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HEADLINE: The New England Council Releases Phase I Report on the Impact of the Arts and Culture on the New England Economy

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The creative industry in New England provides jobs for some 245,000 New Englanders, generates more than \$4.4 billion in payroll alone and surpasses other traditionally-recognized leading industry sectors such as biotechnology and computer software in number of jobs and rate of growth potential, according to a report released today by The New England Council.

"This report demonstrates that the arts are a significant and critical player in the New England economy -- an economic engine in this knowledge-based economy that can no longer be ignored in order for the region to remain competitive," said James T. Brett, President and CEO, The New England Council.

Based on research conducted by Mt. Auburn Associates, the report is a first phase of "The Creative Economy Initiative," a collaborative effort between The New England Council and the New England Foundation for the Arts, the six state arts councils, including the Massachusetts Cultural Council, and the Boston Symphony Orchestra. The report updates previous economic impact studies on the arts and includes never-before-released data and redefines the arts and culture as a creative industry cluster.

While most economic impact studies of the cultural sector concentrate solely on the non-profit sector, the report includes both commercial activity and the contributions of individual artists. It also examines strategic linkages between the commercial and nonprofit sectors, such as spin-off commercial activity originating from the non-profit sector.

In addition, the report recognizes the contributions of creative workers in defining economic competitiveness in the new knowledge-based economy where the keys to job creation are innovative ideas and technology and where risk and constant changes are the rules.

Chad Gifford, President of FleetBoston, reviewed the highlights of the study at the first of a series of regional programs designed to stimulate discussion about economic development and the arts among business, government and arts community leaders.

The research revealed:

- A vibrant creative industry cluster exists in the New England economy, employing nearly 4 percent of the region's total workforce.

- From 1993-1997, the creative cluster added jobs in New England at a rate of 14 percent -- surpassing the 8 percent rate of growth for the region's overall workforce.

- Employment in the creative cluster also surpasses the number of jobs in several leading industry clusters including: Health Care Technology, representing only about one percent of total employment; Innovation Services, two percent; and the Software and Communications Services, with three percent.

- The number of jobs in the creative cluster is on par with the Computer and Communications Hardware cluster, which represents about 4 percent of regional employment providing 250,000 jobs.

- Occupations that make up New England's creative workforce are projected to grow 18 percent between 1996 and 2006.

Brett said that the report will be useful to explore ways to grow this industry sector as well as help New England face one of its biggest challenges: the shortage of skilled labor.

"It is critical for the business community to understand the creative industry that underlies our economy in order to remain globally competitive. In order to succeed, business needs to stay ahead by learning to change quickly, adapting to innovation and finding new ways to reach customers. Creative workers are found in a variety of fields and possess the skills required by business.

The impact of the arts on quality of life has a lot to do with a company's decision to locate in New England - and brings with it more jobs and skilled workers," Brett said.

"New England has always been known for its creative thinking, innovation and entrepreneurship. The creative industry is an incubator for continued success in these areas."

The report also cites studies that illustrate how arts education and training builds workforce skills that companies require in order to compete.

The study builds upon the research commissioned by The New England Foundation for the Arts in 1996, but includes additional data such as the impact of for-profit culture institutions and the role of the individual artist in both the for-profit and non-profit arenas, said Sam Miller, Executive Director, New England Foundation for the Arts.

"What is also unique about this project is that it is being driven by the business community. The new definition offers a different way of looking at the arts and its dynamic influence on all aspects of our community - from the business environment to quality of life," Miller said.

"Massachusetts has long believed that culture builds community," said Massachusetts Cultural Council Executive Director Mary Kelley. "This initiative is designed to quantify that reality and create a blueprint of how to harness those creative resources for all of New England."

During the second phase of the initiative, Miller said the partners will continue a series of meetings in each New England state to explore best-practices and models of success where the arts have been used as a tool for economic development.

The initiative will conclude with a strategic blueprint for growing the creative industry.

The text of this report is available on the New England Foundation for the Arts' web site: [www.nefa.org/connect.html](http://www.nefa.org/connect.html).

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