



Supporting the Creative Economy in Los Angeles

*Keith McNutt, Stanton Fellow
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Keith McNutt is a 2012-13 recipient of the Durfee Foundation's Stanton Fellowship, focusing on ways municipal and county governments can better support the creative industries in Los Angeles County. He is the Director of the Western Region of The Actors Fund, a national nonprofit that helps professionals in all disciplines of the performing arts and entertainment. Services include both emergency assistance and social services responding to need or crisis situations, as well as proactive help creating the building blocks of a financially stable career in the arts: affordable housing and health care, financial management skills, and secondary/parallel careers.

He has a Master of Public Policy from the John F. Kennedy School of Government at Harvard University, a Master of Social Work from New York University, and completed the Executive Education Program for Nonprofit Leaders at the Stanford University School of Business.

To view or download this free report, go to www.actorsfund.org/LACreates.





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INTRODUCTION

To quote one of the officials interviewed in London, “The world is littered with the ruins of cities which once sat at the top of the heap and thought themselves invulnerable.”

The purpose of this report is to provide thought leaders in the creative economy in Los Angeles, including members of the Los Angeles Creative Economy Convergence (CEC)¹, with ideas and feedback regarding the future structure and goals of efforts to better support creative industries in Los Angeles County. The need for such support is urgent.

According to *The Otis Report on the Creative Economy of the Los Angeles Region*, creative industries comprise the 4th largest sector of the Los Angeles regional economy, providing over 640,000 jobs, \$200 billion in sales and \$3 billion in tax revenue. They can no longer be overlooked as a matter of coordinated municipal and county policy in the region.

LA CREATES: Supporting the Creative Economy in Los Angeles is the product of interviews held during 2012 and early 2013 with people directly involved in similar projects or employed in the creative industries in Southern California, around the US and in three Western European countries. It was made possible through a Stanton Fellowship from the Durfee Foundation.

The Durfee Foundation adheres to the values of its founders, Dorothy Durfee Avery and R. Stanton Avery, by rewarding individual initiative and leadership, primarily focusing on the LA region. The Stanton Fellowship affords recipients \$75,000 over two years to think deeply about the intractable problems in their sector, and to tease out solutions that will improve life for the people of LA. I was awarded a Stanton Fellowship to focus on ways municipal and county governments can better support the creative industries in Los Angeles County.

As the Director of the Western Region of The Actors Fund, a national nonprofit that helps professionals in all disciplines of the performing arts and entertainment, I am very familiar with the needs of the creative sector. The Actors Fund provides both emergency assistance and social services responding to need or crisis situations, as well as proactive help creating the building blocks of a financially stable career in the arts: affordable housing and health insurance, financial management skills and secondary/parallel careers.

The Stanton Fellowship affords six weeks in each of two calendar years for project activities. While the preparation of this report included review of some of the relevant literature, the work focused primarily on interviews with thought leaders in southern California, the US and Europe, as well as professionals in the creative industries more broadly and participants in public policy initiatives seeking to support those industries. It does not offer empirically based evidence of the outcomes or successes of specific ideas or policies, but a collection of some of the best thinking and impressions from a sample of experts around the country and elsewhere in the world. Unless directly stated otherwise, the opinions are those of people interviewed and, where cited, the author, not those of the Durfee Foundation or The Actors Fund.

If there is any single lesson to be gleaned from more than 100 hours of discussions on this subject, it is that most of the world understands the importance of the creative industries to the health of their broader economies. They understand it, they value it, and they are fighting for it with a fierce new competitiveness that is going to allow for no safe haven in the next few decades.

To quote one of the officials interviewed in London, “The world is littered with the ruins of cities which once sat at the top of the heap and thought themselves invulnerable.”

¹The CEC is a coalition of interested leaders from academia and public policy, government, nonprofit arts, for-profit creative industries (including entertainment unions), and philanthropy. It is described further on page 10.



Los Angeles is, for now, the creative capital of the United States and among the elite creative cities of the world. But technology, competition, intellectual property piracy and our own lack of attention are already combining to present monumental threats to LA's creative sector jobs. The question facing southern Californians is, "What are we going to do about it?"

Fortunately, the Stanton Fellowship allows for additional work through 2013, so I am able to follow up this study by conducting a deeper research dive into specific recommendations, organizing convenings that bring new partners to the table, making presentations to interested parties or helping with the structure and goals of a creative economy coalition such as the CEC. Useful convenings might focus on developing a regional brand, pulling together the parties regarding workforce development recommendations, and inviting government affairs representatives to a first-ever gathering across creative industries to assess common goals.

My sincerest thanks to each of the very busy people in Los Angeles, around the country and in Europe who agreed to take time out of their schedules to participate in an interview, make introductions to other participants and offer such honest and insightful feedback.

In addition to the interviewees listed in **Appendix A**, I want to extend my heartfelt appreciation for the generous contributions of wise counsel, guidance and time from Olga Garay-English, Sammy Hoi and Tyler Stonebreaker of the CEC; Beth Siegel and Beate Becker of Mt. Auburn Associates; Joe Smoke of the LA Department of Cultural Affairs; Laura Zucker of the Los Angeles County Arts Commission; and volunteer reviewers (beyond those above) Graham Hitchen, Angie Kim, Lotta Lekvahl and Nancy Walch; and former Stanton recipients Anita Landecker, Torie Osborn, Aaron Paley, Robert Sainz and Alexia Salvatierra.

Special thanks to research assistant Kenneth Walker, founder of the contemporary ballet company Kenneth Walker Dance Project. Kenneth is a graduate of the Master in Arts Management program at Claremont Graduate University and a MBA from the Drucker Business School. He helped identify key people around the country and in Europe, making available some of the deep well of creative economy knowledge beyond Los Angeles, as well as serving as a reviewer on this document.

I want to recognize the contribution of communications consultant Linda Chiavaroli for her excellent and honest editing of this report, transforming a tremendous amount of information into an accessible read; and of designer Jeremiah McNulty, who translated a complex series of recommendations into a viable brand for Los Angeles and whose clean, elegant work further extended the accessibility of this document.

As always, I am grateful to Joe Benincasa and Barbara Davis of The Actors Fund for building an organization so wholly devoted to the welfare of people who are essential to civil society, and ensuring that its employees are supported in their growth and service.

Finally, my deepest admiration and gratitude to Carrie Avery, Claire Peeps and Esther Kang of the Durfee Foundation for making this wonderful journey possible; and to Josephine Ramirez of the Irvine Foundation, Janice Pober of Sony Pictures Entertainment and Cora Mirikitani of the Center for Cultural Innovation, without whom I wouldn't have begun walking down this path at all.

A handwritten signature in black ink, appearing to read 'Keith McNutt', written in a cursive style.

Keith McNutt

August 2013



EXECUTIVE SUMMARY

One of the most frequent reactions of the European interviewees was puzzlement that the Los Angeles region, America's creative capital, has been absent from this international discussion for the past 15 years.

THE CREATIVE ECONOMY MOVEMENT: WHERE LOS ANGELES STANDS

The creative economy movement began in the United Kingdom, specifically in London in the late 1990s. Many communities in Europe and beyond appear to have modeled at least parts of their efforts on this pioneering British project. The interviews for this study included all three successive administrators of the London project, as well as officials in Sheffield, England; Stockholm and Gothenburg, Sweden; and Amsterdam, Netherlands, all of which have more than a decade of experience in these kinds of projects.

One of the most frequent reactions of the European interviewees was puzzlement that the Los Angeles region, America's creative capital, has been absent from this international discussion for the past 15 years. They also expressed the hope that L.A. would soon join in.

The Otis Report on the Creative Economy of the Los Angeles Region makes very clear the profound importance of the creative industries to our region's economic health.

They represent the 4th largest economic cluster out of 66, one out of eight regional jobs, \$230.7 billion in economic activity, and a tremendous multiplier effect of every 10 direct jobs supporting nine indirect jobs. And surprising to many is the diversity of this sector, with the region ranking #1 in the nation in terms of companies and workers, not just in Film and Television, but in Fashion Design, Toys and Fine Arts as well.

Los Angeles is the Creative Capital of America...it is home to more artists than any community in the country, its creative industries comprise a dominant engine of the local economy, and its institutions—such as The Academy of Motion Picture Arts and Sciences, The Academy of Television Arts and Sciences, and the National Academy of Recording Arts and Sciences—set international standards of excellence. Creativity itself is central to the region's identity, and yet there is no deliberate, collaborative, regional policy to support the creative industries we have and encourage more to develop.

This absence of policymaking is even more concerning in the context of the many forces coming together to threaten our ability to protect these jobs and sustain this identity. Every executive and every worker in LA's creative industries is facing changes that pose serious, in some cases existential threats to their livelihood:

- Art galleries, experiencing sharp declines in attendance and the loss of their traditional, defining role as a gathering place for learning about art and discovering new talent;
- Designers of toys, furniture, fashion and buildings, in varying degrees facing cost pressures on the domestic production of their products, and all needing to develop and constantly update entirely new digitally based skills to practice their craft;
- Nonprofit theaters, museums, dance companies, operas and philharmonics, struggling with audience and donor development in the midst of expanding in-home entertainment options, the recession, slow economic recovery, and the dearth of public funding; and
- Film and television workers, watching internal pressures, *like the greater reliance on blockbusters and reality shows that reduces the overall amount of product made, or the rise of digital technologies that is making entire professions either less necessary or obsolete;* as well as external pressures, *like out-of-state incentives for productions and international intellectual property piracy; combining to dramatically reduce their options for employment in Los Angeles.*



Every member of the creative workforce today in Los Angeles is facing the need to make profound changes in how they do business if they want to be part of the creative workforce of tomorrow.

Every member of the creative workforce *today* in Los Angeles is facing the need to make profound changes in how they do business if they want to be part of the creative workforce of *tomorrow*.

And every leader in the City and County of Los Angeles should be concerned about how we are responding today so we can remain America's creative capital tomorrow. But what should those responses entail?

One nascent response to the need for region-wide strategy to support the creative economy is the emergence of the Creative Economy Convergence (CEC). This coalition of interested leaders from academia and public policy, government, nonprofit arts, for-profit creative industries (including labor unions) and philanthropy held three gatherings in 2012 to begin to assess common interests and formulate goals. The CEC is led by the City of Los Angeles Department of Cultural Affairs, Otis College of Art and Design and Creative Space, Inc.

Several communities in the region have recently engaged in creative industries planning as well. The experience of three of them – Santa Clarita, Santa Monica and West Hollywood – as related by representatives of organizations that have participated, can offer lessons and cautions in developing and executing creative economy policy.

Europe, some other US cities and a key US consulting firm, Mt. Auburn Associates, have longer experience in supporting their creative economies and can provide additional guidance for moving forward in Los Angeles. This report presents the results of discussions with 100 thought leaders from all of these places, organized around themes that emerged during the interview process, as well as recommendations for action from the author. (The list of interviewees is included in **Appendix A.**)

Interviews in Los Angeles tried to understand the answer to three questions:

- 1) How do Angelenos understand the concept of the creative economy?
- 2) What broad initiatives might unite this diverse group?
- 3) What ideas do Angelenos have to support creative industries?

First, most interviewees did not report seeing themselves as part of a larger creative whole, at least as defined in *The Otis Report*. And while they saw very few things these industries have in common that might unite them (and plenty of potential obstacles that might divide them), there also was a sense that five years of economic disruption and dramatic technological and competitive shifts might make this the right time to try to build more effective bridges.

Second, four themes emerged as possibilities, initiatives with apolitical appeal and broad enough reach that they might win wide support across creative industries:

Support for emerging creative businesses in the form of incubator facilities, start-up funding streams, or accelerator services tailored specifically to a primarily project-based creative economy



Workforce development in three specific areas:

- 1) Better preparation for creative careers in middle/high schools
- 2) Entrepreneurial training for college and graduate students in creative fields to give them a better chance to make a living in their craft
- 3) Adult education programming to help the existing creative workforce adapt skills to new employer needs

Branding LA as a creative capital and a implementing a cohesive regional communications strategy

Bridge building and networking between creative industries

And third, beyond these major themes, interviewees in Los Angeles offered dozens of specific ideas on how to better support the creative industries. These are provided in **Appendix B**.

KEY IMPRESSIONS AND CAUTIONS FROM THE CREATIVE ECONOMY EXPERIENCE IN THE US AND ABROAD

The key impressions from interviews coalesced around four themes:

- A) Vision for Creative Economy Efforts
- B) Programmatic Priorities
- C) Structure of a Creative Economy Coalition
- D) Cautions

Vision for Creative Economy Effort

Any successful effort in any community has to start with a unifying vision. In the context of the last decade's lessons, decisions need to be made in LA about scope and scale...not just about a municipally-based or regionally-based approach, or the inclusion of one industry verses another, but whether leadership seeks to focus solely on growing creative sector jobs—an ambitious and worthy goal in and of itself—or in so doing leverage a broader role for creativity in the economy and society.

Many of the European participants also described the evolution of this movement carrying them toward an exploration of a much broader role for creativity. Los Angeles seems uniquely positioned to pick up the ball. With one of the strongest creative economies and some of the most renowned institutions of higher education in the world, and no official creative industries policy already in place, the region's leadership is wide open to explore how to make creativity a powerful new connective tissue.

Programmatic Priorities

Support for emerging creative businesses, branding LA as a creative capital, and workforce development were identified as priority areas. Advocacy was also discussed.

Support for Emerging Creative Businesses

In Europe, incubator services for emerging creative businesses seem to be among the most enthusiastically supported components of transitional programming as coalitions moved beyond their broad creative industry plans. Interviewees in the Netherlands suggested that one of the keys to supporting a healthy pool of creative talent in a community is to seed the broader, lower base of the pyramid so there is a constant flow of talent and aspiration upward. This seeding or support is at no time more important than in the first few years after graduation from an arts institution, and in some cases also included basic services like affordable housing and other life needs.



In the US, all of the formal creative economy plans developed by Mt. Auburn Associates have included proposals for either incubators specifically, or larger community efforts not tied to a single location to provide incubator-like services.

In the US, all of the formal creative economy plans developed by Mt. Auburn Associates have included proposals for either incubators specifically, or larger community efforts not tied to a single location to provide incubator-like services—business skills training, mentorship and networking—to a broader cross-section of the target community.

Early incubator experience points to the fact that even large businesses that might not directly benefit often supported the concept of being part of a region devoted to aggressively nurturing fresh creative talent.

Branding LA as a Creative Capital

The importance of coordinated messaging was noted in almost every community visited or discussed in this study. Branding the region as a creative capital was raised early and often in the Los Angeles interviews for this project, but met with more skepticism than supporting emerging creative entrepreneurs. Most of the skepticism had to do with doubts that such campaigns make a tangible difference, particularly in an era of scarce resources, or that a cohesive campaign is even possible in an area as large as LA County and with as many players with competing interests.

Based on the feedback provided in these interviews, much of the world appears to understand the Los Angeles region's de facto brand to be Hollywood, and that might be acceptable on its own merits. If it is a conscious choice, the region should fully embrace it and elevate it, and actively discourage the dismissive, even sniping undertones that can come along with it.

If there is a desire for a more inclusive brand, it must be the product of conscious choice and intensive collaboration. Because unless the many bodies in LA County with interest in or responsibility for branding step beyond their own silos and work together to create a more expansive, unified message, our de facto brand will not change. There is no single entity within the county with a strong enough voice to do it alone.

Workforce Development

In the opinion of Mt. Auburn consultants, the most important component of long-term creative economy support is workforce development. This would include higher education entrepreneurial training, middle and high school awareness of and preparation for creative industry careers and adult retraining for current professionals who are in transition because of competition/technological advances.

These consultants also observe that workforce development is the most difficult component to push to the top of the agenda and sustain because it is complex, expensive, has subtle outcomes, and takes the longest to achieve. Elected officials in particular can be skeptical of workforce development initiatives because it is so hard to achieve demonstrable accomplishments within a single election cycle.

In Los Angeles interviews, there were mixed reactions to the workforce development question. As indicated earlier, participants throughout the area voiced nearly unanimous, serious concern for the state of education in the region, but additional conversations would need to be facilitated to build and confirm broad support.



The process must be led or co-led by the local economic development authority.

Advocacy

The subject raised mixed reaction in Los Angeles and serious concern among interview participants in the other geographic regions. On the one hand, some recognized the growing influence of and need for government affairs strategies in the context of term limits and the resulting contraction of institutional knowledge among elected officials and staff. There is also great theoretical potential in a united force of creative industry professionals advocating for specific policy changes.

But on the other hand, there is the thorny question of prioritizing those policy issues and risking fissures in what are typically very diverse, and not often mature coalitions. Concerns of both partisanship and substance led many participants to conclude that it would be premature for a coalition to go down this road until relationships were on firmer ground.

Structure of a Creative Economy Coalition

Operationally, there are several key structural decisions that need to be considered as a creative economy coalition emerges:

- Geographical Scope
- Leadership and Membership
- Participation Levels
- Convenings
- Staff and Subcommittees

The interviews point to the following conclusions:

LA County should be the primary geographic focus of a creative economy support program.

The process must be led or co-led by the local economic development authority. Balance is critical in an effective leadership team, and must be deliberately representative of the private sector creative industries included in the local definition of the creative economy, along with the representatives of the nonprofit arts, government, philanthropy and academia who typically sign onto the process at an earlier stage.

The leadership of the project should establish a clear structure for participation. Based on the feedback and experiences from other places, there are typically three levels of involvement—the broad membership, a mid-level working group, and a high-level advisory group

The desire for bridge building and networking between sectors of the creative economy was nearly universal among interviewees. The consistency, quality and purpose of networking activities—and the group's ability to make them a desirable and exclusive ticket— set an important, defining tone for a coalition and influence perceptions of its other activities, internally and externally.

Sustaining an effort over three to five years requires at least a full-time coordinator and assistant. These roles could be cobbled together and contributed from the existing staffs of participants or hired using philanthropic or public seed money. Personnel would be located under the roof of a suitable partner organization. The hosting organization should be part of what is perceived to be a neutral, regional partner agency that is a respected convening power and has economic development either at the core of its mission or as a key goal of its efforts.



Of all the ideas presented through the course of this study, the most persuasive and broadly supported is that a robust, countywide network of incubators focused on the unique needs of creative entrepreneurs would be the most efficient, effective, measurable and visible means of elevating and sustaining Los Angeles as a creative hub.

Cautions

Interviewees in the US and Europe offered warnings about barriers that impeded their goals or weakened their coalitions. Key among these are:

- 1) Beware of identifying the project too exclusively with a single politician, leaving it vulnerable to being dismantled after elections.
- 2) Beware of creating false expectations among nonprofit arts participants by failing to characterize the project as about economic development and jobs.
- 3) Beware of organizations that seek to usurp the process by putting a new name on their pre-existing agenda.
- 4) Beware of the assumption that creative people will spontaneously begin to collaborate (within an incubator facility) if provided with adjoining office space.
- 5) Beware of failing to create a central role for higher education in the project.
- 6) Beware of putting too much emphasis on the currently popular approach called “placemaking,” in which significant amounts of resources are dedicated to a narrowly defined neighborhood. The impact can become skewed toward creating more vibrant street life, not necessarily jobs and economic activity, and the benefits can be too geographically limited.
- 7) Beware of endless study, interviews and reports, even meetings, if they don’t lead to the pursuit of specific goals.

RECOMMENDATIONS

The author’s thoughts and recommendations for how Los Angeles can move forward — including programmatic priorities for supporting the creative economy, structuring a coalition and directing the tone of the discussion — are summarized below.

A) Programmatic Priorities for Supporting the Creative Economy

1) Support for Emerging Creative Businesses

Of all the ideas presented through the course of this study, the most persuasive and broadly supported is that a robust, countywide network of incubators focused on the unique needs of creative entrepreneurs would be the most efficient, effective, measurable and visible means of elevating and sustaining Los Angeles as a creative hub. As public dollars are key drivers for these kinds of initiatives, governments at the city and county level would be the natural leads, but must partner beyond precedent in this area with the design, media and business worlds to create a more dynamic project.

2) Regional Branding as a Creative Capital

The City and County of LA, perhaps in partnership with the LA Tourism and Convention Board (LA Tourism), should convene principal players, as well as local advertising talent, to create a unifying brand for the region and establish a formal communications strategy starting with the following opportunities:

- a) Ask the new mayor to launch the new brand in all “welcome” messaging that will be replaced in government offices throughout the city over summer and fall of 2013.
- b) Ask every higher education institution to include the brand and messaging in all marketing materials to prospective students.
- c) Devote a minimum of 10% of advertising space at LAX to the new messaging about the region’s creative strengths.
- d) Offer to host the 2014 World Cities Culture Forum.



The author suggests “LA Creates” as a means of initiating discussion, providing an example of the kind of universal participation required, by both geography and industry (e.g., “Pasadena Creates LA” or “Fashion Creates LA”), and then issuing a challenge to all Angelenos (“What Are You Going to Create in LA?”).

Interviewees in LA, the US and Europe characterized certain principles as key to the branding process: the brand should be simple and brief; active; broadly inclusive, inviting all levels of participation; and issue a call to action.

The author suggests “LA Creates” as a means of initiating discussion, providing an example of the kind of universal participation required, by both geography and industry (e.g., “Pasadena Creates LA” or “Fashion Creates LA”), and then issuing a challenge to all Angelenos (“What Are You Going to Create in LA?”).

3) Workforce Development

Long-term, Workforce Investment Boards (WIBs) in Los Angeles, working with LA County’s arts education collaborative, Arts for All, entertainment unions and the region’s higher education institutions, should lead the development of a comprehensive workforce development plan. The plan should ensure that adolescents have access to creative career information and preparation, as well as traditional arts education; that undergraduate and graduate students are provided with a better entrepreneurial skill base; and that the existing creative workforce has access to ongoing retraining programs designed specifically to meet their needs.

Possible short-term improvements include the following:

- a) Ask all creative higher education institutions to hire the Center for Cultural Innovation to provide its “Art of Business” curriculum to all graduating seniors and masters candidates.
- b) Create “STEAM Teams” within local graduate programs as semester-long, cross-disciplinary consulting teams (including business students), to provide problem-solving consultancies to local businesses and nonprofits.
- c) Establish a task force of creative industry, labor and WIB representatives to determine how current retraining resources can be better adapted to the needs of the creative workforce.
- d) Assess the potential for creative industries to partner with former Mayor Villaraigosa’s recent LAMCII initiative, “adding creative sector recipients to either the “LA Leading Edge Awards” or the “Edge LA Fellowship Program.”
- e) Establish a “Creative Industries Challenge” and prize structure for middle school students to produce projects in each of the primary creative industries in LA County.
- f) Expand private sector support for universal arts education by inviting creative industry employers to review current curricula and make recommendations for better educating students about creative career opportunities and the skills required.

B) The Structure of Creative Economy Coalitions

There are some important general lessons about creative economy coalitions and some specific suggestions for the CEC in its deliberations about the future of the effort in LA.



1) General Lessons Learned

- a) The geographic scope should be regional, not municipal.
- b) The focus of effort should be on economic development and creative sector jobs.
- c) Leadership should include high-enough profile allies, from whatever sector, to drive momentum and sustainability.
- d) Leadership should include elected officials or their representatives, but should be identified primarily with the creative community, not as an initiative of a specific political administration.
- e) Membership should be meticulously balanced, including representation from each of the creative industries involved.
- f) Rules governing membership and leadership should be transparent.
- g) Subcommittees or working groups should be created to allow participants to focus their contribution on their own areas of specialty or interest.
- h) Some level of periodic gathering should be facilitated to allow for the central function of networking and bridge building between creative sectors, as well as in partnership with academia, government, capital, other business leadership and philanthropy.

2) Recommendations Specific to the LA Creative Economy Convergence

In 2013, the CEC needs to articulate a formal vision, transparently define its membership and leadership structure, and then focus on one or two initial projects with measurable, observable outcomes that personify for the region what it hopes to contribute and achieve.

In terms of longer-term strategic planning, there are a number of key tasks ahead this year:

- a) First, create a short-term working group to formally articulate those vision, goals and participation structure over the summer and fall of 2013;
- b) Second and simultaneously, identify key leadership of three permanent working groups—one for each of the primary programmatic areas (support for emerging creative businesses, branding and workforce development)—that in the short run would take responsibility for one achievable project in the first year.
- c) Third, establish a fourth permanent working group to facilitate the continuation of at least two networking salons per year.
- d) Fourth, explore with the LA Economic Development Corporation (LAEDC) the possibility of partnering and taking on the leadership role of the creative cluster in the context of their new strategic plan.
- e) Finally, consider formalizing the top leadership group of the CEC, adding to the principals and founders from DCA, Otis and Creative Space, Inc., the following:
 - 1. The CEO of LAEDC;
 - 2. One representative of the County Supervisors;
 - 3. One representative of the nonprofit arts;
 - 4. One representative of philanthropy; and
 - 5. Two representatives, one from each of the top two revenue-generating creative industries in the region, currently TV/Film and Fashion.



C) Tone of the Conversations

This final discussion is a cautionary tale about another set of common pitfalls future coalitions should try to avoid.

Around the country and abroad, interviewees acknowledged that coalitions represent a tremendously diverse group of people and organizations. They almost speak different languages and live in different work and social cultures. They also have histories that inform their thoughts about one another. These histories, including old grievances and lingering biases, are all potential roadblocks and have wreaked some havoc along the way in other communities. None of these tensions are helpful to a collaborative process.

It is my hope that the leadership of the CEC specifically can encourage all members to agree that participants buy into a set of very clear, simple, collective assumptions:

- 1) LA's creative industries are essential to the economic vitality of the entire region;
- 2) Supporting the ones we have and encouraging new ones to develop are essential goals for our future;
- 3) Because this work is so important, we're willing to work beyond our own turf, suspend our disbelief, or still our sense of grievance to help the CEC move forward; and
- 4) Because this work is so important, we're willing to honor a moratorium on financial asks of fellow participants during our work together so capital, philanthropic and corporate partners can freely participate without concern of being flooded with new requests.



THE CREATIVE ECONOMY MOVEMENT: WHERE LOS ANGELES REGION STANDS

The creative economy movement began in the United Kingdom, specifically in London in the late 1990s. Many communities in Europe and beyond appear to have modeled at least parts of their efforts on this pioneering British project. The interviews for this study included all three successive administrators of the London project, as well as officials in Sheffield, England; Stockholm and Gothenburg, Sweden; and Amsterdam, Netherlands, all of which have more than a decade of experience in these kinds of projects.

One of the most frequent reactions of the European interviewees was puzzlement that the Los Angeles region, America's creative capital, has been absent from this international discussion for the past 15 years. They also expressed the hope that L.A. would soon join in.

