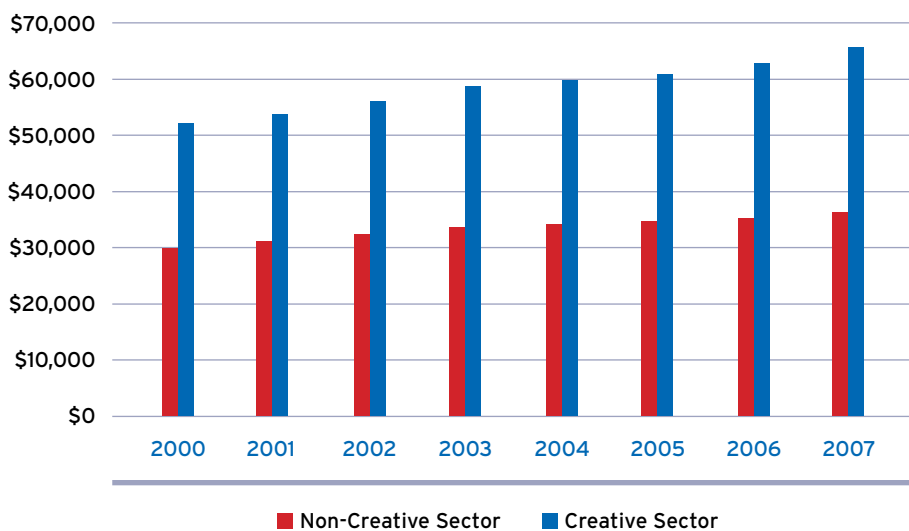
FACT 5

Between 2006 and 2016, creative sector employment is projected to increase by 22.4 percent or 140,000 net new jobs. Texas must ensure that its labor force has the appropriate skill sets required or risk losing these opportunities to other states.



John D. Ong, Chairman Emeritus of B.F. Goodrich Company has found: "People who create in our companies - whether they be scientists, marketing experts or business strategists - benefit from exposure to the arts. People cannot create when they work and live in a culturally sterile environment. The economic benefits of the arts greatly transcend and outlive any of the normal cycle. That is why business invests in the arts - even when times are tough, and when there is increased pressure to manage money carefully."

**State of Texas Average Wage: Creative Sector vs. Non-Creative Sector**



Source: TXP, US Bureau of Labor Statistics

## THE ARTS ARE AN ECONOMIC ENGINE FOR THE STATE



The arts are a cornerstone of economic development. They attract and help retain creative workers.



Access to talented and creative people is to modern business what access to coal and iron ore was to steelmaking. It determines where companies will choose to locate and grow, and this in turn changes the way cities must compete.

**FACT 9**

In the City of Houston, the nonprofit arts sector generates \$626.3 million in economic impact, supports 14,115 full-time jobs, and contributes \$69.5 million in taxes to local and state government.

**FACT 10**

Austin's South By Southwest alone in 2008 had a direct and indirect economic impact of approximately \$103 million on the Austin regional economy.

**Cultural Sector-Related Total Economic Activity in Austin**

	Sales/Shipments/ Receipts	Labor Compensation	Employment	City Tax Revenue
<b>Music</b>	\$419,208,316	\$159,203,078	5,639	\$4,731,171
<b>Film &amp; Visual Media</b>	\$281,021,016	\$79,927,770	2,689	\$1,072,500
<b>Not-For-Profits</b>	\$330,220,253	\$184,821,416	8,916	\$3,758,605
<b>Visual Arts</b>	\$201,595,212	\$87,571,770	3,874	\$2,294,580
<b>Arts-Related Tourism</b>	\$1,032,600,716	\$324,244,133	22,994	\$36,372,276
<b>TOTAL</b>	<b>\$2,251,745,804</b>	<b>\$827,761,366</b>	<b>43,744</b>	<b>\$48,075,521</b>

