OTIS COLLEGE OF ART AND DESIGN

OTIS REPORT ON THE CREATIVE ECONOMY 2017

CALIFORNIA

LAEDC

Prepared for Otis College of Art and Design by the
INSTITUTE FOR APPLIED ECONOMICS
Los Angeles County Economic Development Corporation

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OTIS REPORT ON THE CREATIVE ECONOMY 2017

2017 OTIS REPORT
on the Creative Economy of CALIFORNIA

May 2017

LAEDC

Prepared for Otis College of Art and Design by the
INSTITUTE FOR APPLIED ECONOMICS
Los Angeles County Economic Development Corporation

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ABOUT THE KYSER CENTER FOR ECONOMIC RESEARCH

The LAEDC Institute for Applied Economics specializes in objective and unbiased economic and public policy research in order to foster informed decision-making and guide strategic planning. In addition to commissioned research and analysis, the Institute conducts foundational research to ensure LAEDC's many programs for economic development are on target. The Institute focuses on economic impact studies, regional industry and cluster analysis and issue studies, particularly in workforce development and labor market analysis. Every reasonable effort has been made to ensure that the data contained herein reflect the most accurate and timely information possible and they are believed to be reliable. The report is provided solely for informational purposes and is not to be construed as providing advice, recommendations, endorsements, representations or warranties of any kind whatsoever.

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ABOUT OTIS COLLEGE OF ART AND DESIGN

Established in 1918, Otis College of Art and Design offers undergraduate and graduate degrees in a wide variety of visual and applied arts, media, and design. Core programs in liberal arts, business practices, and community-driven projects support the College's mission to prepare diverse students to enrich our world through their creativity, skill, and vision. The renowned Creative Action program has been recognized by the Carnegie Foundation for Community Engagement, and the *Otis Report on the Creative Economy* is a powerful advocacy tool for creative industries. The College serves the Greater Los Angeles Area through compelling public programming, as well as year-round Continuing Education courses for all ages. More information is available at www.otis.edu.

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Prepared for Otis College of Art and Design by the
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REPORT CONTENTS

NOW, MORE THAN EVER.

By Bruce W. Ferguson
President, Otis College of Art and Design

In the United States there's a vigorous conversation about how and where to invest to grow the economy.

Should the United States look to its industrial past for guidance? Should the nation focus on new technology and innovation? What role can and should the government play in supporting economic growth?

The ***Otis Report on the Creative Economy***[1] brings an important and unique contribution to the conversation by looking at the economic impact of creativity, examining twelve creative industries ranging from architecture and interior design to entertainment, fashion, and art galleries, which in turn are broken down into 57 subsectors.

The report looks squarely at the state of California, whose economy grew 4.1 percent in 2015 (while the nation's GDP grew 2.4 percent) and currently ranks as the sixth largest in the world. In other words, it looks not only at a set of industries rarely brought to the conversation of economic impact but it looks at its importance in one of the largest economies in the world.

Here are a few highlights about California's creative economy from the *2017 Otis Report*:

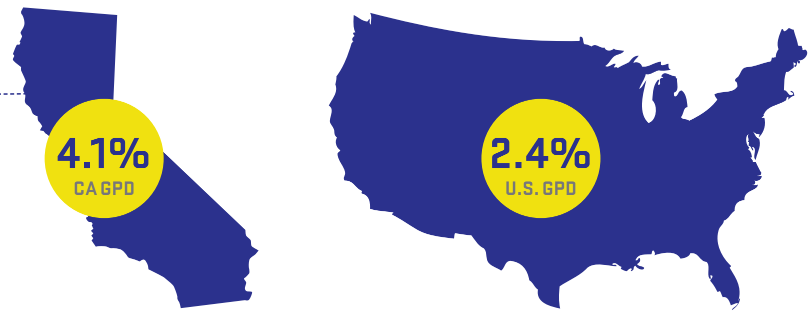
- Creative economy output totaled $406.5 billion (direct, indirect, and induced).
- The creative economy generated 1.6 million jobs (direct, indirect, and induced), and those wage and salary workers earned $136 billion in total labor income.
- Property taxes, state and local personal income taxes, and sales taxes directly and indirectly generated by the creative industries totaled $16.7 billion across all of California.
- The largest direct job counts in California's creative sector were in entertainment (171,500), publishing and printing (154,200), and fashion (119,800). Together, these three industries accounted for 60 percent of direct creative industries employment in California.

SCALE OF CALIFORNIA ECONOMY IN 2015

6th

LARGEST ECONOMY IN THE WORLD

CALIFORNIA GDP OUTPACES U.S. GDP IN 2015



HIGHLIGHTS ABOUT CALIFORNIA'S CREATIVE ECONOMY FROM THE 2017 OTIS REPORT:

TOTAL CREATIVE ECONOMY OUTPUT

$406.5 Billion

(DIRECT, INDIRECT, AND INDUCED)

JOBS GENERATED

1.6 Million

(DIRECT, INDIRECT, AND INDUCED)

WAGES EARNED

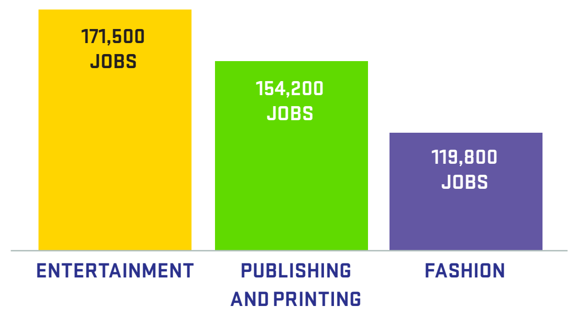
$136 Billion

IN TOTAL LABOR INCOME

The creative economy generated 1.6 million jobs (direct, indirect, and induced), and those wage and salary workers earned $136 billion in total labor income.

THIS GROWTH IS AGAINST THE BACKDROP OF A GLOBAL SURGE IN ECONOMIES CONNECTED TO ART AND DESIGN.

TOP JOB COUNTS BY SECTOR



The largest direct job counts in California's creative sector were in entertainment (171,500), publishing and printing (154,200), and fashion (119,800). Together, these three industries accounted for 60 percent of direct creative industries employment in California.

TAX REVENUE

$16.7 Billion

Property taxes, state and local personal income taxes, and sales taxes directly and indirectly generated by the creative industries totaled $16.7 billion across all of California.

CREATIVE OCCUPATIONS REQUIRING AT LEAST A BA

NEARLY

50%

Creative occupations often require high levels of education or skills training, with close to 50 percent of those examined requiring a bachelor's degree or higher.

- Creative occupations often require high levels of education or skills training, with close to 50 percent of those examined requiring a bachelor's degree or higher.

This growth is against the backdrop of a global surge in economies connected to art and design.

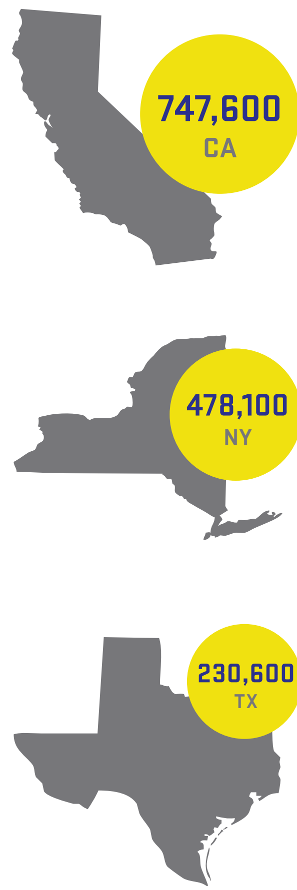
The global economy in the art market has hovered between $50 and $60 billion in the past decade, of which 40 percent was generated in the United States in 2016.[2] The expansion of galleries, museums, and auctions and sales in Los Angeles supports the argument that the art market is adding employment in California through industries that support the art trade, exhibitions, and events.

CALIFORNIA LEADS THE NATION

Included in this year's Otis Report includes a comparison of the number of wage and salary workers in the creative industries in California and the rest of the nation. With 747,600 jobs, California far surpasses New York State, which has 478,100 jobs, followed by Texas at 230,600 jobs.

Furthermore, the report provides information on location quotients (LQ), which are used to quantify the concentration of a particular industry, industry cluster, occupation, or demographic group in a region compared to the nation. It reveals what makes a region unique and gives an indication of where a region has a competitive advantage. In California, seven of the ten occupations with the highest LQ are creative. This means that our state has a higher concentration of those occupations than the nation as a whole. These include actors, artists' agents, fabric and apparel patternmakers, film and video editors, makeup artists, and media and communications workers.

STATES WITH MOST CREATIVE JOBS



> The Otis Report demonstrates that creativity and innovation thrives in Los Angeles and throughout the state of California. New businesses, motion picture and television studios, restaurants, museums, start-ups, and tech hubs show how the creative economy is intimately tied to the health and well-being of our citizens and communities.

Included in this year's report are regional snapshots, each providing a dashboard of the creative economies of eight regions in California. Inspired by the map used by the Governor's Office of Business and Economic Development (GO-Biz), the regions are defined as follows:

Bay Area
Capital Region
Central Coast
Central Valley
Inland Empire
San Diego-Imperial Valley
Southern California
Upstate California

Each snapshot provides data on creative industry employment and trends, as well as job count comparisons between creative industries and noncreative industries, such as construction, financial activities, or state and local government.

The strength of the creative economy is reliant on the ability of creative workers to find adequate housing, especially as these creative industries continue to grow.

SUPPORTING THE CREATIVE ECONOMY: HOUSING

In this year's report we have included a special white paper, "Affordable Artist Housing: Retaining and Supporting California Artists and Creative Workers," prepared by Artspace, a nonprofit organization dedicated to the creation of affordable spaces where artists can live and work.

In it, they say, importantly that "Every city, town, and business that relies on the output and impact of the creative economy and access to a healthy creative workforce should be concerned about the availability of affordable and appropriate space to incubate emerging talent and retain a competitive pool of creative workers."

The white paper, funded by the California Arts Council, provides an important primer for those interested in understanding this issue in more depth, including best practices and three case studies of housing projects in California.

THE STATE OF CREATIVITY

In a postindustrial society, activities based on creativity are an essential feature of a flourishing economy, and the data in the Otis Report leaves no doubt that creativity is one of California's most important economic assets. When one sees the data, a persuasive case for the beneficial and essential role that creative enterprise plays in the lives of Californians becomes clear. It is my hope that cities and counties throughout California can leverage the Otis Report to encourage further investments in arts education, economic development, and cultural planning.

Just this spring Culver City, which is home to Otis College's MFA graduate studios, released its own creative economy report to document that city's share of the creative growth in Los Angeles County. The report, produced in partnership with the LAEDC, includes testimonials by people across that city who understand the importance of the creative economy or have helped its growth in Culver City as well as objective statistics to verify their assertions.

It is critical that leaders from the public, private, and nonprofit sectors work together to support this type of examination in order for the larger creative economy to continue to flourish and thrive.

THE ACKNOWLEDGMENTS

On behalf of Otis College of Art and Design, I would like to express thanks to the Kyser Center for Economic Research at the Los Angeles County Economic Development Corporation for generating both the Los Angeles Regional Report and the California Report.

The *2017 Otis Report on the Creative Economy of California* would not have been possible without the generous support of individuals and organizations that have joined together to affirm the value of the creative economy.

I would also like to thank our report sponsors for their incredible generosity. The **California Arts Council** has been an invaluable partner on this project, providing lead sponsorship of the California report and exclusive sponsorship of the addendum on artist housing. Additional support was provided by **City National Bank, City of Los Angeles Department of Cultural Affairs, DPR Construction, Arthur J. Gallagher & Co., Marsh, Mattel, Moss Adams, SignCentrix, Sony Pictures,** and **Alan Zafran,** and our media partners, Arts for LA, Arts Orange County, Californians for the Arts, and the LAX Coastal Chamber of Commerce has enabled this conversation to evolve and grow, bringing stakeholders together to advance art and culture in their communities.

Bruce W. Ferguson
President
Otis College of Art and Design

1

The 2017 Otis Report on the Creative Economy of California is available for download at www.otis.edu/otis-report-creative-economy.

2

The Art Market 2017 by Dr. Clare McAndrew (Art Basel and UBS) is available at www.artbasel.com/about/initiatives/the-art-market)

1

EXECUTIVE SUMMARY

INTRODUCTION

In the 19th century, the Industrial Revolution reshaped American society. Technological innovations like the steam engine, the sewing machine, and the telegraph transformed manufacturing and communications. As industry mechanized, demand for factory labor increased dramatically, prompting millions of workers to leave farms and small towns in rural America to try their fortunes in the nation's rapidly expanding cities. This mass internal migration changed not only how and where Americans worked, but also how they lived. The rise of the postindustrial economy in the late 20th century may mark an equally fundamental shift in American society. Innovation, human capital, and creativity have become crucial drivers of economic growth, leading to new ideas about how and where people live and work.

"You can't use up creativity. The more you use, the more you have."

– Maya Angelou

While creativity and new ideas can occur anywhere, a handful of the largest metropolitan regions in the U.S. have become the nation's innovation hubs. Perhaps the best known among these are technology in the San Francisco Bay Area, biotech in San Diego and Boston, aircraft production and design in Seattle, and entertainment in Los Angeles. California has long had a reputation as a place where divergent thinking and risk-taking is encouraged. There being three major innovation hubs in California is a testament of the state's creative culture. Creativity is not confined to California's urban areas – it also flourishes in the state's rural, mountain, and desert regions. The purpose of this report is explore the creative economy of California in all its diversity and to put real numbers to the business of creativity.

WHAT THE NUMBERS SAY

The creative industries of California turned in another solid performance in 2015 in terms of employment, labor income, and output. Over the five-year period covered in this report (2010 to 2015), direct wage and salary employment in California's creative industries increased by 88,600 jobs to 747,600, an increase of 13.5 percent.

Based on the creative industries as defined in this report, the state of California was home to the largest number of creative wage and salary workers (747,600) in the nation. New York followed with 478,100 workers. Rounding out the top states were Texas (230,600 workers), Florida (175,800), and Illinois (171,000).

Although California had a higher absolute number of workers in the creative industries, creative employment in New York represented a greater share of total wage and salary jobs, 6.2 percent versus 5.4 percent in California.

Total direct labor income in the creative industries of California amounted to $84.4 billion in 2015 or 9.9 percent of annual private sector wage and salary payrolls in the state. The publishing and printing sector, which includes Internet publishing and broadcasting, contributed $27.7 billion, followed by entertainment at $18.8 billion and digital media at $12.7 billion.

In addition to wage and salary employment, talented self-employed individuals also drive growth in the creative industries. In 2014 (the latest year for which data is available), there were over 340,500 self-employed persons working in California's creative industries earning revenues of $13.9 billion. Between 2009 and 2014, the number of self-employed workers in California increased at an average annual rate of 3.6 percent (55,518 firms in total), outpacing the state's average annual increase of 2.6 percent in self-employment across all industries.

While direct job counts in the creative industries of California were notable, they were just one part of a much larger employment effect. Direct employees are those who work for a firm in one of the designated creative industries. Indirect jobs are created when firms in these industries make purchases from their suppliers and vendors. Additional induced jobs are generated when direct and indirect workers spend their wages on consumer goods and services. This means that every job within the creative industries supports or sustains a large number of other jobs in the region that are outside the creative sector. Direct, indirect, and induced employment in the creative industries of California totaled over 1.6 million jobs in 2015. The labor income earned by these workers was $136.0 billion.

Activity in the creative sectors triggers not only jobs and spending, but also generates tax revenues for state and local governments that help fund local services like education and public safety. Property taxes, state and local personal income taxes, and sales taxes generated through direct, indirect, and induced effects by the creative industries totaled $16.7 billion across the state in 2015.

California's creative industries generated $406.5 billion in economic output. Of that, $240.1 billion was value-added (corporate profits and labor income). This net economic contribution was the equivalent of 10.9 percent of the state's gross product ($2.2 trillion) in 2015.

As long as the national economy continues to expand, growth is also expected to continue in California. The Los Angeles County Economic Development Corporation (LAEDC) projects that employment in California's creative industries will increase by 3.3 percent over the next five years, adding 24,340 additional jobs by 2020, bringing the total up to 760,400.[3]

The creative industries make a significant contribution to employment and economic growth in California. They also foster innovation and encourage spillover effects that create opportunities in other industries. The region's creative industries help move the economy forward by attracting investment, tourism, and consumer spending, and by generating tax revenues. Activities based on creativity and culture are essential components of a robust, healthy, and growing economy.

HIGHLIGHTS ABOUT CALIFORNIA'S CREATIVE ECONOMY

TOTAL ECONOMIC OUTPUT: CALIFORNIA

$406.5 Billion

NET ECONOMIC CONTRIBUTION: CALIFORNIA

10.9%

OF THE STATE'S GROSS PRODUCT ($2.2 TRILLION) IN 2015

TOTAL LABOR INCOME: CALIFORNIA

$136 Billion

(DIRECT, INDIRECT, AND INDUCED)

TAX REVENUE: CALIFORNIA

$16.7 Billion

3
Employment projections do not include fine and performing arts schools.

HIGHLIGHTS ABOUT CALIFORNIA'S CREATIVE ECONOMY
DIRECT EMPLOYMENT

CREATIVE ECONOMY EMPLOYMENT: CALIFORNIA

1,636,800 Jobs

(DIRECT, INDIRECT, AND INDUCED)

2015 CREATIVE ECONOMY EMPLOYMENT: CALIFORNIA

747,600 Jobs

DIRECT JOBS

2010 – 2015 EMPLOYMENT: CALIFORNIA

+13.5%

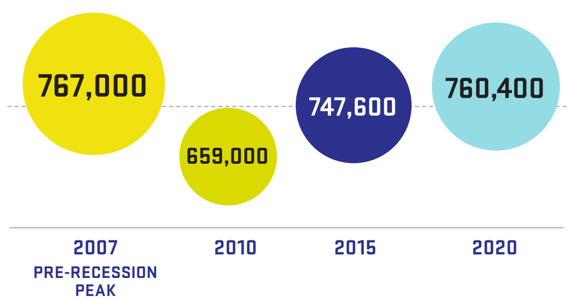
California's creative industries increased by 88,600 jobs to 747,600, an increase of 13.5 percent.

2015 –2020 JOB GROWTH: CALIFORNIA

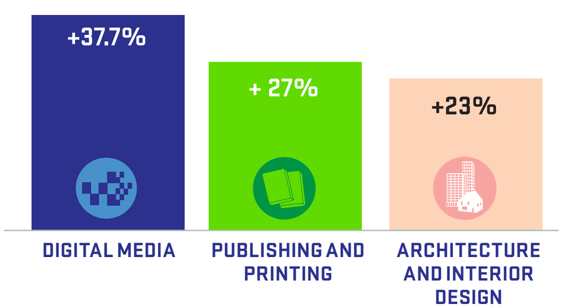
3.3 %

CREATIVE INDUSTRY EMPLOYMENT

2007–2020 JOB GROWTH: CALIFORNIA



TOP SECTOR JOB GROWTH - CALIFORNIA: 2015



HIGHLIGHTS ABOUT CALIFORNIA'S SELF-EMPLOYED

SELF-EMPLOYED PERSONS: 2014

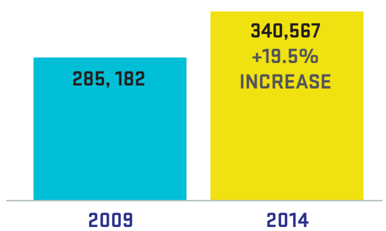
340,567

IN CALIFORNIA'S CREATIVE INDUSTRIES

SELF-EMPLOYMENT EARNINGS: 2014

$13.9 Billion

GROWTH OF SELF-EMPLOYED WORKERS: 2009–2014



+3.6% FOR CREATIVE INDUSTRIES

+2.6% FOR ALL INDUSTRIES

ANNUAL % INCREASE: 2009–2014

Between 2009 and 2014, the number of self-employed workers in California increased at an average annual rate of 3.6 percent (55,518 firms in total), outpacing the state's average annual increase of 2.6 percent in self-employment across all industries.

SELF-EMPLOYMENT GROWTH - TOP SECTORS: 2014

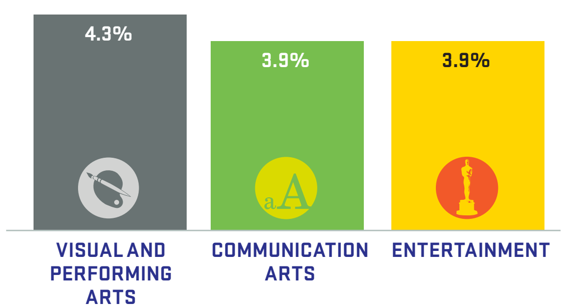


EXHIBIT ES-1:
CALIFORNIA CREATIVE ECONOMY NUMBERS AT A GLANCE

2015 Employment	
Direct Jobs	747,600
Direct creative industries workers as a share of all private wage and salary workers	5.3%
Total jobs (direct, indirect, and induced)	1,636,800
Total creative industries workers as a share of all private wage and salary workers	11.8%
2015 Labor Income	
Direct labor income	$84.4 billion
Total labor income: direct, indirect, and induced	$136 billion
2015 Output	
Total creative industries output	$406.5 billion
Creative industires value-added	$240.1 billion
Real state gross product	$2.2 trillion
Creative industries value-added as share of state gross product	10.9%
2015 Taxes	
State and local taxes	$ 16.7 billion
2014 Self-Employed	
Number of self-employed	340,567
Self-employment receipts	$13.9 billion

Source: Bureau of Labor Statistics, Bureau of Economic Analysis, IHS Global Insight, estimates by LAEDC IAE

2

WHAT IS THE CREATIVE ECONOMY?

As the creative economy expands to encompass innovative new activities and industries, its definition continues to evolve. Although often used interchangeably, there is a distinction between the creative economy and the creative industries. The creative economy comprises many kinds of creative activities whether expressed as art or innovation. The creative economy is largely made up of the creative industries – a designated set of industries that depend upon individual creativity to generate employment and wealth.

The following creative industries are explored in this report:

These 12 "super sectors" are further broken down into 57 subsectors. Please see **EXHIBIT A-2** in the appendix for a full list of creative industries and their subsectors.

What unifies this dissimilar set of industries is the fact that they all trade creative assets in the form of intellectual property – the medium through which creativity is transformed into something with economic value. Within these industries, we find the intersection of art, culture, business, and technology.

In addition to the industries designated as "creative," the creative economy of California also includes organizations that provide a venue for artists to share their work with the public such as museums, art galleries, and theaters. The creative economy must also include a system that teaches, nurtures, and sustains creative activity: arts programs in K–12 schools and postsecondary arts institutions to develop talent, skills, and training. The long-term vitality of the creative economy also depends on philanthropic foundations and other nonprofit organizations to provide financial resources, incentives, and services to the creative community.

There are several ways to measure the size and economic contribution of the creative sectors to California's economy. In this report, employment, wages, and output are the primary indicators. The value of intellectual property is also an important indicator but measuring intangibles such as ideas, design, brands, and style is challenging and beyond the scope of this report.

Creativity and the innovations that flow from creative activity contribute extensively to California's economic growth. California's creative sector attracts talented workers seeking an environment where innovation and new ideas are rewarded and one rich in cultural amenities. Art and cultural assets such as festivals, museums, historical monuments, or regional culinary traditions help to build the unique identity of California's many regions and attract tourism dollars, an important part of the state's economy.

The creative economy is a vibrant and vital force in society. Intellectual and aesthetic sensibilities lead individuals to express themselves through the arts, solve problems through design, and seek out what is beautiful and original. California holds a rich combination of resources, human and geographical diversity, and an open attitude toward new ideas. This openness to new ideas and the ability to make associations and connections not readily apparent to others is one of the defining characteristics of creativity. In California, new ideas are constantly given form and brought to life by creative people.

3

NATIONAL AND GLOBAL ECONOMIC CONTEXT

This section briefly summarizes recent and anticipated economic conditions and their likely effects on California's creative economy.