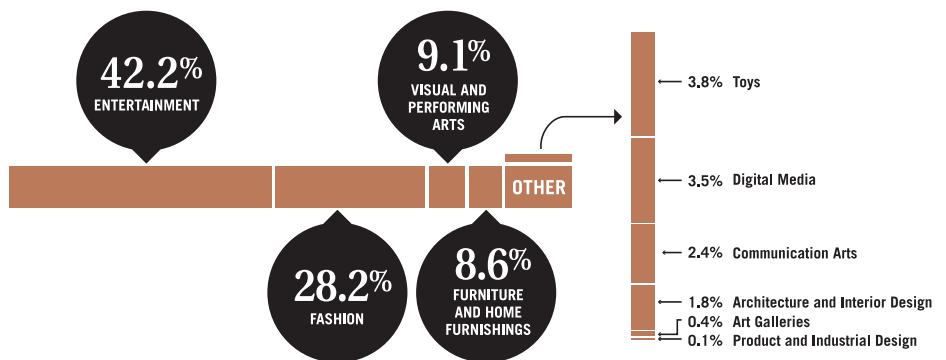
THE OTIS REPORT ON THE CREATIVE ECONOMY OF THE LOS ANGELES REGION

Creative industries comprise the 4th largest sector of the regional economy out of 66 — providing over 640,000 jobs, \$200 billion in sales and \$3 billion in tax revenue, according to the Otis Report on the Creative Economy of the Los Angeles Region². In terms of the magnitude of economic impact, these industries represent one out of eight regional jobs and a tremendous multiplier effect of every 10 direct jobs supporting nine indirect jobs.

The report, produced annually since 2007 by the Otis College of Art and Design, defines and measures the creative economy as an economic force in Los Angeles and Orange Counties. This study assumes The Otis Report's definition of creative industries (see graphic below). In doing so, it is important to acknowledge that this definition seems to have gone uncontested in Los Angeles, perhaps because there is agreement, or perhaps because no decisions have been made or resources allocated based upon its contents. This silence has not been the case in other communities, and policymakers should be aware that definitional issues could well arise here if efforts like the Creative Economy Convergence (CEC) gain momentum.

In the graphic below, reproduced from the Otis website www.otis.edu/creative_economy, specific industries included in their definition of creative economy are laid out in order of revenue generated, in this case in Los Angeles County in 2011:

Revenues By Industry



² Los Angeles County Economic Development Corporation. (2012) "Otis Report on the Creative Economy of the Los Angeles Region." Los Angeles: Otis College of Art and Design



Most people around the world are aware of the importance of the entertainment industry to the regional economy. The Otis Report demonstrates that not only does the film industry in Los Angeles rank #1 in the nation, but the entertainment sector accounts for more than 40% of the regional creative economy.

Importantly, the entertainment sector is only part of the story of LA's competitive advantage. The region is also ranked #1 in the nation, in terms of companies and workers, in each of the following:

Fashion Design
Toys
Fine Arts

“Arts organizations, funders and policymakers in the region have not, for the most part, focused enough on individual artists and creative entrepreneurs as important drivers of our creative economy.”

-Cora Mirikitani, President, CCI

Finally, in terms of the trajectory of their health, job growth in the creative industries declined during the recession years of 2007-10 by 14.3% (with the notable exception of digital media), but is projected to grow by 4.2% through 2015.

LOS ANGELES AS AMERICA'S CREATIVE CAPITAL

The Center for Cultural Innovation (CCI) commissioned a study in 2010 demonstrating that Los Angeles is “home to more working artists than any other major metropolis in the United States.”³

The report, which was authored by Professor Ann Markusen of the University of Minnesota, also reveals that:

- Artists form a larger share of the workforce in LA than anywhere in the country;
- They are more diversified across disciplines than anywhere in the country;
- Their ranks in Los Angeles grew twice as fast as the national rate between 1990 and 2000; and
- They are widely distributed throughout the region.

In short, “Los Angeles County is the major employer of artists in the United States,” and “the nation’s premier place to pursue an artistic career.”

But in her preface to the report, CCI President Cora Mirikitani underscores a surprising paradox that should give all Angelenos pause: in the face of such overwhelming evidence of Southern California’s creative dominance nationally, and despite the raw economic benefit in jobs and revenues outlined in the Otis Report, “Arts organizations, funders and policymakers in the region have not, for the most part, focused enough on individual artists and creative entrepreneurs as important drivers of our creative economy.”

The direction for that focus in Los Angeles can be explored in terms of both economic development policy, as well as the kind of particular life supports required to sustain creative careers over decades, such as affordable housing and healthcare, parallel career paths, and financial and entrepreneurial skill building.

COMPETITIVE AND OTHER CHALLENGES TO LA'S CREATIVE JOBS

Along with the lack of policy attention, there are enormous technological, market and competitive changes that pose serious threats to the long-term health of creative sector employment in Los Angeles.

³Markusen, A. (2010) “Los Angeles: America’s Artist Super City.” Los Angeles: Center for Cultural Innovation.



... the rest of the world is coming after creative industry jobs, particularly in emerging economies.

From art galleries to toy manufacturing to film and television, participants in this study reported that each industry is responding to monumental shifts. The galleries, for example, are watching foot traffic dwindle along with their traditional role as gathering places for learning about new art, at the same time that big fame through digital media is bringing big price tags for small numbers of individual pieces. The toy industry is watching the effective dismantling of the downtown toy manufacturing district to cheaper places near and far, as remaining businesses struggle against the many competitive disadvantages of keeping operations here. And intellectual property piracy and runaway production have dramatically reduced the amount of feature film and hour-long drama television production occurring in the region.

Changes in feature film content have reduced employment even further. Interviewees report that the growing reliance on large “tent-pole” productions has increased revenues to such an extent that fewer productions are required to make the same money. As a result, the major studios in Hollywood have gone from producing approximately 200 films per year across the country to around 140, with no resulting drop in income but obviously substantial losses in working hours for crews. **Appendix D** illustrates the depth of those losses for a typical crew in Los Angeles.

But these local reports are only the beginning of the story. As indicated above, the rest of the world is coming after creative industry jobs, particularly in emerging economies.

In China, for example, most developed cities have been actively engaged in a transition toward nonmanufacturing or “third industry” economies for the past decade, in many cases along the lines of the UK (creative industries) model discussed in **Appendix E**. According to one report, government policies have included “creative industry zones” with housing, tax breaks and training. The education system has been encouraged to dramatically increase graduations in creative crafts.⁴ The author suggests the government is following broad societal changes fueled by economic success, the transformational role of the internet, the accelerated evolution of social values and growing demand among the populace for creative products and services.

As this effort gains momentum over time, the sheer mass of the Chinese population will create unprecedented competitive challenges for the US. The report just cited, for example, goes on to state that:

“...over 1,200 education providers (of which 400 are universities) accommodate more than 100,000 students majoring in animation, gaming design, etc.”

Compare that magnitude of developing talent to just 2,000 current members of the Animators Guild, Local 839 I.A.T.S.E., working professionally in Los Angeles today.

Nationally in China, there are over 880,000 jobs in culture and entertainment, and the output of cultural and entertainment goods and services surged 21.96% to hit \$214.27 billion in 2011.⁵ This is only slightly less than the creative economy output of \$230.7 billion in Los Angeles, and they are just getting started.

On a deeper level, Professor Neil Kleinman of the Corzo Center for the Creative Economy at the University of the Arts in Philadelphia suggests that American industries are facing a fundamentally different challenge than ever before, and the challenge is different for two reasons.

⁴ Li, Lisa. Zhang, Z. (Nov 10, 2008). “Creative Industry and Creative Generation in China.” China Youthology.com: Shanghai.

⁵ Xinhua News Agency. (Dec 4, 2012). “China’s Cultural Sector Sees Steady Growth in 2011.” ChinaDaily.com.cn: Beijing.



First, we are indeed confronting two massive, world-class competitors in India and China who may overwhelm us in 20 years, but they are not threats in size alone. He believes they are operating out of a sense of profound scarcity that has required a greater sense of inventiveness than Americans have needed for generations.

Second, these much older societies have a much more ingrained, culturally based orientation and sense of responsibility toward the future. In his view, the US, particularly in business, seems to have an inability to take the long view at all, and this inability might render us even more susceptible to the disciplined strategic planning of our newest competitors.

THE NEED FOR A REGION-WIDE CREATIVE ECONOMY POLICY

Clearly there is an urgent need for a coordinated municipal and county creative economy policy in the region.

One reaction to this need is the emergence of the Creative Economy Convergence (CEC). CEC was born in late 2011 when young entrepreneur Tyler Stonebreaker of Creative Space, Inc., read The Otis Report, questioned the absence of policy responses, and approached the Los Angeles city government to see what could be done to support this critical sector of the economy. He was joined by Olga Garay-English, of the LA Department of Cultural Affairs, and Sammy Hoi, of Otis College of Art and Design. Together they assembled a coalition of interested leaders from academia and public policy, government, nonprofit arts, for-profit creative industries (including entertainment unions) and philanthropy, and held three gatherings in 2012 to begin to assess common interests and formulate goals. The CEC is led by these three principals and a loosely organized group of volunteer participants in the Convergence process, now representing approximately 150 leaders across the five sectors.

Cross-sector partnerships are also being explored by LA N'Sync, LA 2050, the LA Coalition for the Economy & Jobs, Los Angeles Economic Development Corporation (LAEDC), Los Angeles County and others. The region's leadership is wide open to making creativity a powerful new connective tissue.

Several communities in the region have engaged in creative industries planning over the past several years. Three were interviewed for this study — Santa Clarita, Santa Monica and West Hollywood. Although these cities are newer to creative economy initiatives than the Europeans and some of the other US communities cited in later chapters, they offer some valuable lessons and cautions in developing and executing creative economy policy.

Santa Clarita, CA. The biggest question they have faced in creating and implementing a creative industries plan has been, “Who are the people who are listened to in the community?” They completed a 10-year cultural master plan focused on facilities and leadership and created an arts advisory committee of 13 members from business, film, K-12 and college education, parks and recreation, and planning. But no one listened. Then three years ago they rebooted, beginning a new relationship building effort with the City Council that led to the appointment of an arts commission.



A crucial priority has been given to affordable housing and rent controls, since 70% of residents are renters and creative professionals often have much more difficulty maintaining tenancy due to episodic, project-based work. This concern was mirrored in many communities discussed in this study.

The city now has created the first phase of a blueprint with each Commissioner focused on one area of extended responsibility for 3 to 5 years:

- Arts Education
- Art in Public Places
- Leadership and Development
- Creative Venues
- Marketing and Communications

Potential efforts that would help all municipalities in the southern California region include: protecting intellectual property, building stronger relationships with the entertainment community and creative higher education institutions; and more effectively branding the region as a creative capital.

Santa Monica, CA. Careful data collection over a number of years revealed that 42% of the city's population made their living in creative industries, and fully 80% of residents were cultural consumers. This information was the key to making a transition from seeing the creative industries as "icing on the cake" in Santa Monica to the actual cake itself, and therefore much more urgently in need of focus and support.

This has led the city government down the path of creating one of the more comprehensive approaches in the region. First, they created four specific strategies for supporting creative industries:

1. Implement a full cultural plan;
2. Preserve Bergamot Station and develop as a creative hub;
3. Create an artist fellowship program; and
4. Articulate a new city council vision of viewing the creative economy as a core function and goal of the city.

In addition, a crucial priority has been given to affordable housing and rent controls, since 70% of residents are renters and creative professionals often have much more difficulty maintaining tenancy due to episodic, project-based work. This concern was mirrored in many communities discussed in this study. Here in Santa Monica, all redevelopment prioritizes affordable housing to ensure that creative professionals and others are able to remain in the city, and there is now an arts interface with economic development around transit hubs.

The City also is trying to institutionalize recognition of the presence and centrality of creativity in the community, both through events and branding. The Glow Festival is a prime example, with the event itself highlighting the breadth of the local creative community, while the messaging around it trumpets the direct economic impact of over \$5 million, just one piece of which is the \$70,000 in additional parking revenue for the city budget from a single evening.

On the workforce development side, the public school system has created a widely recognized specialty in music programming from 3rd to 12th grades, which not only exposes children to creative skills and careers but employs local musicians.



The city government has institutionalized the primary importance of the creative industries to its economic development by positioning arts and culture activities within the Economic Development Division (EDD) of the City Manager's Office.

The lens of workforce development has been the most effective in building public/private sector partnerships, but the community continues to be challenged by deepening partnerships with business beyond schools and local colleges. The City did convene meetings around creative workforce development and created a 1/4% sales tax on Santa Monica goods, half of which goes to the schools for these programs (about \$7m), and which is part of a “buy local” program that helped win the support of local businesses and artists alike.

Interviewees in Santa Monica reported several challenges to building on the success of their creative industry support efforts, namely the elimination of the California Redevelopment Agency (CRA). The CRA provided critical funding for many of their prior efforts. Also, the city has been challenged in retaining local philanthropy, high percentages of which are drawn out of the community to other areas of the region and country. Another challenge is the sense within the local Convention and Visitors Bureau that while the Los Angeles County Arts Commission is a trusted partner regionally, the City of Los Angeles and regional tourism and marketing efforts often do not include or consider the needs of other municipalities.

(Author's Note: Other interviewees have suggested that most of the funding for LA Tourism comes from within the City of LA, so it might be helpful to explore broader funding mechanisms in the county and thereby begin to institutionalize a more regional focus.)

West Hollywood, CA. The city government has institutionalized the primary importance of the creative industries to its economic development by positioning arts and culture activities within the Economic Development Division (EDD) of the City Manager's Office.

They also are branding themselves as a creative city and devote themselves to deepening relationships between nonprofit and for profit sectors. EDD works closely with discipline-specific Business Improvement Districts (BID) to strengthen core competencies in the arts, fashion and design, as well as neighborhood-specific BIDs like the Sunset Strip. There they have helped broaden the cultural appeal of events like the farmers market by adding live music and wine tastings, and supported physical improvements like resurfacing roads, sidewalk expansion and beautification that make the area more attractive to pedestrian traffic.

One of the primary challenges for creative industries is navigating the city's rules and regulations. While many residents are employed in the film and television industry, for example, productions often face many challenges in arranging shoots in the city, particularly when there is the possibility of hindering traffic.

Since the community does not have its own school district, its role in workforce development might be more limited than in other cities in the region. Branding and communications efforts, however, receive significant support within the city government and probably would be supported regionally.



The Los Angeles County Arts Commission, the City Council in West Hollywood and the West Hollywood Chamber all share a sense of priority in supporting the arts, culture and creative industries. This unanimous endorsement of a central cultural role in economic development is crucial to building consensus around and support for specific projects as they come up.

LOS ANGELES AREA INTERVIEWS FOR THIS STUDY

Again, the purpose of the research conducted for this report is to provide ideas and feedback regarding the future structure and goals of efforts to better support the Los Angeles region's creative industries. The Los Angeles part of the research comprised formal interviews with 75 individuals in 2012 and early 2013, representing thought leaders and people actively engaged in the various disciplines of the creative economy. (See **Appendix A** for a list of people interviewed and affiliations.) At least two dozen informal, partial conversations were held with additional parties at community meetings and other gatherings over the year. The goals of these interviews were to:

- A) Understand how creative Angelenos perceive The Otis Report and the current relevance of the concept of the "creative economy" to their daily work;
- B) Determine if there are any broad initiatives with wide enough appeal to unite and benefit such a diverse collection of creative organizations; and
- C) Solicit specific ideas about how creative industries could better be supported in the region.

A) Concept of the "Creative Economy"

The answer to the first question was perhaps the source of the most universal agreement in the study. Very few participants, particularly in private creative industries, saw themselves as part of a larger whole as depicted in The Otis Report, and almost no one felt that whatever awareness of the concept that has developed to date has translated into an active sense of common cause. In general, there seems to be more interest from smaller, newer organizations.

Participants could identify very few, if any, meaningful bridges that exist currently between the many disciplines in the creative economic cluster, and were aware of numerous obstacles to building them. There was much discussion of the usual suspects in Southern California: barriers of geography, transportation, recession, dispersed government authority, turf battles and diminishing public resources.

There also was frank, very specific concern about long-standing tensions among the players that a creative economy coalition would need to unite: city and county governments, nonprofit arts and for-profit entertainment, various disciplines of creative professionals, and between municipalities within the county.

On the other hand, five years of economic disruption, along with dramatic shifts in the technological and competitive landscape have changed many things. My impression is that there is new openness to meaningful bridge building: a core process that most people agree is not just desirable but essential to the region's economic future.

There certainly was a desire, voiced over and over, to overcome the clichés, dismiss or at least sidestep some of the old tensions, and try again to build a more cohesive creative community across disciplines. This desire echoes a sentiment heard just as frequently from the 4,000+ individual clients seen annually at The Actors Fund in LA...to overcome the isolating nature of a sprawling region and build meaningful connections.



So while the “Creative Economy” umbrella as presented in The Otis Report might only be a paper construct at the moment, it seems to have tremendous potential to become a unifier. That potential, in turn, seems highly dependent upon leadership’s ability to articulate a clear purpose, deliver tangible benefits, and create an accessible means of crossing lines and building relationships and synergy across disciplines.

To do so, participants in an effective coalition face key decision points, which this report seeks to help inform: articulating a vision, defining the long-term structure and leadership, and narrowing the goals.

B) Broad Initiatives That Could Unite Creative Economy Sectors

The fundamental question facing such a wildly diverse coalition is one of common cause: are there goals that would deliver benefits universal enough to justify each participant’s diversion of staff time and resources to their pursuit?

The short answer is “yes.” By mid 2012, four general themes had begun to emerge that were supported in subsequent interviews. (It’s interesting to note that these themes mirrored the suggestions submitted by participants in the first Creative Economy Convergence at Siren Studios in 2012.)

They include, in no specific order:

1) Workforce Development/Education Reform

Workforce development was raised in three contexts primarily:

- the quality of primary and secondary education provided to the broad population of children in Los Angeles, and their lack of connection to the creative industries;
- the discipline-focused approach to higher education in the creative fields that prepares students in their craft, but not necessarily in the skills necessary to build a living around that craft after graduation;
- the need for adult retraining given the tremendous technological changes happening in creative fields.

a) Primary and Secondary Education. Participants across sectors reported deep concern over the state of education in Los Angeles and preparedness of young people for the workforce in general.

- Most reported their sense that young Angelenos, particularly from underserved communities, have very little information and support around careers in creative industries, including trades, crafts and technical skills that don’t require a college education.
- There was deep skepticism about LAUSD and outright resistance in many cases to spending time or resources on solutions involving “the black hole of LAUSD,” as one participant put it. Several participants pointed to the work of nonprofits such as Inner-City Arts as interventions that might be more broadly palatable.
- There was much note of the dichotomy between the excellence of the region’s creative higher education institutions and the failure of the middle and high schools, and concern for the widening schism between graduates of both.

Are there goals [for a creative economy coalition in LA] that would deliver benefits universal enough to justify each participant’s diversion of staff time and resources to their pursuit? The short answer is “yes.”



- In creative industries where more advanced skills are required and employees are recruited from around the country and the world, there was some suggestion as well as disagreement that the incentive to participate in local workforce development initiatives is weak and might deter some corporations from joining a coalition effort. On the other hand, organized labor in Los Angeles was characterized as very strong, and the entertainment unions in particular could play a critical role in shaping and leading efforts to help existing workers adapt to the changing needs of the workplace.
- Several hopeful initiatives were identified. Among them, a promising new partnership was characterized as a potential new model for introducing the creative disciplines, in a uniquely integrative way, in middle and high schools. The LA Immersion in Media Arts Program (LA iMAP) is led by the LA Department of Cultural Affairs (DCA), the Academy of Motion Picture Arts and Sciences (Academy), LAUSD, the Los Angeles Fund for Public Education, and the Los Angeles County Museum of Art (LACMA). It is to be launched in the fall of 2013 to integrate the study of digital moviemaking and other forms of new media with creating works of art and exploring cultural theory, to help students develop critical and creative thinking skills, and ultimately prepare students for jobs in the creative economy.
- There was a divergence of opinion regarding the role of arts education. While public and nonprofit sector participants were in near unanimous agreement on its importance, private sector participants expressed a fuller range of skepticism about the benefits of seeking solutions through support of arts education, and often didn't see arts education as a priority among a hypothetical set of specific strategies that would improve the ability of creative businesses to expand and thrive.

b) Higher Education. At least a dozen people spoke of the urgent need, given tuition and debt levels of students, for higher education programs in creative fields to include training beyond craft, including entrepreneurial and life skills courses that better prepare students to sustain themselves after graduation.

Several participants suggested the Center for Cultural Innovation's "The Business of Art" as a model for the kinds of curriculum that should be added to both higher education programs, as well as expanded Adult Education programming for current creative professionals throughout the region.

c) Adult Retraining. In film and television in particular, but also in communications, gaming, design and elsewhere, changing technology is bringing together communities like Hollywood and Silicon Valley in unprecedented ways, and these changes are reshaping the future of employment in much of the creative economy. Any community interested in supporting its creative industries must also be concerned with ensuring that its workforce has the resources to adapt successfully.

The City of LA's Workforce Systems Collaborative and Innovation Fund were two initiatives highlighted as positive models by interviewees, as was the work of Local 600 I.A.T.S.E. (cinematographers) in providing retraining in new technologies to its membership.

See **Appendix D** for an illustration of the dramatic loss of jobs currently being faced through technological changes in television production.

Workforce development is the most complex of the four themes and is explored more fully in the sections on interviews in Europe and other US regions, including **Appendix E**.



Exasperation is probably the word that comes closest to describing the prevalent feeling toward LA's persistent inability to achieve a positive brand...

2) Regional Branding and Communications Strategy as a Creative Capital

The majority of participants supported the general concept of a more effective, cohesive, regionally based branding and communications effort to better market Los Angeles as a creative capital, both to Angelenos and the broader world. A more coordinated regional communications strategy would build civic pride, raise awareness, and encourage more emerging creative professionals to locate here.

Exasperation is probably the word that comes closest to describing the prevalent feeling toward LA's persistent inability to achieve a positive brand beyond Hollywood, which most acknowledge as the de facto regional brand.

The frustrations cited are the simple paucity of communications resources compared to other cities,⁶ the lack of branding and communications coordination and unity within the region, the focus on tourism to the exclusion of other economic development goals, and the failure of LAX to convey the spirit and strengths of the region to its 60 million visitors per year.

The Getty Trust's Pacific Standard Time (PST) was cited repeatedly as an example of why Los Angeles should significantly expand its branding and communications resources. As one participant put it, "PST permeated the country and even changed the discussion in New York, where galleries now feel they have to have galleries in Los Angeles to be relevant. International attention, particularly from Brazil and China became focused here, and the greater notoriety will allow a lot of smaller arts organizations to survive."

Several interviewees pointed to the longer-standing example of the annual Paris Photo exhibition at Paramount Studios, a forward-thinking partnership that builds on and promotes a premiere anchor of the LA brand and heritage, along with international cooperation and leadership in the cultural marketplace. According to their website www.parisphoto.com, "Paris Photo was created in 1996 and is the most prestigious art fair dedicated to historical and contemporary photography. Over the past 16 years, Paris Photo has become a significant event for collectors of contemporary and modern art, photography professionals, artists, as well as for an ever-growing audience of art appreciators."

Still, support for a regional branding initiative was not universal. Some participants reported skepticism that creative capital branding would make a meaningful difference for creative industries and were supportive instead of what they characterized as more concrete initiatives in workforce development or support for emerging creative businesses.

Others questioned the wisdom of interfering with or possibly watering down the de facto brand of being the film/television or broader "entertainment capital of the world," particularly as runaway production and piracy threaten that status. The region already has tremendous equity in its "Hollywood" brand that, while not inclusive of all the creative industries named by Otis, has powerful coattails and should be embraced, elevated and expanded, not shunned. There was

⁶ According to LA Tourism, the agency receives 1% of the Transit Occupancy Tax revenue, generating approximately \$18m annually. In 2011, the budget increased by an estimated \$14-16m/year through a new Tourism & Marketing District assessment of 1.5% on every hotel room. In contrast, the sister agency to LA Tourism in Las Vegas has an annual operating budget of more than \$190m.



Also worth noting is the widespread hope that the creative industries can become more inclusive and representative of LA's diversity.

a sense among some participants that there can be a tone of disdain, embarrassment or resentment in regional discussions on the prominence of Hollywood, and that these attitudes are unhelpful in building bridges toward effective collaboration.

3) Incentives and Support for Emerging Creative Businesses

Many ideas were suggested within the overall theme of directly supporting emerging creative businesses, and these will be explored in later sections. The dramatic advancements in new technology and international competition seem to have underscored the urgency for many participants of making Los Angeles a top destination for new talent.

There were some differences of opinion, particularly from private sector participants from larger organizations, regarding whether or not support for emerging entrepreneurs would directly benefit their businesses. But the vast majority voiced a belief that LA's ability to remain a creative capital was linked to a strategic effort to attract and retain the brightest new creative minds to the region.

4) Bridge Building and Networking

Extending across the three main themes was a common desire from most participants to overcome the natural and transportation-based barriers of Los Angeles and build more extensive relationships across disciplines in the creative sector.

This effort is seen not only as beneficial to creative businesses but also to the quality of life for long-time residents and the initial acculturation to the city for new creative people trying to build a life here. People were specifically interested in learning more about the work and challenges of their peers in other creative disciplines and how technology is changing that work, and in expanding their networks of support and pools of potential employees and employers.

Also worth noting is the widespread hope that the creative industries can become more inclusive and representative of LA's diversity. For these hopes to be realized, underserved communities must be invited into the collaborative process from the outset, not after policies already have been formulated. One participant, for example, noted that many efforts to "save Watts" from the outside have stalled because they failed to involve community leaders in the conceptualization of those efforts from the start.

C) Specific Ideas from LA Interviewees

Appendix B presents some of the specific ideas offered by participants, grouped into the four categories described above. Some came from multiple interviewees, others from only one. They are presented in no priority order and are meant to stimulate additional thinking and ideas from those exploring their roles in supporting creative industries and defining future goals.



KEY IMPRESSIONS AND CAUTIONS FROM THE CREATIVE ECONOMY EXPERIENCE IN THE US AND ABROAD

This research focused primarily on interviews with professionals in the creative industries and participants in public policy initiatives seeking to support those industries. More than 100 hours of discussions provided a collection of some of the best thinking and impressions from a sample of experts around the United States and elsewhere in the world. The goal was to identify lessons learned, common themes, specific examples and cautions.

Interviewees were selected in consultation with thought leaders in Los Angeles, creative economy consultants Mt. Auburn Associates (see brief profile below) and research assistant Kenneth Walker. Europe was chosen as the most appropriate destination outside the US since that is where the creative economy first became a conscious focus of local, regional and national policymaking, and where the resulting 15 years of experience could be accessed.