Source: The Role of the Cultural Sector in the Local Economy, Austin, TX

**Economic Impact of North Texas Arts and Culture Organizations (\$ millions)**

	2004	2005	2006
<b>Direct/Indirect Spending Impact</b>	\$394.6	\$413.5	\$422.7
<b>Indirect audience spending</b>	\$279.3	\$314.1	\$327.7
<b>Construction impact</b>	\$26.9	\$67.8	\$78.1
<b>Total fiscal year economic impact</b>	<b>\$700.7</b>	<b>\$795.4</b>	<b>\$828.5</b>

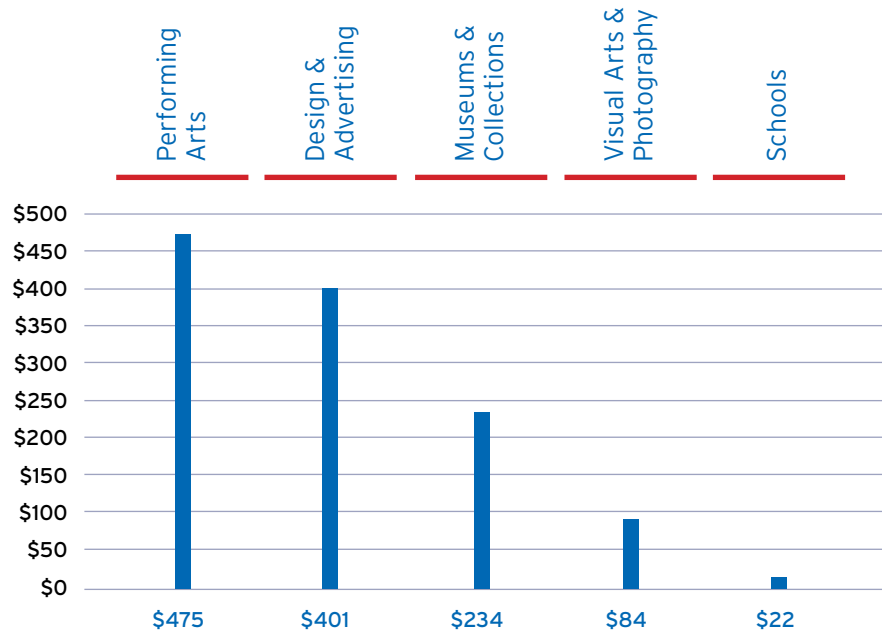
Source: 2006 Economic Impact Study of the Arts and Culture Organizations in North Texas

**Total Economic Impact of Houston Nonprofit Arts and Culture Organizations**

	Artists	Nonprofit Arts Industry	Total
Total Expenditures	\$147,600,000	\$626,328,061	\$773,928,061
Full Time Jobs	3,422	14,115	17,537
Resident Household Income	\$109,650,000	\$406,133,000	\$515,783,000
Local Government Revenues	\$5,756,000	\$33,248,000	\$39,004,000
State Government Revenues	\$4,870,000	\$36,291,000	\$41,161,000

Source: Cultural Impact Study: Houston, Texas, 2007

**Economic Impact of the San Antonio Economy Creative Industry (\$millions)**



Source: The Economic Impact of San Antonio's Creative Industry, 2003

## 501 (c) 3 ORGANIZATIONS ARE A VITAL PART OF THE QUALITY OF LIFE INFRASTRUCTURE

FACT 11

When it comes to attracting and retaining an innovative workforce, the study findings confirmed that successful communities focus on the three areas they can directly influence: vitality and diversity of nonprofit cultural arts, a well-rounded curriculum in public schools and economic development efforts that emphasize quality of place.

FACT 12

The availability of a strong arts and cultural sector ranks in the top three for young professionals, in their determination of where to live and work (from a study undertaken by the Maricopa Partnership for Arts and Culture).

FACT 13

Quality of life has deep importance for today's professionals in choosing where to live. It might be even more important to some than jobs (according to Michigan Department of Labor & Economic Growth).

FACT 14

Across America, cities that once struggled economically are reinventing and rebuilding by investing in art and culture. By creating cultural hubs, nonprofit art businesses are helping cities define themselves by drawing tourists and attracting investment. **During tough economic times it may seem intuitive to cut these initiatives, but these are the very projects that can help the economy recover.**

## WHY TEXAS NEEDS TO SUPPORT THE CREATIVE ARTS IN THE SCHOOLS

FACT 15

Creativity, collaboration, critical thinking, communication, innovation, and problem solving are essential to preparing our children for the future (according to the Partnership for 21st Century Skills). The arts within our schools are the key component to teaching the 21st Century Learning skills.