At the start of 2017, the current U.S. economic expansion has taken place for seven and a half years, surpassing the postwar average of just under five years. After averaging 2.2 percent annual growth since 2011, gross domestic product (GDP) slowed to 1.6 percent in 2016. In 2017, U.S. economic growth is expected to accelerate to 2.3 percent. Consumer and business confidence, which rebounded after the November 2016 election, have further strengthened as the economy continued to improve through the first quarter of 2017.

Even with the slowdown in real GDP growth in 2016, the economy continued to add jobs at a steady pace. The unemployment rate ended the year at 4.7 percent (the lowest since 2007), a rate consistent with or very near to full employment. However, slack remains in the labor market in the form of underemployment and a multi-decade-long decline in labor force participation.

Boosted by stronger job and income growth, real personal consumption expenditures are expected to increase at a pace of 2.6 percent in 2017. Household finances are in good shape mostly as a result of rising home prices and gains in the stock market.

Business fixed investment is expected to improve modestly as the pull-back in energy-related investment that occurred in 2016 reverses course in response to rising energy prices. Cuts in corporate tax rates, should they occur, and a dialing back of regulation could also help drive investment in new plants and equipment. On the other hand, rising labor costs could also encourage firms to invest in labor-saving equipment.

The outlook for the housing market shows slow improvement. Sales of single-family homes lost momentum in 2016 as tight inventories pushed home prices higher. The shock to affordability is apparent nationwide, but is especially evident in California. Rising mortgage rates will present an additional challenge in 2017.

The outlook for fiscal and monetary policy is less certain. With the return of full employment, the Federal Reserve took a step toward normalizing interest rates with a 0.25 percent increase in the federal funds rate in December 2016 and again in March 2017. At least two more rate hikes are expected in 2017. This year may also be the year in which inflation reaches the Federal Reserve's target rate of two percent (This is one of the sign posts the Fed useds to gauge the rate at which it will normalize interest rates.

California has outpaced the nation in terms of both economic growth and job creation over the past few years. Nearly all of California's major industries added jobs in 2016 and will do so again in 2017. With improvements across most of the state, California's unemployment rate fell to 5.2 percent in December. While California is doing well overall, growth across the state has been uneven with the large coastal metropolitan areas accounting for the bulk of employment and wage growth.

What does this mean for California's creative industries? The creative industries are subject to the same market forces as any other industry. Rising employment and higher wages will benefit sectors that rely on consumer spending, including art galleries, fashion, entertainment, toys, the visual and performing arts, and digital media. Likewise, improvements in the housing market will boost activity for architectural firms and interior designers, and will increase demand for furniture and the decorative arts. Moreover, a significant amount of California's creative output is exported (movies, TV shows, and architectural and design services), so the improving fortunes of the state's major trading partners will also stimulate growth.[4]

While the overall outlook is bright, there are some challenges ahead for California's creative economy. For example, countries such as China and India have invested heavily in their domestic entertainment industries, increasing competition in those nations for the films produced in the Los Angeles region. Some of the creative industries, especially those with a large manufacturing component (fashion, toys, publishing) will continue to see declines in employment due to increased automation, new technologies, and pressures for lower cost labor. These are structural changes that are not tied to the business cycle and they are still evolving.
Finally, the new administration's plans to revise the tax code might hurt nonprofit arts organizations. Several proposed provisions – a lower cap on itemized deductions and a lower top tax rate – would reduce incentives for charitable giving. Federal grant programs that provide funding for the arts also remain in question.

The economic expansion should remain on track at least through 2017. Beyond that, until we have a better read on how the new administration's policy goals will be implemented, the outlook is more opaque. Although subject to the ebb and flow of the economy as a whole, the creative industries of California form a nexus of culture, business, and technology that will continue to encourage innovation and economic growth throughout the state.

"There is a vitality, a life force, an energy, a quickening that is translated through you into action, and because there is only one of you in all time, this expression is unique. And if you block it, it will never exist through any other medium and will be lost."

– Martha Graham

4
IMF World Economic Outlook Update, January 2017

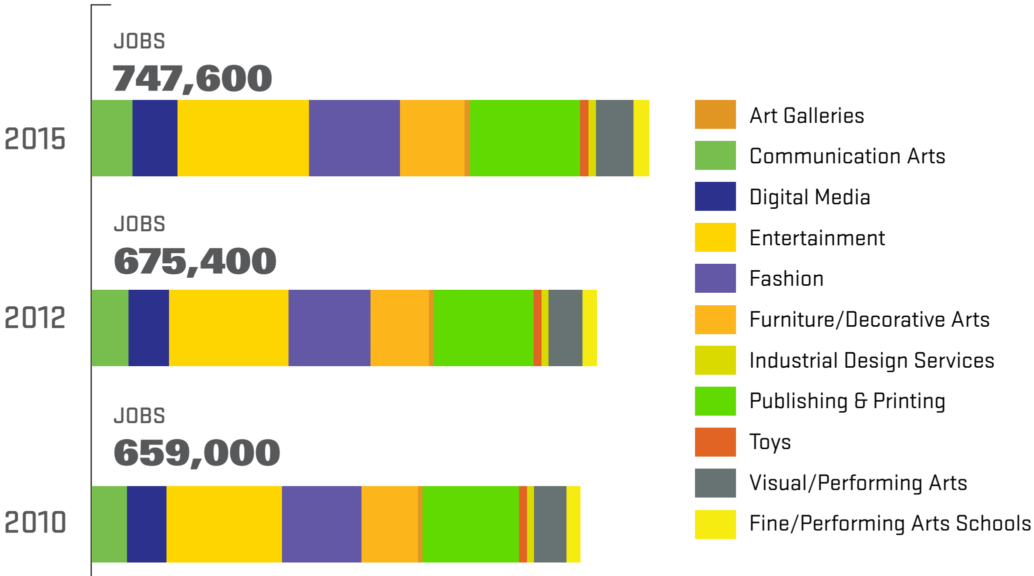
4

CREATIVE INDUSTRY TRENDS

EMPLOYMENT

In 2015, the creative industries in California directly employed 747,600 wage and salary workers.5 This represented an increase in payroll employment of 13.5 percent (88,600 jobs) compared with 2010. Creative employment in the state makes up about 5.3 percent of all wage and salary jobs in California. By major industry sector, the largest gains were in publishing and printing (32,800 jobs, an increase of 27 percent) [6], digital media (16,800 jobs, 37.7 percent), and architecture and interior design (8,100 jobs, 23.0 percent). These three sectors were responsible for 65 percent of the employment gain over the five-year period. In terms of total job counts, the entertainment industry is by far the largest in the state with 171,500 jobs in 2015 followed by publishing and printing (154,200 jobs) and fashion (119,800 jobs).

EXHIBIT 4-1:
JOB TRENDS IN THE CREATIVE INDUSTRIES, 2010 – 2015



Source: Bureau of Labor Statistics, QCEW

See the Industry Snapshots section of this report for the direct, indirect, and induced employment effects of individual industry sectors.

All but two of the major industry sectors recorded job gains between 2010 and 2015 ranging from 3.0 percent for entertainment up to 37.7 percent for digital media. The two industries that experienced a decline in employment were industrial design services (-0.9 percent, 20 jobs) and toys (-1.3 percent, 100 jobs).

Analyzing the component parts of the major industry sectors shows that by subsector, the largest job gains occurred in Internet publishing and broadcasting (43,300 jobs, an increase of 128.3 percent), motion picture and video production (9,600 jobs, 8.9 percent), and apparel wholesaling (9,200 jobs, 30.2 percent). (Please see Exhibit A-2 in the appendix for more detail.)

Direct employment in California's creative industries peaked in this cycle in 2007 at 767,000 jobs. In spite of steady growth over the last five years of economic recovery and expansion, as of 2015, creative industries employment in California was still below the 2007 peak by 19,400 jobs. Total wage and salary employment in California surpassed prerecession job counts in 2014. There are a number of reasons for this. One is that the number of creative industry manufacturing jobs in California plunged by almost 61,000 from 2007 to 2015, while the number of service sector creative jobs increased by 41,000. While notable gains have been made in digital media and Internet publishing, and the visual and performing arts, entertainment employment has still not returned to prerecession levels. This was likely caused by runaway production (production leaving California for other states that offered generous incentives), which now appears to be returning due at least in part to the California Film Tax Credit. Another factor contributing to the failure of creative wage and salary employment to regain prerecession levels could be the increase in self-employment, which will be examined in a later section of this report.

CREATIVE CALIFORNIA: A NATIONAL COMPARISON

With 747,600 wage and salary workers in the creative industries, California had the largest number of creative workers of any state. However, California has a much larger population and a significantly higher employment base from which to draw creative workers. New York was next with 478,100 workers followed by Texas, Florida, and Illinois.

The state of New York, however had a greater share of creative workers relative to total wage and salary employment, 6.3 percent compared with 5.4 percent for California.

Interestingly, when comparing metropolitan (metro) areas the results are actually reversed. In this case, the New York metro area had both a higher number of creative jobs and a larger employment base. The Los Angeles area (Los Angeles and Orange counties), on the other hand, had a much higher concentration of creative workers compared to the other top five metro areas.

EXHIBIT 4-2:
TOP FIVE CREATIVE STATES IN THE U.S. BY EMPLOYMENT, 2015

States	Creative Jobs	Total Wage and Salary Employment	Creative Share of Total Wage and Salary Jobs
California	**747,600**	**13,915,900**	**5.4%**
New York	478,100	7,694,900	6.2%
Texas	230,600	9,845,800	2.3%
Florida	175,800	7,005,900	2.5%
Illinois	171,000	5,063,200	3.4%

Source: Bureau of Labor Statistics, QCEW Data 2015

EXHIBIT 4-3:
TOP FIVE CREATIVE METRO AREAS IN THE U.S. BY EMPLOYMENT, 2015

Metro Area	Creative Jobs	Total Wage and Salary Employment	Creative Share of Total Wage and Salary Jobs
New York	489,500	7,648,800	6.4%
Los Angeles	**433,100**	**5,060,800**	**8.6%**
Bay Area	193,200	3,474,800	5.6%
Chicago	138,100	3,872,500	3.6%
Seattle	106,800	1,578,400	6.8%

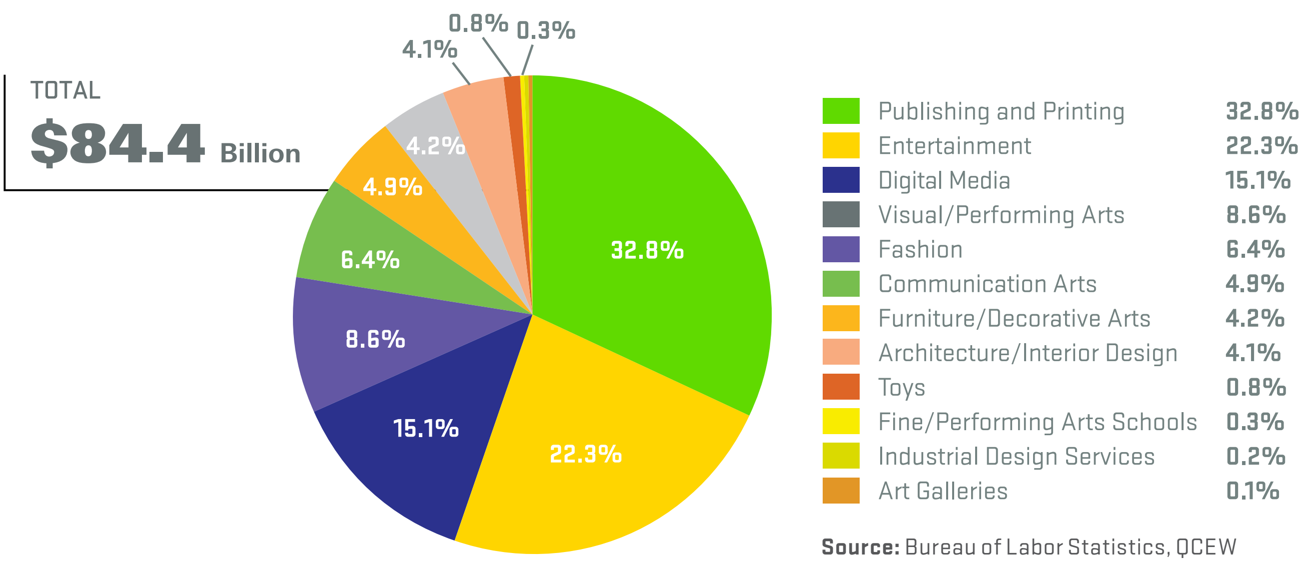
Source: Bureau of Labor Statistics, QCEW Data 2015

LABOR INCOME

The distribution of labor income across the creative industries provides a sense of how they compare in size and economic contribution. Direct labor income in the creative industries of California reached $84.4 billion in 2015. At $27.7 billion the publishing and printing industry contributed the largest share (32.8 percent), most of which ($23.3 billion) was Internet publishing and broadcasting. The entertainment industry was next with 22.3 percent ($18.8 billion), followed by digital media with 15.1 percent ($12.7 billion). Every major creative industry sector in California, even those that posted a decline in employment, recorded an increase in labor income from 2010 to 2015. This is encouraging because it implies total income is increasing because both more people are working and they are earning higher wages. This is also true across many industries that are not in the creative sector, which is to be expected given the economy is at or near full employment.

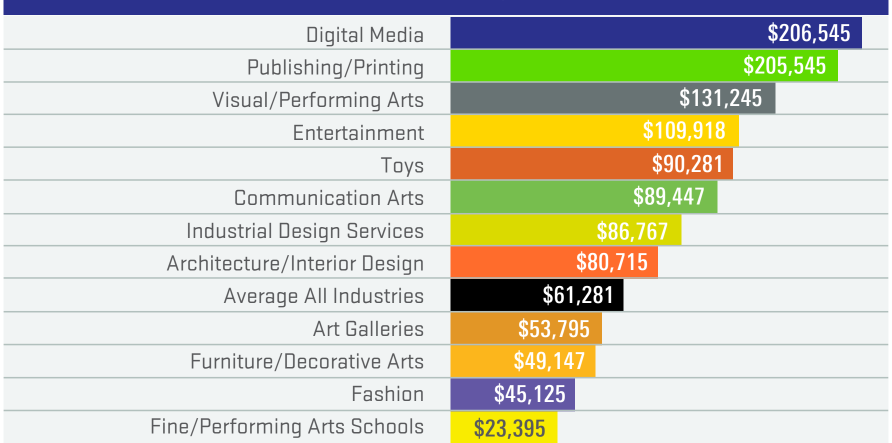
Creative industries payroll income totals in 2015 were equal to nearly 10 percent of all wage and salary income earned in California that year.

EXHIBIT 4-4:
DIRECT LABOR INCOME OF THE CREATIVE INDUSTRIES OF CALIFORNIA, 2015



Source: Bureau of Labor Statistics, QCEW

EXHIBIT 4-5:
AVERAGE ANNUAL WAGE IN CALIFORNIA BY INDUSTRY, 2015



Source: Bureau of Labor Statistics, QCEW Series

Eight of the 12 creative industries had a higher average annual wage in 2015 than the statewide average. The highest paying industry was digital media, followed by publishing and printing (driven by Internet publishing), and the visual and performing arts (primarily independent artists, writers, etc.). Because these are industry-wide averages, they include all workers in that industry from the receptionist up to the CEO, that is, people engaged in both creative and noncreative occupations.

COUNTING THE SELF-EMPLOYED

A large and growing portion of creative industries employment is comprised of talented individuals who are self-employed. Although their contribution to the creative economy is significant, their activities are not captured in the federal and state employment data used to develop most of the job numbers in this report. However, the IRS collects data on people who are classified as "nonemployer firms." These are firms consisting of one person with revenues but no additional employees. The latest nonemployer data from the IRS is for tax year 2014. It is important to note that some individuals may work on the payroll of an employer and be self-employed as well, so the two data sets (Quarter Census of Employment and Wages [QCEW] and nonemployer statistics) are not additive.

In 2014, there were 340,567 creative nonemployer firms in California representing 10.9 percent of total self-employment in the state. Over the five-year period 2009 through 2014, creative self-employment in California increased by almost 19.5 percent. That equates to an average annual growth rate of 3.6 percent. In contrast, the average annual growth rate of creative wage and salary employment over this same period was 2.5 percent.

Visual and performing arts providers continue to make up the largest sector of nonemployer firms in the state, particularly the subsector of independent artists, writers, and performers. This sector was also the fastest growing – averaging 4.3 percent per year (2009–2014). A large number of self-employed individuals also appeared in the communication arts sector as freelance designers, advertising professionals, and commercial or portrait photographers.

Revenues earned by nonemployer firms in California totaled $13.9 billion in 2015 with 39 percent of that generated by independent artists, writers, and performers. Since 2009, revenues across all creative sectors among the self-employed have increased at an average annual rate of 5.5 percent.

Self-employment and revenues were up across all major creative sectors in California. In some sectors, self-employment is actually more common than wage and salary employment. In the visual and performing arts, for example, there were nearly three self-employed individuals for every salary worker in the state. The communication arts also had a high number of self-employed workers relative to salaried employees. In 2014, there were almost two self-employed persons for every salaried employee.

EXHIBIT 4-6:
RATIO OF SELF-EMPLOYED INDIVIDUALS TO WAGE AND SALARY EMPLOYEES BY SECTOR, 2014

Industry Sector	Self-Employed	Wage and Salary Employees	Ratio
Architecture and Interior Design	18,210	40,800	0.45
Art Galleries	2,463	2,200	1.12
Communication Arts	87,421	44,900	1.95
Digital Media	–	55,700	–
Entertainment	31,958	166,300	0.19
Fashion	14,814	120,800	0.12
Furniture and Decorative Arts	5,144	71,100	0.07
Industrial Design Services	–	2,200	–
Publishing and Printing	15,448	144,400	0.11
Toys	1,145	7,300	0.16
Visual and Performing Arts	163,964	55,700	2.94

Note: Nonemployer data are not available for Digital Media and Industrial Design Services
Source: U.S. Census Bureau Nonemployer Statistics, Bureau of Labor Statistics, QCEW

Growth rates of creative nonemployer firms versus payroll employment also differed markedly by industry sector **(EXHIBIT 4-7)**. Overall, creative self-employment is increasing at a faster pace than wage and salary employment. This is also true of self-employment in general. One reason for this could be that many of the jobs lost during the recession did not return with the recovery, forcing or encouraging workers to start their own businesses as independent contractors. On the other hand, with the economy back to or very near full employment, more creative professionals appear to be choosing to go (or stay on) this route as a matter of preference. Individuals now have access to productivity-enhancing technologies that allow them to be competitive in the wider marketplace. The fluid nature of many creative people and their activities may also make them better equipped to take advantage of the changing nature of the relationship between firms and employees, and the evolving nature of work itself.

EXHIBIT 4-7:
COMPARATIVE GROWTH RATES OF SELF-EMPLOYED INDIVIDUALS TO SALARIED EMPLOYEES, 2009–2014

Industry Sector	Self-Employment Growth	Wage and Salary Employment Growth
Architecture and Interior Design	1.8%	5.2%
Art Galleries	1.3%	-26.7%
Communication Arts	3.9%	10.7%
Digital Media	–	25.8%
Entertainment	3.9%	0.9%
Fashion	2.2%	0.8%
Furniture and Decorative Arts	0.4%	-1.1%
Industrial Design Services	–	-7.0%
Publishing and Printing	0.4%	12.6%
Toys	1.3%	-7.8%
Visual and Performing Arts	4.3%	13.8%
Total Employment Growth	**3.6%**	**6.3%**

Note: Nonemployer data are not available for Digital Media and Industrial Design Services
Source: U.S. Census Bureau Nonemployer Statistics, Bureau of Labor Statistics, QCEW

5
Wage and salary workers are employed by a firm; self-employed workers are not included in this figure.

6
All of the gain in the publishing and printing industry was Internet publishing and broadcasting. A gain of 43,300 jobs offset losses in traditional printing, newspaper and periodical publishing, and book publishing.

EXHIBIT 4-8:
NUMBER OF CREATIVE NONEMPLOYER FIRMS IN CALIFORNIA, 2009–2014

Creative Industry	NAICS Code	2009	2010	2011	2012	2013	2014	5-year Employment Change	Avg. Annual Growth Rate 2009-2014
Architecture and Interior Design		**16,628**	**17,093**	**17,476**	**17,406**	**17,903**	**18,210**	**1,582**	**1.8%**
Archutectural Services	54131	8,606	8,905	9,052	9,076	9,096	9,257	651	1.5%
Drafting Services	54134	3,730	3,685	3,712	3,674	3,830	3,853	123	0.7%
Landscape Design	54132	4,292	4,503	4,712	4,656	4,977	5,100	808	3.5%
Art Galleries	45392	**2,311**	**2,265**	**2,295**	**2,373**	**2,378**	**2,463**	**152**	**1.3%**
Communication Arts		**72,249**	**75,676**	**78,754**	**81,391**	**83,906**	**87,421**	**15,172**	**3.9%**
Specialized Design Services	5414	35,167	36,555	37,891	38,772	39,589	40,914	5,747	3.1%
Advertising Agencies	5418	19,995	20,960	21,604	22,718	23,264	24,212	4,217	3.9%
Photographic Services	54192	17,087	18,161	19,259	19,901	21,053	22,295	5,208	5.5%
Entertainment		**26,407**	**27,305**	**28,437**	**30,152**	**30,853**	**31,958**	**5,551**	**3.9%**
Motion Picture/Video Production	5121	19,762	20,628	21,610	22,955	23,570	24,558	4,796	4.4%
Sound Recording	5122	4,416	4,461	4,631	4,913	5,088	5,122	706	3.0%
Broadcasting (except Internet)	515	2,229	2,216	2,196	2,284	2,195	2,278	49	0.4%
Fashion		**13,281**	**13,436**	**13,944**	**14,397**	**14,326**	**14,814**	**1,533**	**2.2%**
Textile Mills Manufacturing	313	209	236	236	292	245	264	55	4.8%
Apparel Manufacturing	315	4,448	4,428	4,554	4,713	4,717	4,992	544	2.3%
Apparel Wholesaling	4243	4,665	4,722	4,908	5,021	4,962	5,100	435	1.8%
Footwear Manufacturing	3162	118	107	108	140	131	122	4	0.7%
Other Leather and Allied Products Manufacturing	31699	347	339	346	384	390	424	77	4.1%
Jewelry Wholesaling	42394	3,494	3,604	3,792	3,847	3,881	3,912	418	2.3%
Furniture and Decorative Arts		**5,049**	**5,034**	**4,975**	**5,084**	**5,076**	**5,144**	**95**	**0.4%**
Textile Product Mills	314	355	343	335	413	392	350	-5	-0.3%
Furniture Manufacturing	337	2,198	2,229	2,189	2,202	2,197	2,317	119	1.1%
Furniture Wholesaling	4232	1,869	1,802	1,784	1,789	1,825	1,808	-61	-0.7%
Glass and Glass Products Manufacturing	32721	419	442	432	445	445	449	30	1.4%
Other Nonmetallic Mineral Product Manufacturing	3279	208	218	235	235	217	220	12	1.1%
Publishing and Printing		**15,147**	**15,158**	**15,382**	**15,682**	**15,285**	**15,448**	**301**	**0.4%**
Printing and Related Support Activities	3231	4,555	4,507	4,498	4,521	4,326	4,391	-164	-0.7%
Book, Periodical, Newspaper Wholesalers	42492	1,131	1,127	1,117	1,097	1,047	1,027	-104	-1.9%
Publishing Industries (except Internet)	511	9,461	9,524	9,767	10,064	9,912	10,030	569	1.2%
Toys		**1,073**	**1,039**	**1,112**	**1,154**	**1,165**	**1,145**	**72**	**1.3%**
Toy Wholesaling	42392	1,073	1,039	1,112	1,154	1,165	1,145	72	1.3%
Visual and Performing Arts Providers		**132,904**	**138,100**	**143,957**	**148,744**	**155,109**	**163,964**	**31,060**	**4.3%**
Performing Arts Companies	7111	8,041	8,475	8,812	9,429	10,680	11,855	3,814	8.1%
Agents and Managers of Artists, etc.	71141	6,942	7,387	7,793	8,028	7,856	8,217	1,275	3.4%
Independent Artistsm Writers, etc.	71151	117,255	121,627	126,715	130,550	135,891	143,180	25,925	4.1%
Museums	7121	666	611	637	737	682	712	46	1.3%
TOTALS		**285,049**	**295,106**	**306,332**	**316,383**	**326,001**	**340,567**	**55,518**	**3.6%**

Note: The. U.S. Census Bureau does not provide nonemployer data for Software Publishing (NAICS 5112) and Industrial Design Services (NAICS 54142)
Source: U.S. Census Bureau, Nonemployer Statistics

5

ECONOMIC CONTRIBUTION OF THE CREATIVE INDUSTRIES

EMPLOYMENT AND WAGES

While direct job counts in California's creative industries are quite large (747,600 in 2015), they are only one part of a much larger employment picture. Direct employees are those who actually work in the creative industries of California. Indirect jobs are created when firms in these industries make purchases from their suppliers and vendors. Additional induced jobs are generated when the direct and indirect employees spend their wages on consumer goods and services. In that sense, every job within the creative sector supports or sustains other jobs in the region.