THE INTERVIEWEES

The primary communities that informed much of the discussion in this chapter are listed below in alphabetical order by country, then by city, to make referencing more convenient. A more detailed discussion of the experiences of the interviewees can be found in **Appendix E**, and a complete list of organizations and individuals interviewed can be found in **Appendix A**.

NETHERLANDS

Amsterdam

In 2005, a new governmental partnership was built, reflecting the British model of encouraging convergence between the arts and economic development infrastructures as a first step in supporting the creative industries. The Ministry of Culture and Science and the Ministry of Economic Affairs produced a document for Parliament entitled, *Our Creative Potential, paper on Culture and Economy*. According to interview participants, up until the time of this formal plan, the two great pillars of Dutch cultural policy were national heritage and education. The change was in joining these traditional cultural priorities with economic development, linkages that continue to be a priority, and a struggle, today. Still, the dialogue, however difficult, opened many eyes and ignited efforts to rethink “siloeed” education--building practical work with businesses and business skills into arts-related academies, and conversely, encouraging arts-related researchers to educate the public and policymakers about the role artistic and creative thinking could play in elevating law, math, engineering, technology and science. The work of the WAAG Society discussed in **Appendix E** is a particularly interesting example.

SWEDEN

Gothenburg

Leadership in the creative industries movement in Sweden resides largely in the regions, not with the central government. Gothenburg was selected for this study due to the coincidental timing of their regional creative economy conference, “Ka-tziing!” This visit also afforded discussions with Lotta Lekvall, of the Swedish Council on Creative Industries, and the director of an interesting new incubator project, Peter Rundkvist of Kulturinkubator.



*This agency
[GENERATOR] serves
as a broker and
advocate of contacts,
information, funding
opportunities and
best practices
between public
sector, academia
and creative
entrepreneurs.*

Stockholm

Swedish work on creative industries began in the late 1990s, eventually adapting a model called “ERIBA” in 2002, the core strategy of which was to forge new relationships and collaborations between research, education and training, the arts and creative businesses. Eventually, an organization known as GENERATOR emerged as a permanent, private networking agency for the creative industries with a membership of 16 of Sweden’s regional governments. This agency serves as a broker and advocate of contacts, information, funding opportunities and best practices between public sector, academia and creative entrepreneurs. GENERATOR has developed an impressive network of relationships at national, regional and local levels in departments of culture and economy, tourism, arts and culture agencies, and schools and research institutions. Representatives travel around the country, providing creative industry training and information to government officials, site visits to emerging and established creative businesses to facilitate local relationship building, and tours around communities highlighting the kinds of businesses sustained secondarily by creative industries.

UNITED KINGDOM

Greenwich

A potentially exciting model for the future of higher education in the creative industries, Ravensbourne College was created in response to the growing recognition in Britain that artistic purity needs to be rethought and arts graduates need to be better prepared to support themselves. Graduation requirements therefore comprise a nearly equal number of credits, a difference of only five, between “enterprise” courses and those in the student’s creative field of choice (among 14 disciplines offered).

London

The British government began discussing ways to assist the creative economy in 1997-98. The Blair government established the Department for Culture, Media and Sport (DCMS) and its Creative Industries Task Force in 1998. As political support was engaged and DCMS studies made clear for the first time the economic might of the creative industries, the Mayor’s Commission on Creative Industries was launched in London in 2003 in partnership with BOP Consulting. “Creative London” was established with an annual budget of £10m to develop and implement initiatives in four areas: Talent, Enterprise, Property and Showcasing. Graham Hitchen was its Founding Director from 2003-06, and Tom Campbell assumed leadership from 2007-09 as head of Creative Industries at the London Development Agency. Adam Cooper heads up the loose descendant of the operation under London Mayor Boris Johnson. All three were interviewed for this report.

Sheffield

Sheffield was home to annual European conferences on the creative economy throughout the first decade of this century, as well as to one of the UK’s more high-profile disappointments in creative place making. Sheffield is also home to one of the newer experiments in creative industry incubation, begun in 2010 when both the City and a local film school realized that they were losing most of their new graduates to London and were trying to provide a way for them to find success at home. They set up a small incubator facility next to a larger, market rate accelerator project called the Work Station. The small incubator is preparing to take on its second cohort of 10 graduates in 2013, and is discussed further with other incubators on page 30.



UNITED STATES (outside of Los Angeles County)

Austin, TX

The most recent study measured the local economy between the deepest national recession years of 2005-2010, and found that the creative economy significantly outperformed the rest of the economy (25% growth compared to 10% overall). While this analysis was being conducted, a broader, 16-month process was underway, engaging more than 500 people to study and guide the future of the local creative economy. The resulting “Create Austin Cultural Master Plan”⁷ provides detailed recommendations for the first year, the next 1-3 years, and the following 4-10.

Denver, CO.

The City of Denver began its first creative industries programming in 2007 under the direction of the mayor. Create Denver was conceived to “support, promote and grow Denver’s creative sector,” including policy recommendations, programs, research, technical assistance and advocacy.

Massachusetts

The state’s current Creative Economy Industry Director, Helena Fruscio, is housed within the economic development department and singularly focuses on bringing new jobs into the creative cluster of industries, while a separate Cultural Council focuses on what the state government sees as arts-specific strategies such as placemaking and audience development.

National Consulting Firms

David Plettner-Saunders of The Cultural Planning Group in San Diego and Beth Siegel and Beate Becker of Mt. Auburn Associates in Boston provided invaluable guidance. Together, they have contributed to the development of comprehensive creative economy plans, and their implementation, in Santa Monica; Broward County, Florida; San Antonio, Texas; the greater New England region; the state of Louisiana; Milwaukee; New York City and Washington, D.C.

Philadelphia, PA

Philadelphia is home to an exciting new nonprofit project called the Philadelphia Fashion Incubator. Begun in 2012, this incubator is a partnership between Macy’s, the City of Philadelphia, Center City District, and the various educational institutions involved in fashion design in the city. Philadelphia is also home to the Corzo Center for the Creative Economy at the University of the Arts, with a wealth of experience creating linkages and partnerships between art, innovation and entrepreneurship.

Portland, OR

While formal creative economy coordinating efforts do not appear to have met with tremendous success to date, the collaborative culture of the city has contributed to successful bridge building between for-profit and nonprofit worlds. They have been able to bring together broad coalitions around specific neighborhood developments by building the consensus that arts and creative industry participation becomes an asset to any development and increases its chances for success. On a broader scale, city planning has worked to nurture this collaborative culture, whether in large projects or small.

⁷Bulick, B., Edward, D., Kirkland, T. (2009). “CreateAustin Cultural Master Plan: Culture Matters Here.” City of Austin Economic Growth & Redevelopment Services Office, Cultural Arts Division: Austin, TX.



KEY IMPRESSIONS

The following impressions and ideas to help inform planning for creative economy support were presented by interviewees. They were suggested by one or more participants over the course of the first 15 months of the project. Due to the limited time available through this fellowship, suggestions have not been evaluated against prior efforts in the region, beyond the expertise and knowledge of the participants. They are organized into four categories:

- A) Vision for Creative Economy Efforts
- B) Programmatic Priorities
- C) Structure of a Creative Economy Coalition
- D) Cautions

“Local identity, in the face of massive global competition and information overload, is serving as one of the few effective unifying forces left for cities around the world.”

-Eui-Sung Yi, Morphosis Architects and UCLA Now Institute

A) Vision for Creative Economy Efforts

Any successful effort in any community has to start with a unifying vision. In the context of the last decade's lessons, decisions need to be made in LA about scope and scale...not just about a municipally-based or regionally-based approach, or the inclusion of one industry versus another, but whether leadership seeks to focus solely on growing creative sector jobs—an ambitious and worthy goal in and of itself—or in so doing leverage a broader role for creativity in the economy and society.

As Tom Campbell of Creative London wrote recently, “...priorities around the creative industries today can appear dispiritingly narrow: promoting Tech City, industry-HE collaborations, the roll-out of high-speed broadband, R&D tax credits. Of course, all of these are important objectives, but rather than focusing exclusively on how to grow the sector, perhaps we should revisit the spirit of 2003 and ask whether the creative industries can do more than simply get bigger. Perhaps they really can revitalize our cities, generate meaningful employment, change perceptions of an area, improve the public realm. It might not be easy, but back in 2003 at least much of this was thought to be worth trying.”⁸

Taking a step beyond and echoing Mr. Campbell's thoughts, many of the European participants also described the evolution of this movement carrying them toward an exploration of a much broader role for creativity. Los Angeles seems uniquely positioned to pick up the ball. With one of the strongest creative economies and some of the most renowned institutions of higher education in the world, and no official creative industries policy already in place, the region's leadership is wide open to explore how to make creativity a powerful new connective tissue.

Such an expanded vision was underscored in a 2013 public forum at the Roy and Edna Disney Cal Arts Theatre (REDCAT).⁹ Eui-Sung Yi, a principal at Morphosis Architects and Director of UCLA's Now Institute, suggested that creativity and culture increasingly are being understood as the most powerful vehicles cities have at their disposal for defining, honoring and preserving local identity. Local identity, in the face of massive global competition and information overload, is serving as one of the few effective unifying forces left for cities around the world.

⁸Campbell, T., BOP Consulting. (2013) “Looking back at the (London) Mayor's Commission on the Creative Industries.” London.

⁹Eui-Sung Yi, Garay-English, O., Lavine, S.D., and Lindquist, K. (4.9.2013) “On Cities and Creativity: A Discussion.” REDCAT at Walt Disney Concert Hall: Los Angeles.

In her study of four UK cities, Ann Markusen and her colleagues conclude that policies to foster enterprises and expertise in creative industries appear to generate more long-term jobs than other creative economy strategies.

He also describes creativity as the only sure-fire way to be globally competitive in the future, suggesting that, “competitiveness requires innovation, and innovation requires creativity.” His studies of China and its neighbors reflect a dominant economy that should be overpowering all others based on sheer size and corresponding low labor costs. But those neighboring countries are surviving and competing on lifestyle and innovation almost exclusively, with creativity and culture as the tools at the core. Los Angeles needs such a unifying force, and in the coming decades will need an equally strong strategy to compete with economies that are no longer emerging or developing, but surging.

B) Programmatic Priorities

Typical priority areas that emerged across the interviews in the US and Europe include bridge building (discussed above), support for emerging creative businesses, branding LA as a creative capital, and workforce development. While additional initiatives were discussed, these priorities coincide with those being discussed by LA’s Creative Economy Convergence (CEC), and are therefore explored further here.

1) Support for Emerging Creative Businesses: Incubators

In Europe, creative incubator services seem to be among the most enthusiastically supported components of transitional programming as they move beyond the broad creative industry plans of the first decade of the century.

In her study of four UK cities, Ann Markusen and her colleagues conclude that policies to foster enterprises and expertise in creative industries appear to generate more long-term jobs than other creative economy strategies.¹⁰

Several Netherlands interviewees agreed that one of the keys to supporting a healthy pool of creative talent in a community is to seed the broader, lower base of the pyramid so there is a constant flow of talent and aspiration upward. This process has parallels in science, where there can be no new miracle drugs without broad, free flowing experimentation, and in business, research and development. This seeding or support is at no time more important than in the first few years after graduation from an arts institution.

Even so, the need for unique supports extends well beyond the initial years of creative careers given the unique and chronic challenges of those careers. Echoing discussions in Los Angeles, a significant number interviewees discussed a spectrum of services similar to those provided by The Actors Fund—affordable housing and healthcare, alternative job skills and entrepreneurial training—as the “cost of doing business” for communities devoted to a vibrant creative sector.

In the US, all of the formal creative economy plans developed by Mt. Auburn Associates have included proposals for either incubators specifically, or larger community efforts not tied to a single location to provide incubator-like services—business skills training, mentorship and networking—to a broader cross-section of the target community.

Incubator experience points to the fact that even large businesses that might not directly benefit often supported the concept of being part of a region devoted to aggressively nurturing fresh creative talent.

¹⁰Evans, B., Markusen, A. and Radcliffe, J. (2012) “Responding to Deindustrialization with Arts and Culture: Comparing Four UK Cities,” Paper presented at the American Collegiate Schools of Planning Meetings, Cincinnati, Ohio, November 1-4: 14.

Common Incubator Features

Incubators visited for this study typically included some subset of the following characteristics:

- Minimum facilities of office space, communications, equipment and supplies, with some projects including more sophisticated and specialized materials, studio space and technology;
- Free rent for some initial period of time with incremental increases, up to and including full market-based rent;
- Mentorship or seminars from people in established creative businesses who understand project-based economics;
- Beginner-level training in fundamental business skills and software;
- Scheduled networking meetings within the incubator;
- Scheduled networking meetings outside the incubator;
- Requirements or encouragement for successful incubator grads to become mentors to new entrants; and
- Community engagement requirements that put incubator participants in a problem-solving role in their neighborhoods.

Incubator Examples

Some individual incubator examples from across interview cohorts deserve closer examination, both for the way they operate and lessons learned from their histories.

SWEDEN

Gothenburg, Sweden: Kulturinkubator (“Culture Incubator”)

This European Union-funded incubator was started specifically to reach out to one of the most underserved and segregated communities in Gothenburg, the northeastern section where many new immigrants live. Immigration is a recent phenomenon in Sweden and the government has turned to the cultural economy movement to see if creative entrepreneurship can become an innovative way to more successfully integrate and empower the new residents.

The incubator provides very intensive services to potential cultural entrepreneurs identified through arts education programs and community outreach. They receive emotional support and training in business skills, marketing their craft, charging fees and scaling production.

In the spirit of the broader national creative industries plan, this project is a joint effort between the business and culture ministries of the city. The local business community has not necessarily been enthusiastic to date, but seems curious to see if creative industries can ever be economically sound. They are invited to join the project as mentors and some are beginning to participate.

This project, in operation since 2011 started with 12 people and all of them are still working, including such diverse projects as event production, ceramics and Somali immigrants starting a small camel farm for tourist venues and camel products.

Three components that seem critical in the first year of [incubator] operation are networking among both peers and established businesses, basic business skills training and cross discipline synergy.

Stockholm, Sweden: KLUMP

KLUMP sits amidst Subtopia, a larger creative industries campus on the outskirts of Stockholm that includes joint working spaces, film and music studios, offices and shared equipment. Approximately 70 participants began the KLUMP incubator program in 2011 and about a quarter of them have begun actively working on their own businesses and started paying taxes on their income. They receive one year of free rent before they are expected to begin paying a partial monthly fee.

The incubator services include monthly meetings with program participants, as well as monthly meetings with the larger Subtopia campus businesses. The meetings have become particularly important because, left to their own devices, many participants have tended to isolate in their offices even when surrounded by other creative people. The peer support and mentorship on both levels has been important in helping process feelings around learning business skills and turning crafts into revenue sources.

Three components that seem critical in the first year of operation are networking among both peers and established businesses, basic business skills training and cross discipline synergy.

An important political lesson was learned in overcoming opposition to funding for the program (versus funding for schools or public safety, for example). The incubator created a neighborhood outreach program through which it organized meetings between neighbors and KLUMP participants. Neighbors were encouraged to express concerns about their deteriorating community, such as graffiti and lack of community green spaces. KLUMP members developed projects addressing the concerns, replacing graffiti with murals and teaching the neighbors gardening skills and helping plant their first park.

UNITED KINGDOM

London, England: Enterprise initiative

“Enterprise” was not an incubator per se but one of the four policy priority areas of the first creative economy plan in London. Its goal was to accelerate the growth of the creative economy by providing a support, mentoring and training system for small and emerging creative businesses. An important early lesson was the need to match mentors with new entrepreneurs culturally, avoiding generation and class gaps, as well as experience in creative fields that are more project-based than many traditional businesses.

Sheffield, England: Work Station

This incubator was started by the City of Sheffield, England, and a local film school to prevent losing new graduates to London by providing a way for them to find success at home. The incubator was set up next to a large, £7m development called the Work Station, built with government redevelopment money and including workspaces for film production, design, architecture, digital gaming, translators, a community radio station and a local TV channel. Work Station businesses primarily pay market rate rents.



Two years ago the incubator took in its first 10 grads. Seven are still operating new businesses profitably in the facility; two have moved into their own spaces. The project is preparing to take on its second cohort of 10 students in 2013, offering four months of free accommodation, then £5/week up to the eighth month, when the fee rises to £10/week, and at one year, full rent.

Programming includes a one-week summer intensive on business fundamentals with speakers from around the country, as well as networking activities for participants within the incubator as well as with the established businesses next door. The Work Station took in its first tenant in 1993, went into profit in 1999, and within the next two or three years will have paid off its capital debt, and revenues above cost will seed more incubator programming.

UNITED STATES

Austin, Texas: TroubleMaker Studios

The City of Austin, Texas, has taken the incubator concept in a slightly different direction. Following an economic development study showing that the creative industries in Austin grew by 25% during the recent recession, the city decided to help build and train a larger pool of competent local talent for a growing film industry. They contracted with the most successful production company in the city, TroubleMaker Studios, to create an incubator within their existing operation. TroubleMaker will hire emerging local filmmakers and production talent to produce one feature film per year for up to three years, and use experienced staff to mentor and train participants.

Austin also has created a successful “buy local” campaign that includes an annual trade show for its creative industries, and this might be an interesting model for Los Angeles.

Denver, Colorado: RedLine

RedLine merits special mention though its work extends well beyond traditional incubators. Founded by local artist and philanthropist Laura Merage, it merges the support of artists and creative professionals with education and community activism. At its heart is the Artists-in-Residence program, which brings together creative people of all disciplines to help enrich their practice and achieve career goals, with experienced “resource artists” from the community providing mentorship.

In 2012, over 1000 local schoolchildren took part in on-site educational programming including direct practice in the arts and one-on-one mentoring with artists in residence. Over 230 youth participated in a project to use art making to hone their critical thinking, communication and collaboration skills.

Community members are invited into all aspects of the creative process within the agency, and all participants are encouraged to use their creativity to think about community problem-solving, engagement and collaboration on such issues as homelessness, sustainable urban gardening and neighborhood development. Over 30,000 residents visited in 2012.

The importance of coordinated messaging was noted in almost every community visited or discussed in this study.

Incubator Summary

This section has focused on incubators because they seem to be a straightforward approach, widely supported and easily replicated throughout a region.

Mt. Auburn Associates sees identifying a “jumpstart project” as the best way to bring disparate parties together by requiring as many participants as possible to accept assignments, work as part of the new team, and deliver on a specific outcome by a specific date. The team that pulls together around such a project can more easily become the long-term working group for a coalition.

If the CEC is seeking out manageable, achievable early initiatives, incubators seem among the likeliest candidates. The creative sector incubator concept has become part of what the City of Los Angeles hopes to build as a model for the region within its Downtown Arts Center and Downtown Cultural Quarter. The project would be spearheaded by Otis College of Art and Design and CCI.

Creative economy plans in the US cite many other ways to support emerging creative businesses. These include:

- the development of financing strategies/micro enterprise loans for new businesses;
- the creation a nonprofit organization dedicated to meeting the emergency, health, employment and other life needs of artists;
- adapting existing business assistance services to the needs of creative enterprises;
- establishing creative enterprise zones throughout the county; and
- building social media, county-wide wifi, an interactive website and other networking capabilities for the creative industries.

2) Branding

The importance of coordinated messaging was noted in almost every community visited or discussed in this study. American cities and states identified in interviews have defined goals to either develop a central organizing brand for the entire community, or to improve and coordinate the messaging and communications strategy around specific cultural events that could personify the community.

Branding the region as a creative capital was raised early and often in the Los Angeles interviews for this project, but met with more skepticism than supporting emerging creative entrepreneurs. Most of the skepticism had to do with doubts such campaigns make a tangible difference, particularly in an era of scarce resources, or that a cohesive campaign is even possible in an area as large as LA County and with as many players with competing interests.

Still, the picture from places that already have gone down this road is compelling. Even where the difficult efforts to create a broad regional brand fell apart, the underlying process convinced the parties involved that strategic and unified messaging is critical to the ability to attract visitors, the vitality and diversity of the workforce and investment community, and the overall image of the community. Or, as one participant put it, the community is seen as able to “get its act together.”



Unless the many bodies in LA County with interest in or responsibility for branding step beyond their own silos and work together to create a more expansive, unified message, our de facto brand will not change.

In London, the attempt to establish the “Creative London” brand was unsuccessful, and when proposed, the focus on branding itself was broadly dismissed as superfluous. The “Cool Britannia” campaign was another attempt at national branding, this time by some in the media, but without broad partnership around its creation also failed to galvanize support. More than a decade later however, the importance of “showcasing” remains the only leg of the original plan left standing. The importance of coordinated messaging around the creative industries has taken such strong root that returns on nearly every government investment in cultural product are measured financially and widely marketed as evidence of the economic contribution of the sector.

In Amsterdam, warring bureaucracies took more than four years to finally overcome turf battles and coordinate their communications efforts, but now every public event and creative initiative includes, from the first stages of its planning, strategic messaging and coordinated marketing. “I Amsterdam” has become a pervasive message in the city and is now an iconic work of public art greeting all visitors arriving in the city by train. “LogOnBerlin” is now admired throughout Europe as an ideal distillation of that city’s goal to become a center of technology and innovation.

Based on the feedback provided in these interviews, much of the world appears to understand the Los Angeles region’s de facto brand to be Hollywood, and that might be acceptable on its own merits. If it is a conscious choice, the region should fully embrace it and elevate it, and actively discourage the dismissive, even sniping undertones that can come along with it.

If there is a desire for a more inclusive brand, it must be the product of conscious choice and intensive collaboration. Because unless the many bodies in LA County with interest in or responsibility for branding step beyond their own silos and work together to create a more expansive, unified message, our de facto brand will not change. There is no single entity within the county with a strong enough voice to do it alone.

3) Workforce Development

In the opinion of Mt. Auburn Associates the most important component of long-term creative economy support is workforce development. This would include the three options discussed below: higher education entrepreneurial training, middle and high school awareness of and preparation for creative industry careers and adult retraining for current professionals who are in transition because of competition/technological advances.

Mt. Auburn also reports that workforce development is the most difficult component to push to the top of the agenda and sustain because it is complex, expensive, has subtle outcomes, and takes the longest to achieve. Elected officials in particular can be skeptical of workforce development initiatives because it is so hard to achieve demonstrable accomplishments within a single election cycle.



**European interviewees
across the board
find links between
higher education and
workforce crucial...**

In Los Angeles interviews, there were mixed reactions to the workforce development question. As indicated earlier, participants throughout the area voiced nearly unanimous, serious concern for the state of education in the region, but additional conversations would need to be facilitated to build and confirm broad support for a specific policy response.

Appendix C provides excerpts from the Mt. Auburn creative economy report in Washington, D.C., which includes what the firm describes as its most detailed recommendations for workforce development in any of its creative industry plans. (**Appendix C** also includes a sample outline from one of Mt. Auburn Associates' comprehensive creative industry plans.)

Mt. Auburn provides a basic overview of economic and workforce development policy in a recent paper developed for the Surdna Foundation. It includes the current historical transition, mirrored in the new LAEDC strategic plan, toward developing economies through clusters of related industries and retaining and growing the region's talent base:

"...the field is increasingly concerned with building and improving the underlying assets that contribute to a region's economic strength, focusing on the economic engines, those "traded" clusters (a geographic concentration of interconnected businesses, suppliers, and associated institutions) that sell their goods and services to external markets. Through exporting goods and services outside of a region, traded clusters import income into the region that is then circulated throughout the regional economy."¹¹

a) Higher education entrepreneurial training.

There is a perception that graduates of creative higher education institutions, while well prepared in their artistic and technical skills, are either poorly prepared or not prepared at all for how to survive after graduation using those skills. High tuitions and rising student debt loads are thought to make it even harder for graduates to be able to remain in their craft, particularly low-income graduates.

European interviewees across the board find links between higher education and workforce crucial, particularly during the transitions between secondary and higher education, and between higher education and career, where the largest difference can be made between the success or abandonment of a creative career.

To make progress on workforce concerns, partnership with local colleges and universities was mentioned over and over as the essential starting point, but just as essentially in the context of a broader partnership with the business community.

Ravensbourne College in Greenwich, England, was cited by several participants as an exciting model for the future of higher education in the creative industries.

Ravensbourne's new campus was launched in 2010 with the understanding that students headed for creative business had significant support needs and that, in a very emotional business, it took a very different skill set and special processing to release an emotional attachment to a piece of work and turn into a product for sale. Graduation requirements therefore comprise a nearly equal number of credits, a difference of only five, between "enterprise" courses and those in the student's creative field of choice (among 14 disciplines offered).

¹¹ Seigel, B., Seidman, K. (2009) "The Economic Development and Workforce Development Systems: A Briefing Paper Prepared for the Surdna Foundation. Mt. Auburn Associates.



The three-year graduate programs, offered primarily on digital platforms, include the following enterprise-related team projects, each straddling an entire academic year and requiring team building across disciplines:

- **First Year:** training in basic business skills and planning fundamentals, and the joint creation of a mock business plan;
- **Second Year:** taking the skills from Year 1 and developing a plan to revitalize a currently struggling business; and
- **Third Year:** each student setting up a business plan around his/her own craft and accomplishing an economic exchange.

The school has a current enrollment of 1,400 students. Their hope is to provide a more diverse group of young people, who might not have family support to rely on after graduation, with a more effective combination of artistic and basic business skills to embrace and succeed in lifelong creative careers.

b) Middle and high school awareness of and ability to prepare for creative industry careers.

For many in LA, the US and Europe, this goal translates into broader support for an effort like Arts for All, Los Angeles County's collaboration to achieve universal arts education in our schools. This sentiment was not shared by some interviewees in LA, particularly in the business community. For them, the arts education goal is either incomplete, in terms of including creative career awareness and planning in the curriculum, or in the hands of institutions like LAUSD which those interviewees did not feel they could support.

c) Adult retraining for current professionals whose skills are being transitioned out of the local workforce through technology or competition.

Changing technology is reshaping the future of employment in much of the creative economy. It is exacerbating the challenge for middle-age and older workers, many of whom were identified in interviews as becoming particularly vulnerable in the changing economy if we are unable to find more effective ways to tie their years of experience in existing crafts to the new demands and learning needs of future crafts.

Any community interested in supporting its creative industries must also be concerned with ensuring that its work force has the resources to adapt successfully.

One of the outgrowths of Creative London is Digital Apprentice www.digitalapprentice.co.uk. This creative nonprofit bills itself as a "regeneration" agency, serving creative businesses in London by providing them with apprentices they train one day per week in the latest digitally based workplace skills.

Netherlands interviewees suggested that there should be employment and training services specifically for creative professionals in their 40s or 50s who are considering transitioning from their craft to different careers.

(See **Appendix D** for an illustration of the dramatic loss of jobs currently being faced through technological changes in television production.)

