

# Growth, Magnetism, and Prosperity

## **Leveraging The Arts Economy to Build Flourishing Local Ecosystems**

"Local economies are impacted by more than jobs, dollars, and heads-in-beds. It's about quality of life, the ability to attract and retain valuable employees, and mobilize the way those employees relate to local culture." —Stephen King, Des Moines Art Festival

The creative sector is a key draw for community residents, visitors, businesses, and industry allies—it puts a thriving local community on the map. It also accounts for a substantial percentage of local revenue, tax base, and visible GDP.

And yet, as an untapped resource, it can do so much more. The key to a thriving arts sector is training for economic prosperity and cultivation of substantive cross-industry exchanges that break down barriers to success and remove traditional roadblocks to collaboration.

Making this happen requires an initial foray into the community, followed by multiple subsequent touchpoints and sustained ongoing support. This is most effective when long-term community partners engage with or build expertise that is able to foster sustainable initiatives aimed at incremental growth.

The Clark Hulings Fund (CHF) creates effective working groups and vibrant community exchanges involving all art industry stakeholders, and injects business training for artists themselves, so they can play a pivotal role as economic contributors in the development of flourishing communities and healthy entrepreneurial ecosystems.

"While cities have long looked to develop rich cultural communities to improve quality of life, attract new residents, and cultivate tourism, there is new understanding among city leaders that artists are also entrepreneurs who bring in money, create jobs, and give a boost to neighboring and related businesses." —Ann Markusen, Director of the Arts Economy Initiative Project on Regional and Industrial Economics at the University of Minnesota Humphrey School of Public Affairs.



### **IMPACT ON LOCAL ECONOMIES**

"There is a direct connection between the health of the arts and culture in your community, and your ability to grow economically. People want to live in a place that is vibrant, that is growing." — Scott Smith, Mayor of Mesa, Arizona

Art Businesses are Critical to National GDP: The arts and culture sector contributed more than more than \$804 billion in 2016, 4.3% of the total GDP. That's nearly five times more than the agricultural sector and \$227 billion more than transportation and warehousing. —The Bureau of Economic Analysis & National Endowment for the Arts in FY 2017

**Art Businesses Boost State Economies as Well**: A study on the economic impact of artists from the Center for Applied Economic Research shows the arts had a net economic effect of \$233 million, with 77% of goods sold to out-of-state buyers.

**Art Businesses are Pivotal in Attracting Business Investment:** In a survey by the Joint Legislative Committee on Cultural Affairs, 99% of CEOs said the availability of cultural activities in an area is an important consideration in selecting locations for their businesses.

**Art Businesses are Crucial for Tourism:** In a survey from The Travel Industry Association of America, 65% of U.S. travelers say they included a cultural, arts, heritage, or historic activity or event while on a trip of 50 miles or more in the past year.

When Art Businesses Flourish, they Increase Prosperity of Other Industries in the Same Region: "Artists turn economic orthodoxy on its head. Compared to most other groups of workers, artists are more apt to spend what they make rapidly and on other goods and services in the local economy: ongoing training; space to work, perform, and exhibit; other artists' work. Artists enhance product design, employee relations and marketing in many industries. As human capital investment targets, artists are also worthy, because their creativity drives cultural industries—media, publishing, advertising, music, and tourism—that are among the most important US exporters." —Ann Markusen

**Art Entrepreneurs are Job Creators:** 25% of CHF Art-Business Conference attendees have hired at least one other person to grow their art businesses.

**Art Business Capital Stays in the Region:** A Boise State University study indicates many artists are self-fueled entrepreneurs, reinvesting their business revenue to spur growth—a business practice similar to other business start-ups and angel investors. 27% of CHF Art-Business Conference attendees indicate reinvesting over half of the profits from their art businesses.



## **MEASUREMENTS / METRICS / ANALYTICS**

CHF routinely provides impact report analytics that demonstrate the effectiveness of strengthening art-business entrepreneurs, nurturing local art industry ecosystems, and the relevant outcomes for specific communities. Both numeric and narrative insights measurably substantiate the effect of investment, producing accountability and bragging rights for industry leaders.

Examples of these measurements include changes to:

- Determined attitudes that foster growth and change.
- Specific behaviors that apply best practices to producing tangible outcomes.
- Financial and economic results that tend to directly impact local/regional economies.

Beyond specific key performance indicators (KPIs), we also assemble a body of anecdotal input that provides insights into what the community is thinking and how it's evolving. The goal of compiling that information is to:

- Evaluate the impact of art-business programming.
- Reduce the barriers that directly impact thriving entrepreneurs.
- Demonstrate the appropriate use of investment to achieve long-term goals.

All of this is compared to collated research across other communities worldwide to ensure that a specific community ecosystem reaches its maximum potential.

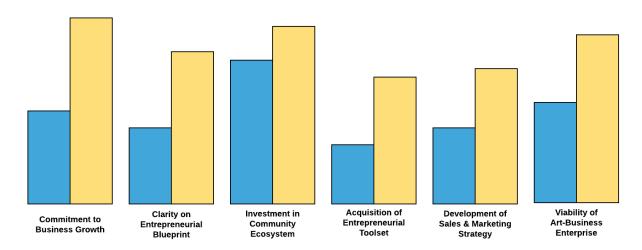
"My sales have significantly improved because of all of the work I have done with CHF.