The ripple effect is substantial, giving rise to job gains and increases in income across a wide range of industries throughout the regional economy. In addition to the 747,600 direct jobs, California's creative industries generated 889,200 indirect and induced jobs for a total of 1.6 million jobs in 2015.[7] Labor income earned by these workers was $136 billion.

EXHIBIT 5-1: ECONOMIC CONTRIBUTION OF THE CREATIVE INDUSTRY IN CALIFORNIA, 2015

Employment	**1,636,800**
Direct	747,600
Indirect and Induced	889,200
Labor Income ($ billions)	**136.0**
Direct	84.4
Indirect and Induced	51.6
Output ($ billions)	**406.5**
Direct	267.3
Indirect and Induced	139.2
State/Local Taxes ($ billions)	**16.7**

Source: Bureau of Labor Statistics, Estimates by LAEDC IAE

TAX EFFECTS

Activity in the creative sectors triggers not only jobs and spending, but also results in tax revenues for state and local governments that help to fund local services. As with jobs, there is a ripple effect with tax revenues because the initial direct effects give rise to indirect and induced effects.

In California, property taxes, state and local personal income taxes, and sales taxes generated directly and indirectly by the creative industries totaled $16.7 billion in 2015, as calculated by the LAEDC. The largest three sectors were publishing and printing, which generated tax revenues of $4.5 billion, followed by entertainment at $3.8 billion, and fashion at $2.9 million.

THE ECONOMIC CONTRIBUTION OF THE CREATIVE INDUSTRIES

In terms of their overall contribution to the regional economy, the creative industries in California generated $406.5 billion in economic output in 2015, an increase of $32 billion (8.8 percent) over the previous year, the combined result of economic growth, employment growth, and increased labor productivity. Of the $406.5 billion in economic output, $240.1 billion was value-added (corporate profits and labor income). This net economic contribution of $240.1 billion was the equivalent of 10.9 percent of the state's gross product of $2.2 trillion in 2015.

7
Total job counts include full- and part-time workers, wage and salary employment, and self-employment.

LOOKING AHEAD: THE CREATIVE ECONOMY IN 2020

Employment moves with the business cycle, declining during recessions and growing again when the economy expands. California recorded another year of employment growth in 2015 in step with the expansion of the national economy. Nearly all major industry sectors experienced job gains, and after a long period of near stagnation, wage growth also began to pick up.

The LAEDC projects that creative industry employment in California will grow by 3.3 percent from 2015 to 2020. Creative industry wage and salary job counts will climb from 736,100 in 2015 to 760,400 in 2020, an increase of 24,300 jobs over the period.[8] Growth is anticipated across the entire set of creative industries, but the pace will vary by industry. The largest percentage gains will occur in industries with a strong technology component like digital media and communication arts. The revolution in how media content is created and delivered will continue to fuel demand for digital media workers across a number of industries including entertainment, publishing, and advertising.

As employment and wages increase, household incomes rise. This allows workers to spend more of their disposable income on entertainment, apparel, home furnishings, and other consumer goods. With their links to real estate and construction, architecture and interior design will also see robust growth. Stronger economic growth and higher household incomes will mean more workers are hired at art galleries and in the entertainment, furniture and decorative arts, and the visual and performing arts industries.

8
Employment at fine and performing arts schools is not included in this forecast so the total employment number reported for 2015 in this section differs from the figure reported elsewhere in this report.

EXHIBIT 6-1:
CALIFORNIA CREATIVE INDUSTIRES EMPLOYMENT FORECAST, 2015–2010

Creative Industry	Number of Jobs (Thousands)		Change 2015–2020		Average Annual Growth Rate
	2015	2020f	Number	Percent	
Architecture and Interior Design	43,200	45,500	2300	5.3%	1.0%
Art Galleries	2,300	2,400	100	4.3%	0.9%
Communication Arts	46,000	50,800	48,00	10.4%	2.0%
Digital Media	61,500	63,100	1,600	2.6%	0.5%
Entertainment	171,500	175,700	4,200	2.4%	0.5%
Fashion	119,800	121,500	1,700	1.4%	0.3%
Furniture and Decorative Arts	72,700	77,400	4,700	6.5%	1.3%
Industrial Design Services	2,200	2,400	200	9.1%	1.8%
Publishing and Printing	154,200	156,000	1,800	1.2%	0.2%
Toys	7,300	7,300	0	0.0%	0.0%
Visual and Performing Arts Providers	55,400	58,300	2,900	5.2%	1.0%
Totals	**736,100**	**760,400**	**24,300**	**3.3%**	**0.7%**

Source: Bureau of Labor Statistics, QCEW; Forecasts by LAEDC IAE

7

INDUSTRY SNAPSHOTS

ARCHITECTURE AND INTERIOR DESIGN

This sector includes firms that specialize in architectural services, interior design, landscape design, and drafting services.

ARCHITECTURE/ INTERIOR DESIGN

NAICS	DESCRIPTION
54131	Architectural services
54132	Landscape design
54134	Drafting services
54141	Interior design
332323	Ornamental and architectural metal work manufacturing

EXHIBIT 7-1:
ARCHITECTURE AND INTERIOR DESIGN JOB GROWTH IN CALIFORNIA

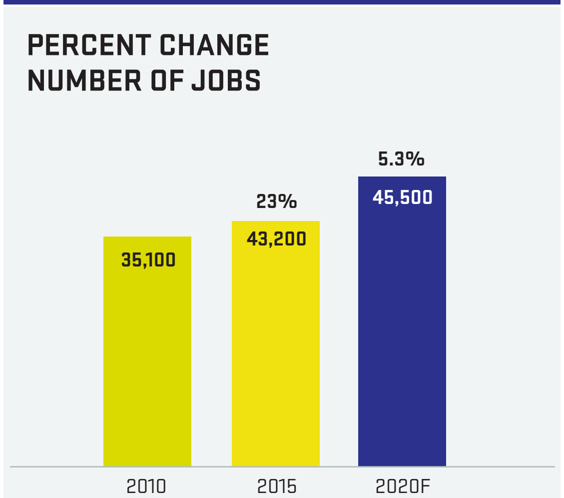


EXHIBIT 7-2:
ECONOMIC CONTRIBUTION OF THE ARCHITECTURE AND INTERIOR DESIGN INDUSTRY, 2015

DIRECT EFFECTS	
Establishments	6,264
Jobs	43,200
Labor Income ($ billions)	3.5
Nonemployer Establishments, 2014	18,210
TOTAL EFFECTS (Direct, Indirect and Induced)	
Output ($ billions)	13.5
Total Jobs	84,000
Total Labor Income ($ billions)	5.8
Total Taxes ($ millions)	506.2

Source: Bureau of Labor Statistics, U.S. Census, Estimates by LAEDC IAE

ART GALLERIES

The presence of artists and art galleries throughout the state, whether fine art or local arts and crafts, enhance the quality of life for residents and are a major draw for cultural tourists.

NAICS	DESCRIPTION
45392	Art galleries

**EXHIBIT 7-3:
ART GALLERIES JOB GROWTH
IN CALIFORNIA**

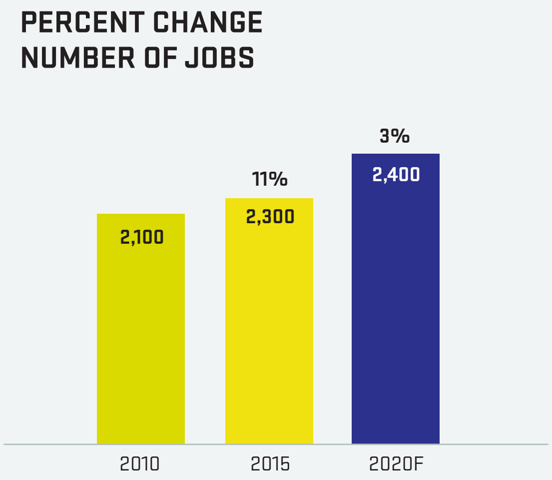


**EXHIBIT 7-4:
ECONOMIC CONTRIBUTION OF
ART GALLERIES, 2015**

DIRECT EFFECTS	
Establishments	633
Jobs	2,300
Labor Income ($ millions)	123
Nonemployer Establishments, 2014	2,463
TOTAL EFFECTS (Direct, Indirect and Induced)	
Output ($ millions)	234.3
Total Jobs	3,100
Total Labor Income ($ millions)	167.7
Total Taxes ($ millions)	26.3

Source: Bureau of Labor Statistics, U.S. Census, Estimates by LAEDC IAE

COMMUNICATION ARTS

Individuals working in communication arts combine art and technology to communicate ideas through images and other communications media. This diverse sector is dominated by advertising agencies and firms that specialize in graphic design. It also includes commercial and portrait photographers.

COMMUNICATION ARTS

NAICS	DESCRIPTION
54143	Graphic design
54181	Advertising agencies
541921	Photography studios, portrait
541922	Commercial photography

EXHIBIT 7-5: COMMUNICATION ARTS JOB GROWTH IN CALIFORNIA

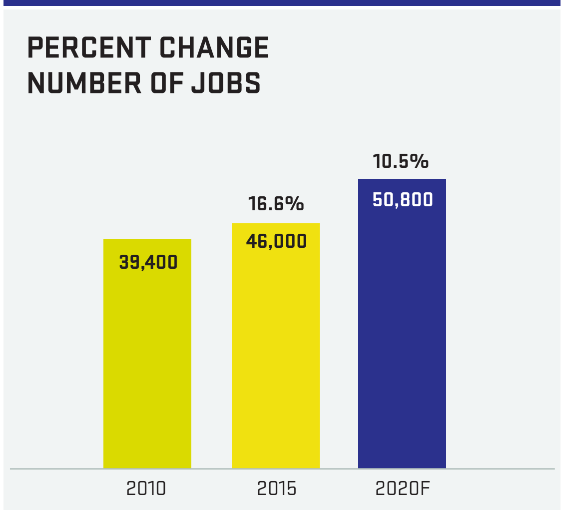


EXHIBIT 7-6: ECONOMIC CONTRIBUTION OF COMMUNICATION ARTS, 2015

DIRECT EFFECTS	
Establishments	5,977
Jobs	46,000
Labor Income ($ billions)	4.1
Nonemployer Establishments, 2014	87,421
TOTAL EFFECTS (Direct, Indirect and Induced)	
Output ($ billions)	14.7
Total Jobs	83,500
Total Labor Income ($ billions)	6.2
Total Taxes ($ millions)	586.0

Source: Bureau of Labor Statistics, U.S. Census, Estimates by LAEDC IAE

DIGITAL
MEDIA

DIGITAL MEDIA

The digital media industry is concentrated in the Bay Area, but it has a growing presence in the Los Angeles region where it is closely connected to the entertainment and gaming industries. The true size of the digital media industry is difficult to calculate using publicly available data sources because there is no set of NAICS codes designed to specifically capture these activities, which may be included in entertainment and publishing as well as other sectors. Software publishing is the industry that best fits this activity and is used to produce the figures below.

NAICS	DESCRIPTION
5112	Software publishers

**EXHIBIT 7-7:
DIGITAL MEDIA JOB GROWTH
IN CALIFORNIA**

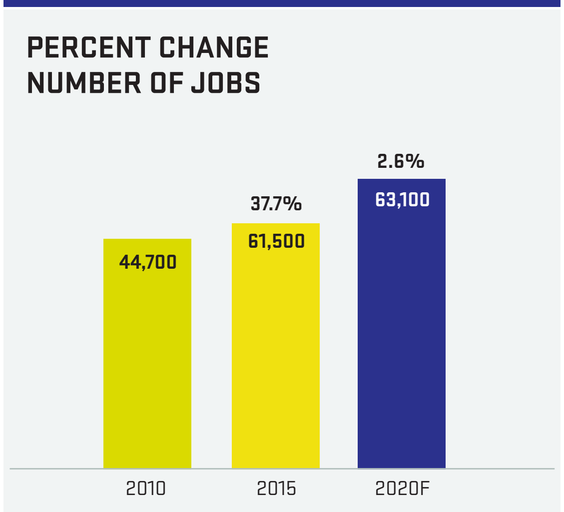


**EXHIBIT 7-8:
ECONOMIC CONTRIBUTION OF
DIGITAL MEDIA INDUSTRY, 2015**

DIRECT EFFECTS	
Establishments	**1,711**
Jobs	**61,500**
Labor Income ($ billions)	**12.7**
Nonemployer Establishments, 2014	**–**
TOTAL EFFECTS (Direct, Indirect and Induced)	
Output ($ billions)	**47.9**
Total Jobs	**153,100**
Total Labor Income ($ billions)	**17.7**
Total Taxes ($ billions)	**1.7**

Note: The U.S. Census Bureau does not provide nonemployer data for Digital Media
Source: Bureau of Labor Statistics, U.S. Census, Estimates by LAEDC IAE

ENTERTAINMENT

Entertainment is the cornerstone of the creative economy of the Los Angeles region, but activity related to the industry can be found throughout the state. The motion picture and sound-recording industry generates huge economic benefits for California and strongly influences the content and design elements developed by other creative industries including digital media, fashion, toys, and publishing.

NAICS	DESCRIPTION
51211	Motion picture/video production
212	Motion picture distribution
51219	Post production services
5122	Sound recording
515112	Radio stations
515120	Television broadcasting
5152	Cable broadcasting

**EXHIBIT 7-9:
ENTERTAINMENT INDUSTRY JOB GROWTH IN CALIFORNIA**

**PERCENT CHANGE
NUMBER OF JOBS**

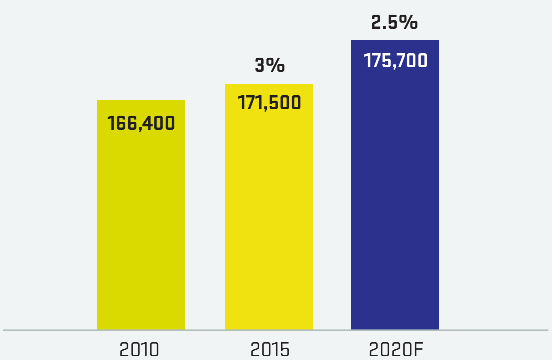


**EXHIBIT 7-10:
ECONOMIC CONTRIBUTION OF ENTERTAINMENT INDUSTRY, 2015**

DIRECT EFFECTS	
Establishments	8,861
Jobs	171,500
Labor Income ($ billions)	18.8
Nonemployer Establishments, 2014	31,958
TOTAL EFFECTS (Direct, Indirect and Induced)	
Output ($ billions)	113.8
Total Jobs	333,600
Total Labor Income ($ billions)	28.2
Total Taxes ($ billions)	3.8

Source: Bureau of Labor Statistics, U.S. Census, Estimates by LAEDC IAE

FASHION

Apparel design, manufacturing, and wholesaling activities are concentrated in the Los Angeles region, but there is a significant fashion industry presence in San Francisco as well. Although apparel manufacturing in the state has declined, design-related activity strongly contributes to maintaining the apparel industry's presence in California. The many apparel design and merchandizing schools that are located in the state attract talented students from all over the world.

NAICS	DESCRIPTION	NAICS	DESCRIPTION
313	Textile mills manufacturing	316992	Women's handbag manufacturing
315	Apparel manufacturing	32562	Cosmetics manufacturing
4243	Apparel wholesaling	33991	Jewelry manufacturing
3162	Footwear manufacturing	42394	Jewelry wholesaling
42434	Footwear wholesaling	54149	Other specialized design services

**EXHIBIT 7-11:
FASHION INDUSTRY JOB GROWTH
IN CALIFORNIA**

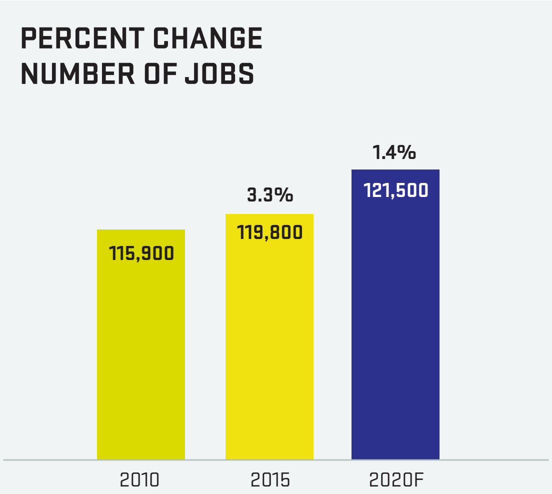


**EXHIBIT 7-12:
ECONOMIC CONTRIBUTION OF
FASHION INDUSTRY, 2015**

DIRECT EFFECTS	
Establishments	9,406
Jobs	119,800
Labor Income ($ billions)	5.4
Nonemployer Establishments, 2014	14,814
TOTAL EFFECTS (Direct, Indirect and Induced)	
Output ($ billions)	42.4
Total Jobs	208,100
Total Labor Income ($ billions)	10.9
Total Taxes ($ billions)	2.9

Source: Bureau of Labor Statistics, U.S. Census, Estimates by LAEDC IAE

FURNITURE/
DECORATIVE
ARTS

FURNITURE AND DECORATIVE ARTS

This industry group includes firms that manufacture, warehouse, import, and export furniture. It also includes textiles mills (sheets, towels, and fabric window treatments), and china and pottery producers. California is also home to hundreds of small artisans who produce handcrafted and one-of-a-kind pieces. Additionally, universities and colleges located throughout the state offer a number of top-rated design programs that attract students from around the world.

NAICS	DESCRIPTION
314	Textiles mills manufacturing
337	Furniture manufacturing
4232	Furniture wholesaling
33512	Electric lighting fixtures

NAICS	DESCRIPTION
327111	China plumbing fixtures, China, earthenware manufacturing
327112	Other China, fine earthenware, pottery manufacturing
327212	Pressed, blown glass, glassware manufacturing
327999	Other miscellaneous nonmetallic mineral product manufacturing

**EXHIBIT 7-13:
FURNITURE AND DECORATIVE ARTS JOB GROWTH IN CALIFORNIA**

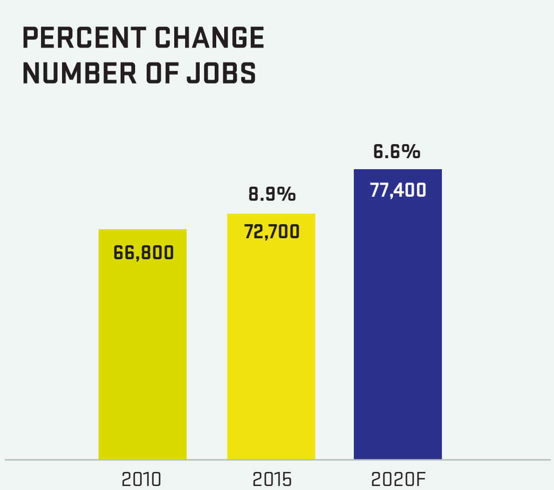


**EXHIBIT 7-14:
ECONOMIC CONTRIBUTION OF FURNITURE AND DECORATIVE ARTS INDUSTRY, 2015**

DIRECT EFFECTS	
Establishments	**4,487**
Jobs	**72,700**
Labor Income ($ billions)	**3.6**
Nonemployer Establishments, 2014	**5,144**
TOTAL EFFECTS (Direct, Indirect and Induced)	
Output ($ billions)	**26.2**
Total Jobs	**127,200**
Total Labor Income ($ billions)	**6.7**
Total Taxes ($ billions)	**1.4**

Source: Bureau of Labor Statistics, U.S. Census, Estimates by LAEDC IAE

INDUSTRIAL DESIGN SERVICES

INDUSTRIAL DESIGN SERVICES

Industrial designers develop the concepts for manufactured products such as cars, home appliances, and mobile devices. The figures below reflect design firms that serve as outside contractors or independent consultants to manufacturers and construction firms. However, many industrial designers are employees of companies that produce and sell a wide variety of consumer products. The data in this report capture those working in creative industries like apparel or furniture manufacturing but do not include individuals working in other industries that require designers to develop their products. Thus, the real design base in the region is almost certainly larger than shown.

NAICS	DESCRIPTION
54142	Industrial design services

**EXHIBIT 7-15:
INDUSTRIAL DESIGN SERVICES JOB GROWTH IN CALIFORNIA**

**PERCENT CHANGE
NUMBER OF JOBS**

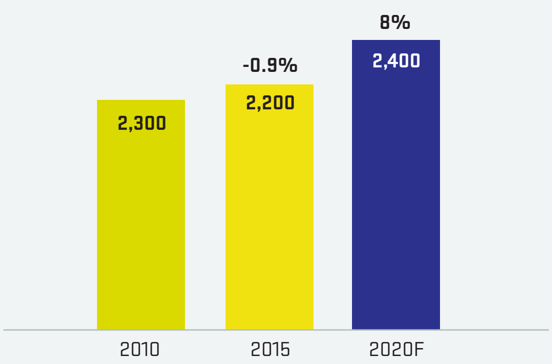


**EXHIBIT 7-16:
ECONOMIC CONTRIBUTION OF THE INDUSTRIAL DESIGN SERVICES INDUSTRY, 2015**

DIRECT EFFECTS	
Establishments	335
Jobs	2,200
Labor Income ($ billions)	194.0
Nonemployer Establishments, 2014	–
TOTAL EFFECTS (Direct, Indirect and Induced)	
Output ($ billions)	437.2
Total Jobs	3,600
Total Labor Income ($ billions)	269.9
Total Taxes ($ billions)	25.2

Note: The U.S. Census Bureau does not provide nonemployer data for Industrial Design Services
Source: Bureau of Labor Statistics, U.S. Census, Estimates by LAEDC IAE

PUBLISHING AND PRINTING

The traditional publishing and printing sector includes two distinct functions. Publishers produce and disseminate literature, artwork, or information through books, newspapers and periodicals, directories and mailing lists, greeting cards, and other materials. Printers engage in printing text and images on paper, metal, glass, and apparel using traditional and digital methods. This sector also includes libraries and archives, and Internet publishing.