4) Advocacy

The CEC has articulated an interest in policy advocacy, beyond that focused on implementing its own goals, as a fifth priority area, and so a discussion was prompted in interviews in LA, the US and Europe to reflect on this goal.

The subject raised mixed reaction in Los Angeles and serious concern among interview participants in the other geographic cohorts.

On the one hand, some recognized the growing influence of and need for government affairs strategies in the context of term limits and the resulting contraction of institutional knowledge among elected officials and staff. There is also great theoretical potential in a united force of creative industry professionals advocating for specific policy changes.

But on the other hand, there is the thorny question of prioritizing those policy issues and risking fissures in what is a very nascent, very diverse coalition. Concerns of both partisanship and substance led many participants to conclude that it would be premature for the CEC to go down this road until relationships were on firmer ground.

Mt Auburn Associates voiced specific concerns around engaging in political advocacy beyond the efforts a coalition might take to build support for its own initiatives. In their experience, when communities step beyond traditional cultural planning to think about broader creative economy support, they are building relationships across divides which often have not been breached before. Significant bridge building usually needs to occur before political agendas can be discussed safely. Otherwise, there is the potential to fracture cross-sector coalitions if advocacy is perceived as too one-sided, originating from one sector's existing agenda, or confronts or ignores controversial issues around which coalition members feel they cannot compromise. They characterize political advocacy as important, but probably not a central component of the first several years of a creative industry plan.

These reservations don't mean that areas of disagreement are insurmountable, but they do suggest that they might not be the most effective first priority within the coalition building process. So rather than engaging in potentially divisive discussions about issues with political undertones, particularly before the discussants get to know and trust each other, the CEC might want to reconsider either the advocacy goal itself, its timing, or how it is presented and executed.

C) Structure of a Creative Economy Coalition

Two of the most consistent themes from interviews in Los Angeles were that people are very interested in supporting the creative industries here, but at the same time, they are skeptical about joining another long process of assessment, study, reports and meetings.

Both themes were echoed around the country and in Europe. Acknowledging this as a common concern, Mt. Auburn Associates, as mentioned earlier, suggested that any such process needs one or more early "jumpstart projects" to build team cohesion and instill confidence that time invested will actually result in action and change.



LA County should be the primary geographic focus of a creative economy support program.

In this context, the CEC in particular seems to be at a critical juncture. It needs to transition from its initial gatherings and start taking visible action or risk losing critical momentum, and yet it also must devote time and thought to establishing and communicating a coherent operating structure.

Operationally, there are several key structural decisions that need to be considered as a creative economy coalition emerges:

1) Geographic Scope

A consistent theme in interviews was the sense that businesses, consumers and audiences do not operate and make decisions within or around municipal boundaries, even if they have quite specifically-defined geographies of consumption, and therefore any successful economic development strategy should not do so either. On the other hand, assuming limited resources, greater Southern California is probably too ambitious a regional jurisdiction.

Therefore, LA County should be the primary geographic focus of a creative economy support program. Lessons learned can easily be shared elsewhere in the state if progress can be achieved here.

2) Leadership and Membership Composition

An extremely clear message from other places is that the process must be led or co-led by the local economic development authority. One of the most often-cited top achievements of creative economy initiatives is the integration of the arts and other creative industries into mainstream economic development policy.

That arts and culture should always be present at the economic development table was cited by European interviewees as one of the biggest takeaways from their experiences. Mt. Auburn Associates found that, while most movements begin in the nonprofit arts community or municipal department of cultural affairs, it is essential that the local economic development agency ultimately either lead or partner as the lead in the effort. Why?

First, focusing on job creation and retention is the best way to achieve active engagement and participation from for-profit, creative businesses and a true cross-sector coalition (and broader political support); and

Second, the needs and potential assumptions of the nonprofit arts community regarding this work have the potential to unravel the process if not carefully managed. In Mt. Auburn's experience, nonprofit arts partners tend to see the goal of this kind of process as audience development, increased philanthropic activity or entrepreneurial support systems for individual artists. But, the essential goal of creative economy projects is actually broader economic development policy, bringing more creative jobs to the region. If project leadership isn't clear about that mission from the outset, the nonprofit arts partners can become disappointed, frustrated and alienated. The message should not swing in the other direction and begin to sound exclusive of their needs but emphasize expanding the definition of individual sector needs toward the few broad initiatives that will be helpful to the big tent collection of nonprofit and fellow creative industries in the long run.



... public sector participation also must include consciously equal representation between the City and County of Los Angeles.

The nonprofit arts community is critical to the process, as thought leaders regarding project priorities, referral sources to potential participants in services like incubation and training, employers with their own highly creative workforce, and beneficiaries of long-term project outcomes like branding and networking activities.

Balance seems to be critical in an effective leadership team, and must be deliberately representative of the private sector creative industries included in the local definition of the creative economy, along with the representatives of the nonprofit arts, government, philanthropy and academia who typically sign onto the process at an earlier stage.

In Los Angeles, from everything that's been shared in these interviews, public sector participation also must include consciously equal representation between the City and County of Los Angeles. It appears to be no secret that these two bodies do not always cooperate easily in any area of endeavor, but for this effort to succeed, they must. And in the same way, other municipalities in the county must feel they have a voice and can participate in whatever benefits are created.

Likewise, the balance and inclusiveness of leadership must extend to those communities not proportionately represented to date in creative industry employment: economically and racially diverse communities. Representatives from these communities must be invited to participate from the outset.

Decisions also must be made regarding whether or not leadership is limited to professionals within the creative industries. One European participant suggested that their strongest advocate was a member of the national supreme court who had no ties to the creative community, and many participants in Los Angeles and the US suggested that high-profile allies should be cultivated from outside the creative sector.

Finally, the sense from local participants is that any new organizational structure fails an important test if it does not seek to serve as new connective tissue between structures and sectors that already exist. So continued outreach to expand the reach and inclusiveness of membership and leadership, as well as deepening those relationships through the convergence meetings will be critical.

3) Participation Levels

The leadership of the project should establish a clear structure for participation and start making decisions about assignments and further recruitment. Based on the feedback and experiences from other places, there are typically three levels of involvement--the broad membership, a mid-level working group, and a high-level advisory group:

a) Membership

The broad base of members of a creative economy coalition generally constitute both the "clients" served by the activities, as well as the workers in subcommittees and other implementation efforts. Assuming membership is encouraged to grow, criteria guiding those invitations should be developed by the leadership. In the CEC, the current model of focusing on high level representatives or CEO/ED types from each member organization is an example of the kind of criteria that need to become transparent policy.

Is membership by invitation only, and if so, who does the inviting and by what criteria? Is there a review or appeal process? How are the many diversity needs of such a coalition monitored, balanced and enforced?

Finally, there is the question of cost. In LA, the Department of Cultural Affairs has provided an invaluable service in initiating and supporting the CEC, but it has born a disproportionate share of the burden and cost. In order for the process to mature and become sustainable over a period of years, governments typically need some level of public-private partnership to be established.

The question of support should be an active conversation in the early development of the coalition. Each sector participating should find ways to take part of the responsibility, whether directly financially or through in-kind support, for contributing to the cost of events, meetings and potentially staff. The mechanism might be a small voluntary contribution per member, institutional contributions, or even, as some business people have suggested, a small tax on creative sector output. The success of any of these will depend on the transparency and balance achieved through all of the structural decisions discussed in this section.

b) Working Group

The people in this group are willing and able to commit time and resources to the work. They would define structure and goals, assign subcommittees and submit recommendations to the Advisory Group and membership. Geographic and discipline-specific balance is important, reflecting exactly the kind of audience the project seeks to serve. This group, according to participant feedback, would be most effective if limited to professionals within the creative industries.

c) Advisory Group

There was strong sentiment among local participants that any significant project in LA County requires high profile leadership or allies to be successful in the long term.

In Santa Clarita a 10-year cultural master plan focused on facilities and leadership and created an arts advisory committee of 13 members from business, film, K-12 and college education, parks and recreation, and planning. But it had no currency until a relationship with the City Council was forged that led to the appointment of an arts commission.

Netherlands interviewees counseled that political leadership must make official and public statements of the importance of the project. At the national level, the creative economy became one of seven policy priority areas, and in the city of Amsterdam, the three primary economic values were identified as creativity, innovation and entrepreneurship.

Given the fatigue with boards and panels in general and the mixed results of high-level boards in other communities, the highest-level of leadership needs to be used sparingly, publicly endorsing the effort, reviewing and guiding goals, and building political and other support for its activities.



Again, leaders at this level need not necessarily be limited to professionals within the creative industries and in some communities have been more effective when advocating from the outside.

4) Convenings

Another consistent interview theme, nearly universal regardless of the city, state or country, was the desire for bridge building and networking between sectors of the creative economy.

In Europe, bridge building at the local level between disparate non-governmental sectors — between nonprofit arts and for-profit businesses, between businesses from different creative sectors, and between capital investment and creative industries — has changed perceptions significantly and built relationships that are continuing beyond the programs' own life cycle. Participants believe this has led to increased cross-sector innovation.

Three CEC meetings were held in 2012, and the positive response has led to some discussion of creating a permanent rotation of “salons” highlighting each creative industry. Terence McFarland of LA Stage Alliance suggested at a recent CEC meeting that salons could include a brainstorm of how each attending sector might partner with and contribute toward the success of the host sector, creating an active, rotating agenda of collaboration.

The interviews in this report strongly support this networking activity as a fundamental, continuing function of any future creative economy support system.

The consistency, quality and purpose of networking activities—and the group's ability to make them a desirable and exclusive ticket—will set an important, defining tone for the project and influence perceptions of its other activities, internally and externally.

Advisory Group members would be invited to the salons and receive reports of their activities, but not expected to devote additional time to meetings unless they choose.

5) Staffing and Subcommittees

It is difficult to imagine sustaining this effort over the next three to five years without at least a full-time coordinator and assistant. These roles could be cobbled together and contributed from the existing staffs of participants or hired using seed money raised for new staff, presumably under the roof of a suitable partner organization.

Given the current fiscal climate, the former is probably the more likely alternative, but the latter would clearly be more effective. If the process does result in new staffing, their location and convening authority will strongly influence their ability to move forward and build a working coalition.

The hosting organization should be part of what is perceived to be a neutral, regional partner agency. It should have economic development either at the core of its mission or as a key goal of its efforts. It should be within an institution respected as a convening power. And it should be in a position to leverage partnerships with key institutions like the City of Los Angeles Department of Cultural Affairs, Los Angeles Economic Development Corporation, Los Angeles County Arts Commission, the Otis

The interviews in this report strongly support this networking activity as a fundamental, continuing function of any future creative economy support system.



College of Art and Design and other higher education institutions and the Los Angeles Coalition for the Economy & Jobs, to name a few. It should explore partnerships with newer efforts like LA 2050 and LA n Sync.

D) Cautions

Participants offered dozens and dozens of ideas on how Los Angeles can support and strengthen its creative industries. Many who have attempted this process in the past also offered warnings about barriers that impeded their goals or weakened their coalitions. Some have been mentioned elsewhere in the report, but they seem important enough to bear repeating separately here:

- 1) Beware of identifying the project too exclusively with a single politician, leaving it vulnerable to being dismantled after elections.
- 2) Beware of creating false expectations among nonprofit arts participants by failing to characterize the project as about economic development and jobs.
- 3) Beware of creating large, complex sets of goals without the staffing, infrastructure and political support to guarantee implementation.
- 4) Beware of overrepresentation of “the usual suspects” from government and the nonprofit sector to the detriment of bringing in broader creative industry representation.
- 5) Beware of the competition between municipalities in a region, as well as between industries, and keep front of mind the need to constantly foster a spirit of inclusion and collaboration.
- 6) Beware of entrenched biases, baggage and finger-wagging between public, private and nonprofit sectors. It is very important to set a tone of respect, including intolerance for lecturing speeches and an expectation that past conflicts not be brought into this discussion.
- 7) Beware of the “Emperor’s new clothes” phenomenon of large, expensive new cultural centers unsupported by the broader, harder work of facilitating and sustaining an inflow of young talent or developing existing community support.
- 8) Beware of organizations that seek to usurp the process by putting a new name on their pre-existing agenda.
- 9) Beware of devoting new resources solely to process and infrastructure, without some balance in the funding going to creative people.
- 10) Beware of forcing a piece of the project that simply doesn’t seem to be working.
- 11) Beware of creating solutions too solely focused on the “artist as entrepreneur” bandwagon that ignore the profound cultural shift required for many creative people.
- 12) Beware of the assumption that creative people will spontaneously begin to collaborate (within an incubator facility) if provided with adjoining office space.
- 13) Beware of failing to create a central role for higher education in the project.
- 14) Beware of putting too much emphasis on the currently popular approach called “placemaking,” in which significant amounts of resources are dedicated to a narrowly defined neighborhood. The impact appears to be in creating more vibrant street life, not necessarily jobs and economic activity, and the benefits are geographically limited.
- 15) Beware of endless study, interviews and reports, even meetings, if they don’t lead to the pursuit of specific goals.



RECOMMENDATIONS

The previous section of this report provided impressions and cautions from participants in US and European interview cohorts, and **Appendix B** provides recommendations from participants in Los Angeles.

This section summarizes the author's thoughts and recommendations, based on all of the feedback collected, regarding:

- programmatic priorities for supporting the creative economy in LA;
- important features in the structure of a local creative economy coalition; and
- some editorial comments on the tone of the discussion.

Hopefully, a diverse and robust group of players will find ways to participate in the creative economy of LA's future, implementing pieces of these ideas according to their strengths, capacities and commitment to breaking through the silos that currently are impeding our progress.

A) PROGRAMMATIC PRIORITIES FOR SUPPORTING THE CREATIVE ECONOMY

One of the most important findings is that the priority areas identified early in this research, and then separately through the feedback of CEC participants, were broadly affirmed over the course of the study as important components of any effort to strengthen the creative economy:

Support for emerging creative businesses,
Regional branding of the Los Angeles region as a creative capital,
and
Workforce development.

Following are some specific suggestions in each of the three areas.

1) Support for Emerging Creative Businesses

Of all the ideas presented through the course of this study, the most persuasive and broadly supported is that a robust, countywide network of incubators focused on the unique needs of creative entrepreneurs would be the most efficient, effective, measurable and visible means of elevating and sustaining Los Angeles as an internationally recognized creative hub.

If there were only one recommendation emanating from this report, this would be it.

Not only are incubator services and facilities among the few consensus policies evolving from the learning of the past 15 years, but they require the kind of cross sector partnerships crucial to building momentum and support for the creative industries.

Business schools can participate in entrepreneurial skill building; alumni from creative colleges and universities can join seasoned creative business, labor and nonprofit leaders in mentorship and training specific to the primarily project-based creative economy; and philanthropy and government can partner in support, facilities or identification of best practices.

As government dollars are generally the primary drivers of these kinds of incubation projects, government, perhaps in partnership with LAEDC, would be the natural leads. The county government, if a regional network is the early goal, might be the



... it is crucial that any new incubation initiative not simply create another grants-driven “business of art” project.

If we are not at the forefront of that convergence [Hollywood and Silicon Valley], it is hard to imagine the region retaining a leadership role in the future of entertainment and creative jobs.

best candidate, or, if one or two pilot projects are required as a first step, select municipal governments in the region could become the focus.

However, it is crucial that any new incubation initiative not simply create another grants-driven “business of art” project. Leadership must set that tone from the outset, going beyond the usual suspects to invite professionals in the design, media and business worlds, perhaps in concert with an organization like the LA Coalition on the Economy & Jobs or one of the leading educational institutions, and go on to ensure the recruitment of an equally silo-crossing mix of candidates.

The creation of a regional pooled fund to support this work in less resourced communities might be an ideal project to develop in cooperation with LA N Sync. Incubator graduates already have become a rich pool of mentorship in other communities, and that model of service would be an important contribution to projects in underserved neighborhoods.

Many lessons of Pacific Standard Time (PST), the region-wide series of art exhibitions led by the Getty Trust in 2011-12, can be applied to the strategy for supporting the creative economy. Project leaders should invite a deeper discussion of this approach. In the case of establishing a few pilot incubators, the PST model for dividing up the region might be helpful as a target for where initial projects could be placed and the existing partner agencies that could initially be brought into the discussion:

- Claremont/Pomona/Riverside/Palm Springs
- Pasadena/San Marino
- Hollywood and Wilshire Region
- Santa Monica/West Side
- Downtown/Exposition Park
- Long Beach

It would seem that South LA, Leimert Park, Boyle Heights/Arts District and the San Fernando Valley also should be included in a preliminary incubator list, as well as others depending on interest.

The regional nature of an incubator network lends itself to specialization. A downtown incubator could perhaps focus on emerging fashion designers, a Burbank incubator working in partnership with the existing Warner Bros initiative to assist new independent filmmakers, a South Bay/Long Beach project on toys, etc.

Certainly a priority specialization for Los Angeles should be in digital special effects and related skills. The region has a wealth of highly skilled workers with extensive experience in gaming, advertising, film and television production and animation, but the skills that define their crafts are changing every year, and fewer of the emerging positions in new technologies are carrying with them the wage and benefit protections of unions and guilds. So it is critical that the region support both skills transitions for those existing workers, as well as the development of new talent through new businesses within what looks like a growing convergence between Hollywood and Silicon Valley. If we are not at the forefront of that convergence Hollywood and Silicon Valley, it is hard to imagine the region retaining a leadership role in the future of entertainment and creative jobs.



The focus must move well beyond tourism and well beyond the City of LA to the promotion of the region as an engine of creativity, innovation and opportunity.

This incubation work, as several interviewees have noted, is similar to the micro enterprise movement in developing countries. Projects tend to be focused on one to three years of intensive training and support, giving individual creative entrepreneurs a chance to succeed independently or even grow beyond their own livelihood. Multiplied across municipalities however, hundreds of new creative businesses could get their start across the region each year.

Goal: Los Angeles County should be the most aggressively welcoming, embracing place in the country for new creative talent. We should seek to become THE birthplace of the nation's top new creative businesses in the next ten years.

2) Regional Branding as a Creative Capital

Branding will play a role in how the people of the region come to understand themselves and their home in the coming decades. We must change the way people think about LA, counteracting the unflattering metaphors, such as “a series of suburbs with no core,” with a dynamic brand. A number of interviewees cited the transformation of downtown Los Angeles and support for a strong downtown as key. If a region has a vital central hub, that helps project a healthy image of the area, and vice versa.

A prominent mental health treatment discipline seems relevant to the discussion of re-thinking the image we project of LA. At the core of cognitive behavioral therapy is the belief that thoughts affect feelings, that we literally improve or worsen our moods, even our sense of self, with the kind of script we repeat in our heads. Changing the thoughts, changing the script, can become a powerful force for transforming how we interact and succeed in the world.

Los Angeles needs a script of greatness. We need to start articulating the greatness that this region is and seeks to become. In the process we need to articulate the connectedness of all municipalities and industries within the county, connectedness that is essential to sustain a great future.

Leadership should embrace as part of its core responsibility the seeding of public aspiration toward a sense of collective identity. Which leadership, however, is a more difficult question. With a new infusion of funding and specific expertise, LA Tourism would be the obvious choice, though not without some preliminary dialogue. Concerns were raised about the agency's ability to commit to truly regional messaging given its current funding mix, so exploring the options for both broader support and a broader mission sound like an important first step in the process.

In light of frustrations with past efforts, this branding project will require substantial coalition building if it is to truly reflect the region. The focus must move well beyond tourism and well beyond the City of LA to the promotion of the region as an engine of creativity, innovation and opportunity.

A Sample Brand for LA

Many places in the US and around the world have tried to claim the label, “creative capital,” but Los Angeles is one of the few places that can actually carry it off.






There are a number of principles that interviewees in LA, the US and Europe characterized as key to the branding process. Though this writer is not a marketing professional, the principles are illustrated here using the example of the most obvious brand, “Creative LA,” as a means of initiating discussion:

a) The brand should be simple and brief. Creative LA, Cool Britannia. Los Angeles is indeed a leader in manufacturing, international trade and other areas beyond the creative industries. No tagline can effectively include every area of strength, and it might not be possible that another tagline can reflect a broader organizing philosophy as well as a central economic engine. A single unifying theme is preferable.

b) The brand should be active. LogOnBerlin. In the case of LA, the “Creative LA” brand should probably transition from a noun to a verb, such as “Create LA” or “LA Creates,” suggesting the active participation of residents and momentum toward the future, rather than what already exists.

c) The brand should be broadly inclusive, inviting all levels of participation. I Amsterdam. Each region or business in the community should be able to claim ownership. For “LA Creates,” the brand should allow adaptation that becomes the invitation to other cities and businesses across the county to participate, both in the campaign but symbolically in the sense of being part of this larger whole:

<p>LA Creates ...and We Create LA</p>	
<p>or ... Santa Monica Creates LA Boyle Heights Creates LA Pasadena Creates LA</p>	
<p>and ... Fashion Creates LA Film Creates LA The Port Creates LA</p>	



Instead of being hindered by the natural competitiveness in the region, we should encourage every municipality and industry to “own” their membership and participation in the larger whole by having a brand that communicates a broader-picture and an inclusive role for everyone.

And this inclusiveness, finally, should extend to specific events or series of events that define the region’s unique strengths such as marketing all of the film festivals in the county as an annual package.

d) The brand should issue a call to action. I LOVE NY. It is not widely known after so many years that one of the original intents of this brand was to stir up civic pride and encourage people to clean up the streets and neighborhoods. In this case, the final piece of the “LA Creates” brand becomes:

“What are YOU Going to Create in LA?”

It seems that it is time for Los Angeles to revisit this discussion.

LA Tourism should convene a meeting of key players, including representation of the City and County, LAEDC, the CEC and the LA Coalition for the Economy and Jobs, among others, to work with the local design community, perhaps as a competition, to develop a regional brand, logo and communications strategy.

Opportunities to Launch a New Brand

There are four excellent opportunities to launch such a new brand immediately, using existing resources and vehicles with very little new expenditures as a starting point for a long-term, comprehensive communications strategy:

a) Collaborate with the Mayor in Welcome Messaging. The new mayor of Los Angeles will be replacing every photo and mayoral welcome message in the city, probably over the summer and fall. The money is already in the budget. The branding working group should reach out to the new administration and urge the new mayor to use this opportunity to create a cohesive brand for the region, join it with their own branding, and launch it.

b) Piggyback on Higher Education Marketing to Prospective Students. Every year, each of LA’s world-renowned institutions of higher education sends thousands of pieces of marketing to some of the smartest young people all over the world. The branding working group should produce an insert or attachment for these institutions to disseminate and thus tell several hundred thousand future thought leaders from around the world every year that LA is a fantastic place to learn and create.

c) Reach Visitors Entering the Region through LAX. Regardless of the success in developing a regional brand, the long-term value of (and current frustration around) LAX as an informative gateway to the region cannot be overstated. So even if a regional brand proves unattainable, airport administration, at a minimum, should increase advertising space for LA Tourism and LAEDC, so that the airport’s 60 million visitors each



*The City and County
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host the 2014 Forum...*

year are better welcomed and educated about LA's strengths, economic diversity and attractiveness as a place to live and start creative businesses. Several reports in recent years have suggested a minimum 10% set-aside for regional marketing at LAX, and this seems like a reasonable start. There is no acceptable excuse for continuing to squander this opportunity for the region.

d) Host the World Cities Culture Forum in 2014. Finally, the Mayor of London, prior to the 2012 Olympics, founded the "World Cities Culture Forum," an attempt to build a sense of community among the world's top creative cities, analyze their cultural strengths and create an ongoing learning environment through periodic convenings. The "World Cities Culture Report" was published in 2012, detailing the "dynamism, scale and diversity" of cities that are "central hubs and global culture,"¹² including New York and eight other cities.

Unfortunately, Los Angeles did not participate in the report process, but a representative of Council Member Tom La Bonge's office attended the first Forum, and the event's organizers are interested in expanding the original circle. **There is an opportunity for Los Angeles to reach out and join this process at a minimum, but we should go further. The City and County of LA should come together and offer to host the 2014 Forum,** which would be an excellent chance for thought leaders to more publicly articulate a vision for the creative economy, raise its profile and build support within the city, introduce a prestigious new audience to Los Angeles and its leadership, and enter a long-term policy dialogue with peer cities.

Goal: Los Angeles must define and control its own identity and its own message, preferably as America's Creative Capital, and develop a plan to communicate that message strategically to its own residents, to fresh new creative talent seeking a home, and to potential visitors and businesses alike.

3) Workforce Development

Workforce development initiatives are often large, expensive, difficult to measure, and lacking in the kind of ribbon-cutting moments that attract political support, but they are necessary for the region's economy to thrive.

If we want our creative industries to remain competitive, let alone in a dominant position, in the midst of the technological and competitive shifts of the coming decades, **municipal and county governments in the region must take responsibility for uniting with philanthropy, business and labor around a comprehensive plan to better prepare our adolescents, college and graduate students, and existing workers for the creative employment environment of the future.**

For adolescents, the plan must include a more universal means of making them aware of creative career opportunities and how to prepare for them. And it must include specific strategies for engaging youth in communities that have been underrepresented in these careers for generations. This is the place where Los Angeles can ensure that all of its students have a better opportunity to build a creative career.

¹² Johnson, Boris. 2012. "World Cities Culture Report."
London: Mayor of London.



For college and graduate students in the creative industries, the plan must include the integration of life, financial and entrepreneurial skills into existing curricula so that graduates are better prepared to succeed in their craft of choice. From feedback from some in the film and television community, it seems there also must be a more regular dialogue between industry and the schools to ensure curricula cover more relevant and practical skills than theoretical principles.

For existing workers, the plan must include retraining services that help creative workers adapt their decades of experience to newly developing fields, particularly in digital and technical fields, or make successful transitions in other directions entirely.

Existing Workforce Investment Board (WIB) activities could be tailored to creative industry workers. The efforts of existing nonprofit organizations like CCI or The Actors Fund could be expanded to target this population. Specific services should be focused on creative workers in their 40s and 50s for whom career transitional questions frequently become paramount.

It is also important to acknowledge a number of specific challenges for workers in creative fields comprised of significant numbers of freelancers. These workers have higher volatility in annual income, less access to typical employer-based benefits, no progressive career ladder from job to job, and often looser community ties given the need for frequent travel. And as in science, creative success also requires the seeding of large numbers of promising candidates, often over many years, so that the brightest talent can grow, learn, hone their craft and ultimately blossom.

All of this adds up to an extra “cost of doing business” for those committed to a nurturing a successful creative community. We must provide support services to artists and creative professionals beyond those required in traditional fields if we hope to sustain a creative population sufficient to sustain creative success, growth and breakthrough.