Design is a high-concept aptitude that is difficult to outsource or automate, and that increasingly confers a competitive advantage in business.



Daniel Pink speaking at a Texas Senate Hearing on January 26, 2009, said: "We need to prepare kids for their future, not our past."



Arts education can enhance academic achievement, create an effective learning environment and connect learners' experiences to the world outside of school. Multiple studies cite strong positive impacts across socioeconomic groups with respect to both academic and personal success, especially with our disadvantaged populations.



Studies have found a noticeable overlap between the skills required for innovative occupations and the skills fostered by K-12 arts curriculum.

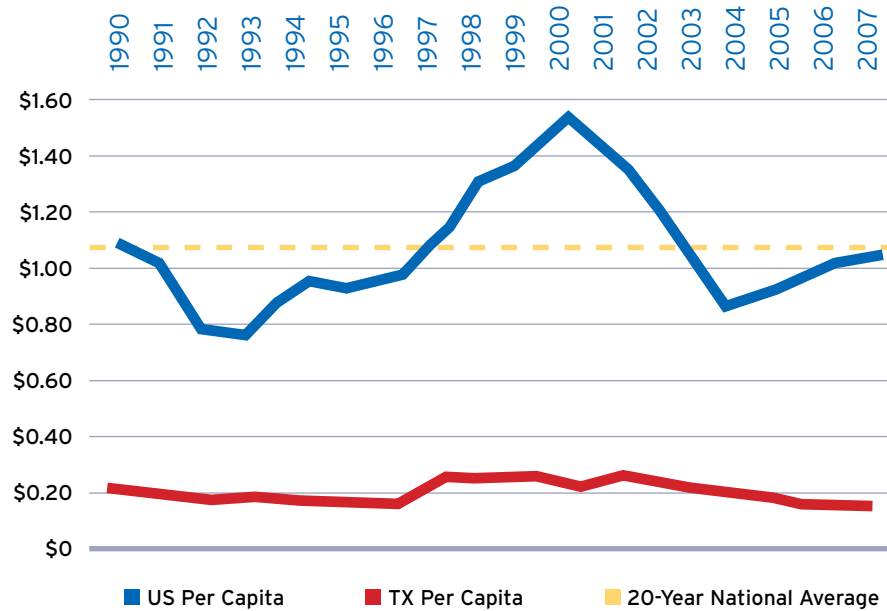


Overwhelmingly, both the superintendents who educate future workers and the employers who hire them agree that creativity is increasingly important in U.S. Workplaces (99 percent and 97 percent, respectively), and that arts training - and, to a lesser degree, communications studies - are crucial to developing creativity (from The Conference Board's "Ready to Innovate").

## **YOU HAVE THE POWER TO MAKE THE TEXAS ECONOMY STRONGER**

Our economy could be more successful, and our schools could do more to support the creativity of the emerging workforce. The national average for state funding of the cultural arts is \$1.14 per capita. Over the past seven years, that number in Texas has only been 22 cents per capita.

**State of Texas vs. U.S. Per Capita Funding for the Arts (Total Legislative Appropriation)**



Source: TXP, US Bureau Census Bureau, and National Assembly of State Art Agencies

**TEXAS CAN DO BETTER. TEXAS SHOULD DO BETTER.  
TEXAS MUST DO BETTER.**

There are two ways Texas can better support the creative sector.

**1**

We can increase funding for the arts up to \$1 per capita. Every dollar granted through the Texas Commission on the Arts requires a dollar-per-dollar match that doubles the state’s investment. This will have positive effects on the economy, economic development and our quality of life here in Texas.

**2**

We can elevate arts education to the level of core curriculum. This will help infuse creative problem solving into every part of our students’ studies, prepare our children for their future, and give every child in Texas a chance.

Two small steps. One big boost to keeping Texas one of the world’s leading economies.