NAICS	DESCRIPTION
3231	Printing and support activities
424920	Book, periodical, newspaper wholesalers
511110	Newspaper publishers
511120	Periodical publishers
511130	Book publishers
511191	Greeting card publishers
511199	All other publishers
519120	Libraries and archives
519130	Internet publishing and broadcasting

**EXHIBIT 7-17:
PUBLISHING AND PRINTING JOB GROWTH IN CALIFORNIA**

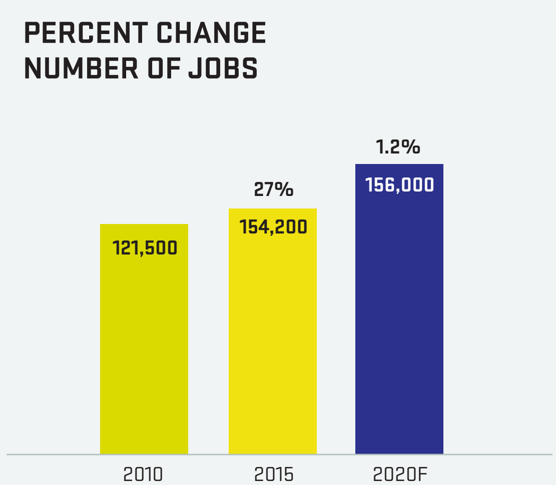


**EXHIBIT 7-18:
ECONOMIC CONTRIBUTION OF THE PUBLISHING AND PRINTING INDUSTRY, 2015**

DIRECT EFFECTS	
Establishments	7,142
Jobs	154,200
Labor Income ($ billions)	27.7
Nonemployer Establishments, 2014	15,448
TOTAL EFFECTS (Direct, Indirect and Induced)	
Output ($ billions)	128.4
Total Jobs	505,100
Total Labor Income ($ billions)	48.2
Total Taxes ($ billions)	4.5

Source: Bureau of Labor Statistics, U.S. Census, Estimates by LAEDC IAE

TOYS

The job numbers may be modest, but California (Southern California in particular) is a major force in the toy industry. Much of the actual manufacturing of toys takes place outside the region but most design and marketing functions have been retained in California because of the creative talent pool and supportive training programs at many of the state's art and design educational institutions. The toy industry also benefits from its close ties to the state's entertainment industry through licensing agreements with the major film studios.

NAICS	DESCRIPTION
33993	Toy manufacturing
42392	Toy wholesaling

**EXHIBIT 7-17:
TOY INDUSTRY JOB GROWTH
IN CALIFORNIA**

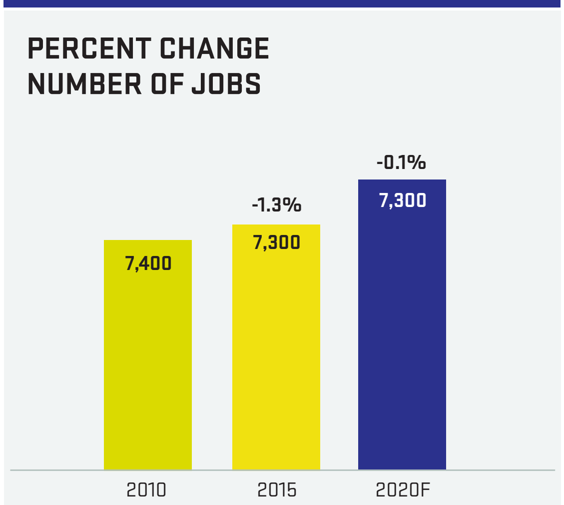


**EXHIBIT 7-20:
ECONOMIC CONTRIBUTION OF THE
TOY INDUSTRY, 2015**

DIRECT EFFECTS	
Establishments	**494**
Jobs	**7,300**
Labor Income ($ millions)	**658.1**
Nonemployer Establishments, 2014	**1,145**
TOTAL EFFECTS (Direct, Indirect and Induced)	
Output ($ billions)	**3.5**
Total Jobs	**15,300**
Total Labor Income ($ billions)	**1.1**
Total Taxes ($ millions)	**301.3**

Source: Bureau of Labor Statistics, U.S. Census, Estimates by LAEDC IAE

VISUAL & PERFORMING ARTS PROVIDERS

VISUAL AND PERFORMING ARTS

California is home to an impressive number of internationally renowned arts institutions, world-class symphonies, opera and ballet companies, and theater troupes, many of which are housed in concert halls and theaters that are works of art in their own right. This sector includes these theater and dance companies, musical groups, other performing arts companies and museums, as well as independent artists, writers, entertainers, and their agents and managers. Many of these firms are nonprofit organizations.

NAICS	DESCRIPTION
71111	Theater companies
71112	Dance companies
71113	Musical groups
71119	Other performing arts companies
71141	Agents and managers of artists, etc.
71151	Independent artists, writers, etc.
71211	Museums
339992	Musical instrument manufacturing

EXHIBIT 7-21:
VISUAL AND PERFORMING ARTS JOB GROWTH IN CALIFORNIA

PERCENT CHANGE NUMBER OF JOBS

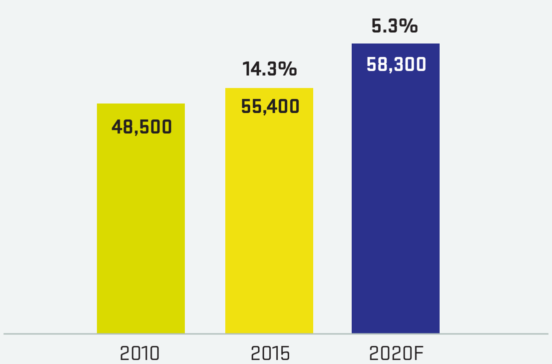


EXHIBIT 7-22:
ECONOMIC CONTRIBUTION OF THE VISUAL AND PERFORMING ARTS INDUSTRY, 2015

DIRECT EFFECTS	
Establishments	12,667
Jobs	55,400
Labor Income ($ billions)	7.3
Nonemployer Establishments, 2014	163,964
TOTAL EFFECTS (Direct, Indirect and Induced)	
Output ($ billions)	14.6
Total Jobs	106,300
Total Labor Income ($ billions)	10.1
Total Taxes ($ millions)	841.5

Source: Bureau of Labor Statistics, U.S. Census, Estimates by LAEDC IAE

8

OCCUPATIONS IN THE CREATIVE ECONOMY

EMPLOYMENT

There are two ways to think about employment in the creative economy: individuals who work in a creative industry and individuals working in creative occupations. The previous sections of this report described creative industries. These are the firms that produce and distribute cultural consumer, and commercial goods and services. This section turns from industry analysis to an examination of creative occupations. Many of these occupations are found within the creative industries, but they are also present in significant numbers in industries that are outside the designated creative sector.

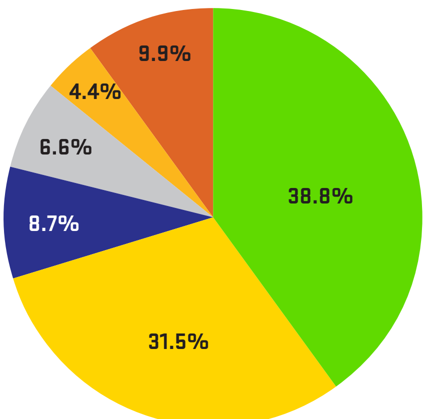
The Bureau of Labor Statistics collects data pertaining to occupations, which makes it possible to identify and measure creative occupations throughout the economy. This data can also shed light on the extent to which creative industries employ people in functions outside of creative occupations. The occupational data used in this report are based on the Standard Occupational Classification (SOC) system.

These creative occupations can be found across a wide array of organizational functions.[9] For example, within the major group, management occupations, creative occupations include advertising, marketing, and public relations managers. In computer and mathematical occupations, there are software developers and in production-related occupations, there are tailors, cabinet makers, and engravers. One may find a marketing manager or graphic designer working in any number of industries, those identified as creative or otherwise. This illustrates the fact that creative people are often found outside of what we typically think of as the creative sectors of the economy.

In 2015, there were 654,300 workers in California employed in creative occupations. This represented 42 percent of total occupation-based employment in the state. These could be jobs within the defined set of creative industries described in this report or they might be in a noncreative industry. The largest shares of individuals employed in creative occupations worked in art, design, entertainment, sports, and media (38.8 percent); followed by computer and mathematical occupations (31.5 percent) and in a distant third, education, training, and library occupations (8.7 percent).

The numerous creative occupations found across so many industries, creative and noncreative alike, are evidence of the importance of creativity to the economy. It is a highly valued attribute essential to the success of many different kinds of firms and business activities. The further implication is that it is in the state's economic interest to maintain, nurture, and grow its deep pool of creative talent.

EXHIBIT 8-1:
DISTRIBUTION OF CREATIVE OCCUPATIONS BY MAJOR CATEGORY, 2015



38.8% Art, Design, Entertainment, Sports, and Media Occupations

31.5% Computer and Mathematical Occupations

8.7% Education, Training, and Library Occupations

6.6% Management Occupations

4.4% Architecture and Engineering Occupations

9.9% All Other Occupations

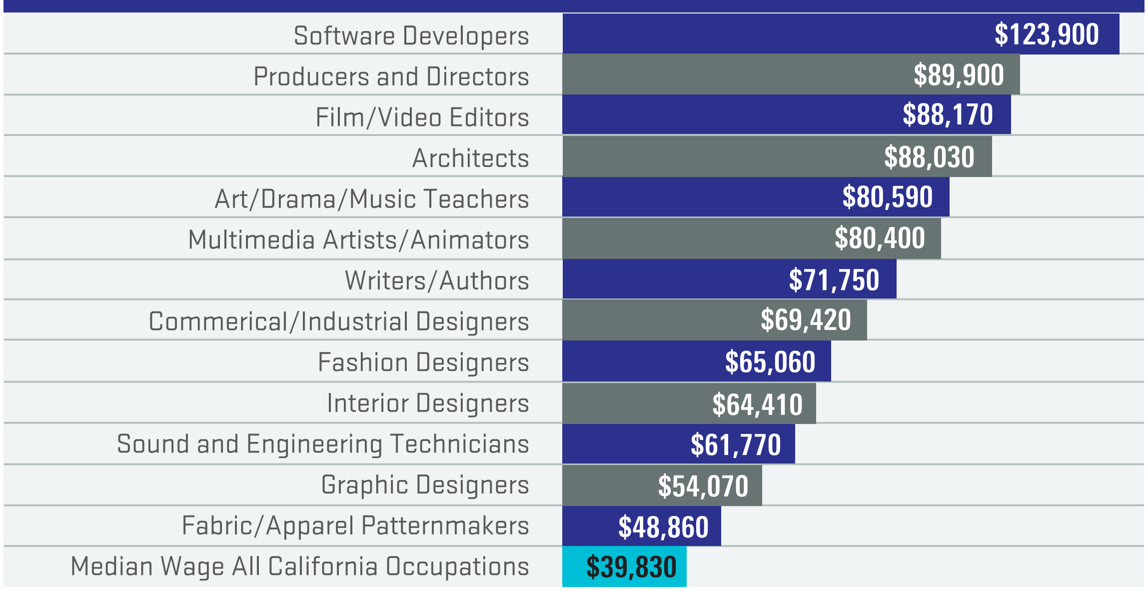
Source: Bureau of Labor Statistics, OES

HOW MUCH DO CREATIVE WORKERS EARN?

Creativity is a highly valued and recognized professional attribute. Along with the ability to collaborate with coworkers and to communicate effectively, creativity is one of the most sought-after qualities in a prospective employee. The salaries received by many creative individuals working in California bear this out.

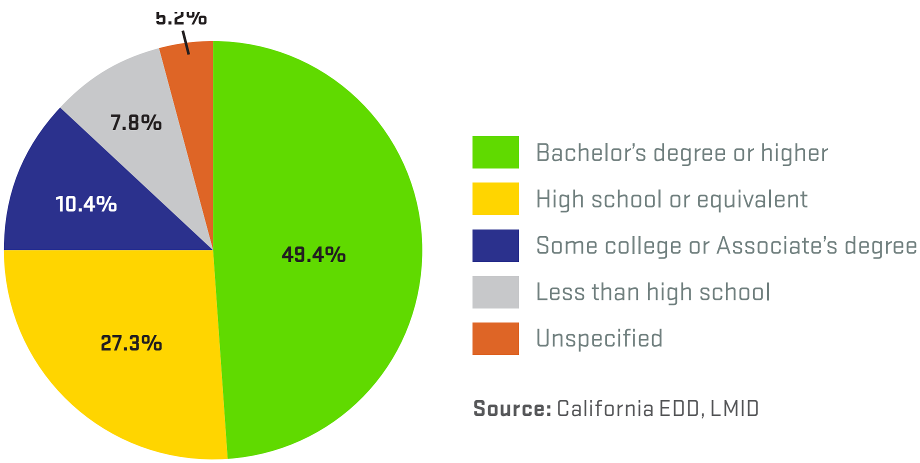
In 2015, the creative occupation receiving the highest annual median wage in California was software developers at $123,900. The lowest was fabric/apparel patternmakers at $48,860. The median wage across all occupations in California was $39,830. Out of the 77 creative occupations analyzed in this report, 57 had a median annual wage greater than the state-wide median (Note: Wage data was unavailable for actors, dancers, choreographers, and musicians and singers).

EXHIBIT 8-2:
SELECTED ANNUAL MEDIAN WAGES FOR CREATIVE OCCUPATIONS IN CALIFORNIA, 2015



Source: Bureau of Labor Statistics, OES

EXHIBIT 8-3:
ENTRY LEVEL EDUCATION REQUIREMENTS TO CREATIVE OCCUPATIONS



Source: California EDD, LMID

Exhibit 8-3 *demonstrates why we see relatively high wages in creative occupations – almost half require a bachelor's degree or higher, while another 10 percent require at least an AA or some college. Additionally, slightly more than half of the occupations that did not require a bachelor's degree paid a higher median annual wage than the statewide median. So even for less educated workers, the creative sector can provide a pathway to better paying jobs.*

SEE EXHIBIT A-4 IN THE APPENDIX FOR A DETAILED LIST OF CREATIVE OCCUPATIONS, PROJECTED JOB OPENINGS OVER THE NEXT FIVE YEARS, EDUCATIONAL REQUIREMENTS, AND MEDIAN WAGES.

Throughout the current expansion period, the lack of wage growth across many industries and occupations has been a concern. Lingering slack in the labor markets (low labor force participation and underemployment dating back to the Great Recession) has acted as a check on wage growth. Now that the economy is at or near full employment, several measures of wage growth indicate that more workers can expect to see a bump in their paychecks. Competition among firms for skilled employees is becoming more intense, putting upward pressure on wages, and in many states and municipalities, higher minimum wage laws are increasing pay for many workers.

Compared with 2014, the median wage across all occupations in California increased by 2.3 percent. Exhibit 8-4 shows that wage gains in many creative occupations rose at a much faster pace, although a few experienced a small decline or increased only slightly. There are many reasons why some of these occupations might have experienced a decline in wages. The first possibility is the trend in shifting wage and salary employment to self-employment (it may take time for a new independent contractor to build a clientele base). Some of these occupations may also be concentrated in industries that are declining or are in the process of transforming through technological change. Declining wages might also be attributable to an oversupply of workers in a particular occupation. Another possibility that reflects trends in the labor markets at large is that more people in creative occupations may be working part-time, which would certainly cause a decline in median annual wage.

EXHIBIT 8-4:
EMPLOYMENT AND EARNINGS FOR SELECTED CREATIVE OCCUPATIONS, 2014 AND 2015

	EMPLOYMENT			MEDIAN ANNUAL WAGE		
	2014	2015	# Change	2014	2015	% Change
Architects	10,250	12,070	1,820	$85,030	$88,030	3.5%
Art/Drama/Music Teachers	13,830	14,600	770	$78,290	$80,590	2.9%
Commercial/Industrial Designers	3,950	4,110	160	$67,600	$69,420	2.7%
Fabric/Apparel Patternmakers	1,970	1,680	-290	$47,220	$48,860	3.5%
Fashion Designers	5,570	6,180	610	$66,320	$65,060	-1.9%
Film/Video Editors	10,080	11,250	1,170	$79,250	$88,170	1.3%
Graphic Designers	27,180	28,940	1,760	$53,710	$54,070	0.7%
Interior Designers	5,860	6,770	910	$55,010	$64,410	17.1%
Multimedia Artists/Animators	9,560	10,110	550	$79,790	$80,400	0.8%
Producers and Directors	24,400	25,510	1,110	$93,380	$89,900	-3.7%
Software Developers	106,660	123,950	17,290	$115,590	$123,900	7.2%
Sound and Engineering Technicians	4,060	4,260	200	$57,890	$61,770	6.7%
Writers/Authors	7,370	7,890	520	$73,370	$71,750	-2.2%

Source: Bureau of Labor Statistics, OES

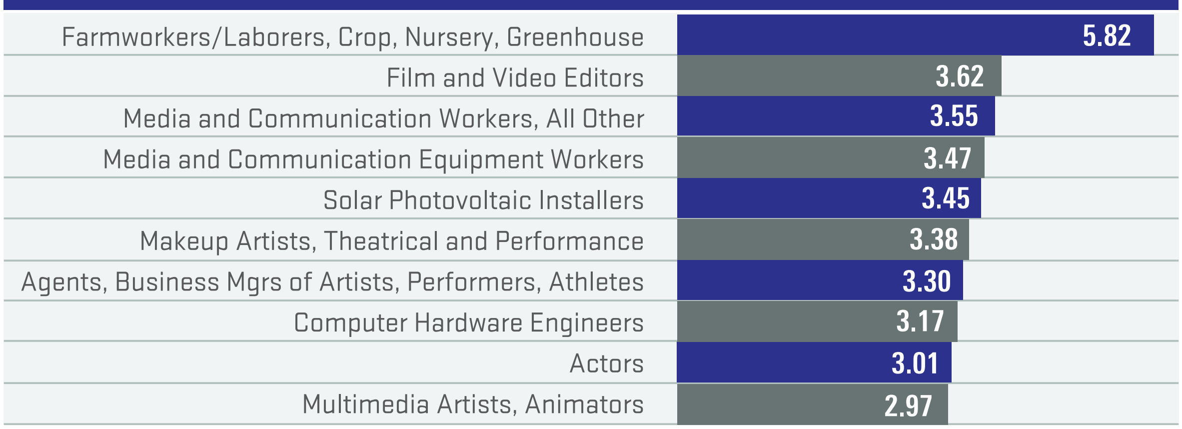
LOCATION QUOTIENTS IN CALIFORNIA

A location quotient (LQ) can be used to quantify the concentration of a particular industry, industry cluster, occupation, or demographic group in a region and compare it with the nation. It reveals what makes a region unique.

An LQ of 1.0 for an occupation means that a region has the same (or average) concentration of that occupation as the nation as a whole. If the LQ of an occupation is above 1.0, the region has a higher-than-average concentration of that occupation. Higher-than-average LQs for a given occupation or industry suggests a competitive advantage for that region with respect to that occupation or industry as compared to the nation and other regions.

As indicated in the figure below, California has high LQs in a number of creative occupations. Of the 10 occupations with the highest LQs in the state, seven are creative occupations. Indicative of California's other strengths, occupations in agriculture, solar energy, and technology are also among the top ten.

EXHIBIT 8-5:
OCCUPATIONS WITH THE HIGHEST LQS IN CALIFORNIA



Source: Bureau of Labor Statistics, OES

9 The list of creative occupations used in this report draws on the work of Ann Markusen, et al., (2008). Defining the Creative Economy: Industry and Occupation Approaches. *Economic Development Quarterly*, 22; 24–25

NONPROFIT SECTOR OF THE CREATIVE ECONOMY

The nonprofit sector plays an indispensable role in the economy as a major source of employment and income. Many nonprofit organizations are run similarly to for-profit entities and require workers with specialized skills to ensure the smooth running of their operations. Nonprofits also purchase goods and services from third-party suppliers. Like their for-profit counterparts, nonprofits also need computers, utilities, and office supplies. This generates revenues and creates jobs for the companies who supply goods and services to nonprofit organizations. In addition to paid workers, nonprofits also utilize unpaid volunteers who annually contribute millions of hours of their time and expertise, both of which have economic value.

Nonprofits, as defined by U.S. tax law, are “organizations for charitable or mutual benefit purposes.” Nonprofits are not restricted in how much income they can generate, which can be substantial in the case of a concert hall, museum, or hospital, but in how that income is distributed. Profits cannot be paid to owners or anyone else associated with the organization but must instead be devoted to the tax-exempt purpose of the organization.

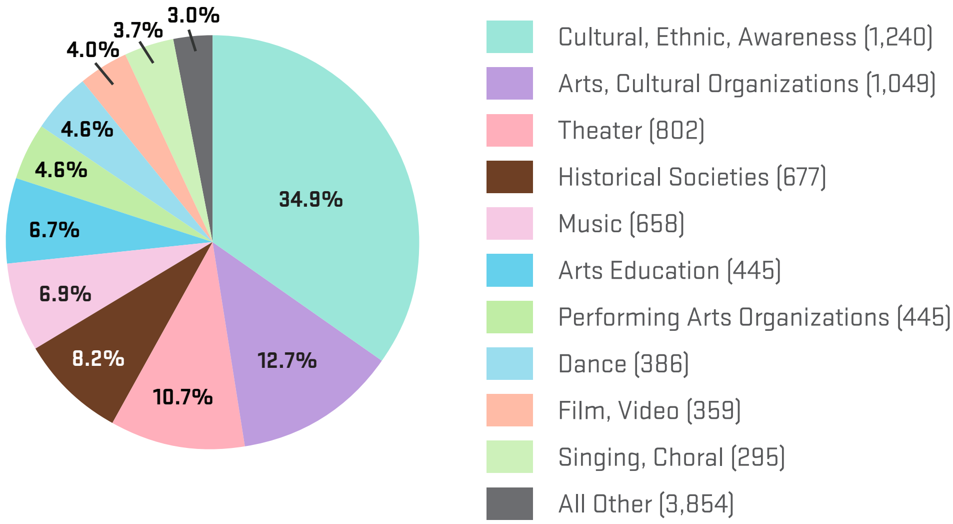
The need for nonprofits grows from the limitations of the private and public sectors. In the case of the private sector, society may demand a good or service that a private firm cannot profitably provide, quite often because the desired good or service is a collective good. In the public sector, the provision of certain goods or services may lack the support of the majority of the people. Therefore, nonprofits are the means by which citizens who want more of some collective good or service, such as concert halls or after-school arts education, can supply that need.

This section describes the nonprofit sector in California using data from the IRS Statistics of Income (SOI) Program. While these data show a rich and deep ecosystem of arts-related nonprofits in the region, these figures are based on a sample of nonprofits and are not meant to represent the sector in its entirety. As such, the number of organizations shown here understates the size and contribution of arts-related nonprofits in California.

The SOI data set compiled in 2016 contained a total of 10,210 nonprofit organizations in California that were classified as arts, culture, and humanities organizations representing over 40 different types of organizations. The three largest segments of

EXHIBIT 9-1:
NUMBER OF ORGANIZATIONS IN SAMPLE AND PERCENTAGE OF TOTAL IN CALIFORNIA

TOTAL: 10,210



Source: IRS SOI Statistics

the nonprofit sector were organizations that promote cultural and ethnic awareness (1,240 organizations or 12.7 percent of the total)[10] ; arts and cultural organizations (1,049, 10.7 percent); and theater (802, 8.2 percent). Nonprofit arts education also has a significant presence in California. Based on the SOI sample, there were 445 organizations devoted to arts education along with 87 nonprofit performing arts schools.

In addition to the number and type of organizations present in a region, the SOI data also provides information pertaining to the value of assets, revenue, and income (although not in all cases) for each organization. The total value of assets held by nonprofits in California (based on the available sample) totaled $16.7 billion at the time the data was collected. Art museums held 22.0 percent of the total with a reported asset value of $3.7 billion. The next largest category was history museums with 10.2 percent ($1.7 billion), followed by museums and museum activities with 7.8 percent ($1.3 billion).

EXHIBIT 9-1:
NUMBER OF ORGANIZATIONS IN SAMPLE AND PERCENTAGE OF TOTAL IN CALIFORNIA

BASED ON SAMPLE	2015	2016	% CHANGE
No. of Organizations	9,586	10,210	6.5%
Reported Assets ($ billions)	15.8	16.7	5.7%
Reported Income ($ billions)	7.9	7.8	-0.7%
Reported Revenue ($ billions)	–	4.5	–

Source: IRS SOI Statistics

Total income reported by arts-related nonprofits in California was $7.8 billion, with the largest share (17.2 percent) earned by art museums. Art museums also earned the largest share of revenues reported by the state's arts-related nonprofit organizations – 8.3 percent of $4.5 billion in total.[11]

Creative people, as well as many others, want diverse cultural amenities. High concentrations of cultural workers and attractions make an area more appealing by improving the quality of life for residents and draw visitors to the area. Additionally, the educational and outreach services provided by nonprofit arts organizations play an important role in training the next generation of creative individuals.