These supports should include access to affordable health care, affordable housing, employment and training services, emergency financial assistance to periodically fill in the holes of an intermittent income stream, financial management and entrepreneurial training, and other supports as identified in the community. Truly there should be a broader “Actors Fund” for creative professionals in LA, inclusive well beyond The Fund’s mission to serve entertainment and the performing arts.

Goal: Los Angeles should make its creative workforce the envy of the world, leading the way in preparing and retaining top people across income, geographic and racial/ethnic divides for the creative careers of the next generation.

Beyond these overall directional recommendations, there are several near-term opportunities that could produce some early workforce development “wins” and help build momentum for a larger consensus on a longer-term plan:

- a) **CCI Trainings.** The Center for Cultural Innovation is a widely respected local nonprofit that has developed an eight-workshop curriculum called, “The Business of Art: Entrepreneurial Training for Artists.” Every local institution should hire CCI to bring this home-grown curriculum to scale, requiring it as a condition of degree completion for all undergraduate and graduate students in creative fields.



While many creative students might not be drawn naturally to these sorts of skills, administrators of incubators in this study were vehement that this very mismatch ends up being a core reason why graduates are forced to leave their creative dreams behind. So in addition to striving for the best possible creative education, our goal as a community should be to ensure that every creative professional coming out of LA-based institutions has training in at least fundamental business skills so they have the best possible shot at building a long, financially stable life around their craft.

b) STEAM Teams. This idea embraces three themes:

1) The hope that the efforts of the LA corporate responsibility community, particularly given the strength of the entertainment industry within that community, could be expanded to more universally include “art” in the middle of “science, technology, engineering and math” debates and programming. This transition could capitalize on a great, unseized opportunity to make LA the model city for how STEM can be re-prioritized to become STEAM;

2) The innovative approach to graduate arts education at Ravensbourne College in Greenwich; and

3) The Dutch efforts through the WAAG Society to recast the purpose of the arts in a societal problem-solving role. (See **Appendix E**, p. 78-79)

Many schools already require team-based projects over the course of a semester or an academic year. Graduate programs in these five areas—and business schools should be added for this project as a sixth discipline—should develop a new partnership through which students in each of the six - areas would participate in a semester-long “consulting” project.

Clients would be drawn from the pool of local community-based organizations, and would be seeking an answer to a perplexing question. Each team of six would be challenged to use their collective skills to come up with a proposed solution, and in the process institutionalize a powerful new way of thinking in the region: educating future young leaders about the strength of interdisciplinary partnerships, encouraging educational institutions to stretch beyond their own silos, addressing real-time community needs, and demonstrating to the broader community the potentially rich contribution of creativity and cross-sector partnership to the other fields.

As one participant suggested, the ultimate test of the commitment to interdisciplinary learning will be how much space in actual buildings the colleges and universities set aside for people from other disciplines and their work together. Or can they make it possible for their students to take 9 to 12 credits in the other schools?

Some cross disciplinary work is already under way. According to Neil Kleinman of the Corzo Center for the Creative Economy, innovative projects



Neil Kleinman suggested a comparison to the model in sports, in which basketball camps start at a young age and produce lifelong knowledge of the game and lifelong fans, even if most of the participants never go on to make a living at basketball.

in both schools and the workplace began pushing in this direction over the past five years: Stanford's D School (Institute of Design), The Excite Center at Drexel, IDEO in San Francisco, and Philadelphia University's College of Design, Engineering and Commerce.

In Los Angeles, Boeing could be the perfect candidate to take on a leadership role given its exemplary commitment in this area for years.

c) Industry, Government, Labor, WIB Task Force. Convene key leaders in the four sectors to review and coordinate all existing workforce training resources, developing recommendations for tailoring them to the specific needs of creative industry workers whose skills are being phased out due to emerging technologies, and help them transition with their industry experience toward those new technologies.

d) Partnership with LAMCII. In 2012 Mayor Antonio Villaraigosa of Los Angeles brought together a group of 25 leaders around issues of technology and innovation, the Los Angeles Mayor's Council on Innovation and Industry (LAMCII). Their deliberations led to the establishment of the "LA Leading Edge Awards," and the "Edge LA Fellowship Program," both of which present excellent opportunities for partnership with the county and expansion of the concept to include additional awards and fellowships spotlighting the creative industries, or possibly cross-sector partnerships such as STEAM Teams, and encouraging top young people to become involved.

e) Los Angeles Creative Industries Challenge. A similar award competition, perhaps an offshoot of the Leading Edge Awards, should be considered for middle school students who are at the the age when critical thinking patterns are developed and could be encouraged to stretch toward the convergence of art and creativity with economic sustainability.

Neil Kleinman suggested a comparison to the model in sports, in which, for example, basketball camps (or incubators) start at a young age and produce lifelong knowledge of the game and lifelong fans, even if most of the participants never go on to make a living at basketball. The creative industries should be doing the same thing.

The challenge would be for students or teams of students to produce small projects in the creative field of their choice, but with an entrepreneurial component that demonstrates for them how their creation can also help them achieve economic control of their lives, across race, class, disability or any other barrier they might face.

The challenge project could become an ideal way for local, municipal and county governments, creative industry sponsors and the schools to build new partnerships that, in turn, build awareness and excitement not just around creative careers, but around creativity as a core component of how future generations think, and how they see themselves as participants in their own economic life as adults.



There might even be interesting opportunity for synergy with the Hollywood awards season, adding an event focused on the future of entertainment and other creative industries. Or perhaps winning projects could be highlighted through a “USA Projects for Kids” type of website that would provide access to local investors who wanted to encourage the kids to take their ideas to fruition.

f) Arts Education and Creative Careers. As noted earlier, many participants believe strongly that universal arts education is a key component of workforce development support of the creative economy, and I agree. Support was close to unanimous among participants in philanthropy, the nonprofit arts and government, and many of the formal creative industry plans around the country and in Europe echo this priority.

However, that support is not universal, and in order to build greater consensus, there appears to be a need for further discussion with the business community in LA specifically. A few participants, brainstorming on ways to build bridges but unsure if it wasn’t already occurring, suggested that a partnership be created between the arts education community and creative industries, integrating some career awareness and skills education into the curriculum based on the input of industry representatives themselves. Arts for All, LA County’s arts education collaborative, should make establishing relationships with private industry a priority to assess how the arts can address its concerns. This connection would create a direct stake for industry in the effectiveness and success of arts education and help strengthen support for the arts education movement.

B) THE STRUCTURE OF A LOS ANGELES CREATIVE ECONOMY COALITION

As indicated in the prior section, there are some important general lessons about creative economy coalitions, and they bear repeating here. Also following are some specific suggestions for the CEC in its deliberations about the future of the effort in LA.

1) General Lessons Learned

- a) The geographic scope should be regional, not municipal.
- b) The focus of effort should be on economic development and creative sector jobs.
- c) Leadership should include high-enough profile allies, from whatever sector, to drive momentum and sustainability.
- d) Leadership should include elected officials or their representatives, but should be identified primarily with the creative community, not as an initiative of a specific political administration.
- e) Membership should be meticulously balanced, including representation from each of the creative industries involved.
- f) Rules governing membership and leadership should be transparent.
- g) Subcommittees or working groups should be created to allow participants to focus their contribution on their own areas of specialty or interest.
- h) Some level of periodic gathering should be facilitated to allow for the central function of networking and bridge building between creative sectors, as well as in partnership with academia, government, capital, other business and labor leadership and philanthropy.



2) Recommendations Specific to the LA Creative Economy Convergence

As the CEC begins formalizing its operating structure and creating a plan for the next three to five years of work, there are immediate tasks that are central to setting the stage.

In the short term, **in 2013, the CEC needs to articulate a formal vision, transparently define its membership and leadership structure, and then focus on one or two initial projects with measurable, observable outcomes that personify for the region what it hopes to contribute and achieve.**

Eventually, the leadership will have to decide on the best long-term strategy for moving forward, whether to continue for the next several years building momentum and support one or two initiatives at a time, or moving toward the commissioning of a formal study, such as those done by Mt. Auburn Associates or the Cultural Planning Group, with more comprehensive goals and responsibilities across the entire county. (**Appendix C** includes a sample outline of one of Mt. Auburn's comprehensive creative industry plans.)

For now, it seems that there is enough momentum and urgency to assign some responsibility and begin specific work:

- a) First, the CEC should create a short-term working group to formally articulate the vision, goals and participation structure over the fall of 2013;
- b) Second and simultaneously, the CEC should identify key leadership of three permanent working groups, one for each of the primary areas of interest — support for emerging creative industries, branding and workforce development. In the short run these groups would take responsibility for one achievable project in the first year, whether from the list above or the suggestions in **Appendix B**. For example:
 1. **Entrepreneur Support:** find at least five communities willing to host creative incubators or services and help them develop plans to get started;
 2. **Branding:** pull together a gathering of principals with regional responsibility to begin the conversation about a common brand, and work with the incoming mayoral administration to use that concept in their welcome messaging around the city; and
 3. **Workforce Development:** pull together a meeting of creative college and university leadership to demonstrate the CCI “Business of Art” curriculum and begin the exploration of incorporating it into the curriculum for creative undergraduate and graduate students.

Each working group should be charged with inviting in existing community-based leadership working on related fields. Representatives from higher education, labor, career tech, Arts for All and local WIBs, for example, should participate in the discussions of the workforce subcommittee, and so on.

- c) Third, establish a fourth permanent working group to facilitate the continuation of at least two networking salons per year, providing guidance on elements that should remain consistent, areas where creativity should be encouraged, and rotating cost and production responsibility between creative sectors.

At least half of the event time should be devoted to networking (perhaps including structured icebreakers) and the other half, for example, a discussion of the employment needs, current challenges and future prospects for the hosting industry,



or as mentioned earlier, a brainstorm of how each attending sector might partner with and contribute toward the success of the host sector, creating an active, rotating agenda of collaboration. Another interviewee suggested a 30-minute “speed dating” exercise in which small subgroups at the salons could hear from each other about what is happening in other businesses and other sectors.

Additional considerations for the leadership of the CEC in Los Angeles:

a) **LAEDC Partnership.** LAEDC published a 2010-2014 strategic plan that has been widely praised and adopted around the county. They are moving toward a new, cluster-based model of development for which the CEC could become a leadership model. The leadership of the CEC should meet with LAEDC to explore this kind of partnership, perhaps taking on the leadership role for the creative cluster. LAEDC, in turn, should be responsible for working with the County to create new staff capacity to support cluster leadership groups like the CEC.

b) **CEC Leadership.** The top leadership group of the CEC should be expanded from three to nine, ensuring as much diversity within the coalition as possible while not growing too large to be unmanageable. Specifically, beyond the founders from DCA, Otis and Creative Space, Inc., the group should consider inviting:

1. The CEO of LAEDC;
2. One representative of the County Supervisors;
3. One representative of the nonprofit arts;
4. One representative of philanthropy; and
5. Two representatives, one from each of the top two revenue-generating creative industries in the region, currently TV/Film and Fashion.

This ensures participation from each of the five sectors involved in the convergence, as well as providing for balanced participation from the City and County of LA, partnership with the primary regional economic development organization, and direct representation from the two largest creative industries.

c) **Advocacy.** While feedback regarding this potential activity area was very cautious, and it would therefore seem a second tier priority, if the CEC decides to move forward, a less risky option might be to step the discussion back from the CEC itself.

Instead, a separate subcommittee or perhaps even this Fellowship could be used to convene a meeting of government affairs staff from across the various creative industries. (The feedback from these interviews suggests that government affairs staff from film/television participate in periodic conference calls, but this has not expanded to other industries to date.) Such a gathering could assess whether the parties have any priorities in common and if so, whether they see any benefit in joining forces.

Well after working on a few common items, building stronger working relationships and achieving a few successes, a next step might be to jointly endorse or support some of the unique policy goals of partner associations, or to take on the more intensive work of negotiating around areas of disagreement.

The CEC could also consider funding a survey of all creative industries government affairs offices, as well as all creative industry plans in the county, to assess where commonalities lie and use that as a basis for moving forward.



C) TONE OF THE CONVERSATIONS

This final discussion is really a cautionary tale about another set of common pitfalls that creative economy coalitions should avoid.

Around the country and abroad, interviewees acknowledged that this is a tremendously diverse group of people and organizations to try to rally. They are so different that they almost speak different languages and live in different work and social cultures. They also have histories that inform their thoughts about one another.

These histories, including old grievances and lingering biases, are all potential roadblocks and can wreak havoc with the collaborative process. The interviews have reflected the tensions: between city and county, city and city, nonprofit arts and for-profit entertainment, Eastside/Westside/Valley, and one private sector industry vs. another.

Several deeply experienced and knowledgeable interviewees particularly called out the mutual resentment that exists between the film and television sector and the non-profit arts community. This sentiment is destructive in both directions, especially given the number of LA creative workers employed in film and television and the economic threats to that sector in terms of runaway production, global competition, etc.

A surprising number of people in the private sector also mentioned the fact that, given all the attention to creating jobs in LA, no one in official municipal or county roles had ever thanked them when they actually did make decisions to locate work in the region. This seems among the easiest of our challenges to correct.

My hope is that the leadership of the CEC specifically can encourage all members to listen to those whispers from some of the divided houses that have fallen before and agree that, for the purposes of the process here and moving forward, participants probably have to buy into a set of very clear, simple, collective assumptions:

- LA's creative industries are essential to the economic vitality of the entire region;
- Supporting the ones we have and encouraging new ones to develop are essential goals for our future;
- Because this work is so important, we're willing to work beyond our own turf, suspend our disbelief, or still our sense of grievance to help the CEC move forward; and
- Because this work is so important, we're willing to honor a moratorium on financial asks of fellow participants during our work together so capital, philanthropic and corporate partners can freely participate without concern of being flooded with new requests.



APPENDIX A

LIST OF INTERVIEW PARTICIPANTS

Tremendous thanks to the following professionals from Los Angeles, the US and Europe who so generously offered their time, experience and wisdom to the creation of this report, as well as the dozens and dozens of additional people who added their thoughts through informal conversations, meetings and conferences over the past 15 months.

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APPENDIX B

LOS ANGELES INTERVIEWEE IDEAS TO SUPPORT THE CREATIVE ECONOMY

Below is a list of ideas regarding how to better support the creative industries of Los Angeles County. Please note that these were offered by the 75 participants in the southern California interviews (see **Appendix A**), based on their own opinions and experiences. They were categorized by the author and consolidated, but not evaluated for the accuracy of the assumptions on which they are based, or by any other criteria.

The ideas are organized into the following five broad categories:

- Ideas Related to Workforce Development/Education Reform;
- Ideas Related to Regional Branding as a Creative Capital;
- Ideas related to Incentives and Support for Emerging Creative Businesses;
- Ideas Related to Broader Municipal or County Government Support for the Creative Economy; and
- Ideas Related to the Film and Television Industry.

The divide between training and employer needs must be bridged if the local [higher education] institutions are to continue to play a central role as the primary source of candidates for local openings.

Ideas Related to Workforce Development/Education Reform

1. Convene working groups of higher education institutions and people from their related creative industries to review the applicability of curricula to actual jobs, perhaps every five years. These institutions are providing more than enough qualified candidates for existing positions, however they are often providing programming that is too lofty and missing out on the nuts and bolts learning and skills that industries actually need. The divide between training and employer needs must be bridged if the local institutions are to continue to play a central role as the primary source of candidates for local openings.

2. Build wider support for arts education by expanding it beyond “art for arts sake” to include information on creative careers and coordination with education counseling services to help students understand and prepare for career opportunities available.

a. If businesses see arts education as more responsive to their workforce needs, they might support a separate, small tax on the creative sector to support arts education. This is likely to gain traction however, only if money would be administered by a trusted nonprofit like Inner-City Arts, and not by the public school system, LAUSD in particular.

b. At the least, professional associations serving each of the major creative industries in Los Angeles should band together to produce a 30-minute video for arts educators. Such a video should introduce students to the creative economy and its career opportunities, encourage them to discuss their interests with school counselors, and spend a few minutes on each of the specific industries and its employment needs.

3. Work with existing adult workforce development services and unions to target outreach and provide specialized services. Creative professionals need to be served in two specific contexts: first, when they are new to their fields, possibly having foregone post-secondary education to pursue their craft, and need basic skills training in financial/business skills or parallel/sideline career



tracks; and later in their careers, toward mid-life, when they might be questioning career choices if financially struggling and need transitional guidance to second career choices. All skills training must be adjusted to reflect what is often the very different nature of creative industry work...project driven, intermittent and following a nonlinear career ladder.

4. The growing freelance lifestyle of creative industry employment and its more complicated benefits picture should be acknowledged by the creation of a local Actors Fund or MusiCares or MPTF for all the creative industries to include: emergency relief during extended periods of unemployment, help finding affordable housing and health care, financial management and other skills trainings, and workforce development programs as described above. Creative professionals also often require assistance accessing public systems like Unemployment, Social Security or CA Disability, and seniors who were freelancers might not have accumulated savings or retirement benefits. The acknowledgment should be that all of this is a permanent requirement in a creative capital to sustain a pool of working, healthy talent for creative industry employers.

5. The arts community should coordinate a plan for school field trips to eliminate the competition (and inequality) between schools for the best arts experiences, spreading them out more evenly and fairly and suggesting an actual curriculum/schedule of age appropriate visits across the region and across a wider array of arts institutions and possibly creative industries.

6. To encourage more students from more diverse neighborhoods to think about creative careers at an earlier age, establish a Los Angeles Creative Industries Challenge as a partnership between municipal and county governments and creative industries, asking middle school students to create submissions within each of the creative disciplines listed in The Otis Report. Each industry could be responsible for its own judging and its own prize money and outreach to schools at a county district level to stress the regional nature of the employment.

7. Create a contest administered by municipal departments of cultural affairs in the region, awarding prizes to the schools in their jurisdictions that enroll the most people in the most creative community arts activity, in any of the creative economy disciplines. The focus is on creating an ongoing upwelling of local arts activity from the neighborhood level, driven by young people whom we hope to engage in creative career exploration.

8. Promote more middle school participation in the creative industries by providing screenings, museum memberships, showroom passes, workplace tours...a whole new menu of cultural options targeting kids before they get into high school and make career and vocational choices.

9. Convene regional higher education providers in creative fields to explore new ways to work together and partner with middle and high schools to encourage more applications by students from diverse, underrepresented backgrounds.



LAX, with more than 60 million visitors per year, should be the cornerstone of any regional branding effort and set the standard for marketing and introducing visitors to LA's creative strengths.

10. The most critical period for a new creative professional is the five years between college graduation and the first employment or income derived from their craft. Work with organizations like the Center for Cultural Innovation, entertainment unions and creative colleges and universities and their alumni services to: 1) develop interventions for networking, support and training during this period; and 2) improving financial, entrepreneurial and life skills trainings in higher education prior to graduation.

11. County should be partnering with departments of cultural affairs in municipalities to help match schools with nonprofits providing arts education, creating a regional strategy for fairly distributing the available nonprofit training resources so they can be put to the most efficient use.

Ideas Related to Regional Branding as a Creative Capital

1. Branding of Los Angeles as a creative capital must be a regional effort and must be unified and coordinated. Hold two convenings, first of every regional and municipal agency attempting to create brands for the City or County of LA, to come up with a shared vision and strategy. Second, this group should invite the top 5 or 10 advertising/PR firms in the county to come up with a cohesive brand that could be shared around the region and in national and international marketing.

The distribution of any brand should include ideas/options for how other local governments and private companies can piggy back on the messaging for their own unique enterprises. No one really has responsibility for regional branding.

2. The City of LA budget should be increased, and its related, 100-year-old anti-corruption laws should be amended to allow top officials to travel around the country and the world to better promote the region as a destination for travel and investment. Officials should be allowed to join trade missions with other government agencies and economic development organizations.

3. Any brand for the creative economy must include local higher education institutions in the arts and technology.

4. Regionally based talking points regarding LA's status as a creative capital should be developed for government and economic development officials and shared and updated on a regular basis. Officials should be provided with guidance on how to connect the creative economy to other important goals and integrate it into every speech.

5. LAX, with more than 60 million visitors per year, should be the cornerstone of any regional branding effort and set the standard for marketing and introducing visitors to LA's creative strengths.

The City of LA is about to put up new billboards throughout the airport (as well as throughout government agencies around the region) with the face of the new mayor welcoming people to the City. The new mayor's branding should be combined with



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the branding for the region as a creative capital and that should be the message put on all those signs. The money is already going to be spent, so there is no cost and only a wasted opportunity if the mayor's photo is the only thing included.

6. Consider "innovation" as a broader, more inclusive term in the campaign than creative economy.

7. Studios/Distributors should be approached to run a PSA on LA as the Creative Capital of the country in all Los Angeles theaters prior to screenings of all films. This could become more attractive to companies if it included a pitch to Angelenos to help LA stay a creative center...a civic call to arms and local pride...by considering creative careers, volunteering to mentor an emerging creative business, patronizing local performance spaces and galleries, and welcoming film crews into neighborhoods to sustain one of the most visible engines of the creative economy.

8. All marketing materials to potential new students at all local colleges and universities should include an insert on why Los Angeles is a fantastic place to study and live: the design capital, the international trade capital, the manufacturing capital, and the creative capital. From USC and UCLA alone, these marketing materials go out to 100,000 of the smartest people in the world every year. It would be easy and cheap to provide once a regional branding plan has been adopted.

9. Create a position in the mayor's office to bring in corporate sponsorships to beef up advertising and promotion and assist in the region-wide coordination of the creative capital brand.

10. Assuming that the Getty's evaluation of Pacific Standard Time will support this, the results should be used to help promote the importance of branding, particularly to small organizations and companies without the resources to fund their own large-scale marketing activities. PST seemed to some to validate the proposition that greater notoriety for Los Angeles means that many smaller organizations benefit and can survive on the coattails of a large area's success.

11. Any branding campaign should be tied to a specific call for action to the community, much as the "I Love New York" campaign was tied to cleaning up the streets and taking pride in the city. A number of people voiced concern that such a campaign would ultimately be hollow without that deeper sense of purpose.

12. Economic data collection should be reviewed to uncover and root out "good art versus bad art" divides and the ways we have institutionalized those divides. Cultural tourism figures are a first example, excluding attendance at Disneyland and Universal Studios, among others venues not considered legitimately "cultural."



Ideas Related to Incentives and Support for Emerging Creative Businesses

1. Provide periodic analysis of the regional supply and demand for smaller performing and visual arts presentations to help emerging talent assess the greatest likelihood of success for the most promising art forms in the most promising markets. Should offer perspectives from joining a growing neighborhood cluster of galleries or theatres to pioneering a new art form in a neighborhood where there is a paucity of that specific product. At a city or county government level, within Cultural Affairs, encourage the formation of partnerships between new and existing organizations and guide the strategic placement of new work based on traditional market analysis techniques from the private sector.

2. Adjust municipal contracting rules so that smaller firms and emerging creative businesses have more of a shot at securing city work, rather than favoring the largest, most heavily resourced companies.

Related to this, the RFP process for city grants in LA and some other cities can be overwhelming, outdated and not online, all of which exacerbate the challenge for emerging businesses. Years of ordinances are piled on top of each other with no coordination or comparisons to see which work with, or in opposition to, each other. The print is extremely small and the language is Byzantine. There should be a systematic review of the contracting process, with participation by both business and technology professionals, and it should be brought into the modern era.

3. Support advocacy for tax classification changes for license/regulation-heavy creative professions like architecture. This would be an acknowledgment of the tremendous financial, educational and regulatory barriers to entry into and operation within the profession...at least removing, for those who achieve professional status, the effective double taxation of gross revenues that occurs around contractor relationships.

4. The City of LA in particular, and its new mayor, should appoint a prominent official to oversee implementation of the kind of recommendations offered several years ago by Austin Buettner to review, overhaul and simplify regulations on businesses and create an online assistance service that makes it easier for emerging businesses to understand and navigate everything with which they must comply.

(Authors note: there seemed to be a general sense among private sector participants that the costs associated with licensing, permits and regulation are not the most onerous of the burdens that discourage business here, but the drain on staff time and patience. Tremendous goodwill could be accomplished and tremendous energy unleashed if government sincerely reformed regulatory processes and its own guidance about those processes.)

5. In order to sustain a future in film development and production by emerging filmmakers in LA, explore ways to lower the startup costs for the average independent film, which can now easily reach \$1 million. The current economic model for independent filmmakers is failing here and they will be welcomed in other communities around the world if Los Angeles does not find a way to correct it.



Automotive design remains a substantial industry here and is a breeding ground for foreign auto starts and industry-wide innovation. This is a niche creative design market and should be included in the creative economy conversation and marketing.

6. Government or nonprofits should provide workshops specifically on marketing for nonprofit creative organizations, both during project development with the branding and titling of new work, and post production in outreach to the community in which they hope to present their work. The reflection was that smaller performing arts productions are more and more often identified through online ticketing venues, and that those productions with the poorest titles and poorest presentation receive the fewest clicks and even fewer sales, regardless of the quality of the production itself.

7. Service- and equipment-rich incubators should be established specifically for creative entrepreneurs given the unique nature of participating in a largely project based economy. Regionally, start by creating these efforts in municipalities with greater resources, both as models, but also test the ability to generate income in the long term. If and when those better supported projects begin to generate income, use the surplus to contribute to new projects in underserved municipalities with fewer resources. Explore AIA, CCI and other models for entrepreneurial development.

8. Convene a small group of leaders who traverse for-profit and nonprofit sectors, “bilingual” leadership, to provide guidance to the CEC on bridge building and appropriate joint projects.

9. Explore partnerships with and reuse of public libraries facing declining usage as incubators or creative hubs.

10. Land use policy in recent decades has resulted in a significant proportion of industrial land being converted to residential or residential accommodating uses such as schools and parks. Representatives from the CEC should participate in discussions about zoning reconsideration to support the region’s ability to attract and site new creative businesses in the future.

Ideas Related to Broader Municipal or County Government Support for the Creative Economy

1. Local and county governments in LA should be focused on making this the capital of protecting intellectual property rights, supporting national and international efforts, but also articulating the concern within trade activities and contracting. The City of LA, for example, has a \$35 m contract with Google for cloud services, but nowhere in the agreement makes a proactive statement that government money must not be used in any way to facilitate or enable piracy. This should be a standard component of all governmental contracting in the region, protecting our creative professionals just like we protect gender or racial/ethnic balance in the ownership of businesses with whom cities contract.

2. Automotive design remains a substantial industry here and is a breeding ground for foreign auto starts and industry-wide innovation. This is a niche creative design market and should be included in the creative economy conversation and marketing.

3. Existing event marketing sites should also be available as phone apps for finding cultural events. The apps should be searchable by neighborhood, and marketed as such, addressing both the overwhelming volume of county- or region-wide cultural



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choices, as well as common feelings among drivers of wanting to stay close to home and not face the roads again after work. Site visitors should be able to filter their searches based on the distance of events from home since one of LA's biggest challenges is geography and transportation.