Recently, I've made about <u>five times more</u> than I normally make... Every part of the program and everything you guys have asked me to think about and plan has really grounded and changed the way I present myself to my customers...I have seen a gigantic and significant change." —Nadia Fairlamb, CHF Art-Business Accelerator Fellow



#### TYPICAL IMPACT OF CHF ART-BUSINESS CONFERENCES ON PARTICIPATING ARTISTS:

MAJOR SHIFTS IN COMMITMENT, ATTITUDE, AND BEHAVIOR



Data from CHF Art-Business Conferences indicate that, after a single initial conference, participants report a 40% increase in the clarity of actions needed to achieve their business objectives. 87% indicated entrepreneurial training as crucial to their growth.

"The program has given me the confidence that, with the skills that we are acquiring, I will be capable of achieving a higher income than I had previously thought possible." —Bethany Taylor, CHF Art-Business Accelerator Fellow

#### ONGOING PROGRAMS PRODUCE MEASURABLE SHIFTS IN THREE PROGRESSIVE AREAS



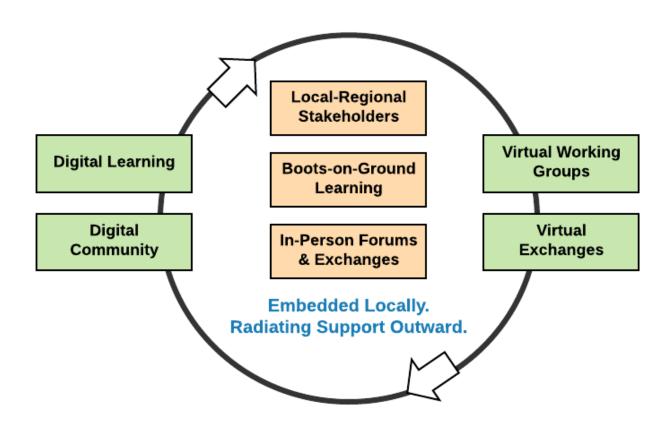
In a more concentrated program with multiple touchpoints, and specific focus on growing peer networks and a community ecosystem, 39% of participants reported an increase in revenue, 50% reported an increase in business opportunities, 50% raised prices to improve profit margins, 75% increased frequency of sales, 83% increased leveraging sales and marketing channels for growth, 22% pointed to peer networks (in addition to training) as a source of these benefits, and overall financial confidence among all participants increased by 20%.



## **PROGRAMMING**

CHF fosters continuous growth and engagement by embedding at the local level and radiating support outward, connecting ecosystems through our digital campus and virtual programming. We train individual artists, help them establish peer networks, and then engage with other sectors of the industry and community at large. Then we connect different communities to encourage benchmarking and spark new ideas. Every step is driven by structured, interactive exchange, because that's what works.

The reason an exchange works, versus just a dialogue or roundtable, is because it provides a vehicle to successfully convene diverse, multi-stakeholder groups that engage in collaborative planning, focused on how all members of the community can thrive together. This allows them to reach common ground, make decisions, and take action. Participants act concertedly to improve what needs to be improved, fix what needs to be fixed, create what needs to be created. This offers the highest potential for waves of economic and cultural development, community revitalization, and greater social connectivity.





Local-Regional Stakeholders are the crux of the process, collaborating with artistentrepreneurs to set objectives, break down barriers/silos, lend expertise and support, and lead the entire community in a unified direction.

In-person Forums & Exchanges activate community participants and involve artist-entrepreneurs, businesses inside and outside the arts, and industry and government leaders to focus on mutually thriving in a changing economy. Goals are clarified, focus is maintained, relationships and momentum are built.

Boots on Ground Learning is the anchor component that can be repeated annually, semi-annually, or quarterly to maintain momentum, provide a crucial touchpoint for all participants and stakeholders, and foment continual interactions that drive progress.

Virtual Working Groups, Virtual Exchanges, Digital Learning, and a Digital Community reproduce, extend, and continually support movement at the local level, enable benchmarking and implementation of best practices among different art industry ecosystems, and collective discovery of new ways to prosper.

## **ABOUT CHF**

Founded in 2013, The Clark Hulings Fund for Visual Artists is a 501(c)(3) nonprofit organization whose mission is to equip professional visual artists to be self-sustaining entrepreneurs. We deliver a suite of integrated learning services continually, both virtually and in-person, via live events, digital channels, and portable media formats. We build professional networks of opportunity for artists and all sectors of the art-business community, because artists cannot thrive in a vacuum, and where artists flourish, the entire community flourishes.

In five short years, CHF has expanded from our New Mexico base to deliver in-person programs across the US, and support the visual art community internationally through our digital campus. In 2018 alone, we added 121 new segments of learning content, trained artists and facilitated live art-business exchanges in four time zones, doubled our online audience and graduated 12 more Fellows from our Advanced Art-Business Accelerator. Our *Thriving Artist™* podcast was downloaded by listeners in all 50 states, 84 countries, and on multiple US military bases. We continue to grow exponentially and further develop our hybrid programming model.



## **2018 RESULTS**



CHF is led by a geographically distributed team of executive-level career professionals with diverse skill sets and decades of expertise in professional education, business leadership, media and the arts. From business strategy and development, to sales and marketing, PR and communications, to educational design and development, finance, operations, technology, and data analysis, we apply our real-world knowledge and experience to partner with arts industry leaders and help artists help themselves. Including our 60 Fellows, 16 staff and 24 board members and advisors, we currently have people located in 23 states and nine countries.