NOTE ON STATISTICS OF INCOME (SOI) DATA

Information on nonprofits is limited, but the IRS publishes some data on tax-exempt organizations as part of its SOI program. Although the IRS offers the most comprehensive and standardized publically available data on tax-exempt organizations, there are significant limitations. The SOI files are complied annually using information gathered from the Form 990 filed by nonprofit organizations. The SOI files include all 501(c)(3) organizations with $30 million or more in assets, all organizations filing under sections 502(c)(4) through 501(c)(9) with $10 million or more in assets, and a sample of a few thousand smaller organizations per year that are selected to represent all nonprofit organizations.

The SOI data are cumulative and are the most recent information the IRS has on file for exempt organizations. The year designation on SOI files is based on the starting year for an organization's tax return, which is not necessarily its fiscal year. Therefore, this data does not cover a specific calendar year but instead provides a snapshot of the state's nonprofit arts sector at the time it was accessed.

10
This category includes organizations dedicated to the study, preservation, and/or dissemination of the history and culture of ethnic groups, while excluding organizations whose primary mission is the social or economic advancement of these groups (www.humanitiesindicators.org).

11
Revenue is the total amount of money received by the organization. Income is the amount of money retained by the organization upon paying expenses. Revenues come from donations, membership dues, program fees, fundraising events, grants, and investment activity.

EXHIBIT 9-3:
CALIFORNIA ARTS-RELATED NONPROFIT ORGANIZATIONS

NTEE CODE	DESCRIPTION	NUMBER OF ORGANIZATIONS	ASSET AMOUNT ($ THOUSANDS)	INCOME AMOUNT ($1,000S)	REVENUE AMOUNT ($1,000S)
A01	Alliance/advocacy organizations	38	2,246	5,990	5,722
A02	Management and technical assistance	13	116,460	18,669	7,065
A03	Professional societies, associations	52	21,287	43,379	38,303
A05	Research institutes and/or public policy analysis	12	6,302	1,728	1,259
A11	Single organization support	173	974,302	281,025	133,713
A12	Fundraising and/or fund distribution	164	456,757	24,977	21,635
A19	Nonmonetary support N.E.C.*	28	4,487	7,254	7,015
A20	Arts, cultural organizations – multipurpose	1049	619,713	221,349	179,643
A23	Cultural, ethnic awareness	1240	607,791	305,665	134,315
A24	Folk arts	12	3,344	3,655	63
A25	Arts education	445	331,368	312,396	260,322
A26	Arts council/agency	94	126,183	34,033	21,356
A27	Community celebrations	11	2,916	7,266	7,239
A30	Media, communications organizations	124	176,358	154,386	135,969
A31	Film, video	359	174,168	157,515	151,671
A32	Television	84	169,045	154,502	145,706
A33	Printing, publishing	158	170,654	44,056	37,647
A34	Radio	90	537,108	245,966	238,598
A40	Visual arts organizations	239	49,460	32,401	25,460
A50	Museums, museum activities	293	1,293,183	425,544	347,473
A51	Art museums	126	3,668,378	1,345,838	373,745
A52	Children's museums	37	107,772	37,351	34,253
A54	History museums	235	1,709,709	381,025	239,623
A56	Natural history, natural science museums	38	1,020,706	1,274,466	155,491
A57	Science and technology museums	27	232,627	106,633	73,392
A60	Performing arts organizations	445	40,969	48,064	46,060
A61	Performing arts centers	112	756,321	383,306	197,877
A62	Dance	386	41,070	38,945	37,788
A63	Ballet	92	72,471	85,253	78,621
A65	Theater	802	576,232	387,066	354,352
A68	Music	658	189,343	104,653	90,169
A69	Symphony orchestras	173	849,795	435,141	346,448
A6A	Opera	84	391,003	225,372	189,931
A6B	Singing, choral	295	29,024	35,471	32,611
A6C	Music groups, bands, ensembles	192	42,383	30,070	28,001
A6E	Performing arts schools	87	524,804	164,177	112,849
A70	Humanities organizations	274	74,616	63,769	61,142
A80	Historical societies, related historical activities	677	190,483	46,402	35,797
A82	Historical societies and historic preservation	133	171,480	55,476	36,562
A84	Commemorative events	101	35,452	7,805	4,951
A90	Arts service organizations and activities	72	15,176	15,097	14,403
A99	Arts culture and humanities N.E.C.*	46	101,050	78,373	62,572
	Totals:	9,770	16,683,996	7,831,506	4,506,811

*Not otherwise classified

Source: IRS SOI Statistics

10

K–12 ARTS EDUCATION

ARTS EDUCATION IN THE 21ST CENTURY

Education in the arts is a necessary part of preparing students to meet the demands of the 21st century workplace. Decades of research show strong and consistent links (although research has not yet established causal proof) between high-quality arts education and a wide range of impressive educational outcomes.[12] Among these are increased student engagement, improved attendance, focused attention, heightened educational aspirations, and development of habits of mind such as problem solving, critical and creative thinking, dealing with complexity, and integration of multiple skill sets. The arts are also linked to the development of social competencies including collaboration and team work skills, social tolerance, and self-confidence.[13]

The challenge for K–12 educators throughout California is to find new ways to engage a culturally diverse student body in a meaningful learning experience when students are increasingly turning to digital devices and away from teachers and texts for information and to express ideas. Research points to the success of schools that are "arts-rich." Often students who may have fallen by the wayside find themselves re-engaged in learning when their interest in film, design, or music is given an outlet for expression.

The call for more rigorous academic standards is insufficient to improve student performance without an attendant focus on developing creativity and imagination. While no one questions the necessity of mastering language, math, and science skills, a singular focus on these subjects ignores the needs of students whose talents run in a different direction. Many graduating high school seniors are products of a narrow curricula, lacking the creative and critical thinking skills needed for success in postsecondary education and the workforce. Studies have demonstrated that students who attend schools where the arts are integrated into the classroom curriculum outperform their peers who did not have an arts-integrated background in math and reading.[14] Additionally, the study of the performing and the visual arts helps students "explore realities, relationships and ideas that cannot be conveyed simply in words or numbers."[15]

As stated by the Arts Policy Council[16] in its Platform in Support of the Arts:

> "To remain competitive in the global economy, America needs to reinvigorate the kind of creativity and innovation that has made this country great. To do so, we must nourish our children's creative skills. In addition to giving our children the science and math skills they need to compete in the new global context, we should also encourage the ability to think creatively that comes from a meaningful arts education..."

The arts are a vital part of the culture and life of this country and are essential to a complete education. Decades of research and experience show that a high-quality arts education may play an important part in achieving a range of educational objectives including graduating students who are college or workforce ready.

TRACKING ARTS EDUCATION IN CALIFORNIA

The California Department of Education tracks student enrollment in course subject areas. These data provide a count of students enrolled in arts-related courses in K–12 schools from year-to-year and the number of classes that meet UC/CSU entrance requirements, but does not provide information pertaining to outcomes or the level of arts integration in California schools. The data are also limited in that it was collected on a single day in the fall of the academic year. Courses that are only offered later in the year are not included. Course enrollment totals may also duplicate counts of students (a single student may be enrolled in more than one creative course and should not be mistaken as an official enrollment figure.

It is also important to look at this data in the context of official K–12 enrollment figures. Even though California's total population is rising, its child population is declining. According to the California Department of Finance, if current fertility and migration trends hold over the next decade (2015 to 2025), K–12 enrollment in California is projected to decline by 2.6 percent (or by 162,700 students). In the 2014–15 academic year (AY), total K–12 student enrollment was flat compared with the previous year.

CREATIVE COURSE ENROLLMENT IN CALIFORNIA

During AY 2014–15, the number of students taking creative courses in California increased by 1.5 percent and the number of classes offered rose by 2.8 percent. Looking back over the previous five academic years, the ratio of creative course enrollment to total course enrollment averaged 6.8 percent. The number of creative courses meeting UC/CSU entrance requirements increased by 5.2 percent over the year (AY 2014–15) and comprised 52 percent of all creative course offerings.

Course subject areas that saw the largest gains in student enrollment in AY 2014–15 were music (11,990 students, up by 2.4 percent); engineering and architecture (5,841 students, 12.9 percent); arts, media, and entertainment (5,417 students, 3.5 percent); and art (4,129 students, 0.7 percent). Declines in course enrollment occurred in English language arts (journalism); fashion and interior design; building trades and construction; and computer education. (See Exhibit 10-1 for additional details.)

Looking at enrollment in creative subject areas by sex, the distribution between male and female students has been consistent over the last five years with females averaging just over 51 percent of creative course enrollment while accounting for 49 percent of total course enrollment. The ratios for female enrollment were highest in dance (86.5 percent), and fashion and interior design (83.9 percent), while males enrolled at higher rates in building trades and construction (78.3 percent); engineering and architecture (75.7 percent); and manufacturing and product development (66.8 percent). Males also constituted the majority in technology-related courses. Clearly there is still a division along traditional gender lines in the arts and other creative subject courses.

12
Scheuler, Leslie (2010). Arts Education Makes a Difference in Missouri Schools. Missouri Alliance for Arts Education; See also Americans for the Arts at www.americansforthe arts.org/research and Preparing Students for the Next America, Arts Education Partnership (2013).

13
Reinvesting in Arts Education, President's Committee on the Arts and Humanities (May 2011).

14
Arts integration is the practice of using arts to create relationships between different disciplines to build skills across subjects such as math, science, history, and literature. Stated more simply, arts integration is to teach through and with the arts.

15
Reinvesting in Arts Education, President's Committee on the Arts and Humanities (May 2011).

16
The Arts Policy Council was created by President Barack Obama during his 2008 campaign and is made up of artists, cultural leaders, educators, and advocates to advise on policy matters related to the arts.

EXHIBIT 10-1:
CALIFORNIA K-12 CREATIVE COURSE ENROLLMENT BY SEX

Academic Year	2014-2015			2013-2014			2012-2013			2011-20112			2010-2011		
Course Subject Area	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Agriculture and Natural Resources	9,616	4,419	14,035	9,659	4,744	14,403	---	---	---	---	---	---	---	---	---
Art	289,276	282,818	572,094	286,059	281,906	567,965	285,684	281,600	567,284	282,214	280,598	562,812	301,116	301,539	602,655
Arts, Media, and Entertainment	70,794	91,302	162,096	68,692	87,987	156,679	63,442	79,984	143,426	59,999	75,917	135,916	48,258	59,607	107,865
Building Trades and Construction	5,859	21,167	27,026	6,395	22,062	28,457	5,681	20,258	25,939	5,596	22,672	28,268	6,144	22,907	29,051
Computer Education	1,302	2,526	3,828	1,589	2,909	4,498	1,445	2,881	4,326	2,034	3,707	5,741	2,387	4,484	6,871
Dance	43,677	6,797	50,474	42,802	6,389	49,191	38,245	5,788	44,033	39,948	46,856	86,804	39,939	6,194	46,133
Drama/Theater	76,103	57,000	133,103	76,478	56,206	132,684	67,834	48,371	116,205	71,444	52,629	124,073	75,767	56,907	132,674
Engineering and Architecture	12,439	38,848	51,287	10,831	34,615	45,446	6,639	19,482	26,121	6,800	21,616	28,416	5,610	18,679	24,289
English Language Arts	57,298	50,503	107,801	59,024	52,648	111,672	54,024	48,001	102,025	60,571	54,288	114,859	61,750	54,601	116,351
Fashion and Interior Design	6,448	1,239	7,687	8,428	1,450	9,878	3,771	543	4,314	4,369	825	5,194	3,997	745	4,742
Information and Communications Technology	5,610	8,904	14,514	4,895	7,186	12,081	2,497	4,679	7,176	2,724	4,482	7,206	2,102	3,495	5,597
Manufacturing and Product Development	2,738	5,513	8,251	2,151	4,812	6,963	1,627	3,801	5,428	1,954	4,661	6,615	1,750	4,052	5,802
Music	270,119	239,816	509,935	262,426	235,519	497,945	[illegible]	230,881	479,521	264,782	245,456	510,238	240,859	231,382	472,241
CREATIVE COURSE TOTALS:	851,279	810,852	1,662,131	839,429	798,433	1,637,862	779,529	746,269	1,525,798	802,435	813,707	1,616,142	789,679	764,592	1,554,271
All Courses Totals:	11,091,159	11,666,276	22,757,435	11,009,838	11,539,705	22,549,543	10,800,648	11,381,715	22,182,363	10,324,273	10,836,807	21,161,080	11,204,716	11,702,407	22,907,123

Source: California Department of Education, DataQuest

EXHIBIT 10-2:
CALIFORNIA K-12 CREATIVE COURSES MEETING UC/CSU REQUIREMENTS

Academic Year	2014-2015		2013-2014		2012-2013		2011-2012		2010-2011	
Course Subject Area	Classes	Classes Meeting UC/CSU Requirements	Classes	Classes Meeting UC/CSU Requirements	Classes	Classes Meeting UC/CSU Requirements	Classes	Classes Meeting UC/CSU Requirements	Classes	Classes Meeting UC/CSU Requirements
Agriculture and Natural Resources	651	261	703	240	---	---	---	---	---	---
Art	28,466	17,722	28,352	17,499	23,924	14,612	25,304	14,065	24,234	14,305
Arts, Media, and Entertainment	7,068	3,828	6,680	3,360	5,524	2,786	5,417	2,414	4,094	2,242
Building Trades and Construction	1,254	11	1,280	9	1,092	13	1,228	22	1,230	16
Computer Education	198	13	244	15	208	9	285	34	336	37
Dance	2,038	1,175	1,988	1,081	1,584	861	1,685	895	1,608	951
Drama/Theater	5,816	3,336	5,507	3,169	4,412	2,492	4,816	2,620	4,880	2,784
Engineering and Architecture	2,171	1,008	1,949	796	1,080	339	1,196	332	993	219
English Language Arts	5,964	3,883	5,896	3,612	4,707	2,773	5,003	2,627	5,113	2,870
Fashion and Interior Design	609	60	757	61	255	32	344	27	273	18
Information and Communications Technology	665	226	549	150	265	87	266	80	207	68
Manufacturing and Product Development	400	76	347	60	227	110	281	129	258	135
Music	18,586	6,789	17,641	6,423	15,460	5,977	17,877	6,390	15,354	5,989
CREATIVE COURSE TOTALS:	73,886	38,388	71,893	36,475	58,738	30,091	63,702	29,635	58,580	29,634
All Courses Totals:	1,056,050	332,392	1,028,919	324,509	916,230	298,064	881,252	282,779	912,895	275,467

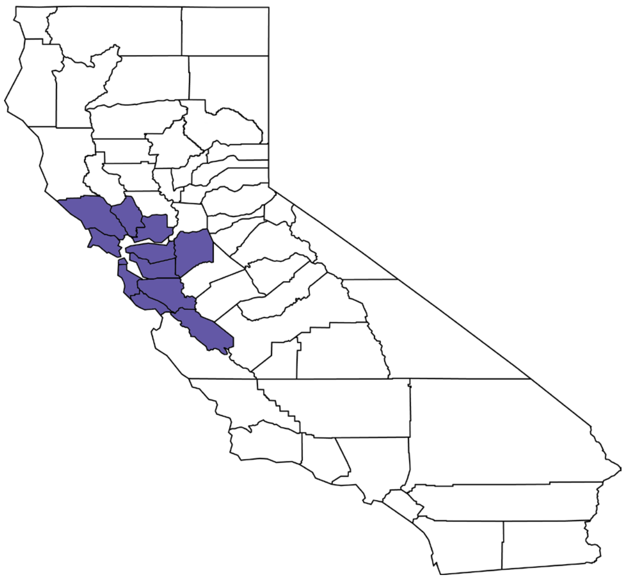
Source: California Department of Education, DataQuest

11

CALIFORNIA REGIONAL SNAPSHOTS

The following is a series of "snapshots" that divide California into eight regions based on geography and economic linkages. The results reveal significant differences in the size and character of the creative industries throughout the state, highlighting the diversity of California's creative economy.

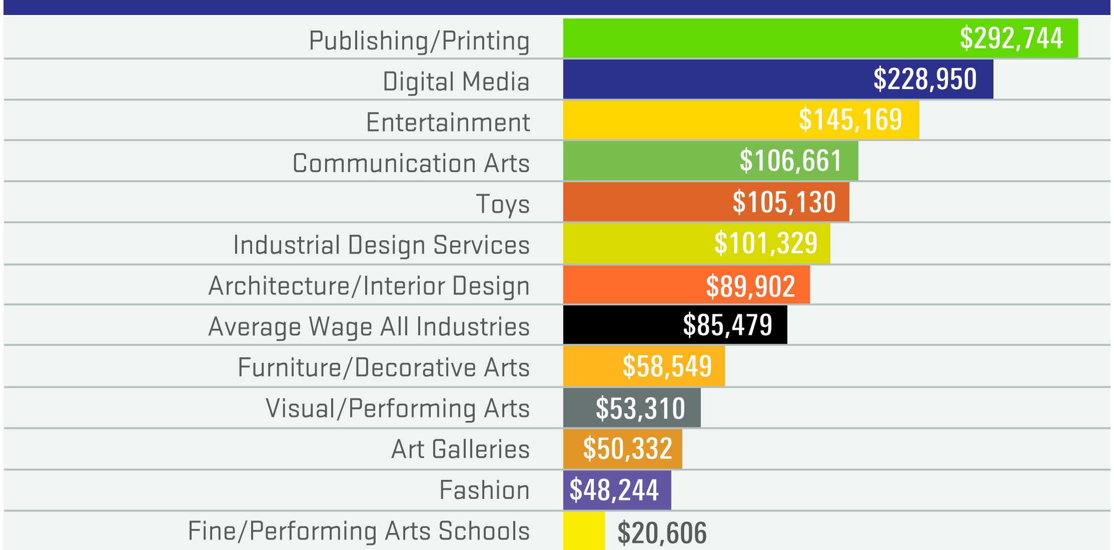
THE REGIONS:



BAY AREA

The Bay Area includes the counties of Alameda, Contra Costa, Marin, Napa, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma.

EXHIBIT 11-1:
BAY AREA AVERAGE ANNUAL WAGE BY INDUSTRY, 2015



Source: Bureau of Labor Statistics, QCEW Series

EXHIBIT 11-2
BAY AREA CREATIVE INDUSTRY EMPLOYMENT

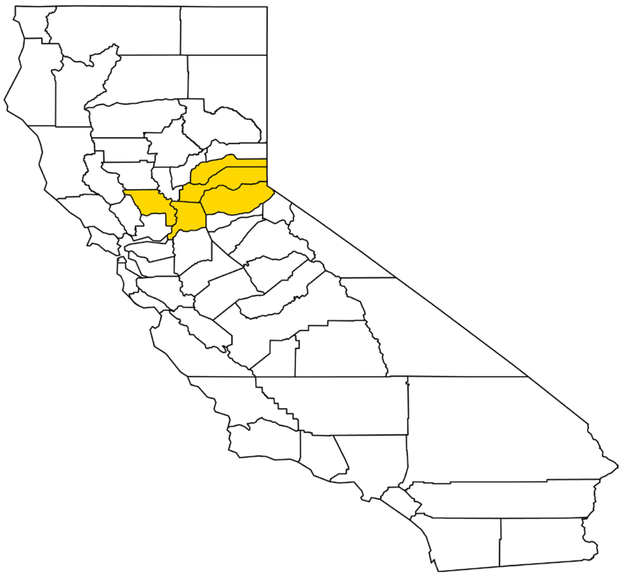
INDUSTRY SECTOR	NUMBER OF JOBS (1,000S) 2010	NUMBER OF JOBS (1,000S) 2015	2010–2015 CHANGE Number	2010–2015 CHANGE Percent
Architecture and Interior Design	10,700	13,400	2,700	25.2%
Art Galleries	500	500	0	0.0%
Communication Arts	9,200	11,400	2,200	23.9%
Digital Media	26,900	38,000	11,100	41.3%
Entertainment	14,600	9,700	-4,900	-33.6%
Fashion	5,600	7,600	2,000	35.7%
Furniture and Decorative Arts	9,300	12,400	3,100	33.3%
Industrial Design Services	600	600	0	0.0%
Publishing and Printing	39,500	77,100	37,600	95.2%
Toys	700	400	-300	-42.9%
Visual and Performing Arts Providers	8,000	8,200	200	2.5%
Fine and Performing Arts Schools	2,600	3,400	800	30.8%
Totals:	128,200	182,700	54,500	42.5%

Source: Bureau of Labor Statistics, QCEW Series; Estimates by IAE

EXHIBIT 11-3
BAY AREA CREATIVE NONEMPLOYER FIRMS, 2014

INDUSTRY SECTOR	FIRMS	REVENUE ($ THOUSANDS)
Art Galleries	651	48,061
Communication Arts	23,426	1,066,253
Architecture and Interior Design	4,948	282,552
Fashion	2,216	133,014
Entertainment	4,591	187,361
Visual and Performing Arts Providers	34,284	864,255
Furniture and Decorative Arts	966	68,473
Publishing and Printing	4,203	172,499
Toys	213	11,784
Totals:	75,498	2,834,252

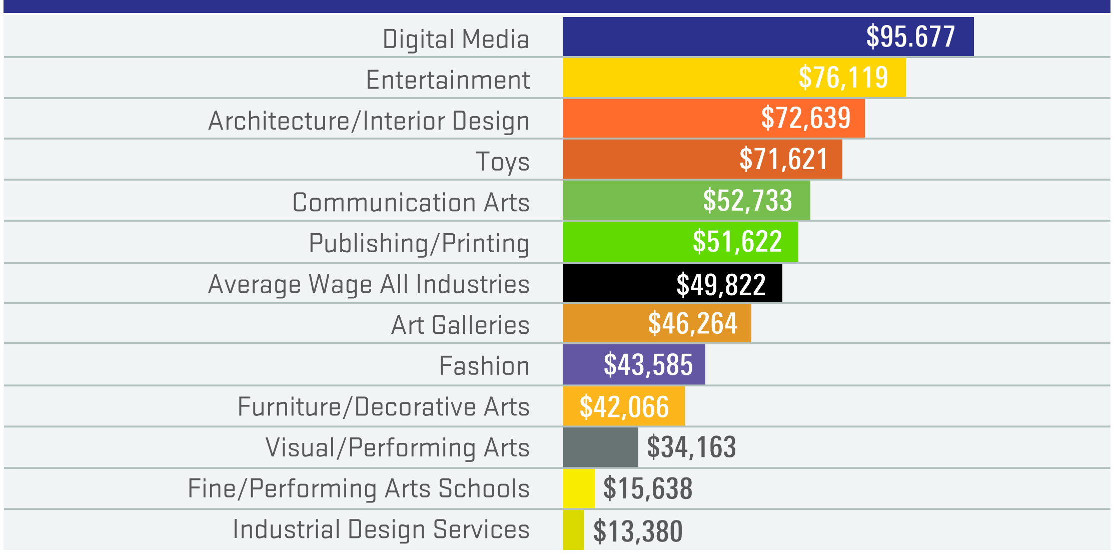
Source: U.S. Census Bureau, Nonemployer Statistics



CAPITAL REGION

The Capital Region includes of the counties of El Dorado, Nevada, Placer, Sacramento, and Yolo.