4. Philanthropic trainings should be provided to growing companies just beginning to consider a philanthropic role, introducing them to the regional environment, existing resources and needs, as well as acting as a resource for currently active firms seeking updates on the most urgent needs and potential partnerships. This should be a discussion between LA Arts Funders and Chambers, without the presence of nonprofits, so participants are assured in advance that they won't feel pressured or receive asks on the spot.

5. Specific responsibilities need to be assigned for the implementation of the LAEDC strategic plan, and the implementation plan should be made as public as the goals themselves so that better accountability can be established.

6. Review and reform of the Workers Comp system in California. The system has deteriorated into a "get rich quick" scheme for doctors and lawyers, while saddling employers with significant, wildly fluctuating costs and inexcusably delaying assistance to claimant's who are truly injured. Since it is cheaper for insurance companies to settle, tremendous amounts of money get paid to litigants with fraudulent complaints, just to make them go away. One employer reported a 10-fold increase in cost in a single year due to three false claims that had been coordinated between employees.

7. Support ongoing funding of the OSHA budget amid budget cuts. This oversight function, while frequently a source of frustration, is actually of critical assistance to many businesses, particularly those dealing with any kind of hazardous materials. Forcing this agency to reduce labor costs during the ups and downs of government budget cycles has a chilling effect on the businesses overseen, as people with critical experience and skill are replaced with less competent assessors. As agency competence declines, industry resentment and resistance grows and feeds the sense that Los Angeles is a detrimental place to operate a business.

8. The County should work with municipalities to create a formal process of officially, publicly recognizing and thanking production companies, advertisers, and private-sector creative leadership when they create new jobs in the county or make production decisions keeping jobs here. This recognition should not come from economic development officials, but from the highest levels of government. It might be as simple as a periodic luncheon covered by the press, or a larger annual gala that confers awards to companies bringing the most significant infusions of new creative jobs into the region. At a minimum, there should be a personalized recognition of individual production decisions in an environment in which Los Angeles is no longer the default or even optimal location choice.

(Authors note: interviews with private sector participants reflected a sense that many business people don't feel appreciated here, or worse, feel undermined or attacked, including by the press and the nonprofit arts sector. The latter can be a source of particular frustration since creative industry leaders employ thousands of artists each year and see themselves as part of the solution. It seems that this is another area in which a small amount of effort could make a tremendous difference in building bridges supportive of the long-term health of the creative economy. Several examples were offered of municipalities perceived as building more successful relationships, including Glendale, Culver City, Burbank and Torrance.)

9. Fund a study exploring how large cultural institutions can best adapt to trends in audience attendance, economic stability and technology by decreasing mass, managing weight and becoming more nimble.

... municipal and county governments should require arts/creative economy participation at the cabinet level of every department to ensure that projects are conceived with creative industries inclusion as a goal.

10. The business tax on gross receipts is quite high comparative to other cities around the country. This should be reduced to closer to at least a regional average if the City of LA wants to remain competitive and retain businesses. It is not necessarily perceived as a problem for emerging businesses, but a significant barrier to remaining in the City for established businesses.

11. Following on the model of Joan Mondale and Rocco Landesman (former Chairman of the NEA), as well as the City of LA's own cultural plan, municipal and county governments should require arts/creative economy participation at the cabinet level of every department to ensure that projects are conceived with creative industries inclusion as a goal.

12. Convene government affairs staff across creative sectors to identify uniting issues and assess the potential for a joint advocacy agenda. Uniting issues might include job creation, education reform, workforce quality, industry retention, tourism, intellectual property, tax policy and quality of life concerns.

a) The success of term limits has resulted in the loss of institutional knowledge and expertise among both elected officials and staff, and this trend will intensify in the future unless term limit laws are revisited. The end result is that lobbyists will exert increasing influence because they will be the sole custodians of historical knowledge in the process. If the Task Force hopes to take on an effective advocacy role, it must hire a permanent, high profile specialist empowered to speak with one voice for the collective creative industries.

13. Convene creative CEOs, possibly a subgroup of the LA Coalition on Jobs and the Economy, to be the oversight body for the CEC's leadership group.

(Authors note: suggestions also were made for an Arts and Business Council, a Creative Economy Advisory Council to the Mayor and County Supervisors, and several other versions. However there was an equal amount of feedback from private sector participants in the other direction...that there might be little enthusiasm for more boards, councils or panels.)



Los Angeles needs to focus on making production really easy, which is one of the few factors in location decisions that the CEC can actually influence.

14. Municipal and county elections featuring candidate debates should include one debate focused entirely on the creative economy. This is particularly important in the Los Angeles mayoral race since it is the highest profile race in the region.

15. Institutionalize a regular schedule of gatherings for professionals in the creative industries to build relationships and network. This is important not just because geography and transportation that impede all relationships in the region, but because points of contact are not obvious across some of the creative disciplines and must be consciously sought out, a process for which most creative professionals do not have time.

16. Create a social networking site for creative professionals, so that introductions that happen through the Convergence process can be more easily developed into sustainable working relationships.

17. Create cross-sector memberships, discounts and conference passes that could further deepen and expand networking and relationships, as well as wider recognition of the creative economy as a real and uniting entity.

18. Coordinate an annual creative community service project, evaluating a regionally significant, but deteriorated public space that ought to be a shining example of LA's status as a creative capital. Members would offer their collective talents to redesign and rehabilitate the space, and government and philanthropic partners would work together to identify resources to support the work. The first project could be Pershing Square or perhaps MacArthur Park.

19. Government should establish city-wide or county-wide wifi as a crucial step forward in the process not only of helping creative industries grow, but in facilitating the widest possible economic participation of its people and preparing the region to compete successfully to retain its place among the truly world-class cities of the future.

Ideas Related to the Film and Television Industry

This section is included in recognition of two factors: 1) the difficulty of getting some of the non-entertainment creative industry professionals to participate in an interview, and their relative underrepresentation in the sample as a result; and 2) the large number of participants who expressed opinions about this sector, perhaps owing to the high profile debates over the past several years regarding intellectual property, production declines and tax incentives.

1. Los Angeles needs to focus on making production really easy, which is one of the few factors in location decisions that the CEC can actually influence. The stability of the weather here encourages people to work, stay and expand here, but we are allowing other cities to become the preferred location for production by not taking action and responding to what the rest of the world is doing. The costs are a significant disadvantage, but not the biggest barrier, and could be overlooked if the permitting process were not such a tremendous inconvenience. As it is, studios are forced to waste valuable resources on staff time, training and expertise devoted solely to navigating this process successfully.



This becomes even more important in the context of three tipping points that already have been surpassed in undermining LA's competitive advantage as a location choice for film, television and advertising shoots:

- Other cities have shown it's possible. They have aggressively marketed, hosted many productions and demonstrated the profitability and ease of shooting out-of-state. In New York, for example, the city government worked to improve and streamline its permitting process, facilitated cheaper development of stage construction, and worked with unions in advance to set up productive working relationships.
- There are now competent 2nd, 3rd and 4th crews available for work on multiple productions in other places, eliminating another key competitive advantage for Los Angeles. This was a key domino to fall when highly skilled employees and people in unions and guilds began leaving the state in response to destabilized employment, which in turn was brought about by California's failure to respond to other states' incentives.
- Finally, there is markedly diminished support within multi-generational families of skilled crafts persons for remaining in a career that has become so uncertain. The resulting loss of decades of institutional knowledge and craftsmanship represents a significant blow to another of LA's key competitive advantages.

The mayor's office should create a coordinating position or czar to manage solicitations from around the region to encourage local production.

The CEC should become a partner in advocating for more competitive tax incentives...

2. The mayor's office should create a coordinating position or czar to manage solicitations from around the region to encourage local production. Other cities are far ahead on this front, and LA needs to develop a unified effort in concert with Film LA and LAEDC. Someone has to have responsibility for working directly with production companies to make location decisions in LA and keep the business here.

3. Facilitate a joint campaign between government and business to encourage neighborhoods to embrace on-site production and reduce opposition. At the same time, such a campaign should work with studios and production companies on suggestions for improving neighborhood outreach and relations on their end, and identify ways to increase local buy-in to the process.

4. The CEC should become a partner in advocating for more competitive tax incentives, both in terms of their long-term stability, as well as the scope and narrow application. First, the incentives provided are not nearly high enough to impact the overall trend of runaway production (NY for example, has incentives approximately four times as large as CA). Second, the limits on the eligibility are far too limiting to be broadly effective, including the \$25 million cost limits, the exclusion of television, and the limited ability to write off cast and crew.

One participant, echoing the sentiments above, suggested that anything short of new incentives is just window dressing, as the barriers to shooting elsewhere are now gone.

Another suggested that if things stay the way they are, the nerve centers of the studios will stay, but not the physical studios themselves. These will be farmed out all over the world.

To effectively help in advocating for more effective incentives, the CEC would need to build bridges with the primary opponents. These include the teachers unions, who interpret every dollar spent on incentives has a dollar removed from the classroom;



the Republicans in Sacramento, who perceive the industry to be too heavily aligned with Democrats; the representatives in the legislature of Northern California, who see no connection between their well-being and the survival of the film and television industry; and by other business interests in the state who suggest there is unfairness in favoring one business over others.

5. There were many differences of opinion regarding intellectual property and the ability of people in Los Angeles to contribute to significant change. Some felt that the CEC should add its voice to other efforts to fight piracy, while others felt that its solutions are so national and international in scope that it is well beyond the scope of Los Angeles.

6. Establish a central campus downtown for the leadership of all television and film studios, with a potential site coordinated with AEG near the AT&T tower. The top 12 to 13 entertainment companies would be centered geographically, since that physical fragmentation is a main contributor to the lack of unity and vision for the industry as a whole. This particular site is located at the nexus of major freeways, close to AEG, handy to multiple lunch options for executives, and offers new proximity to the Civic Center for any kind of legal issues or negotiations with the City. The expansion of housing and other amenities downtown make the concept even more attractive. The south end of downtown is less dense and can be redone relatively easily.

7. The costs of film and television production are higher in Los Angeles on several levels, particularly downtown, where parking and police coverage raise project costs significantly. Any effective effort to retain industry must attack the inflated costs associated with production here.

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APPENDIX C

CREATIVE WASHINGTON, DC

ACTION AGENDA ITEMS FOR WORKFORCE DEVELOPMENT

Beth Seigel, Director of Mt. Auburn Associates, suggests that their DC plan includes the most detailed workforce development component of their creative economy projects to date. Unfortunately, DC has not followed up with these as of this writing, but since she suggested that workforce development is an important missing link nationally, that section is copied here, with their permission, for review. It is taken from page 60 of the *Creative DC Action Agenda*.

Background

The basic context for these recommendations is that there were several government training programs in place in DC, but none targeting creative industry work skills. There were quality higher education institutions that focused on very specific skills for very specific art forms, but for some of the strongest creative industries in the region, there were almost no educational facilities available locally. Additionally, there was no local means of coordinating either high school or college level internships in creative industries.

Given that context, the following are the recommendations they proposed:

Strategies for Success

STRATEGY: build closer relationships between the higher education system and DC's creative community

ACTION STEP: leverage the Consortium of Universities as a vehicle for coordinating creative career activities amongst regional higher education programs and creating more linkages with the DC creative community.

ACTION STEP: pursue a higher education / hire Creative program that links student and interns with job and entrepreneurship opportunities in the creative sector. Coordinate with key organizations (e.g., Consortium of Universities) in the design, development and implementation of the program.

ACTION STEP: Organize “hire Creative” events in which key creative companies such as theater, museum, design, and media have open houses and provide overviews of their industry and career opportunities to students.

STRATEGY: Provide more targeted information on creative job opportunities and career pathways

ACTION STEP: pursue a one-stop online job bank, which leverages the Department of employment Services' capacity, and is specifically targeted to creative jobs in the public, private, and nonprofit sectors. (See sidebar on page 59 for examples of creative job banks.)

ACTION STEP: provide more detailed information on career pathways in the creative occupations, including the types of careers that are available in each creative industry as well as the skills and training required.



STrATEGY: Offer training programs tailored to the workforce needs of creative industries

ACTION STEP: explore collaborative sector training programs that would equip residents (particularly under- and unemployed) with the skills needed by creative industry employers. target industries could include museum (customer service), media and communication, and culinary arts. Key partners include the greater Washington Workforce Development Collaborative (gWWDC).

SAMPLE COMPONENTS OF A FORMAL CREATIVE ECONOMY PLAN FROM MT. AUBURN ASSOCIATES

In order to provide a more concrete example of the kinds of things included in other communities' creative industry plans, the following is an outline and summary of the chapters and concepts included in Mt. Auburn's 187-page report to the State of Louisiana, 7/31/05, entitled, "Louisiana: Where Culture Means Business."¹³

Ch 1: Introduction

Discusses the economic impact of culture and creativity generally and specifically in Louisiana. They discuss the nature and benefits of creative industries to the broader economy and quality of life.

Ch 2: The Economic Importance of Louisiana's Cultural Economy

Defines the local components of the creative economy (culinary arts, design, entertainment, literary arts and humanities, reservation, visual arts and crafts).

Distinguishes between creative businesses and workers and where they come together, as well as providing measures and growth rates for all.

Discusses impact of creative industries on other businesses and communities.

Ch 3: Regional Characteristics of the Cultural Economy

They provide in-depth analysis of the strengths of each region of the state, which ultimately feeds into an analysis of what governmental interventions might be most helpful based on the needs of those specific businesses and regions.

Ch 4: Themes and Issues in Building the Cultural Economy

This is where they begin to connect the dots between defining and measuring the economic impact of the sector and strategies for supporting the sector. In their model, they assess:

- Origination of cultural product (the who)
- Production segments (the creative disciplines)
- Distribution process and local and broader markets for the product
- Support systems like unions, government and philanthropy

Ch 5: A Call to Action—Strategic Initiatives to Advance the Cultural Economy

The action plan is based on the overall goal "to develop Louisiana's cultural assets in order to create economic opportunities and a high quality of life for all Louisiana's."

¹³(<http://www.mtauburnassociates.com/pdf/Louisiana%20-%20Where%20Culture%20Means%20Business.pdf>)



The plan is driven by three principles: 1) to make culture the leading theme in economic development; 2) to foster what is most authentic about Louisiana’s creative economy; and 3) to repeatedly convene and permanently connect all the various sectors of the local creative economy.

The plan follows the four themes described in Chapter 4 of the Mt. Auburn report, and each of the four themes includes priority areas, strategic objectives and initial actions.

To provide a sense of the specific kinds of recommendations...under the Origination theme, their priority areas and action steps focus on:

- Expanding knowledge of state cultural heritage by expanding online access to cultural resources and libraries;
- Training children through arts education to appreciate that heritage;
- Strengthening the legal framework to protect the intellectual property of local artists; and
- Expanding the local creative talent pool by creating college-level internship programs with cultural enterprises.

Under the **Production** theme:

- Ensuring that existing training programs serve the creative industries by including representatives on all Workforce Investment Boards;
- Identifying which industries need more qualified candidates and providing technical training for local people to acquire needed skills;
- Growing more cultural businesses through entrepreneurial networking activities, business incubators, and the adaptation of existing business support institutions (chambers, etc) to creative sector industry needs;
- Increasing private financing by educating financial institutions about the creative economy, educating creative entrepreneurs about the financial world, and creating a targeted risk–finance fund; and
- Prioritizing and then investing in key cultural economy projects and facilities.

Under the **Distribution** theme:

- Strengthening Louisiana’s creative brand and marketing by building a network of state cultural ambassadors, seizing opportunities for national and international recognition, and capitalizing on major gateways into the state. For example, they focused on the New Orleans convention center as a site for branding. (Along this line, LA interviewees most frequently cited LAX as the major “lost opportunity” for branding the region.);
- Expanding cultural markets inside the state by coordinating with the local hospitality industry, opening up studios and “cultural production” factories to tours, encouraging in-state purchasing, and establishing “learning vacation” packages based on local assets; and
- Expanding cultural markets outside the state by creating a large annual cultural tradeshow, creating a state level international marketing position, and using government support to send local cultural producers to important national trade shows.



Under the **Support System** theme:

- Convening leadership through an annual statewide cultural economy convening, development of a cultural cabinet of state agency directors, and regular convening of local colleges and universities;
- Building stronger cultural networks by supporting cultural industry councils that act like traditional arts service organizations, and expanding networking activities;
- Expanding resources by creating a fund similar to the John and Abigail Adams Arts Program in Massachusetts (a program of the state government that funds projects that “create jobs and income, revitalize downtowns, and draw www.massculturalcouncil.org/services/tourism.asp” cultural tourists,” as discussed at www.massculturalcouncil.org/programs/adamsarts.asp], and creating a private philanthropic pooled fund focused on the creative economy.

[The timing in Los Angeles might be right for further discussion of this kind of project, since the Annenberg Foundation launched LA N’Sync in 2013 to bring together philanthropic and other partners in a commitment to increase national funding coming to this region.]

Ch 6: Case Studies

The report closes with a series of case studies that provide a detailed account of the four primary creative industries and their needs. Each case study lays out the history of the industry in the state, how it currently is structured, its current economic value, its distribution channels, its support systems, a summary of its strengths and weaknesses, and a series of recommendations. The case studies were developed over the course of eight months of interviews with local experts and thought leaders.

APPENDIX D ILLUSTRATION OF TECHNOLOGY-BASED EMPLOYMENT CHANGES IN THE FILM AND TELEVISION INDUSTRY

Below are two still photographs of a scene from a current hit television drama on the AMC network. The ability to render environments with minimal “real world” input is evident, as these before and after images from “The Walking Dead” (created by Stargate Films) exemplify. The first image depicts the scene as it appeared while being shot on the set, and the second as it was viewed on television:



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A careful review of the two photographs reveals a revolution in production technology that is and will continue eliminating the need for thousands of jobs, production by production.

To name just a few groups of employees no longer needed to produce this scene: smaller art department; no background actors or “extras”; no props of debris and fewer destroyed vehicles, along with resulting loss of work for the prop house itself and delivery services; fewer construction crews, greens, grip and electric department staff; smaller food service order due to smaller cast and crew, fewer location managers; no painting crew to paint the fire damage to the building and then restore it; no hair, makeup or costume crew for background workers; smaller transportation budget with smaller crew; loss of state and local permit fees; fewer security and other personnel to manage shooting locations; and reduced set decoration.

To provide some sense of scope of jobs affected, consider this example of a 2013 summer “tent pole” feature currently shooting. The following are employment numbers pulled from the actual call sheet (number of crew and department):

- 23 Camera and Sound departments
- 22-30 (depending on size of the set and day) – Grip, Electric departments
- 8-10 Costumes
- 5 Hair and Makeup dept.
- 30 Art, Set Decoration, Construction, Props, Greens Departments
- 7 Special Effects Dept.
- 28 Transportation Dept.
- 18 Locations Dept. including PA's
- 5 Catering
- 4 Animal Wranglers
- 4 First Aid, studio teacher, script supervisor and Craft Service Dept.

¹⁴Photo credit from Stargate Photos, Photobucket Mobile.



A total of 235 people are listed on this call sheet, and that does not include many others who provide services for the film (such as extras; extensive post production dept.; production office staff not on set; and prop, camera, grip/electric rental houses, etc.).

Depending on budget, a smaller independent film could have anywhere from 50 jobs on the very low end, up to 150 for a mid-size indie. Again, this does not include background actors, security, etc.

These technological and market-based changes are creating profound shifts in motion picture and television employment, even without the challenges of piracy and location competition.

The very reliance of the major studios on these big budget, “tent pole” productions, moreover, creates another such hit. In the US, the majors in Hollywood have reduced their collective feature film production from around 200 per year to about 140. While revenues, due to the larger box office associated with these films, have remained level, the number of jobs needed to produce 60 fewer films a year is obviously dramatically reduced¹⁵.

¹⁵ Thanks to Mike Miller and Vanessa Holtgrewe of I.A.T.S.E., International, and David Young of the Writers Guild of America-West, for providing the data in this exhibit.



APPENDIX E DETAILED DISCUSSIONS OF THE CREATIVE ECONOMY EXPERIENCE IN EUROPE AND THE US OUTSIDE OF LA

EUROPEAN INTERVIEWS

This component of the study engaged European communities in the Netherlands, Sweden and the United Kingdom that pioneered efforts to define and support creative industries as part of a broader economic development strategy. Please see **Appendix A** for the list of participants by name.

As a note of introduction, European efforts to develop and implement creative industries plans go back as long as 15 years, comprising a mix of local, regional and national strategies. There are two overall impressions from interviewees across the three countries that might be of interest in Los Angeles:

- First, a sense of puzzlement that Los Angeles has not participated in a meaningful way in international discussions to date; and
- Second, a sense of concern that the “Creative Economy” movement not be seen as a passing public policy fad (as is sometimes asserted now in Europe), but that local initiatives in particular continue to benefit from the learning already established and that new approaches be tested and brought to international attention.

Among these interviewees, there was both room and enthusiasm for LA to add its own unique perspectives and strengths to the movement.

It also should be noted that, as European countries addressed the continuing economic and budget crisis, arts, culture and creative economy funding suffered severe cutbacks. As a result, these countries have begun to explore more non-governmental, entrepreneurial and philanthropic approaches to financial health for the creative sector. So from this perspective, they are even more interested in looking at models in the US, and Los Angeles in particular. LA is perceived not just as a creative capital, but one rooted in private sector creative industry successes.

Participants reported that there are few empirical studies of the effectiveness of their creative economy efforts. Instead, what is offered in this section are the thoughts and reflections of people who participated in the creation or administration of these programs, or worked with or supported beneficiaries of them.

As a final note of introduction, it is necessary to point out that, while the interviews focused on people's direct experience in their own communities, there have been many international conferences and many more informal discussions on creative industry development over the last decade. Therefore, many of the thoughts expressed are inclusive of the broader perspective participants have gained from their peers in Europe, Asia and beyond.

Common Themes

The following emerged as common themes in several and, in some cases, all of the European conversations:

- 1) Prior to the creative economy initiatives, the public sector departments of arts/culture and economic development—whether at local, regional or national levels—communicated either rarely or not at all. These initiatives have profoundly shifted those distant relationships into partnerships that recognize the key role creative industries play in healthy economies, and are among the most important achievements.



2) Likewise, bridge building at the local level between disparate non-governmental sectors—between nonprofit arts and for-profit businesses, between businesses from different creative sectors, and between capital investment and creative industries—has changed perceptions significantly and built relationships that are continuing beyond the programs’ own life cycle. Participants believe this has led to increased cross-sector innovation.

3) Supporting creative industries is primarily an economic development function and, as such, should be led or co-lead by the economic development agency in the region.

4) Links between higher education and workforce are crucial, particularly during the transitions between secondary and higher education, and between higher education and career, where the largest difference can be made between the success or abandonment of a creative career.

5) On the less successful side, large new cultural facilities or neighborhood creative “hubs” have struggled or failed outright when they were placed arbitrarily into neighborhoods that could not support them or were not the right fit; were developed without a clear understanding in the communities of the government’s role; or did not have a connection to or provide a replicable model for the broader region.

6) The participation of political leaders/elected officials is very important, but presents risks to the longevity of the project. Elected officials must embrace the creative economy effort and in some official manner articulate it as a priority, but they cannot be the sole generators or “owners” of the process. When this has happened at the local level, the programs run a greater risk of being scrapped as either partisan or too closely associated with a predecessor’s legacy.

7) One of the most difficult challenges faced by emerging creative businesses is the navigation of the public sector bureaucracy that governs many facets of any new business’s operation. Assistance understanding and navigating these barriers must become a top priority to retain and build successful new creative businesses.

8) Even in countries with extensive public social supports, entrepreneurial skills training for both existing artists and emerging creative businesses are recognized as increasingly important to their long-term viability and sustainability.

9) In both the UK and Sweden, governments have hired private agencies to interface with the creative industries, advise government on sector needs, and recommend adjustments in government funding streams accordingly.

NETHERLANDS

1) Historical Development of Creative Economy Supports

Arts and cultural policy in the Netherlands received an increasingly prominent role in the national government throughout the 1980s and 1990s, when multiple disciplines were first combined under one general directorate in 1985, eventually being raised to a cabinet level function in 2006, and adopting the EU definition of creative industries:

- a) Media and entertainment (TV, radio, publishing, literature, film and music);
- b) The arts (museums, visual arts, music concerts and theater); and
- c) Creative services (design-based businesses including fashion, interior and industrial design, gaming and architecture).¹⁶

... the two great pillars of Dutch cultural policy were national heritage and education. The change was in joining these traditional cultural priorities with economic development...

In 2005, a new governmental partnership was built, reflecting the British model of encouraging convergence between the arts and economic development infrastructures as a first step in supporting the creative industries. The Ministry of Culture and Science and the Ministry of Economic Affairs produced a document for Parliament entitled, *Our Creative Potential, paper on Culture and Economy*.

This document laid out for the Dutch public the main objectives of a three-year, €15.5 million project:

- a) Building bridges/networking between creative industries and other businesses;
- b) Providing venture capital for creative startup companies and identifying alternative funding sources;
- c) Adjusting intellectual property regulations;
- d) Marketing and promotion of Dutch design; and
- e) Professionalizing management of cultural organizations through entrepreneurial training.¹⁷

2) A New Perspective on Education and The Arts

According to interview participants, up until the time of this formal plan, the two great pillars of Dutch cultural policy were national heritage and education. The change was in joining these traditional cultural priorities with economic development, linkages that continue to be a struggle today.

Still, the dialogue, however difficult, opened many eyes and ignited efforts to rethink “siloes” education--building practical work with businesses and business skills into arts-related academies, and conversely, encouraging arts-related researchers to educate the public and policymakers about the role artistic training could play in elevating law, math, engineering, technology and science.

The WAAG Society, for example, is a research institute devoted to the interface between art, science and technology, and has done fascinating work using scientific methods to understand how art brings value to society. Drawing from their assessment that creative people are often very poor at telling their own story—that the “art for art’s sake” mantra is fundamentally elitist and turns away much of the general public—they are seeking

¹⁶ Netherlands Ministry of Education, Culture and Science. 2009. “Cultural Policy in the Netherlands: Edition 2009.” The Hague/Amsterdam: Boekmanstudies. 59-62.

¹⁷ Ibid.

*The WAAG Society...
is... seeking to
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to understand and better explain how the arts can help overcome cultural differences, address complex questions in society, cope with new technologies, solve problems and help people.

In one project, WAAG consulted with a local nursing home exploring the possibility of introducing Internet services. WAAG assigned artists to do an initial assessment, look at how people were living and talk to them about their lives in the facility, observing the lack of interaction and overwhelming sense of depression there. They heard stories of feeling alone, fearing death, and being ignored even by each other.

Then the artists worked with technology experts to design “story tables” in the common room, around which small groups could gather to watch rotating video content from time periods of their youth. The story tables activated memories and opened conversations with the residents, slowly turning a silent room filled with depression into a lively space filled with storytelling and laughter. In time, the facility itself discovered lower levels of depression among residents, reduced demands on staff and cost savings.

Likewise, in looking at neighborhood resistance to film production, artist led interviews with neighbors revealed that they often ended up feeling treated as an object by film companies. Finding creative ways to give neighborhoods a sense of ownership over the production were explored as a means of helping boost local location employment.

WAAG is particularly committed to communicating the importance of the creative industries working closely with the latest digital technologies, particularly in schools. They point to Berlin, which has been a leader in recognizing how crucial this connection is across creative disciplines, even rebranding the city as “LogOnBerlin.”

3) Other Reflections on the Dutch Creative Economy Project

While the continuity of the project was interrupted by the recession, participants had a number of thoughts and suggestions to pass on:

- a) It was critical to have a high-level council of advisers with access to decision-makers in government. In this case, they were appointed by the national cabinet ministers and were not all from creative backgrounds. The strongest advocate on the council, in fact, was a member of the Supreme Court who lent special legitimacy to the effort by “preaching beyond her parish.”

Also effective in this role were people who had successfully straddled careers in both the arts and private business.

- b) The political leadership must make official and public statements of the importance of the project. At the national level, the creative economy became one of seven policy priority areas, and in the city of Amsterdam, the three primary economic values were identified as creativity, innovation and entrepreneurship.
- c) Branding is crucial to pulling together both the public and political leadership’s support and identification with the work. In Amsterdam however, it took 4 years to get all of the departments with branding responsibilities to agree to work together. Once this was achieved, the benefits became clear and now planning for every public event or festival starts with coordinated messaging.

To facilitate less formalized incubators, the city of Amsterdam has taken empty office spaces created by the recession and started “bruutplans” or growth chambers.

- b) Bureaucracy navigation for emerging creative businesses is crucial not only to their early and continuing success, but sets the tone for how they experience their place and support within the community, and hopefully how they will participate as corporate citizens in the future.
- e) Creative higher education must change not only in terms of its active engagement with science, technology, engineering and math, but by making better connections for students between their art and a livelihood.
- f) One of the keys to supporting a healthy pool of creative talent in a community is to seed the broader, lower base of the pyramid so there is a constant flow of talent and aspiration upward. . .just as in science, where there can be no new miracle drugs without broad, free flowing experimentation, or in business without research and development. This seeding or support is at no time more important than in the first few years after graduation from an arts institution.

In the Netherlands, for many years the government has provided a living subsidy to graduates of arts institutions for their first four years out of school, during which time they are meant to be developing the means to become self-sufficient in their craft. Even though the program has documented a success rate of 90% (grads who become independent of monthly income subsidy by working in their craft), it is being eliminated in the current budget crisis.

- g) On the other side of the spectrum, there should be employment and training services specifically for creative professionals in their 40s or 50s who are considering transitioning from their craft to different careers.
- h) To facilitate less formalized incubators, the city of Amsterdam has taken empty office spaces created by the recession and started “bruutplans” or growth chambers. Market rents are typically much cheaper, though the spaces are often run down or neglected. Landlords support the policy because properties get fixed up by the creative entrepreneurs and populated. The government unofficially relaxes regulations so they can be occupied, which ultimately means the exemptions get lifted permanently and upkeep becomes the tenant’s own responsibility. (Note that one American interviewee suggested this kind of project has been achieved successfully in the US as well, in Kansas City, though this author has not visited.)
- i) An overall impression is that cities like Los Angeles should look primarily to learn from the lessons of peer cities, and not as much toward the lessons of smaller cities without the audience, history, resources or the inclination to support creative industries.
- j) The “creative economy” is not a new topic any more, and in some circles in Europe, feels almost past the curve. Things have really cooled off now in Europe due to the recession and bureaucratic and political barriers. Even successful private initiatives like NESTA, a high profile British initiative funding creative enterprises and mentoring, became much more about technology than creativity. People are doubtful and have transitioned more toward support for small groups of young, emerging entrepreneurs creating incubators. This is possibly due to reactions against the top-down nature of European governance.

4) Dutch Creative Economy Support Now

Creative industries in the Netherlands are currently experiencing a traumatic contraction of government support as a result of the recession. The total budget for arts, culture and the creative industries is being reduced by €200 million from a total of €660 million. This is translating into the number of institutions fully supported by the government across the country being reduced from 225 down to 80.

The entire culture is experiencing a massive shift in assumptions and expectations about the role of government not just in arts and culture, but much more broadly in people’s lives.

... the core of the [ERIBA] model is to forge new relationships and create collaboration between research, education and training, the arts and creative businesses.

Reductions commenced in January of 2013. For this reason, policymakers are now almost solely focused on losses, transitions, mergers and other adjustments for employees, collections, facilities and entire organizations. While efforts are being made to identify new sources of philanthropic or market-based support, the history of pervasive government support in the past has led to weak private markets and almost no philanthropic culture to now turn to.

Compounding the problem for those seeking solutions, the government has increased the Value Added Tax (VAT) on ticket sales, further suppressing audience turnout, and is planning to eliminate the tax deduction for the self-employed.

According to a January, 2013, status report posted on the website of Kunsten '92, a cross-sector lobbying association of more than 400 art, culture and heritage organizations, cultural entrepreneurship is among the strategies being explored and debated to help the sector respond to the current crisis.

SWEDEN

Formal interviews were conducted in both Stockholm and Gothenburg. In addition, briefer impressions were gathered from among the more than 200 participants at a regional creative economy conference, “Ka-tziing!” on November 14, 2012, in Gothenburg.

1) Historical Development of Swedish Creative Economy Supports

Swedish work on the creative industries began not directly with the government, but with the Knowledge Foundation, the country’s research financier for universities tasked with strengthening Sweden’s competitiveness and ability to create value. Having followed the initial work of the national and London municipal governments in Britain, they invested first in establishing the concept, defining for Sweden what was termed initially the “experience industry,” and then began to assess how these industries could be supported on a regional level.

By 2002, they had adapted the ERIBA model from the music industry, eventually introducing it into eight regions around the country, each of which were to use it to support their top one-three local creative industries. It was developed out of the Hultsfred Festival and Rock City complex, which is the location of the annual Swedish rock festival.

In his 2006 study of the model, Tobias Nielsen lays out the basic structure of ERIBA:¹⁸

- E** Education and training
- R** Research
- I** Industry
- B** Business
- A** Arts and culture

While the translation from the Swedish acronym creates a false division in English between “industry” and “business,” the core of the [ERIBA] model is to forge new relationships and create collaboration between research, education and training, the arts and creative businesses. “Arenas” were conceived as actual cross-sector meetings to identify common areas of interest, such as physical environment, shared vision for the future of the community and supports for new creative businesses.

¹⁸Nielsen, T. 2008. “The ERIBA Model: An Effective and Successful Policy Framework for the Creative Industries.” Stockholm: The Knowledge Foundation: 125-131.

... the Ministries of Culture and Enterprise... created a four-year national Action Plan focusing on competence development, awareness raising, and promotion of the creative industries.

In the early days, a primary challenge was to identify a neutral convener in each of the regions undertaking these projects. Eventually, as networks formed, a separate nonprofit organization named “Swedish Creative Industries” was formed to fulfill this function.

2) Sweden’s Action Plan for Cultural and Creative Industries

By 2009, the Knowledge Foundation decided to step down from its leadership role and the central government stepped in to fill the gap. There had been considerable criticism of the Foundation’s work, some of which conjectured that by creating its own model, even using its own terminology like “experience industry,” they had hindered participation of Sweden in the broader discussions happening throughout the EU at the time.

Still, the accelerated discussions within the country built enough momentum that the central government chose to further stimulate the process. They created a partnership between the Ministries of Culture and Enterprise for the first time, and together they created a four-year national Action Plan focusing on competence development, awareness raising, and promotion of the creative industries.

Specifically, the Action Plan includes the following tasks:

- a) Internet-based services and counseling for creative businesses;
- b) Development of new cultural incubators and formal networking between the existing incubators to share knowledge;
- c) Improved networking between creative businesses for sharing new models and best practices;
- d) Analysis of how entrepreneurship can be better integrated into arts related higher education;
- e) Research on how leadership development and organizational process can better stimulate creativity and innovation;
- f) Assessment of options and educating communities about available financial tools for startups and existing business development;
- g) Development of statistics on national and regional creative industries; and
- h) Competence development for organizations serving creative entrepreneurs.

There was some controversy about this plan, because funding was directed to creating systems within public institutions, which would then be better coordinated and better prepared to meet the needs of the creative industries. In other words, the focus was not to provide assistance directly to entrepreneurs and artists, but to build the systems and infrastructure that in the long-term would provide a healthier environment for them to thrive.

While there were some differences of opinion among participants on this, most concurred that the main result of Sweden’s efforts to date has been the change in how central, regional and local governments work, how they work together, how they see art and culture, and how they are adapting more responsive grantmaking. Regional governments in particular, for historical/evolutionary reasons beyond just their creative industries work, were described as gathering greater power and taking on more of a leadership role in policymaking.

3) The Swedish Process Today

Ultimately, the Knowledge Foundation helped facilitate the creation of a permanent, private networking agency for the creative industries, now with the membership of 16 of the regional governments, called GENERATOR. This agency serves as a broker and advocate of contacts, information, funding opportunities and best practices between public sector, academia and creative entrepreneurs.

GENERATOR has developed an impressive network of relationships at national, regional and local levels in departments of culture and economy, tourism, arts and culture agencies, and schools and research institutions. They travel around the country, providing creative industry training and information to government officials, site visits to emerging and established creative businesses to facilitate local relationship building, and tours around communities highlighting the kinds of businesses sustained secondarily by creative industries.

The maturing process was described as leaving the system in the hands of a much more coordinated, and notably more committed set of regional governments, which in turn are much better integrated within the broader economic development world. This took 10 years to accomplish, and a top success factor was getting key players from public and private sectors and academia to join together in the formation of a collective plan.

GENERATOR still does not have a national role however, formally assigned by and responsible to the national government.

4) Reflections on the Process

The following are some general observations, suggestions and cautions from participants based on their experience over the last 10 years:

- a) The Swedish Council on Creative industries was an attempt to develop high-profile national leadership supportive of the national Action Plan. It included 12 persons from diverse backgrounds, but most participants agreed that it was ineffective. Reasons given included the secretive nature of the Council's deliberations and activities, sometimes even among its own members; its lack of political independence and authority; and its positioning nationally during a time when regional governments were asserting greater authority and relevance.
- b) Swedish society was characterized as a potential counterpoint to the Richard Florida theory of an ideal creative society. They have realized high levels of education, support for creativity and artistic lifestyles, strong social supports, etc., but taxation levels are so high that the creative economy is hindered on two levels. First, wealthier people are taxed at more than 50%, and so have much less disposable income to sustain a market for creative production; and second, government funding of the arts has been so strong for so long that there is little culture of philanthropy.
- c) The weakness of the private market for artistic production (raised and to some extent shared in all three European countries in contrast to the situation in the US) means that even with a significant social safety net, a strong system of providing individual supports and services specifically for creative individuals is required. This is particularly true in the early years of a career when it is difficult to generate enough income to meet basic needs like housing, continuing education, emotional support and broader life skills. It is also a growing concern as the safety net erodes under economic and budgetary pressures. Several participants spoke of the need for encouraging new, privately funded systems of artist supports as the country faces a massive re-alignment of the basic social contract.

One project that worked particularly well in Stockholm was creating exemptions from certain code and zoning regulations to allow old, vacant factory spaces to be turned over to creative professionals to allow them to build their own live/work spaces.

- d) While there was some disagreement about the priority of funding going toward public-sector systems development, there was broad agreement that much of the consternation around that decision could have been avoided if there were clearer communication, particularly with the grants-dependent arts community, about the goals and intentions of the project from the outset.
- e) Over the decade, some of the individual projects have attempted to teach entrepreneurship and business skills to young creative professionals. Two significant challenges arose. First, traditional business models often didn't work with creative industries whose nature is project based, as opposed to the long-term establishment of steady revenue streams. Second, some artists simply don't want to become businesspeople and feel it is not in their nature or skill set to meet this new expectation. Serious questions need to be asked about the impact on creativity of forcing this model onto people for whom it might never work.
- f) The country's inability to decide on a common definition of the creative industries, consciously foregoing adoption of the EU definition (media and entertainment, visual arts and creative services), has unnecessarily sewn confusion. It also has rendered the regions, each adopting their own definitions, incapable of measuring the same things and learning from each other within the country, as well as participating meaningfully in broader EU conversations.
- g) One project that worked particularly well in Stockholm was creating exemptions from certain code and zoning regulations to allow old, vacant factory spaces to be turned over to creative professionals to allow them to build their own live/work spaces.
- h) Finally, some words of caution:
 1. Within a region, it has been crucial to facilitate collaboration between municipalities, as historic and other rivalries, along with competition for funding, has pitted them against one another in some cases to the detriment of the entire process.
 2. Beware of the "Emperor's new clothes" phenomenon, producing large, expensive events or shiny new facilities without doing the longer-term, less sexy work of supporting the emerging artists who will sustain the project.
 3. Beware of the creative economy initiative being hijacked by the agendas of existing organizations, which are grabbing onto a new buzzword to pursue old goals. Advocacy has to be pursued independently unless devoted solely to this effort.
 4. Beware of consultants making large amounts of money that end up delaying action. Too much study will weaken the coalition.

5) Two Swedish Incubators

Incubator services were often characterized as among the more hopeful options out of the many tried in all three countries, so travel for this report included visits to two of them in Sweden:

- a) KLUMP. On the outskirts of Stockholm, KLUMP sits amidst a larger creative industries campus called Subtopia that includes joint working spaces, film and music studios, offices and shared equipment. Approximately 70 participants began the KLUMP incubator program a year ago and about a quarter of them have begun actively working on their own businesses and started paying taxes on their income. They receive one year of free rent before they are expected to begin paying a partial monthly fee.

The incubator services include monthly meetings with program participants, as well as monthly meetings with the larger Subtopia campus businesses. This has become particularly important

because left to their own devices, many participants have tended to isolate in their offices even when surrounded by other creative people. The peer support and mentorship on both levels has been particularly important in helping process feelings around learning business skills and turning crafts into revenue sources.

Three components that seem critical in the first year of operation are networking among both peers and among established businesses, basic business skills training and cross discipline synergy.

An important political lesson was learned in overcoming opposition to funding for the program (versus funding for schools or public safety, for example). They created a neighborhood outreach program through which they organized meetings between neighbors and KLUMP participants. Neighbors were encouraged to express concerns about their deteriorating community, such as graffiti and lack of community green spaces, and KLUMP members developed projects addressing the concerns, in these cases, replacing graffiti with murals and teaching the neighbors gardening skills and planting their first park.

A second, EU-funded incubator was started by Peter Rundkvist specifically to reach out to one of the most underserved and segregated communities in Gothenburg, the northeastern section where many new immigrants live.

b) Kulturinkubator (“Culture Incubator”). A second, EU-funded incubator was started by Peter Rundkvist specifically to reach out to one of the most underserved and segregated communities in Gothenburg, the northeastern section where many new immigrants live. Immigration is a recent phenomenon in Sweden and the government has turned to the cultural economy movement to see if creative entrepreneurship can become an innovative way to more successfully integrate and empower the new residents.

The incubator provides very intensive services to potential cultural entrepreneurs identified through arts education programs and community outreach. They receive emotional support and training in business skills, marketing their craft, charging fees and scaling production.

In the spirit of the broader national creative industries plan, this project is a joint effort between the business and culture ministries of the city. The local business community has not necessarily been enthusiastic to date, but seems curious to see if creative industries can ever be economically sound. They are invited to join the project as mentors and some are beginning to participate.

This project also has been in operation for a year, but on a smaller scale. They started with 12 people and all of them are still working, including such diverse projects as event production, ceramics and Somali immigrants starting a small camel farm for tourist venues and camel products.

UNITED KINGDOM

The British government began discussing ways to assist the creative economy in 1997-98. The Blair government established the Department for Culture, Media and Sport (DCMS) and its Creative Industries Task Force in 1998. A 15-member commission was created and began to assess the size and scope of the creative economy.

Eventually, as political support was engaged, and with the DCMS studies making clear for the first time the economic might of the creative industries, the Mayor’s Commission on Creative Industries was launched in 2003 in partnership with BOP Consulting, and “Creative London” was established to develop and implement strategies to build the sector with an annual budget of £10m. Graham Hitchen was its Founding Director from 2003-06, and Tom Campbell assumed leadership from 2007-09 as head of Creative Industries at the London Development Agency. Adam Cooper heads up the loose descendant of the operation under London Mayor Boris Johnson, and all three were interviewed for this report.

[The Enterprise component's] legacy is in the relationships built and attitudes that changed in the investment community toward the arts and creative sector in general, with some private capital still going into these investments.

1) The two former participants described the focus of “Creative London” on four priority areas:

a) Talent. This was an attempt to professionalize the non-formal learning sector, targeting at-risk youth ages 16 to 19 who had been failed by the system, but in whom research had suggested there was potential for success in the creative sector. It was a direct response to the common understanding that the creative economy often leaves out underserved communities and would be better served by a more diverse workforce.

They pulled together a network of 35 education providers and another dozen youth-focused nonprofits to provide outreach and training. What they saw as the radical piece was to create formal recognition of this process, a new accreditation for the creative training that could become a meaningful credential for employment. This ultimately proved too ambitious given the vast number of interests involved, conflicting allegiances, and the difficulty and questioned wisdom of replacing informal processes with formal. It was dropped just prior to the change in municipal government.

One of the local partners from this period, however, Creative Process in South London, adapted through its work with Creative London to build a niche for itself. Now known as Digital Apprentice www.digitalapprentice.co.uk, this creative nonprofit bills itself as a “regeneration” agency, serving creative businesses in London by providing them with apprentices they train one day per week in the latest digitally based workplace skills.

b) Enterprise. This was an attempt to create a support and training system for small and emerging creative businesses. It was primarily focused on getting new people to invest in creative businesses and provide mentoring services. It involved small amounts of investment money, advice, networking and peer support, and enlisted top organizations to do formal training. An important early lesson was the need to match mentors with new entrepreneurs culturally, avoiding generation and class gaps, as well as experience in creative fields that are more project-based than many traditional businesses.

The mentality of many investors prior to Creative London was that creative businesses were unreliable and risky, even with economic data demonstrating that they were outperforming the rest of the economy. So this program supported a creative business accelerator, hosting networking events between creative businesses, banks and other investors with discussions about business models and opportunities. Public-sector money was matched with private sector and an appointed venture capital fund made investment decisions.

The program worked very well initially, with investments going into digital, television and gaming industries, but the recession effectively ended the project. Its legacy is in the relationships built and attitudes that changed in the investment community toward the arts and creative sector in general, with some private capital still going into these investments.

A second continuing piece of the Enterprise legacy is the expanded awareness in the broader business community of the importance of intellectual property law to their own livelihood. It became a significant source of common cause, and as a result the project funded www.own-it.org to provide information and consulting to businesses, and the site remains in operation today.

c) Property. The focus here was on workspace, identifying and making available more affordable, diverse sources of accommodation through sharing, use of short-term leases and other kinds of flexibility. Spaces were needed for creative production, exhibition, retail, meetings and even storage. They contracted with a creative space agency to spearhead the effort.

They discovered that they could make the most difference with transient properties—unrentable and vacant for short or extended periods of time for a variety of reasons—with the idea to free them up for creative businesses at no cost or at significant discounts. The process required landlord support, and so the bargain was that landlords would open up these properties on the condition that they could freely evict businesses that were not paying rent.

While this effort seemed extremely important when the economy was booming, it became much less so during the recession when rental costs plummeted. The government now has transitioned towards support for incubator spaces for small and emerging creative businesses.

d) Showcasing. Grants were provided to cultural organizations to increase civic pride and awareness of local cultural strengths, build audience for local events, and create a broader, cohesive, creative brand regionally. The Showcasing component was the most difficult of the four to sell initially, but is the one leg left standing after everything else has been discontinued.

In London, the stereotypical image was of finance, rain, hats and Bobbies, but the showcasing efforts were so successful in rebranding the city as a vibrant creative center that they have been continued under the conservative government. Messaging is now coordinated closely on events such as the London Film Festival and London Fashion Week, and it is followed up with messaging just as strong about the economic results. Adam Cooper reports, for example, that the government's £750,000 investment in Fashion Week translates directly into £79m in sales for London fashion and apparel houses, and these well publicized numbers generate their own political support for the continuation of the program.

(This was also the area for Los Angeles that left most British participants puzzled. Almost all were aware of, and impressed by, the extensive efforts and resources devoted to branding and marketing by New York City, but none could identify a cohesive strategy emanating from Los Angeles.)

There was also an attempt to build a broader "Creative London" brand for the region, including a London Cultural Season, bringing together high profile events like fashion week and the film festivals. But this failed because local partners were too protective of their own brands, primarily, but also a more vague concern that such a brand might betray values of cultural humility. Separately, the media created the "Cool Britannia" brand, but interviewees suggested that most people tried to distance themselves from it.

The Showcasing component was the most difficult of the four to sell initially, but is the one leg left standing after everything else has been discontinued.

The initial hope with Creative London was to encourage communities around the region to embrace all four priority areas, leveraging a wide variety of resources and slowly building creative hubs. However, participants characterized this larger goal as a failure. People were simply waiting for government to step in and fund all the work, while Creative London was hoping to encourage at least an equal contribution of time and energy from localities. The broad sense of disappointment brought about by this "chicken and egg" debate, combined with the impending exit of Mayor Ken Livingstone and the failure of the Creative London Advisory Group to build broader political support, sealed the fate on the project.

2) Beyond Creative London and Creative Workforce Development

In the post creative industries dialogue, interviewees characterized the discussion as moving less toward creative industries and more toward how creativity influences and stimulates businesses in every realm, and how creative education can be better linked to places like business schools.

The new government's 2012 "tech city" initiative applies some of the lessons from creative businesses to tech businesses, funding large amounts of government training and other assistance and combining it with an extensive showcasing/PR campaign at the mayoral level. They have attracted Google and Yahoo and brought significant new jobs to the region.

As Chris Gibbon of BOP Consulting notes, there is also a reassessment of the kind of oversized projects influenced by a combination of the “Bilbao Effect” and Richard Florida’s theories about how cities can attract a “creative class” of young entrepreneurs:

“Money was spent on shiny new cultural buildings and projects in many of Britain’s larger cities... Yet the evidence suggests that this has had limited effects. BOP Consulting’s research indicates that creative industries businesses [in the UK outside of London] tend to be small and to serve primarily local or regional markets. As a result, they tend to be more concentrated in areas with a strong private sector, affluent consumers, good transport links and a pleasant physical environment.”¹⁹

... any creative industry support structure in comparable world-class cities must have an eye toward the international competition that will continue redefining the creative marketplace.

In the aftermath of some of those very public failures, and in some cases in concert with them, smaller cities like Sheffield, which also was visited during this study, are focusing on support for local creative talent through incubators, making local space and zoning regulations more favorable through cultural districts, and supporting collaboration with local higher education institutions. For a full exploration of such efforts in four UK cities, see Markusen (2012).²⁰

Administrators of Creative London, on the other hand, suggest that they have done extraordinarily well out of the creative industries movement and, in fact, must learn how to compete all the more strenuously...albeit in a different, global marketplace led by China, India, Brazil and other nations. They believe any creative industry support structure in comparable world-class cities must have an eye toward the international competition that will continue redefining the creative marketplace.

Several elements continue to be central to that competitiveness. Developing partnerships between government, creative businesses and higher education institutions is critical, providing combined craft-based and entrepreneurial training as well as transitional support between training and private life.

Emerging creative businesses also continue to need support—with networking among other creative professionals, peer learning and mentoring, coordination within the broader cultural context, navigating government bureaucracy, and possibly even in the creation of a set of “benefits of association” in the creative industries.

Both administrators of Creative London continue to believe that the bigger picture goals of the movement brought progress and new thinking to local and broader economic development work. Many new creative businesses were supported, government and industry were engaged together to a rare degree, creative educators expanded their understanding of the skills they need to impart, and investors and banks opened up a dialogue for the first time on the “particular challenges of capitalizing the creative industries.”²¹

In his recent retrospective blog on the ten-year anniversary of Creative London, Tom Campbell urges people to look beyond the shortcomings of that effort...among them the previously mentioned placemaking failures, the lack of international inclusion

¹⁹Gibbon, C., BOP Consulting. (2011) “How much can the creative industries contribute to regional development in Britain?” London.

²⁰Evans, B., Markusen, A. and Radcliffe, J. (2012) “Responding to Deindustrialization with Arts and Culture: Comparing Four UK Cities,” Paper presented at the American Collegiate Schools of Planning Meetings, Cincinnati, Ohio, November 1-4.

²¹Campbell, T., BOP Consulting. (2013) “Looking back at the (London) Mayor’s Commission on the Creative Industries.” London.

and digital focus, and the still unsolved problems of affordable space and broad financing for new creative businesses.

Instead, he encourages re-engagement with the vital, visionary ideals of Creative London:

“...priorities around the creative industries today can appear dispiritingly narrow: promoting Tech City, industry-HE collaborations, the roll-out of high-speed broadband, R&D tax credits. Of course, all of these are important objectives, but rather than focusing exclusively on how to grow the sector, perhaps we should revisit the spirit of 2003 and ask whether the creative industries can do more than simply get bigger. Perhaps they really can revitalize our cities, generate meaningful employment, change perceptions of an area, improve the public realm. It might not be easy, but back in 2003 at least much of this was thought to be worth trying.”²²

3) Ravensbourne College

The visit to London included a site visit to Ravensbourne College in Greenwich, to which several participants had pointed as an exciting model for the future of higher education in the creative industries.

Marice Cumber, Subject Leader on Enterprise and Entrepreneurship in the Curriculum at Ravensbourne, first set up a business support service for graduates of art schools in 2000, assessing that there were significant needs for support, networks, and upgrading of skills related to creative businesses. She also assessed that, in a very emotional business, it took a very different skill set and special processing to release an emotional attachment to a piece of work and turn into a product for sale.

Ravensbourne was created with those understandings in mind, as well as the growing recognition in Britain that artistic purity needs to be rethought and arts graduates need to be better prepared to support themselves. Graduation requirements therefore comprise a nearly equal number of credits, a difference of only five, between “enterprise” courses and those in the student’s creative field of choice (among 14 disciplines offered).