EXHIBIT 11-4:
CAPITAL REGION AVERAGE ANNUAL WAGE BY INDUSTRY, 2015



Source: Bureau of Labor Statistics, QCEW Series

EXHIBIT 11-5
CAPITAL REGION CREATIVE INDUSTRY EMPLOYMENT

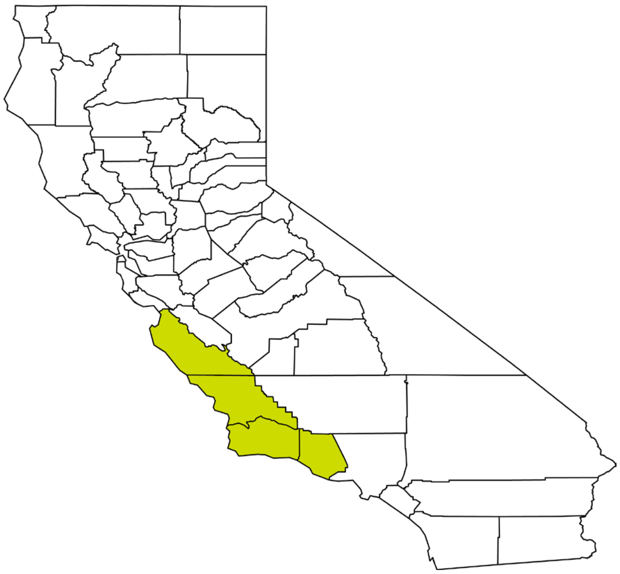
INDUSTRY SECTOR	NUMBER OF JOBS (1,000S)		2010–2015 CHANGE	
	2010	2015	Number	Percent
Architecture and Interior Design	1,800	1,900	100	5.6%
Art Galleries	10	90	80	777.0%
Communication Arts	1,200	1,100	-100	-8.3%
Digital Media	800	900	100	12.5%
Entertainment	1,200	2,300	1,100	91.7%
Fashion	300	300	0	0.0%
Furniture and Decorative Arts	2,200	1,900	-300	-13.6%
Industrial Design Services	25	80	55	220.0%
Publishing and Printing	4,300	3,700	-600	-14.0%
Toys	200	200	0	0.0%
Visual and Performing Arts Providers	700	800	100	14.3%
Fine and Performing Arts Schools	200	300	100	50.0%
Totals:	12,935	13,570	635	4.9%

Source: Bureau of Labor Statistics, QCEW Series; Estimates by IAE

EXHIBIT 11-6
CAPITAL REGION CREATIVE NONEMPLOYER FIRMS, 2014

INDUSTRY SECTOR	FIRMS	REVENUE ($ THOUSANDS)
Art Galleries	135	5,449
Communication Arts	4,198	151,813
Architecture and Interior Design	901	39,078
Fashion	478	16,812
Entertainment	730	23,185
Visual and Performing Arts Providers	5,918	114,325
Furniture and Decorative Arts	220	13,990
Publishing and Printing	901	32,716
Toys	47	1,464
Totals:	13,528	398,832

Source: U.S. Census Bureau, Nonemployer Statistics



CENTRAL COAST

The Central Coast includes of the counties of Monterey, San Luis Obispo, Santa Barbara, and Ventura.

EXHIBIT 11-7:
CENTRAL COAST AVERAGE ANNUAL WAGE BY INDUSTRY, 2015

Toys	$133,721
Digital Media	$104,897
Industrial Design Services	$82,389
Entertainment	$77,832
Visual/Performing Arts	$74,138
Architecture/Interior Design	$66,775
Communication Arts	$65,601
Publishing/Printing	$58,843
Art Galleries	$50,221
Fashion	$48,443
Furniture/Decorative Arts	$47,712
Average Wage All Industries	$47,001
Fine/Performing Arts Schools	$27,964

Source: Bureau of Labor Statistics, QCEW Series

EXHIBIT 11-8
CENTRAL COAST CREATIVE INDUSTRY EMPLOYMENT

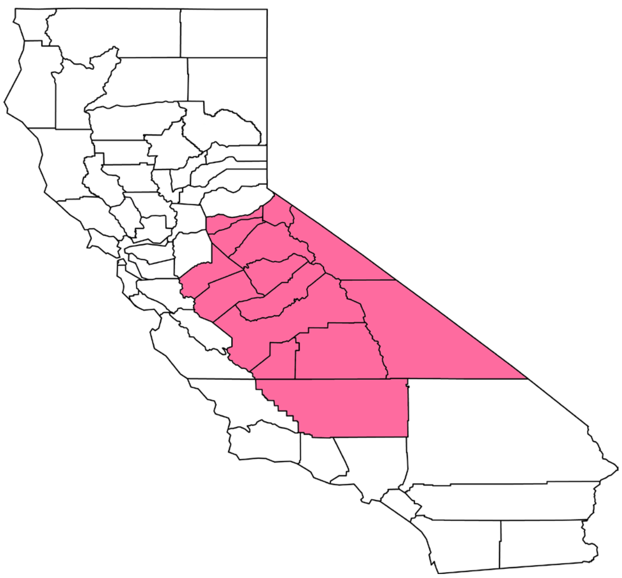
INDUSTRY SECTOR	NUMBER OF JOBS (1,000S)		2010–2015 CHANGE	
	2010	2015	Number	Percent
Architecture and Interior Design	1,200	1,500	300	25.0%
Art Galleries	200	100	-100	-50.0%
Communication Arts	800	900	100	12.5%
Digital Media	1,460	2,500	1,040	71.2%
Entertainment	1,100	1,200	100	9.1%
Fashion	1,500	1,700	200	13.3%
Furniture and Decorative Arts	1,800	2,200	400	22.2%
Industrial Design Services	120	200	80	66.7%
Publishing and Printing	5,000	3,300	-1,700	-34.0%
Toys	200	100	-100	-50.0%
Visual and Performing Arts Providers	1,300	1,200	-100	-7.7%
Fine and Performing Arts Schools	400	400	0	0.0%
Totals:	15,100	15,300	220	1.5%

Source: Bureau of Labor Statistics, QCEW Series; Estimates by IAE

EXHIBIT 11-9
CENTRAL COAST CREATIVE NONEMPLOYER FIRMS, 2014

INDUSTRY SECTOR	FIRMS	REVENUE ($ THOUSANDS)
Art Galleries	203	17,809
Communication Arts	4,516	185,025
Architecture and Interior Design	1,124	53,712
Fashion	631	29,031
Entertainment	1,199	47,692
Visual and Performing Arts Providers	7,101	184,564
Furniture and Decorative Arts	243	13,063
Publishing and Printing	898	38,907
Toys	20	1,120
Totals:	15,935	570,923

Source: U.S. Census Bureau, Nonemployer Statistics



CENTRAL VALLEY

The Central Valley includes the counties of Alpine, Amador, Calaveras, Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, Stanislaus, Tulare, and Tuolumne.

EXHIBIT 11-10:
CENTRAL VALLY AVERAGE ANNUAL WAGE BY INDUSTRY, 2015

Entertainment	$111,626
Digital Media	$63,955
Industrial Design Services	$62,863
Architecture/Interior Design	$57,492
Visual/Performing Arts	$43,506
Publishing/Printing	$41,731
Average Wage All Industries	$38,609
Communication Arts	$38,019
Furniture/Decorative Arts	$36,242
Art Galleries	$33,891
Fashion	$32,981
Toys	$19,897
Fine/Performing Arts Schools	$14,511

Source: Bureau of Labor Statistics, QCEW Series

EXHIBIT 11-11
CENTRAL VALLEY CREATIVE INDUSTRY EMPLOYMENT

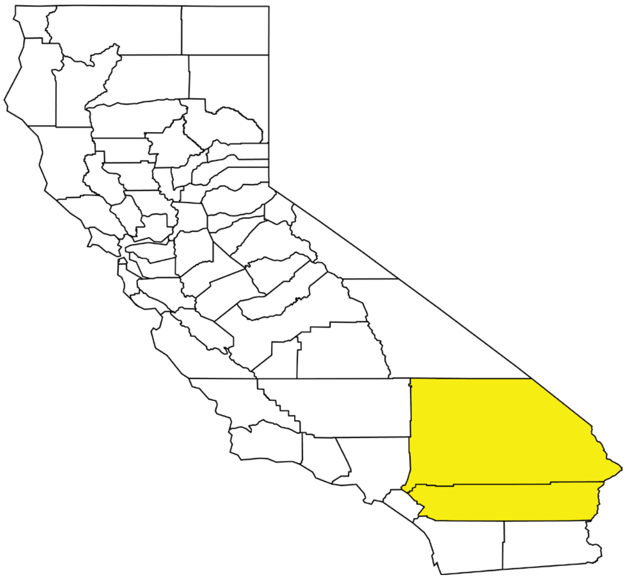
INDUSTRY SECTOR	NUMBER OF JOBS (1,000S)		2010–2015 CHANGE	
	2010	2015	Number	Percent
Architecture and Interior Design	800	1,000	200	25.0%
Art Galleries	60	25	-35	-58.3%
Communication Arts	800	500	-300	-37.5%
Digital Media	30	50	20	66.7%
Entertainment	2,100	1,900	-200	-9.5%
Fashion	800	300	-500	-62.5%
Furniture and Decorative Arts	1,400	2,100	700	50.0%
Industrial Design Services	50	40	-10	-20.0%
Publishing and Printing	3,000	2,000	-1,000	-33.3%
Toys	100	200	100	100.0%
Visual and Performing Arts Providers	700	400	-300	-42.9%
Fine and Performing Arts Schools	300	500	200	66.7%
Totals:	10,140	9,015	-1,125	-11.1%

Source: Bureau of Labor Statistics, QCEW Series; Estimates by IAE

EXHIBIT 11-12
CENTRAL VALLEY CREATIVE NONEMPLOYER FIRMS, 2014

INDUSTRY SECTOR	FIRMS	REVENUE ($ THOUSANDS)
Art Galleries	85	3,472
Communication Arts	2,693	75,555
Architecture and Interior Design	820	28,899
Fashion	436	15,098
Entertainment	374	10,538
Visual and Performing Arts Providers	3,755	60,161
Furniture and Decorative Arts	192	9,262
Publishing and Printing	645	21,296
Toys	62	1,955
Totals:	9,062	226,236

Source: U.S. Census Bureau, Nonemployer Statistics



INLAND EMPIRE

The Central Valley includes the counties of Riverside and San Bernardino.

EXHIBIT 11-13:
INLAND EMPIRE AVERAGE ANNUAL WAGE BY INDUSTRY, 2015

Digital Media	$104,476
Entertainment	$70,530
Industrial Design Services	$64,249
Publishing/Printing	$64,249
Architecture/Interior Design	$59,636
Furniture/Decorative Arts	$43,058
Art Galleries	$42,243
Toys	$41,279
Fashion	$40,677
Average Wage All Industries	$40,436
Visual/Performing Arts	$39,566
Communication Arts	$39,458
Fine/Performing Arts Schools	$14,746

Source: Bureau of Labor Statistics, QCEW Series

EXHIBIT 11-14
INLAND EMPIRE CREATIVE INDUSTRY EMPLOYMENT

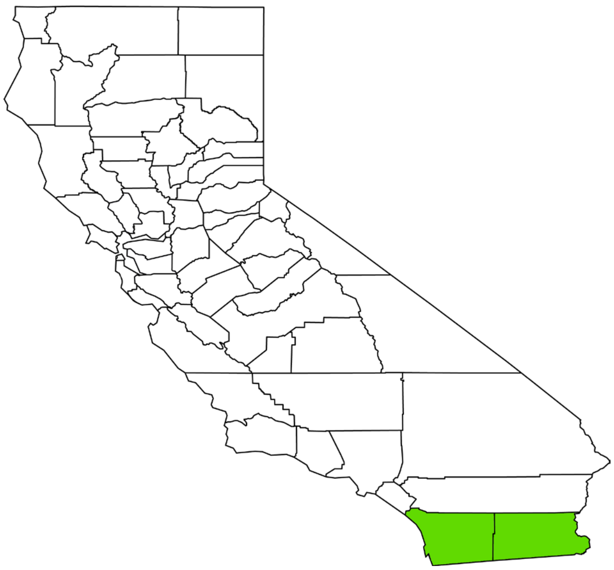
INDUSTRY SECTOR	NUMBER OF JOBS (1,000S) 2010	NUMBER OF JOBS (1,000S) 2015	2010–2015 CHANGE Number	2010–2015 CHANGE Percent
Architecture and Interior Design	1,400	1,900	500	35.7%
Art Galleries	60	100	40	66.7%
Communication Arts	1,400	1,300	-100	-7.1%
Digital Media	100	300	200	200.0%
Entertainment	2,100	1,300	-800	-38.1%
Fashion	2,600	3,700	1,100	42.3%
Furniture and Decorative Arts	8,200	9,800	1,600	19.5%
Industrial Design Services	10	100	90	900.0%
Publishing and Printing	4,500	3,900	-600	-13.3%
Toys	300	300	0	0.0%
Visual and Performing Arts Providers	1,700	1,900	200	11.8%
Fine and Performing Arts Schools	400	200	-200	-50.0%
Totals:	22,770	24,800	2,030	8.9%

Source: Bureau of Labor Statistics, QCEW Series; Estimates by IAE

EXHIBIT 11-15
INLAND EMPIRE CREATIVE NONEMPLOYER FIRMS, 2014

INDUSTRY SECTOR	FIRMS	REVENUE ($ THOUSANDS)
Art Galleries	149	7,538
Communication Arts	5,214	185,453
Architecture and Interior Design	1,427	52,758
Fashion	1,128	55,565
Entertainment	965	25,965
Visual and Performing Arts Providers	7,702	155,293
Furniture and Decorative Arts	512	36,531
Publishing and Printing	1,147	50,407
Toys	138	8,500
Totals:	18,382	578,010

Source: U.S. Census Bureau, Nonemployer Statistics



SAN DIEGO AND THE IMPERIAL VALLEY

This region includes the counties of San Diego and Imperial.

EXHIBIT 11-16:
SAN DIEGO/IMPERIAL AVERAGE ANNUAL WAGE BY INDUSTRY, 2015

Digital Media	$146,760
Industrial Design Services	$100,967
Toys	$80,486
Entertainment	$76,296
Architecture/Interior Design	$75,181
Publishing/Printing	$62,302
Communication Arts	$60,871
Average Wage All Industries	$55,717
Fashion	$48,152
Furniture/Decorative Arts	$47,466
Visual/Performing Arts	$44,396
Art Galleries	$33,989
Fine/Performing Arts Schools	$17,973

Source: Bureau of Labor Statistics, QCEW Series

EXHIBIT 11-17
SAN DIEGO/IMPERIAL VALLEY CREATIVE INDUSTRY EMPLOYMENT

INDUSTRY SECTOR	NUMBER OF JOBS (1,000S)		2010–2015 CHANGE	
	2010	2015	Number	Percent
Architecture and Interior Design	3,200	3,800	600	18.8%
Art Galleries	200	200	0	0.0%
Communication Arts	2,300	2,600	300	13.0%
Digital Media	4,200	4,200	0	0.0%
Entertainment	4,800	3,100	-1,700	-35.4%
Fashion	3,300	3,600	300	9.1%
Furniture and Decorative Arts	3,700	3,800	100	2.7%
Industrial Design Services	230	200	-30	-13.0%
Publishing and Printing	8,600	7,300	-1,300	-15.1%
Toys	300	300	0	0.0%
Visual and Performing Arts Providers	4,000	3,700	-300	-7.5%
Fine and Performing Arts Schools	500	800	300	60.0%
Totals:	35,330	33,600	-1,730	-4.9%

Source: Bureau of Labor Statistics, QCEW Series; Estimates by IAE

EXHIBIT 11-21
SOUTHERN CALIFORNIA CREATIVE NONEMPLOYER FIRMS, 2014

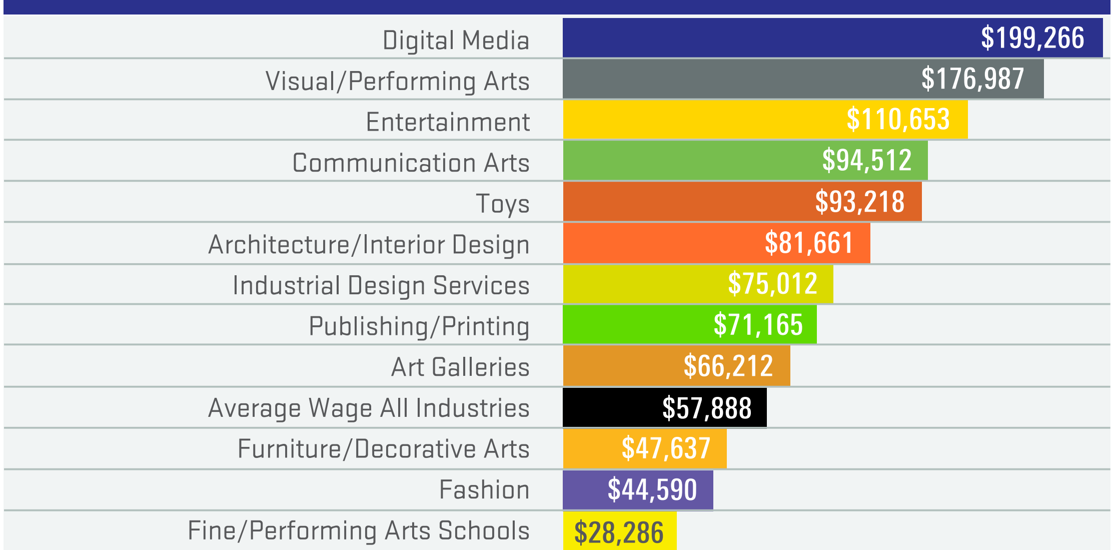
INDUSTRY SECTOR	FIRMS	REVENUE ($ THOUSANDS)
Art Galleries	197	10,298
Communication Arts	8,260	317,879
Architecture and Interior Design	1,614	70,268
Fashion	1,038	54,970
Entertainment	1,297	40,153
Visual and Performing Arts Providers	10,545	222,627
Furniture and Decorative Arts	387	25,104
Publishing and Printing	1,365	60,730
Toys	68	3,690
Totals:	24,771	805,719

Source: U.S. Census Bureau, Nonemployer Statistics

THE SOUTHERN CALIFORNIA REGION

The Southern California region includes the counties of Los Angeles and Orange.

EXHIBIT 11-19:
SOUTHERN CALIFORNIA AVERAGE ANNUAL WAGE BY INDUSTRY, 2015



Source: Bureau of Labor Statistics, QCEW Series

EXHIBIT 11-20
SOUTHERN CALIFORNIA CREATIVE INDUSTRY EMPLOYMENT

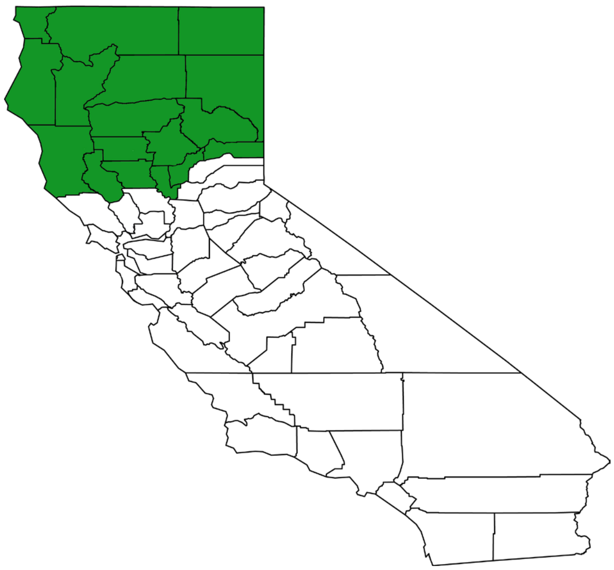
INDUSTRY SECTOR	NUMBER OF JOBS (1,000S)		2010–2015 CHANGE	
	2010	2015	Number	Percent
Architecture and Interior Design	14,700	18,400	3,700	25.2%
Art Galleries	900	1,000	100	11.1%
Communication Arts	21,300	25,100	3,800	17.8%
Digital Media	9,700	13,200	3,500	36.1%
Entertainment	134,000	143,200	9,200	6.9%
Fashion	97,600	98,100	500	0.5%
Furniture and Decorative Arts	35,200	37,700	2,500	7.1%
Industrial Design Services	1,100	1,000	-100	-9.1%
Publishing and Printing	46,900	46,600	-300	-0.6%
Toys	5,000	5,200	200	4.0%
Visual and Performing Arts Providers	27,200	34,800	7,600	27.9%
Fine and Performing Arts Schools	4,200	5,100	900	21.4%
Totals:	397,800	429,400	31,600	7.9%

Source: Bureau of Labor Statistics, QCEW Series; Estimates by IAE

EXHIBIT 11-21
SOUTHERN CALIFORNIA CREATIVE NONEMPLOYER FIRMS, 2014

INDUSTRY SECTOR	FIRMS	REVENUE ($ THOUSANDS)
Art Galleries	901	63,361
Communication Arts	37,280	1,705,056
Architecture and Interior Design	6,776	324,419
Fashion	8,198	800,695
Entertainment	22,383	1,081,459
Visual and Performing Arts Providers	91,084	3,748,982
Furniture and Decorative Arts	2,138	179,081
Publishing and Printing	5,722	293,125
Toys	508	46,949
Totals:	174,990	8,243,127

Source: U.S. Census Bureau, Nonemployer Statistics



UPSTATE CALIFORNIA

The Upstate region includes the counties of Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Plumas, Shasta, Sierra, Sisikyou, Sutter, Tehama, Trinity, and Yuba.

EXHIBIT 11-22:
UPSTATE CALIFORNIA AVERAGE ANNUAL WAGE BY INDUSTRY, 2015

Industry	Average Annual Wage
Digital Media	$107,569
Entertainment	$71,560
Toys	$54,481
Visual/Performing Arts	$49,123
Architecture/Interior Design	$42,955
Furniture/Decorative Arts	$37,104
Communication Arts	$36,400
Average Wage All Industries	$36,361
Publishing/Printing	$28,385
Fashion	$24,520
Art Galleries	$19,727
Fine/Performing Arts Schools	$14,850

Source: Bureau of Labor Statistics, QCEW Series

EXHIBIT 11-23
UPSTATE CALIFORNIA CREATIVE INDUSTRY EMPLOYMENT

INDUSTRY SECTOR	NUMBER OF JOBS (1,000S)		2010–2015 CHANGE	
	2010	2015	Number	Percent
Architecture and Interior Design	200	300	100	50.0%
Art Galleries	30	30	0	0.0%
Communication Arts	200	100	-100	-50.0%
Digital Media	300	300	0	0.0%
Entertainment	300	1,600	1,300	433.3%
Fashion	600	600	0	0.0%
Furniture and Decorative Arts	600	600	0	0.0%
Industrial Design Services	0	0	0	0.0%
Publishing and Printing	800	700	-100	-12.5%
Toys	90	50	-40	-44.4%
Visual and Performing Arts Providers	300	200	-100	-33.3%
Fine and Performing Arts Schools	100	100	0	0.0%
Totals:	3,520	4,580	1,060	30.1%

Source: Bureau of Labor Statistics, QCEW Series; Estimates by IAE

EXHIBIT 11-24
UPSTATE CALIFORNIA CREATIVE NONEMPLOYER FIRMS, 2014

INDUSTRY SECTOR	FIRMS	REVENUE ($ THOUSANDS)
Art Galleries	71	2,151
Communication Arts	1,219	33,510
Architecture and Interior Design	307	12,407
Fashion	250	9,463
Entertainment	183	3,883
Visual and Performing Arts Providers	2,498	38,480
Furniture and Decorative Arts	183	6,724
Publishing and Printing	335	12,379
Toys	0	0
Totals:	5,046	118,997

Source: U.S. Census Bureau, Nonemployer Statistics

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STATISTICAL APPENDIX

NOTES ON METHODOLOGY AND DATA

In 2007, Otis College of Art and Design commissioned the LAEDC to undertake the first comprehensive analysis of the creative economy in the Los Angeles region and evaluate its contribution to the regional economies. The *Otis Report on the Creative Economy* of California was added in 2013.

In 2013, the research methodology utilized in this report was changed in three ways. The first two changes involved revisions in the definition of the creative economy. First, additional subsectors within the creative industries were added to the existing creative industries. Second, a new sector was added: publishing and printing. Both of these changes better align the creative industry definitions used in this research with the definitions that are increasingly being adopted elsewhere in the literature. The creative sectors or industries in this report encompass the following:

- Architecture and interior design
- Art galleries
- Arts education
- Communication arts
- Digital media
- Entertainment
- Fashion
- Furniture and decorative arts
- Industrial design services
- Publishing and printing
- Toys
- Visual and performing arts

The data collected for this report include employment, establishments, payroll activity, and other measures for all the creative economy's sectors in California, which come from the following sources:

- U.S. Bureau of the Census
- U.S. Bureau of Labor Statistics (BLS)
- U.S. Bureau of Economic Analysis (BEA)
- California Employment Development Department (EDD)
- California Department of Education
- Internal Revenue Service (IRS)

Much of the industry-level information in this report comes directly from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW Series). These data are based on unemployment tax payments that all firms with employees are required to make into the state unemployment insurance fund. Because the coverage is so comprehensive, this source is the best available for employment and wage information.