The three-year graduate programs, which are offered primarily on digital platforms, include the following enterprise-related team projects, each straddling an entire academic year and requiring team building across disciplines:

- a) First Year: training in basic business skills and planning fundamentals, and the joint creation of a mock business plan;
- b) Second Year: taking the skills from Year 1 and developing a plan to revitalize a currently struggling business; and
- c) Third Year: each student setting up a business plan around his/her own craft and accomplishing an economic exchange.

The school has a current enrollment of 1,400 students. Their hope is to provide a more diverse group of young people, who might not have family support to rely on after graduation, with a more effective combination of artistic and basic business skills to embrace and succeed in lifelong creative careers.

²² Ibid.



LA has the opportunity to become a true national leader in developing and implementing a blueprint for our creative industries.

UNITED STATES INTERVIEWS OUTSIDE OF LA

This cohort of the study included national experts and other American communities outside of Los Angeles that have undertaken efforts to support creative industries. Discussions began with two national consulting firms that have been developing formal creative industry plans for more than ten years, and three southern California communities (discussed in the chapter, “The Creative Economy Movement: Where the Los Angeles Region Stands”). Interviews continued with four US communities outside LA County: Austin, TX; Denver, CO; the state of Massachusetts and Portland, OR.

NATIONAL CONSULTING FIRMS

David Plettner-Saunders of The Cultural Planning Group in San Diego and Beth Siegel and Beate Becker of Mt. Auburn Associates in Boston provided invaluable guidance. Together, they have contributed to creative economy planning and implementation in Santa Monica; Broward County, Florida; San Antonio, Texas; the greater New England region; the state of Louisiana; Milwaukee; New York City and Washington, D.C.

They are in concurrence with Ann Markusen, Director of the Humphrey School of Public Affairs’ Project on Regional and Industrial Economics, who suggested in correspondence that in the US in general, while many cities have done cultural plans, very few have done the kind of broader work on creative industries required to create sustained momentum and progress. LA has the opportunity to become a true national leader in developing and implementing a blueprint for our creative industries.

This section of the report summarizes the detailed discussions with Mt. Auburn Associates on the following two areas of their work: broad lessons from ten years of consulting experience and the development of a typical, comprehensive creative industries plan:

1) Broad Lessons from over 10 years of Creative Economy Consulting

Looking back over the past 10 years of their work, Mt. Auburn consultants suggested a couple of general, “10,000 foot view” conclusions important to any community exploring efforts to support their creative industries:

- a) **ECONOMIC DEVELOPMENT LENS:** The focus of the work and composition of the leadership team are crucial in any effort to support the creative economy. Specifically, they have found that while most movements begin in the nonprofit arts community or municipal department of cultural affairs, it is essential that the local economic development agency ultimately either lead or partner as the lead in the effort.

Having leadership of the local economic development agency is critical for two key reasons:

First, focusing on job creation and retention is the best way to achieve active engagement and participation from for-profit, creative businesses and a true cross-sector coalition (and broader political support); and

Second, the needs and potential assumptions of the nonprofit arts community regarding this work have the potential to unravel the process if not carefully managed. In their experience, nonprofit arts partners tend to see the goal of this kind of process as audience development, increased philanthropic activity or entrepreneurial support systems for individual artists.

***Mt. Auburn's
opinion is that the
most important
component of
long-term creative
economy support
is workforce
development.***

But the essential goal of creative economy projects is actually broader economic development policy, bringing more creative jobs to the region, which ends up frustrating, disappointing and even alienating local nonprofits if project leadership isn't clear about that mission from the outset. Not that the message should swing in the other direction and begin to sound exclusive of their needs... it is more about expanding the definition of individual sector needs toward the few broad initiatives that will be helpful to the big tent collection of nonprofit and fellow creative industries in the long run.

The nonprofit arts community in particular brings critical partnerships to the process, as community thought leaders regarding project priorities, as referral sources to potential participants in services like incubation and training, as employers with their own highly creative workforce, and as beneficiaries of long-term project outcomes like branding and networking activities.

b) PROJECT GOALS: Mt. Auburn's opinion is that the most important component of long-term creative economy support is workforce development. This would include, among other options:

1. Connecting higher education more closely to the creative industries and the skill development corresponding to their workforce needs;
2. Raising awareness within middle and high schools of the local creative industry careers available and providing guidance or mentoring on how to prepare for them; and
3. Creating adult training and retraining programs specifically around the skills required in local creative industries.

They report that this is also the most difficult to push to the top of the agenda and sustain because it is complex, has subtle outcomes, is expensive, and takes the longest to achieve. Elected officials in particular can be skeptical of workforce development initiatives because it is so hard to achieve demonstrable accomplishments within a single election cycle.

(In local discussions with people interviewed during this study, there were mixed reactions to the workforce development question. Additional conversations would need to be facilitated to build and confirm broad support.)

Appendix C provides excerpts from the Mt. Auburn creative economy report in Washington, D.C., which includes what the firm describes as its most detailed recommendations for workforce development in any of its creative industry plans. **Appendix C** also provides a summary of one their complete, full-scale creative economy plans.

Mt. Auburn provides a basic overview of economic and workforce development policy in a recent paper developed for the Surdna Foundation, including the current historical transition, mirrored in the new LAEDC strategic plan, toward developing economies through clusters of related industries and retaining and growing the region's talent base:

*"...the field is increasingly concerned with building and improving the underlying assets that contribute to a region's economic strength, focusing on the economic engines, those "traded" clusters (a geographic concentration of interconnected businesses, suppliers, and associated institutions) that sell their goods and services to external markets. Through exporting goods and services outside of a region, traded clusters import income into the region that is then circulated throughout the regional economy."*²³

The paper goes on to outline primary strategies for workforce development, including system change within the Workforce Investment Boards, sector-based training that serves both worker and employer needs, credentialing, providing access to training that leads to career advancement, student assistance in transitioning through each grade level to college, and postsecondary education and training.

²³Seigel, B., Seidman, K. (2009) "The Economic Development and Workforce Development Systems: A Briefing Paper Prepared for the Surdna Foundation. Mt. Auburn Associates.

Almost universally, other communities have acknowledged the need for more intensified networking and relationship building across sectors.

The leadership of Mt. Auburn also warned about putting too much emphasis on the currently popular approach called “placemaking,” in which significant amounts of resources are dedicated to a narrowly defined neighborhood. The intention is to attract artists and create “cool places,” but the impact appears to be in creating more vibrant street life, not necessarily jobs and economic activity.

Their concern is that, particularly in large sprawling cities, the benefits of such projects remain quite geographically limited unless there is a plan for either connection to the broader community or replicability around a region. Outside of a larger context, such substantial dedications of resources might be better spent on other more universal options.

In addition, they suggested that participants in creative economy development efforts need to stay focused and guard against taking on other existing agendas, however meritorious. They voiced specific concerns around engaging in political advocacy beyond the efforts a coalition might take to build support for its own initiatives. In their experience, when communities step beyond traditional cultural planning to think about broader creative economy support, they are building relationships across divides which often have not been breached before. Significant bridge building usually needs to occur before political agendas can be discussed safely.

Otherwise, there is the potential to fracture cross-sector coalitions if advocacy is perceived as too one-sided, originating from one sector’s existing agenda, or either confronts or ignores controversial issues around which coalition members feel they cannot compromise.

They characterize both placemaking and political advocacy as important, but probably not central components of the first several years of a creative industry plan.

(Note that **Appendix B** includes an opposing suggestion from an LA participant, urging engagement in political advocacy based upon the emerging effects of term limits on political leadership.)

In terms of the other two programmatic areas identified by Los Angeles interviewees, Mt. Auburn was supportive of the concepts and reported that other cities have included similar things in their formal plans. Those areas, creative economy branding and support for emerging creative industries, have been cited in many discussions around the country, to greater or lesser degrees. Almost universally, other communities have acknowledged the need for more intensified networking and relationship building across sectors.

c) **STRUCTURE AND PROCESS:** Different cities have followed different paths toward commissioning and implementing a formal creative economy plan. While interviewees from Mt. Auburn believed that this determination must be made locally, they suggested that the governance of any plan should include at a minimum:

1. Oversight/endorsement by high-profile stakeholders who lend credibility to, and potentially leverage resources, for the effort;
2. A committed working group of people willing and able to devote time to coordination and implementation, including the ability to contribute staff time; and
3. Representation recruited from each of the private-sector industries affected, across other participating sectors like government and nonprofit arts, and with specific attention to economic development skills.

This last point is particularly important in demonstrating the central notion that a creative industries plan is not a tourism project, an audience or revenue development project for the nonprofit arts, or a namesake project for a single elected official. It can and will eventually benefit all three, but a creative industries plan must be generated from within the creative sector itself, and must be focused on creative industry jobs.



... the best way to root an early coalition of disparate parties is to identify what they call a “jumpstart project...”

To retain broad support, leadership must continue to communicate the broad benefits of these efforts to all sectors participating...in LA's case, the focus on a better prepared workforce, stronger promotion of the region's creative strengths and support for emerging innovators.

They warned against the danger of endless study, interviews and reports, even meetings, if they don't lead to the pursuit of specific goals. Instead, they suggested establishing “early wins” via achievable, immediate, short-term projects that build momentum, confidence and commitment in the community.

- d) JUMPSTART PROJECT: In their experience, Mt. Auburn suggested that the best way to root an early coalition of disparate parties is to identify what they call a “jumpstart project,” requiring as many participants as possible to accept assignments, work as part of the new team, and deliver on a specific outcome by a specific date.

The team that pulls together around such a project could easily become the long-term working group for a coalition like the CEC, for example.

In LA, such a project might involve pulling together an international conference around one of the goal areas discussed above, for example, inviting experts from around the world to come and discuss their experiences building creative industry incubators. This type of conference offers the additional benefits of helping the creative community coalesce to plan a major initiative, and define and market its own narrative about the future of the local creative economy within LA, the US and around the world. The World Cities Culture Forum in 2014 might be an ideal opportunity.

In 2013, the CEC began to secure commitments toward the establishment of catalyst grants to emerging creative entrepreneurs, and this is another example of a key initiative pulling the sectors together toward a relatively immediate, achievable end.

In concluding comments from Mt. Auburn, it is worth noting that in the realm of the creative economy movement and international conferences in particular, Mt. Auburn reports a sense among their contacts that Los Angeles has been absent from the process for the past 12 years and would be welcomed into the discussion. As will be seen later in the report, this sentiment was echoed by interviewees in Europe.

2) Comprehensive Creative Industries Plans

Appendix C provides sample components of a formal creative economy plan by Mt. Auburn Associates.

OTHER AMERICAN COMMUNITIES

Common Themes

Though these communities each faced unique challenges in building their creative economies, the following emerged as common themes in several and, in some cases, all of the conversations:

- a) All participants agreed that the **makeup and structure of local leadership** is crucial to success. The structure must achieve balance between a high-level advisory group, with the ability to enlist the buy-in of local elected officials, and a high-energy working group or staff, with the ability to deliver on goals and sustain momentum.

On the other hand, there was also awareness that people are wary of getting involved in “yet another” process, study or ad hoc organization. To enlist and sustain support, efforts on behalf of the creative economy must offer the opportunity to act, not talk.

... between the deepest national recession years of 2005-2010... the creative economy [in Austin] significantly outperformed the rest of the economy.

b) Several suggested that the **commitment to creative job development**, and its importance to everyone in the community, must be paramount over other goals, echoing Mt. Auburn's feedback. Leadership must continuously reinforce this message to prevent fractures in the coalition over unrealistic expectations regarding their own more specific needs. If, for example, the nonprofit arts community sees "creative economy" as a new name for an existing agenda and succeeds in shifting the work in that direction, the business side of the coalition will exit. But if--as one participant characterized the stalling of the effort in Milwaukee--the arts community ends up seeing private business as the only beneficiary, they will exit.

The goals must make clear the intention to benefit all sectors through better preparation of potential and existing workers, broad promotion of the region's creative strengths, support for new innovators in creative fields and any other project activities.

c) Each of the participants invested in **branding or marketing** of one form or another. Some developed overall creative brands, while others focused on targeted marketing of specific projects. But all seemed to agree on the importance of devoting resources to thoughtful messaging in order to build community support.

d) Finally, **cross-sector partnership** is both a means and an end in these communities. As will be mirrored in the next section on the European conversations, many participants characterize the building of bridges, particularly between the nonprofit arts sector, creative businesses and the local economic development world, as among their most meaningful outcomes.

Individual Community Highlights

The following are a few notes, highlights and suggestions from each community, as offered by representatives of organizations that have participated in local creative and cultural planning:

Austin, TX.

Like many cities, Austin's process of supporting its creative industries began with research into the size and strength of those industries, and was partly inspired by the work of Richard Florida who named Austin the second most creative American city after San Francisco. (Florida's work is more fully introduced in the section of this report on Portland, OR, on page 99.)

According to Kevin Johns of the city's Cultural Affairs Division, the most recent and pivotal of these studies measured the local economy between the deepest national recession years of 2005-2010, and found that the creative economy significantly outperformed the rest of the economy. While overall, Austin grew 10% over the period, the creative sector grew 25%, up to \$4.3b in revenue, 49,000 jobs and \$71m in tax revenue.

As this latest analysis was being conducted, a broader, 16-month process was underway, engaging more than 500 people to study and guide the future of the local creative economy. The resulting "Create Austin Cultural Master Plan"²⁴ provides detailed recommendations for the first year, the next 1-3 years, and the following 4-10.

The Plan illustrates that while the four primary cultural industries in the city are music, film/TV, gaming and digital media, and non-profit and visual arts, additional sources of local creative employment include architecture, crafts, culinary arts, dance, design and graphic arts, fashion design, heritage, landscape architecture, literary arts, photography, performance art, recording, slam poetry, theatre and visual arts.

²⁴ Bulick, B., Edward, D., Kirkland, T. (2009). "CreateAustin Cultural Master Plan: Culture Matters Here." City of Austin Economic Growth & Redevelopment Services Office, Cultural Arts Division: Austin, TX.



Many businesses have not immediately seen the value in working across silos, and even once in agreement, have sometimes needed assistance speaking what amounts to different languages of talent and skills.

The city's character and identity are closely tied to music and culture, and local leadership seems determined to deepen that linkage and make the most of it. According to the authors of the plan, Austin has more than 1,900 music acts, 1,543 music related businesses, and significantly, has the second highest number of community celebrations, festivals, fairs and parades, per thousand population, in the United States. At the most recent and most famous, "South By South West" (SXSW), in March 2013, more than 300,000 people from all over the world flooded into the city over two weeks for exhibits, discussions, demonstrations and celebrations of the latest in music, film/television and digital technology and connectivity.

Recommendations in the Plan are grouped into the following main categories:

1. Support for Individual Creativity
2. Built Environment
3. Creativity and Learning
4. Communications and Collaboration
5. Financial Resources
6. Cultural Infrastructure

Each category includes multiple recommendations, for a total of 34. Of these, the report calls out the top ten most important:

1. Establish a CreateAustin Leadership Task Force
2. Form a Community-based Creative Alliance
3. Create a City Department of Arts and Culture
4. Launch a focused public will-building and public awareness campaign.
5. Forge partnerships between area universities and colleges and the creative community.
6. Increase private sector support.
7. Increase business development and technical assistance services.
8. Encourage neighborhood-based cultural development and activity.
9. Develop affordable and accessible cultural space of all types
10. Develop a Creativity Teaching and Learning Project.

Interviewees suggested that prior efforts over the previous ten years and in the four years since this plan was approved have yielded positive results in terms of collaboration within local government jurisdictions, improved communications and devotion of resources in several areas.

Creating more cross-sector collaboration however, has been difficult. They report that few effective bridges have been built between nonprofit arts and for profit entertainment, and even within the private sector, collaborative projects between music, TV/Film and digital enterprises have been fraught. Many businesses have not immediately seen the value in working across silos, and even once in agreement, have sometimes needed assistance speaking what amounts to different languages of talent and skills.

The city's approach to incubation has been influenced by these experiences, focusing more on industry-specific needs and services, rather than all-inclusive projects, and focusing more on bringing new businesses into the region rather than setting up a physical office where emerging creative entrepreneurs can set up a desk and start an independent operation. (A recent NEA "OUR TOWN" grant application might provide the first opportunity for a physical plant in 2013.)



In concluding the CreateAustin recommendations, the Plan's authors underscore their growing awareness that the creative industries of the future will need to compete nationally and internationally, that even in a mid-size city, changes in markets, communications and technology mean their creative economy is a player on a world stage:

"As Austin grows and seeks to prosper, it must now compare itself to cities that dream big—San Francisco, New York, Chicago, Los Angeles, Bilbao, Glasgow, Toronto and others."

It is one of the crucial lessons for leaders in any city that hopes to retain and grow jobs in the creative sector: what's at stake? In this city, in the consensus opinion of more than 500 participants over 16 months of work and study:

"Nothing less than Austin's unique identity, its future prosperity and its quality of life."

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Denver, CO.

The City of Denver began its first creative industries programming in 2007 under the direction of the mayor. Create Denver was conceived to "support, promote and grow Denver's creative sector," including policy recommendations, programs, research, technical assistance and advocacy.

The program was assigned a single staff person within the Department of Cultural Affairs (DOCA) to begin assessment, recommendations and programming, but by 2009, the city government was experiencing severe budget deficits due to the recession, ultimately reaching a \$100 million imbalance. DOCA, including Create Denver, was merged with Denver Theaters and Arenas, the only economically self-sustaining department in the city, which was responsible for managing the Denver Performing Arts Complex, the second-largest performing arts complex in the country, as well as Red Rock Amphitheatre and other venues in the city.

The newly created "Denver Arts and Venues" was able to use its revenues from ticket sales, parking and concessions to increase the programming budget for the former DOCA programs, including Create Denver, by nearly 20%. An advisory committee of 18 members across sectors was created to support the director, and meets monthly to provide advice, review programs and even volunteer at events.

Primary initiatives of Create Denver include the following:

- 1. Micro-finance.** The Create Denver Revolving Loan Fund receives \$100,000 per year to provide loans of between \$20-30,000. The eight-week qualification process is as rigorous as that in a private institution, but open to creative enterprises that often have been declined in the private marketplace. The program includes technical assistance with application preparation. While it is small, with only 3 to 5 applications per year, of the 15 loans so far the majority have been beyond successful, with the creation of three new art galleries that are thriving, a clothing line that has gone international and a craft and fashion shop that is now expanding into a larger location.



2. Public Relations and Advocacy. This function mirrors that of the “showcasing” initiatives in London, and includes the production of materials and presentations in public forums, often in partnership with the local convention and visitors bureau, regarding the economic contributions of the local creative economy that consists of at least 3,613 creative enterprises and employs approximately 20,398 people in the City of Denver. The sector includes more than 120 galleries, 160 performance venues and approximately 180 film-related businesses. It also seeks to build awareness of specific events and sectors, like temporary exhibitions and music festivals, as well as a special guide consolidating for the first time information on galleries across the city's eight arts districts.

3. Coordination and Technical Assistance. The Create Denver Program Administrator attends the monthly meetings of the various creative districts and holds quarterly convenings and an annual summit of key stakeholders in all districts in the city. The agency also funds production of local data from the Creative Vitality Index of WESTAF, the Western States Arts Federation, for use by creative district leadership, and provides six scholarships each year for creative professionals to attend a ten-week training program already offered by the Small Business Administration in basic entrepreneurial skills and business plan development.

4. Building Creative Economy Traditions and Infrastructure. In its first three years, the agency sought to bring new recognition and status to the creative sector by hosting an annual “Create Denver Week.” Activities included high-profile installations, panel discussions, music, food, fashion shows, markets, business networking and training opportunities, and professionally produced videos about the economic development potential of the creative economy. Tremendously successful, these events laid the groundwork for the 2012 establishment of a formal cultural pavilion for Denver, the McNichols Civic Center Building. It offers a hub for the creative sector including free programming and event, exhibit and banquet space subsidized by private rentals.

Along with these successes, Create Denver has experienced a number of challenges beyond the fiscal health of the city. These include mapping out an effective strategy for more broadly incorporating the private sector creative industries into their efforts, creating meaningful collaboration between vastly different arts/creative districts, developing successful youth engagement programs, and building a unifying brand for the city or region.

On the state level, “Colorado Creative Industries” (CCI) was created as a result of a 2008 study on the economic contributions of the state's creative economy. A division of the Colorado Office of Economic Development & International Trade, CCI helps incubate creative businesses, facilitate convergence and grow the sector from the ground up.



The goals of the CCI strategic plan, effective through 2014, include:

1. Increasing access to direct financial support for creatives;
2. Creating and expanding professional development and networking opportunities for creatives;
3. Promoting Colorado as a premier creative hub;
4. Increasing access to arts and creativity skills in preschool through college education and workforce development; and
5. Stimulating increased support for creatives by local governments and coalitions.

While time has not allowed for interviews with state officials, local participants suggested that a dozen small neighborhood districts already have been created around the state, fostering all disciplines of the creative industries. (Only one or two of these are among the nine created organically in Denver.)

RedLine in Denver—Another Model of Creative Incubation

Given the interest in Los Angeles in incubator services for emerging creative entrepreneurs, RedLine of Denver merits special mention here, though its work extends well beyond traditional incubators.

Founded by local artist and philanthropist Laura Merage, RedLine merges the support of artists and creative professionals with education and community activism. At its heart is the Artists-in-Residence program, which brings together creative people of all disciplines to help enrich their practice and achieve career goals, with experienced “resource artists” from the community providing mentorship.

In addition, over 1000 local schoolchildren took part in on-site educational programming, with direct practice in the arts and one-on-one mentoring with artists in residence; and over 230 youth participated in a project to use the art making process to hone their critical thinking, communication and collaboration skills.

The project is also rooted in community participation and social change. Community members are invited into all aspects of the creative process within the agency, and all participants are encouraged to use their creativity to think about community problem-solving, engagement and collaboration, from issues of homelessness to sustainable urban gardening to neighborhood development, to name just a few. Over 30,000 residents visited in 2012.

Massachusetts.

The state’s current Creative Economy Industry Director, Helena Fruscio, began her work organizing a similar effort in the Berkshires in 2007. That effort initially struggled because they had pulled together the right people without adequate structure, and worked as an arts/cultural movement in isolation from the economic development infrastructure. Now with the State of MA, her office is housed within the economic development department and singularly focuses on bringing new jobs into the creative cluster of industries, while a separate Cultural Council focuses on what the state government sees as arts-specific strategies such as placemaking and audience development.

... they have changed the way everyone talks about economic development, now consistently inclusive of the creative economy.

She suggests that bridge building between the nonprofit and private sectors remains an important challenge, and that has to begin in and be modeled by the leadership group. Still, the leadership group should be overwhelmingly comprised of industry people, with maybe 20-30%--a minority--coming from other sectors such as academia, government, etc., so the discussion stays focused on job development.

Other interviewees have suggested that the New England regional creative industries plan has been a disappointment, achieving successes primarily on paper in planning documents, but failing to engage leadership sufficient to affect real change. The New England Foundation for the Arts is seen as the only group that has kept the ball rolling a regional basis.

On the state level, Director Fruscio explains that they have changed the way everyone talks about economic development, now consistently inclusive of the creative economy. They have aggressively and publicly thanked and promoted entrepreneurs who build new creative industry jobs in Massachusetts (something that many private sector interviewees in Los Angeles suggested rarely happens here).

Following a statewide listening tour of professionals currently working in creative industries, the Creative Economy Council published in late 2012 its "Top 10 Themes for Strengthening the Creative Economy of Massachusetts:"

1. Networking among creative industry businesses
2. Access to capital
3. Marketing assistance for individual businesses and organizations
4. Collective branding of the creative economy
5. Growing competition for talent/workforce development
6. Mentorship for emerging creative businesses
7. Training in business and financial skills
8. Help quantifying the economic value of creative goods and services
9. Help developing a business model around the valuation of goods and services
10. Networking space and work and live/work space

It should be noted that these are seen as an agenda, a list of needs, and not a list of accomplishments already attained.

Portland, OR.

Interviewees in Portland questioned the accuracy of the argument of Richard Florida that economic growth will follow creative young people who choose to settle in cities with a high quality of life.

Florida is Director of the Martin Prosperity Institute at the University of Toronto's Rotman School of Management and a Senior Editor for www.theatlanticcities.com The Atlantic. His "Rise of the Creative Class" and its 10th Anniversary revision describe a society in which the creative ethos is increasingly dominant, and his work has been internationally influential and controversial. He suggests this "creative class" is found in a variety of fields, from engineering to theater, biotech to education, architecture to small business. Their choices have already had a huge economic impact, and in the future, they will determine how the workplace is organized, what companies will prosper or go bankrupt, and even which cities will thrive or wither.²⁵

²⁵ Florida, R.L. (2002) "The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life." Basic Books.

They have been able to bring together broad coalitions around specific neighborhood developments by building the consensus that arts and creative industry participation becomes an asset to any development and increases its chances for success.

According to interviewees in Portland (echoing interviewees in Sweden), there is a community that should epitomize a Florida-esque city, both in terms of the quality of life their public policy has created and the young creative class immigrants it has subsequently attracted. But while there have been some successes with large corporations creating isolated campuses within the city, and some of their spinoff corporations taking hold, as well as a thriving mobile food industry, the overall unemployment rate remains high—and higher still in the creative industries. The creative economy was likened more to the micro-enterprise movement in developing countries.

While formal creative economy coordinating efforts do not appear to have met with tremendous success to date, and in particular the incubation services due to lack of financial resources, the collaborative culture of the city has contributed to successful bridge building between for-profit and nonprofit worlds. They have been able to bring together broad coalitions around specific neighborhood developments by building the consensus that arts and creative industry participation becomes an asset to any development and increases its chances for success.

On a broader scale, city planning has worked to nurture this collaborative culture, whether in large projects or small, such as creating list-serves for neighbors to share chores, zoning allowances for parking lots to host Twitter-based “food pods” for mobile food carts, cutting downtown blocks in half in order to create more street corner congregation, making downtown transit free, adding green space requirements for new developments, expanding zoning for outdoor cafés and making substantial investments in parking.

Heritage becomes very important in Portland in the context of supporting the creative economy, in terms of both saving and spotlighting those things about the city that touch people on a mythic, iconic level, and make the city a magnet for creative people. One interviewee who has lived in both LA and Portland suggests that the LA zoning laws to save old neon signs from the 50s is a good example in the right direction, however had it happened in Portland, probably would have been taken a step further, including huge tax breaks for any business that saves or restores those signs in their redevelopment.

It was also noted, from another city’s perspective, that Los Angeles seems reticent about embracing the entertainment sector that most of the world identifies with the city. The success of places like the Grove, where a shopping mall looks like a movie set, might demonstrate a broader desire or need for those kinds of public spaces that connect the public to its own iconography.



What are **YOU** Going to Create in LA?