The third change relates to data used in the contribution analysis portion of this study. The IMPLAN model was used to assess the economic contribution of the creative industries to the overall economy. In conceptual terms, economic contribution analysis evaluates the ripple effect of a specific economic activity throughout the rest of the economy. Contribution analysis captures the direct impact as well as the indirect and induced impacts of that activity on employment, output, and taxes.

However, in a departure from past years, beginning in 2013, the contribution analysis began using employment and payroll data from the QCEW, rather than the estimated sales, shipments, and revenues that were based on data from the Economic Census.

Because the definitions used in this study were expanded and because the methodology for calculating the economic contribution has been altered from previous years, the figures contained in this report and those after 2013 are not directly comparable to the studies conducted by Otis College and the LAEDC in the years prior to these changes.

EXHIBIT A-1:
ECONOMIC CONTRIBUTION OF CALIFORNIA'S CREATIVE INDUSTRIES, 2015

					Total Contribution (Direct, Indirect, Induced)			
Industry	Establishments	Jobs	Payroll ($ billions)	Self-Employed	Output ($ billions)	Total Jobs	Labor Income ($ billions)	Taxes ($ millions)
Architecture and Interior Design	6,264	43,200	3.49	18,210	13.5	84,000	5.8	506.2
Art Galleries	633	2,300	0.12	2,463	0.2	3,100	0.2	26.3
Communication Arts	5,977	46,000	4.11	87,421	14.7	83,500	6.2	586.0
Digital Media	1,711	61,500	12.71	---	47.9	153,100	17.7	1,704.1
Entertainment	8,861	171,500	18.85	31,958	113.8	333,600	28.2	3,776.6
Fashion	9,406	119,800	5.41	14,814	42.4	208,100	10.9	2,917.7
Furniture and Decorative Arts	4,487	72,700	3.57	5,144	26.2	127,200	6.9	1,441.6
Industrial Design Services	335	2,200	0.19	---	0.4	3,600	0.3	25.2
Publishing and Printing	7,142	154,200	27.71	15,448	128.4	505,100	48.3	4,528.4
Toys	494	7,300	0.66	1,145	3.5	15,300	1.1	301.3
Visual and Performing Arts Providers	12,667	55,400	7.27	163,964	14.6	106,300	10.1	841.5
Fine and Performing Arts Schools	1,496	11,500	0.27	---	0.9	13,900	0.4	34.8
Totals:	59,473	747,600	84.35	340,567	406.5	1,636,800	136.0	16,689.6

(Totals may not add due to rounding)

Source: Bureau of Labor Statistics, U.S. Census Bureau, estimates by LAEDC IAE

EXHIBIT A-2:
CALIFORNIA CREATIVE INDUSTRY EMPLOYMENT, 2010–2015

Creative Industry	NAICS Code	Avg. Number of Jobs		2010–2015 Change	
		2010	2015	Number	Percent
Architecture and Interior Design:		35,100	43,200	8,100	23.0%
Architectural Services	54131	21,600	26,200	4,600	21.2%
Landscape Design	54132	5,400	6,500	1,100	20.1%
Drafting Services	54134	800	700	-100	-7.7%
Interior Design	54141	4,300	6,400	2,100	49.4%
Ornamental/Architectural Metal Work Mfg.	332323	3,000	3,300	300	11.0%
Art Galleries:	45392	2,100	2,300	200	11.0%
Communication Arts:		39,400	46,000	6,500	16.6%
Graphic Design	54143	10,100	10,800	700	6.1%
Advertising Agencies	54181	21,900	28,800	6,900	31.7%
Photography Studios, Portrait	541921	6,200	5,100	-1,100	-17.2%
Commercial Photography	541922	1,200	1,300	100	4.6%
Digital Media:		44,700	61,500	16,800	37.7%
Software Publishers	5112	44,700	61,500	16,800	37.7%
Entertainment:		166,400	171,500	5,100	3.1%
Motion Picture/Video Production	51211	107,500	117,200	9,700	9.0%
Motion Picture Distribution	51212	2,300	2,300	0	-0.9%
Post Production Services	51219	11,300	9,600	-1,700	-15.1%
Sound Recording	5122	3,900	3,600	-300	-8.0%
Radio Stations	515112	6,900	6,200	-700	-9.5%
Television Broadcasting	515120	17,100	20,100	3,000	17.4%
Cable Broadcasting	5152	17,200	12,400	-4,800	-27.8%
Fashion:		115,900	119,800	3,900	3.3%
Textile Mills Manufacturing	313	9,000	8,200	-800	-8.8%
Apparel Manufacturing	315	58,700	50,900	-7,800	-13.3%
Apparel Wholesaling	4243	30,500	39,800	9,300	30.2%
Footwear Manufacturing	3162	900	600	-300	-26.6%
Footwear Wholesaling	42434	5,400	6,100	700	13.0%
Women's Handbag Manufacturing	316992	100	100	0	20.6%
Cosmetics Manufacturing	32562	5,800	7,200	1,400	24.5%
Jewelry Manufacturing	33991	2,600	3,000	400	12.2%
Jewelry Wholesaling	42394	5,700	6,800	1,100	18.9%
Other Specialized Design Services	54149	2,500	3,100	600	24.0%
Furniture and Decorative Arts:		66,800	72,700	5,900	8.9%
Textile Product Mills	314	9,500	8,800	-700	-7.4%
Furniture Manufacturing	337	31,300	34,700	3,400	10.8%
Furniture Wholesaling	4232	16,700	20,000	3,300	19.7%
Electric Lighting Fixtures	33512	6,400	6,900	500	7.1%
China Plumbing Fixtures, China, Earthenware	327111	50	0	-50	---
Other China, Fine Earthenware and PotteryManufacturing	327112	700	0	-700	---
Pressed and Blown Glass and Glassware Manufacturing	327212	800	900	100	16.3%
Other Misc. Nonmetallic Mineral Product Mfg.	327999	1,300	1,400	100	6.6%
Industrial Design Services:	54142	2,300	2,200	-100	-0.9%

EXHIBIT A-2:
CALIFORNIA CREATIVE INDUSTRY EMPLOYMENT, 2010–2015 CONTINUED

		Avg. Number of Jobs		2010–2015 Change	
Creative Industry	NAICS Code	2010	2015	Number	Percent
Publishing and Printing:		121,500	154,200	32,800	27.0%
Printing and Related Support Activities	3231	45,000	41,600	-3,400	-7.5%
Book, Periodical, Newspaper Wholesalers	424920	4,700	3,800	-900	-18.3%
Newspaper Publishers	511110	17,700	13,400	-4,300	-24.1%
Periodical Publishers	511120	10,900	8,900	-2,000	-18.2%
Book Publishers	511130	6,400	5,800	-600	-9.7%
Greeting Card Publishers	511191	60	90	30	51.6%
All Other Publishers	511199	1,100	1,300	200	13.7%
Libraries and Archives	519120	1,900	2,300	400	19.1%
Internet Publishing and Broadcasting	519130	33,800	77,100	43,300	128.3%
Toys:		7,400	7,300	-100	-1.3%
Toy Manufacturing	33993	2,400	2,500	100	3.1%
Toy Wholesaling	42392	5,000	4,800	-200	-3.5%
Visual and Performing Arts Providers:		48,500	55,400	6,900	14.3%
Theater Companies	71111	6,500	7,000	500	7.1%
Dance Companies	71112	900	1,000	100	6.6%
Musical Groups	71113	5,600	5,800	200	3.9%
Other Performing Arts Companies	71119	400	300	-100	-23.8%
Agents & Managers of Artists, etc.	71141	7,100	9,600	2,500	35.1%
Independent Artists, Writers, etc.	71151	16,000	17,200	1,200	7.9%
Museums	71211	9,100	11,400	2,300	24.6%
Musical Instrument Manufacturing	339992	2,800	3,100	300	10.9%
Fine and Performing Arts Schools	61161	9,100	11,500	2,500	27.3%
TOTALS:		659,000	747,600	88,600	13.5%

(Totals and percentages may not add due to rounding)

Source: Bureau of Labor Statistics, QCEW Series; Estimates by LAEDC IAE

EXHIBIT A-3:
CREATIVE INDUSTRIES EMPLOYMENT YEAR-TO-YEAR COMPARISONS, 2010–2015

Creative Industry	2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
Architecture and Interior Design	35,100	35,200	36,700	37,400	40,800	43,200	-9.5%	0.3%	4.3%	1.9%	9.1%	5.9%
Art Galleries	2,100	2,000	2,200	2,200	2,200	2,300	-29.8%	-4.8%	10.0%	0.0%	0.0%	4.5%
Communication Arts	39,400	41,300	43,400	44,200	44,900	46,000	-3.0%	4.8%	5.1%	1.8%	3.5%	4.1%
Digital Media	44,700	47,300	51,200	53,500	55,800	61,500	0.9%	5.8%	8.2%	4.5%	9.0%	15.0%
Entertainment	166,400	165,900	165,000	164,100	166,800	171,500	1.0%	-0.3%	-0.5%	-0.5%	1.1%	4.5%
Fashion	115,900	114,900	114,000	120,000	120,700	119,800	-3.3%	-0.9%	-0.8%	5.3%	5.9%	-0.2%
Furniture and Decorative Arts	66,800	65,000	65,800	68,600	71,100	72,700	-7.0%	-2.7%	1.2%	4.3%	8.1%	6.0%
Industrial Design Services	2,300	2,300	1,900	2,100	2,200	2,200	-2.8%	0.0%	-17.4%	10.5%	15.8%	4.8%
Publishing and Printing	121,500	122,100	125,200	135,400	144,300	154,200	-5.2%	0.5%	2.5%	8.1%	15.3%	13.9%
Toys	7,400	6,900	7,100	7,400	7,300	7,300	-7.2%	-6.8%	2.9%	4.2%	2.8%	-1.4%
Visual and Performing Arts Providers	48,500	51,000	52,100	54,100	55,500	55,400	-0.8%	5.2%	2.2%	3.8%	6.5%	2.4%
Fine and Performing Arts Schools	9,100	9,600	9,900	10,400	11,100	11,500	2.9%	5.5%	3.1%	5.1%	12.1%	10.6%
TOTAL	659,000	663,500	674,500	699,400	722,700	747,600	-3.0%	0.7%	1.7%	3.7%	7.1%	6.9%
(Totals may not add due to rounding)												

Source: Bureau of Labor Statistics, QCEW

EXHIBIT A-4:
CALIFORNIA EMPLOYMENT BY CREATIVE OCCUPATION, 2015

Occupational Title	SOC Code	2015 Employment	Projected Openings Over 5 Years	Location Quotient	Education Needed for Entry Level	Work Experience Needed for Entry Level	On-the-Job Training to Attain Competency	2015 Median Wage ($)
Management Occupations								
Advertising and Promotions Managers	11-2011	3,950	1,050	1.20	3	< 5 years	None	97,510
Marketing Managers	11-2021	32,800	6,550	1.51	3	→ 5 years	None	153,000
Public Relations and Fundraising Managers	11-2031	6,660	12,000	0.98	3	→ 5 years	None	117,260
Business and Financial Operations Occupations								
Agents and Business Managers of Artists, Performers, and Athletes	13-1011	4,910	1,350	3.30	3	< 5 years	None	74,090
Computer and Mathematical Occupations:								
Software Developers, Applications	15-1132	123,950	20,100	1.48	3	None	None	123,900
Software Developers, System Software	15-1133	82,370	14,600	1.88	3	None	None	126,560
Architecture and Engineering Occupations								
Architects, Except Landscape and Naval	17-1011	12,070	2,400	1.15	---	---	---	88,030
Landscape Architects	17-1012	3,340	600	1.50	3	None	I/R	72,140
Architectural and Civil Drafters	17-3011	13,650	800	1.27	4	None	None	56,630
Education, Training, and Library Occupations								
Architecture Teachers, Postsecondary	25-1031	510	26	**	---	---	---	81,190
Anthropology and Archeology Teachers, Postsecondary	25-1061	530	27	0.79	1	None	None	95,090
Area, Ethnic, and Cultural Studies Teachers, Postsecondary	25-1062	700	35	0.67	1	None	None	82,190
Library Science Teachers, Postsecondary	25-1082	300	15	0.54	---	---	---	100,040
Art, Drama, and Music Teachers, Postsecondary	25-1121	14,600	1,950	1.32	2	None	None	80,590
Communications Teachers, Postsecondary	25-1122	3,110	400	0.95	1	None	None	83,320
English Language and Literature Teachers, Postsecondary	25-1123	7,750	950	0.91	1	None	None	82,990
Foreign Language and Literature Teachers, Postsecondary	25-1124	3,620	600	1.07	1	None	None	76,480
History Teachers, Postsecondary	25-1125	1,650	250	0.62	1	None	None	88,350
Archivists	25-4011	520	26	0.84	2	None	None	48,070
Curators	25-4012	1,050	200	0.79	2	None	None	64,780
Museum Technicians and Conservators	25-4013	1,400	250	1.16	3	None	None	44,730
Librarians	25-4021	9,540	1,550	0.65	2	None	None	70,960
Library Technicians	25-4031	9,820	3,200	0.93	5	None	None	41,870
Audio-Visual and Multimedia Collections Specialists	25-9011	1,860	50	1.62	3	< 5 years	None	42,080

ENTRY LEVEL EDUCATION:

1 – Doctoral or professional degree
2 – Master's degree
3 – Bachelor's degree
4 – Associate's degree
5 – Postsecondary non-degree award
6 – Some college, no degree
7 – High school diploma or equivalent
8 – Less than high school

WORK EXPERIENCE CODES:

→ 5 years – 5 years' or more experience in a related occupation
< 5 years – Less than 5 years' experience in a related occupation or field is common
None – No work experience is typically required

On-the-Job Training:

I/R – Internship/residency
APP – Apprenticeship
MT OJT – Moderate-term on-the-job training
ST OJT – Short-term on-the-job training

EXHIBIT A-4:
CALIFORNIA EMPLOYMENT BY CREATIVE OCCUPATION, 2015, CONTINUED

Occupational Title	SOC Code	2015 Employment	Projected Openings Over 5 Years	Location Quotient	Education Needed for Entry Level	Work Experience Needed for Entry Level	On-the-Job Training to Attain Competency	2015 Median Wage ($)
Arts, Design, Entertainment, Sports, and Media Occupations								
Art Directors	27-1011	6,270	2,150	1.61	3	→5 years	None	110,410
Craft Artists	27-1012	370	200	0.63	7	None	LT OJT	42,900
Fine Artists, Including Painters, Sculptors, and Illustrators	27-1013	3,100	1,200	2.25	7	None	LT OJT	61,100
Multimedia Artists and Animators	27-1014	10,110	4,050	2.97	3	None	MT OJT	80,400
Artists and Related Workers, All Other	27-1019	720	40	**	7	None	LT OJT	58,700
Commercial and Industrial Designers	27-1021	4,110	850	1.17	3	None	None	69,420
Fashion Designers	27-1022	6,180	1,500	2.89	3	None	None	65,060
Floral Designers	27-1023	3,230	550	0.65	7	None	MT OJT	29,730
Graphic Designers	27-1024	28,940	6,700	1.26	3	None	None	54,070
Interior Designers	27-1025	6,770	1,650	1.18	3	None	None	64,410
Merchandise Displayers and Window Trimmers	27-1026	10,050	1,900	0.89	7	None	MT OJT	27,660
Set and Exhibit Designers	27-1027	2,910	600	2.17	3	None	None	49,140
Designers, All Other	27-1029	1,530	350	2.07	3	None	None	67,480
Actors	27-2011	17,090	7,500	3.01	---	---	---	**
Producers and Directors	27-2012	25,510	6,350	2.17	3	< 5 years	None	89,900
Dancers	27-2031	1,470	450	1.30	7	None	LT OJT	**
Choreographers	27-2032	570	600	1.00	7	→5 years	LT OJT	**
Music Directors and Composers	27-2041	2,650	750	1.10	3	< 5 years	None	55,670
Musicians and Singers	27-2042	6,380	2,150	1.53	7	None	LT OJT	**
Radio and Television Announcers	27-3011	3,060	400	0.90	3	None	None	42,200
Public Address System and Other Announcers	27-3012	880	300	0.98	7	None	ST OJT	27,280
Broadcast News Analysts	27-3021	530	29	1.00	3	None	None	55,800
Reporters and Correspondents	27-3022	3,630	1,050	0.79	3	None	None	39,390
Public Relations Specialists	27-3031	22,820	3,050	0.93	3	None	None	65,180
Editors	27-3041	9,920	2,200	0.91	3	< 5 years	None	63,320
Technical Writers	27-3042	7,300	1,800	1.31	3	< 5 years	None	85,800
Writers and Authors	27-3043	7,890	3,350	1.62	3	None	MT OJT	71,750
Media and Communication Workers, All Other	27-3099	8,870	1,750	3.55	7	None	ST OJT	45,770
Audio and Video Equipment Technicians	27-4011	13,060	1,800	1.86	5	None	ST OJT	47,670
Broadcast Technicians	27-4012	3,950	550	1.24	4	None	ST OJT	51,470
Sound Engineering Technicians	27-4014	4,260	500	2.74	5	None	ST OJT	61,770
Photographers	27-4021	6,360	900	1.13	7	None	LT OJT	39,140
Camera Operators, Television, Video, and Motion Picture	27-4031	5,110	350	2.27	3	None	None	59,500
Film and Video Editors	27-4032	11,250	800	3.62	3	None	None	88,170
Media and Communication Equipment Workers, All Other	27-4099	6,900	600	3.47	7	None	ST OJT	74,050

EXHIBIT A-4:
CALIFORNIA EMPLOYMENT BY CREATIVE OCCUPATION, 2015, CONTINUED

Occupational Title	SOC Code	2015 Employment	Projected Openings Over 5 Years	Location Quotient	Education Needed for Entry Level	Work Experience Needed for Entry Level	On-the-Job Training to Attain Competency	2015 Median Wage ($)
Personal Care and Service Occupations								
Motion Picture Projectionists	39-3021	490	78	0.78	8	None	ST OJT	22,870
Costume Attendants	39-3092	1,800	500	2.61	7	None	ST OJT	49,820
Makeup Artists, Theatrical and Performance	39-5091	1,160	100	3.38	5	None	None	76,590
Sales and Related Occupations								
Advertising Sales Agents	41-3011	18,520	3,250	1.10	7	None	MT OJT	59,010
Office and Administrative Support Occupations								
Library Assistants, Clerical	43-4121	9,600	2,700	0.85	7	None	ST OJT	28,840
Desktop Publishers	43-9031	1,520	100	1.02	4	None	ST OJT	45,590
Installation, Maintenance, and Repair Occupations								
Electronic Home Entertainment Equipment Installers and Repairers	49-2097	2,310	450	0.76	5	None	None	40,080
Camera and Photographic Equipment Repairers	49-9061	650	46	1.64	---	---	---	40,300
Musical Instrument Repairers and Tuners	49-9063	540	38	0.62	7	None	APP	36,530
Watch Repairers	49-9064	240	17	0.96	---	---	---	36,390
Production Occupations								
Sewers, Hand	51-6051	1,340	200	1.73	8	None	MT OJT	22,740
Tailors, Dressmakers, and Custom Sewers	51-6052	2,140	400	0.95	8	None	MT OJT	29,200
Fabric and Apparel Patternmakers	51-6092	1,680	150	2.91	7	None	MT OJT	48,860
Cabinetmakers and Bench Carpenters	51-7011	9,650	350	0.92	7	None	MT OJT	31,950
Jewelers and Precious Stone and Metal Workers	51-9071	2,870	400	1.01	7	None	LT OJT	34,080
Painting, Coating, and Decorating Workers	51-9123	1,390	200	0.77	8	None	MT OJT	28,300
Photographic Process Workers and Processing Machine Operators	51-9151	3,160	700	1.17	7	None	ST OJT	29,120
Etchers and Engravers	51-9194	810	12	0.76	7	None	MT OJT	33,690
TOTALS		654,300	137,600					

**Indicates data was unavailable
Columns may not add due to rounding
Source: Bureau of Labor Statistics, Occupational Employment Statistics: California EDD; Estimates by LAEDC IAE

ENTRY LEVEL EDUCATION:

1 – Doctoral or professional degree
2 – Master's degree
3 – Bachelor's degree
4 – Associate's degree
5 – Postsecondary non-degree award
6 – Some college, no degree
7 – High school diploma or equivalent
8 – Less than high school

WORK EXPERIENCE CODES:

→ 5 years – 5 years' or more experience in a related occupation
< 5 years – Less than 5 years' experience in a related occupation or field is common
None – No work experience is typically required

On-the-Job Training:
I/R – Internship/residency
APP – Apprenticeship
MT OJT – Moderate-term on-the-job training
ST OJT – Short-term on-the-job training

EXHIBIT A-5:
CALIFORNIA K–12 CREATIVE COURSE BY SUBJECT AREA

Agriculture and Natural Resources
Floriculture and floral design
Introduction to ornamental horticulture
Landscape design

Art
Advertising design
AP Art history
AP Studio art: drawing
AP Studio art: three dimensional
AP Studio art: two dimensional
Art appreciation (elementary school)
Art appreciation (secondary school)
Art history
Ceramics (beginning and advanced)
Cinematography/artistic videos (beginning)
Crafts
Design
Digital art/Computer art
Drawing
Fashion design
Fibers and textiles
Fundamentals of art (elementary school)
Fundamental of art (secondary school)
IB Visual arts
Jewelry
Lettering/Calligraphy
Multicultural art/Folk art
MYP (IB) Visual arts
Other art course
Painting
Photography (beginning or advanced)
Printmaking
Sculpture

Arts, Media, and Entertainment
Advanced cinema/Film/Video production
Advanced dance/Choreography
Advanced game design
Advanced graphic communications
Advanced professional music
Advanced theater performance
Arts management
Broadcast production
Broadcasting technology
Commercial art
Commercial photography
Film making
Film/Cinema/Video production
Game design
Intermediate animation
Intermediate dance performance
Intermediate game design
Intermediate graphic technology
Intermediate musical performance
Intermediate state technology
Intermediate theater performance
Internet publishing
Intro to animation
Intro to multimedia production
Intro to professional music
Intro to professional theater
Intro to graphic arts
Intro to media arts
Intro to stage technology
Other arts, media, and entertainment
Photographic laboratory and darkroom
Photography production and technology
Radio production Stage design and production
Stage production
Television production
Three-dimensional design
Two-dimensional design
Visual art and related careers

Building and Construction Trades
Cabinet making
Furniture making
Introduction to woodworking principles
Millwork and cabinet manufacturing

Computer Education
MYP (IB) Design technology
Web design

Dance
Advanced dance study
Ballet, modern, jazz, world dance
Dance choreography and production
Dance, movement and rhythmic fund. (elementary)
Dance, movement and rhythmic fund. (secondary)
Folk/Traditional dance
Other dance course

Drama/Theater
Advanced theater
History/appreciation of theater art
IB Theater
Media/Film/Video/Television product
MYP (IB) Drama
Other drama/theater course
Technical theater/Stagecraft
Theater/Creative dramatics (elementary)
Theater/Creative dramatics (secondary)

Engineering and Architecture
Architectural and structural engineering
Computer-aided drafting/Design
Engineering design level 2
Engineering technology level 2
Environmental engineering level 2
Principles of design
Principles of engineering design
Principles of engineering technology
Principles of environmental and natural resources
Technical drafting

English Language Arts
Advanced composition
Composition
Journalism

Fashion and Interior Design
Apparel design and construction
Apparel manufacturing, production
Environmental design
Fashion and textile design
Fashion merchandising
Fashion, textiles and apparel
Housing and furnishings
Interior design, furnishings

Information and Communication Technologies
3D Media and construction
Computer graphics and media technology
Computer programming and game design
Game design and development
Graphic communications
Multimedia and animation

Manufacturing and Product Development
Advanced/Specialized graphic productions
Advanced/Specialized product design
Drafting/Computer aided Design
Exploring manufacturing and design
Graphic production technologies
Jewelry design, fabrication
Principles of manufacturing and design
Product development
Silk screen making and printing

Music
AP Music theory
Bank
Chorus/Choir/Vocal ensemble
Composition/Songwriting
Computers and electronics/Digital music
General/Exploratory/Introduction to Music
IB Music
Instrumental ensemble
Instrumental music lessons (elementary school)
Instrumental music lessons (secondary school)
Music appreciation/history/literature
Music theory
Musical theater

Orchestra/Symphony
Other music course
Voice class

AP = Advanced Placement
IB = International Baccalaureate
MYP = IB Middle Years Program

Source: California Department of Education

ADDENDUM

AFFORDABLE ARTIST HOUSING

Retaining and supporting California artists and creative workers

TERI DEAVER
Vice President
Consulting and Strategic Partnerships
Artspace Projects

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INTRODUCTION

California's creative industries are an economic powerhouse and a source of brand identity for many cities, towns, and neighborhoods throughout the state. Yet, the individuals who participate directly as artists, creatives, makers, cultural practitioners, and educators, no matter how different their work or background, have in common the need for affordable and appropriate space for their creative practice. For many, it is a lifetime struggle to balance an unpredictable and varied income stream with the ever-rising cost of creative work space and housing. For others, it is the critical but short-term affordable space opportunities that provide needed stability to launch and advance a successful entrepreneurial creative enterprise or creative workforce-based career.

"Without the creation and retention of affordable housing and live/work space for the creative sector, California businesses that rely on a steady pool of artistic and creative talent will suffer the loss. Educational institutions that seek to train the next generation of California creatives will watch graduates leave and invest their talents elsewhere. Every city, town, and business that relies on the output and impact of the creative economy and access to a healthy creative workforce should be concerned about the availability of affordable and appropriate space to incubate emerging talent and retain a competitive pool of creative workers."

Many artists and creatives and their families have household incomes that qualify them for publicly funded affordable housing.[1] These artists that make up the creative industries both reflect the deep diversity of California and a cross-section of the Low-Income Housing Tax Credit Allocation Committee's affordable housing target populations (families, seniors, veterans, etc.). Many are workforce professionals with significant trade-specific training or bachelor's and/or graduate degrees but find that income is often not commensurate with education. Seen as an unwelcome precursor to gentrification, or simply a low-priority workforce population in the face of extremely limited housing resources, artists and creatives too often have few housing options. Adding to the challenge, many are doubly encumbered by a need for both live and work space. Across California, artists are repeatedly left out of local and state strategies to ensure affordable, appropriate, and safe housing, even though they are at the foundation of California's creative industries and its economy.

This issue of affordable live and work space availability is particularly relevant to California's urban core and first-ring communities. In these areas, artists and creative workers increasingly face residential and workspace displacement amid what is a widely recognized affordable housing crisis. The San Francisco Bay Area and Los Angeles and Orange Counties, while centerpieces of the creative industry ecosystem, have some of the highest real estate costs in the country. These expenses leave many artists and creatives (along with the rest of the workforce) cost burdened and evicted in the wake of new development, consequently seeking alternate locations to live, work, practice, and produce. Sometimes the alternative is illegal housing, which can have deadly consequences as with the 2016 Ghost Ship fire in Oakland; sometimes it is flight from their home cities, or from the state entirely.

The San Francisco Arts Commission conducted a survey in 2015 and found that 72% of a total 579 surveyed creatives had or were facing housing and/or workspace displacement[2]; 39% reported their workspace lease had not or would not be renewed; 32% reported their home lease had not or would not be renewed; and, 21% confirmed a rent increase would accompany a home lease renewal that was being offered. Many stated that they had already or would be pursuing in the future the option of relocating from the Bay Area and the state of California.

Similarly, a 2016 space needs study conducted by the city of San Jose to quantify demand for new live/work space found that 69% of 231 non-homeowner artist respondents were concerned about housing displacement with 76% (120) of those concerned pointing to the burden of cost of as an underlying factor for their future displacement concerns. Further, 31% of the total 368 respondents revealed they had been displaced from housing one or more times.

Suburban and rural communities are not exempt from affordable space struggles. These communities often lack the infrastructure necessary to support artists and creatives and the decreased cost of living does not always compensate for reduced productivity and fewer opportunities. In California specifically, rural communities and small towns with strong tourism-based economies and high quality of life indicators around arts and culture can also have low vacancy rates and surprisingly high real estate costs.[3]

"The elements of a successful artist housing project are determined in part by the needs and goals that lead to its creation. In California, the overarching goals are to address the low inventory of affordable housing options, support the existing creative workforce, and ensure a pipeline of creative workers and innovators into the future."

Adding to the issues of high rents, low inventory, and displacement, recent events have brought safety issues to the forefront. In response to the tragic Ghost Ship fire in Oakland, fire and safety officials across the state and country have intensified enforcement of building code violations of all degrees. Common among violations is unlawful building occupation, such as using commercial buildings as a dwelling space. This effort to prevent similar tragedies has led to a spate of evictions of artists in "do-it-yourself" buildings and non-compliant housing situations. While artists may have an understanding with building owners to live in their non-residentially zoned or non-compliant live/work spaces, residential tenant rights do not extend to them. In California, as in other states, artists have been ordered to immediately vacate the most precarious buildings. In less extreme examples, they receive 30-day eviction notices from commercial buildings doubling in an unofficial capacity as live/work and work/live spaces. Either way, these situations offer little or no time for renters to gather belongings or find alternative housing. Landlord relocation assistance is not an option and they are not guaranteed a right of first refusal to return if or when code violations are rectified. These artists and creatives are at high risk of homelessness, and with few alternative affordable options, are likely to exit California's highest-cost creative industry centers.

For the past several years, the *Otis Report on the Creative Economy* has provided compelling data to support the conviction that "given the large economic contribution of the creative industries to California's economy, it is important to ask how stakeholders can nurture, support and grow the creative economy" and that a purpose of the report is "to develop strategies for attracting and retaining creative talent."[4] Yet with few exceptions, there is a persistent statewide and local lack of systems in place for the creation, retention, and protection of permanently affordable housing and creative work space – which are so fundamental to achieving these goals.

The intent of this paper is to help close this gap. The common language, references, and project models outlined are included as a jumping off point for those developing innovative public and private solutions to solve a severe deficiency in affordable housing and workspace options for creative workers across the state.

1
Artspace Projects, Inc., has conducted over 40 project-specific artist space needs surveys nationally. In each survey, 30%–70% of the artists expressing interest in affordable live/work space reported incomes that were at or below 60% of the area median income (AMI) for their geographic area. Recent studies in Los Angeles (2012) and Santa Rosa, CA (2016), revealed that 59% and 67% of responding artist households, respectively, qualified for affordable housing per their reported annual income.

2
The San Francisco Arts Commission public report of findings can be found at http://ww2.kqed.org/arts/wp-content/uploads/sites/2/2015/09/Individual-Artists-Space-Need-Analysis_FINAL.pdf

3
Example communities in California that have attracted artists and experience a relative high cost of living include Ojai, Nevada City, Mendocino, and Sebastopol. These and similar profile towns and hamlets around the state rely heavily on the creative sector and would benefit from infrastructure that supports long-term affordability and artist retention.

4
2015 Otis Report on the Creative Economy of California

ANSWERS TO FUNDAMENTAL QUESTIONS

WHO IS AN ARTIST OR CREATIVE?

When local municipalities adopt housing, revitalization, and economic development strategies targeting the arts and creative industries, they often focus on visual and performing artists. By the virtue of their craft these artists are called upon to help activate public and private space and drive tourism.[5] Some strategies embrace technology-oriented creatives like video game developers, postproduction firms, graphic designers, and product developers to pave the way for creative business attraction and growth. Others place greater value on the culture bearers and practitioners, educators, and arts nonprofit workers who can be essential to proliferating equitable social practices and retaining a community's authentic identity. Their creative work is often in the form of art and cultural interventions in underserved communities, such as a community mural projects with at-risk youth, effort that is less commercially visible, but widely and sustainably impactful.

Artists and creatives of all disciplines play a different but equally significant role in the creative industry ecosystem. For all their differences, each share a need for housing and space in which to work. It is for this reason Artspace, a national nonprofit developer and owner of artist and creative industry worker-occupied projects, defines artists and creatives as broadly as possible in order to serve them equally:

- A person who works in, or is skilled in any of the fine arts, including but not limited to painting, drawing, sculpture, book arts, printmaking, and mixed media
- A person who creates imaginative works of aesthetic value, including but not limited to literature, poetry, photography, music composition, choreography, architecture, film, and video
- A person who creates functional art including but not limited to metal, textiles, paper, wood, ceramic, glass, or plastic objects
- A performer or theatrical artist, including but not limited to singers, dancers, musicians, actors, performance artists, and costume, lighting, sound, and set designers
- In all arts disciplines a designer, technician, craftsperson, teacher, or administrator who is dedicated to using their expertise within the community [the community within the project and/or broader] to support, promote, present, and/or teach and propagate their art form through events, activities, performances, and classes.

Artist housing projects and policy in California and across the country have extensively borrowed this definition, due to its inclusivity. When using this definition in the context of housing and live/work space, inevitable questions follow:

> How are artists selected for space when demand for affordable space is high? Is artwork juried? Is demonstrating income from art critical to consider? Are units designed for specific art disciplines? Does that become a factor in selection?

Depending on the goals for a specific project, developers, city planners, and economic development staff likely have different answers to these questions. However, the intensity of California's affordable housing crisis suggests a rejection of efforts to prioritize one type of artist or creative over another, at least in the absence of a clear market-driven concept (such as senior artist housing, or discipline-specific housing, akin to the housing Actors Fund creates in entertainment-dominant cities like New York and Los Angeles, for professionals in the performing arts and entertainment industry).

One consistent criterion, regardless of market objective, is the deep need for distinct, safe, and affordable space. Creating affordable artist housing communities that do not discriminate based on discipline or quality of work is an effective and equitable way to address this need and to benefit the greatest number of artists and creatives. It also supports the prevalent multi-genre artists whose work is evolving and defying both commercialization and categorization. In other words, those artists who may have a very difficult time paying for market rate space, but whose work may change the field in the future. Introducing safe affordable spaces where artists and creatives of all ages, ethnicities, gender identifications, life experiences, creative practices, and career stages can live and work together, also fosters multi-genre collaborations and opportunities for professional growth and developing new skills through mentorships, and for sharing expertise, networks, tools, and equipment. In this respect, affordable artist housing not only offers financial stability to artists and their families, but acts as an informal incubator and career accelerator.

In the Artspace model of residentially zoned, affordable live/work facilities, artists are asked to self-identify as an artist and to demonstrate a need for space and a commitment to their work or practice and to the community in which they will reside. Spaces are uniformly flexible to be easily adapted to various art forms. Free shared flexible spaces for practice, collaboration, exhibition/presentation, and public interaction are integrated into the projects. Work is not juried and income from art is unnecessary. In Artspace's national artist surveys, only a small percentage of artists earn 100% of their income from their art or creative work.[6] The Artspace model seeks to serve many, recognizes fluctuations in income from creative work, honors the challenge of comparing the integrity of work across disciplines, and results in highly diverse and dynamic communities. For this reason, Artspace's selection process has often been replicated in full or in part by others offering affordable artist housing and live/work space.

WHAT IS AFFORDABLE ARTIST HOUSING? WHY IS IT IMPORTANT TO CALIFORNIA?

Artists and creatives commonly have difficulty securing and thriving in traditional affordable housing projects or relatively affordable, but market driven, residential apartments. In the case of publicly funded affordable housing, property managers must "income certify" potential tenants by annualizing reported income and comparing to federal income limits. This protocol presents a large obstacle for self-employed and short-term employed workers because their income is not uniformly received and annualizing periodic or occasional salaried payments can overstate income and leave many in the entertainment workforce, for example, unable to qualify. For standard market leases or to qualify for a home mortgage, these artists face similar difficulty demonstrating a reliable source of income. Once housing is secured, artists and creatives may find their creative work restricted by the building's design, or rules prohibiting music practice or use of art materials in units and common areas. Artists and creatives must then seek additional commercial rental space where they can create and collaborate if they are to continue to pursue their creative work.

Successful affordable artist housing seeks to equalize the experience of the low- to moderate-income creative worker with the non-artist.[7] The goal is to provide safe, appropriate space that is conducive to living and working. This is achieved through design, arts-friendly common area spaces and amenities, and rules that cater to an artist's or creative's family and workspace needs. It also aims to elevate the experience of housing by fostering the artist's and creative's professional advancement through the benefits of co-location. Artists and creatives often express frustration over a lack of centralized areas for collaborating and networking. The concept of an "open-office," "co-working space," or "multi-tenant nonprofit center" is not unlike the concept of artist housing: a place where inspiration, materials, contacts, and resources are more easily shared, leading to artistic, economic, and professional growth.[8] The combination of an artist residential community plus spaces for displaying, exhibiting, and performing can create a critical mass that raises the visibility and credibility of an individual's art or creative product.

Without the creation and retention of affordable housing and live/work space for the creative sector, California's unique culture and businesses, which rely on a steady pool of artistic and creative talent, will suffer. Educational institutions that seek to train the next generation of California creatives will watch graduates leave and invest their talents elsewhere. Every city, town, and business that relies on the output and impact of the creative economy and access to a healthy creative workforce should be concerned about the availability of affordable and appropriate space to incubate emerging talent and retain a competitive pool of creative workers.

There are a variety of successful artist housing typologies in California. No one model is appropriate for all situations. Some are new construction and others adaptive reuse. Some are urban infill and others sprawling campuses. Some use affordable housing resources to ensure affordability while others are funded with private investment and offer a variety of price points for creatives of all income levels. Some are mixed-use and some are housing or live/work only. The suitability and viability of each is relative to available funding sources; geography; the built environment and zoning of the area; need of local creatives; real estate costs; and civic and private industry stakeholder goals for the development. Successful typology examples in California include the following:

- Live/work: space that is residentially zoned and offers flexibility for creative work through open space design and durable surfaces
- Housing-only: standard dwelling units with an abundance of shared spaces that support arts activity
- Work/live: space that prioritizes work space over residential space and is most common in industrially zoned areas with a work/live ordinance
- Housing above commercial: common in business or commercial districts
- Co-housing: dormitory or communal style living spaces with common kitchens and other shared creative space amenities

5
Collectively this strategy of changing the physical and social character of a place through art intervention is referred to as Creative Placemaking. For more information consult the 2010 Creative Placemaking white paper authored by Ann Markusen, Markusen Economic Research Services and Anne Gadwa, Metris Arts Consulting, https://www.arts.gov/sites/default/files/CreativePlacemaking-Paper.pdf

6
Recent studies in Los Angeles (2012) and Santa Rosa, CA (2016), revealed that 28% and 54% of responding artists, respectively, made 10% or less of their income from their art/creative work. Most artists supplement their income with other sources.

7
Low to moderate income households earn 80% or below the AMI are frequently cost burdened (spending more than one-third of their income on housing) and often qualify per their income for affordable housing and homeownership opportunities.

8
A 2011 study "How Art Spaces Matter" commissioned by Artspace and conducted by Metris Arts Consulting documented the benefits of affordable artist space on artists and communities through a series of identified and tested metrics. The full report is available at Artspace.org.

ELEMENTS OF A SUCCESSFUL AFFORDABLE ARTIST HOUSING PROJECT

The elements of a successful artist housing project are determined in part by the needs and goals that lead to its creation. In California, the overarching goals are to address the low inventory of affordable housing options, support the existing creative workforce, and ensure a pipeline of creative workers and innovators into the future. In the context of these goals, these three elements will promote long-term viability and return on investment:

- A permanent commitment to affordability and financial self-sustainability of the housing model
- Spaces designed with amenities and management practices that are appropriate for the needs of the artists and creatives
- Alignment with community stakeholder objectives, which may extend beyond affordable and usable space for the creative community and may form the basis for additional funding and support

The following are best practices for ensuring that new artist housing projects and initiatives are poised for success in the face of an aggressive real estate market and limited public capital resources.

AFFORDABILITY AND SUSTAINABILITY

a. Substantiate a developer's commitment to permanent affordability and financial sustainability through

- Real estate deals that involve low-cost acquisition or long-term land leases. Successful and replicable models for new projects and preservation of existing artist-occupied buildings often involve public/private partnerships in which publicly held real estate is committed for the project at a below market rate in return for public benefit. Other strategies include land swaps, long-term inclusionary housing requirements, and nonprofit community land trust property being dedicated to a project through a long-term low cost lease.

- Committed philanthropic and other socially directed funding sources that minimize debt. This is third-party funding that supports community benefit over financial return, including CDFI (Community Development Financial Institution) program funds, impact investing, private grants, donor gifts, and public subsidy.
- Commitment to fifty or more years of affordability in funding regulatory agreements.
- An ownership structure that gives a mission-based nonprofit organization, a social enterprise, or public entity a meaningful ownership position in the project and a feasible right-of-first refusal.
- A cooperative structure that gives resident artists and creatives an equity stake in their space and a right-of-first refusal after debt retirement. This should be coupled with technical assistance and financial training to help the cooperative attain their goal of sole ownership.
- A mixed-use and/or mixed-income project model that maximizes commercial and market rate housing operating income in order to subsidize affordable artist-occupied spaces within the project.
- A commitment to green/sustainable design, which can result in lower operating costs over the long-term.
- Deed restrictions that ensure long-term affordability and perpetual use as a creative space facility even in the event of a sale.

APPROPRIATE SPACE, AMENITIES, AND MANAGEMENT

b. Substantiate appropriateness of space and management protocols by

- Engaging artists and creatives early in the design and development process through qualitative and quantitative data collection and in an ongoing advisory capacity.
- Designing live/work and work-only space flexibly so that it may be adapted to a variety of creative practices and family needs.
- Empowering the residents with self-management responsibilities.
- Including a program line item in the operating budget that may be used for events, marketing, and professional advancement workshops.
- Incorporating shared creative spaces that offer public access for tenant-sponsored events.
- Incorporating space for retail sales and creative commercial activity if commercial uses are not allowed in dwelling units.
- Using layman terminology to clarify zoning and permitted uses in work/live and nonresidential leases, so that creatives are fully informed of restrictions and obligations before signing.
- Offering pre-leasing information sessions to educate applicants about income restrictions and income certification protocols in publicly subsidized projects.

- Ensuring management is trained in artist selection and income certification protocols, if relevant to the type of project financing used.
- Adhering to all fire and safety codes.

"FUNDAMENTAL LIVE/WORK DESIGN STANDARDS" ADAPTED FROM ARTSPACE

High ceilings (10 ft. standard)

Open floor plans

Movable walls to open bedroom into larger space

Large storage closets and lofted storage space

Maximize natural light

Universal design

Sub-metered utilities

Wide residential doors (42 in. min.)

Operable windows

VCT, concrete, or wood flooring

Track lighting

Large units, 150 sq. ft. or greater additional floor space (600–1500 sq. ft. for studio to 3 bedroom)

MEETING COMMUNITY STAKEHOLDER OBJECTIVES

c. Meet ancillary community and stakeholder objectives and increase community benefit by

- Engaging public and private stakeholders early in the planning and development phase in order to identify points of intersection between local community and public sector goals.
- Ensuring that all outreach practices are inclusive and aimed at achieving stakeholder diversity at all stages of project development.
- Incorporating publicly accessible programmable community space into the project's design.
- Creating mixed-use facilities and including spaces for small businesses, nonprofit service providers, arts and cultural organizations, and other community-based end users.
- Aligning the project with adopted community planning document priorities and strategies. For example, addressing transit-oriented (e.g. projects located within ½ mile of a transit hub or light rail) affordable housing, job creation, historic and cultural preservation, environmental sustainability, small business development, and/or corporate relocation and employee attraction goals.
- Forming nontraditional partnerships among those who have an equal stake in the attraction and retention of creative works, but who do not often work together directly (public/private and corporate/non-profit, for example).
- Drafting a community benefits agreement that requires permanent affordability and that prioritizes the creative sector when appropriate.

ARTIST RETENTION STRATEGIES AND INNOVATIONS

Securing a future for artists and creatives in California is a statewide concern, as it is tied to the long-term health of the expanding and economically essential creative industries. Though no singular artist housing model or artist retention strategy will meet the diversity of every community need and objective, all types of California communities – urban, first ring, small, midsize, rural, mountain, and desert – would benefit from implementing traditional and innovative strategies.

Policy adaptations that public agencies can pursue in support of affordable space and creative and cultural industry worker retention include the following:

- Extend rent stabilization initiatives to work/live and live/work spaces. Include those in industrial and other traditionally nonresidential areas where long-standing and organically formed artist spaces and communities have developed.
- Create Arts Overlay Zones in areas where informal art spaces have been established to preserve and expand affordable housing, live/work, and work/live space, while protecting the local character of neighborhoods at risk of future gentrification. Overlay zones should have strong anti-speculative measures to dissuade market rate development and preserve affordable rents.
- Extend tenant protection rights to artists and creatives currently living in nonresidential compliant structures and zones and who are at the greatest risk of immediate evictions and homelessness.
- Encourage the creation of affordable artist housing, live/work, and work/live space in market rate developments in Arts Overlay Zones and locally or state adopted arts districts such as state-certified cultural districts, through the use of inclusionary zoning and public benefit agreements.
- Identify affordable artist housing, live/work, and work/live spaces as several housing models in general plans and housing elements to help house the local creative workforce.
- Include the creation of affordable spaces dedicated to the consumption, production, and demonstration of art within artist housing facilities as an appropriate approach to satisfying public percent-for-art ordinance requirements and for related program funds.
- Reduce the prohibitive burden of rezoning for the adaptive reuse of buildings into work/live spaces within light industrial and commercial areas. California building code provides for work/live spaces and municipalities can proactively amend local

planning and land-use documents to allow for work/live developments, thereby reducing development costs and supporting affordability. Statewide, safe work/live space may be incentivized by allowing the development of work/live spaces in light industrial and commercial districts without a zoning change, if a commitment to permanent affordability is made and reasonable development standards are met.

- Create a special use permit program that would make a set number of work/live and live/work permits available in industrial warehouse or Production, Distribution and Repair (PDR) zones. This would allow existing and nonconforming work/live and live/work artist communities to continue without rezoning to residential.
- Adapt first-time homebuyer loan program qualifications and protocols to the unique earning patterns of the self-employed and temporarily employed creative sector.
- Advance new affordable artist housing opportunities and support existing artist housing facility upgrades through development and land-use incentives. For example, waiving permit and inspection fees; extending property tax abatements to affordable work/live space; abating sales tax for approved renovation and construction costs.

When interventions like these are adopted at the municipal level and supported by state laws, local leaders gain the ability to protect and grow their community of artists, creatives, and cultural workers in a way that best aligns with their local priorities and unique situations.

Strategic and precise policy adaptations and general affordable housing funding reforms will all help to relieve pressures, but there is a need to move beyond existing paradigms. The following are some "big-ideas" for laying the groundwork for innovating future affordable artist housing projects and strategies. Some replicate tested practices and can pave the way for permanently affordable space for the creative sector. Others have seen success in limited regions of California or outside of the state. Others yet deserve a first-time pilot program in California. At the very least, each should serve as conversation starter.

- **De-silo funding for pilot programs and encourage interagency collaboration.** Funding and incentive programs for housing and economic development tend to focus on singular objectives and obvious players, yet the most interesting and effective projects are more complex and more diverse.

  For example, public affordable housing resources that only reward project concepts that fit squarely into a category of need (e.g., senior, large family, veteran, special needs) may address pressing priorities but limit the ability of the private sector to innovate solutions that address community and social issues. If there was a set-aside for pilot affordable housing projects and if interagency collaboration could leverage economic development funding and incentives to assist in capitalizing the project, what might result? For artist housing, it could open opportunities for ancillary incubator programs; or intentional intergenerational communities with statesanctified service contracts for artist residents who live and work among aging adult populations, in line with the tested principles of the nonprofit EngAGE1;[9] or projects serving formerly homeless youth, who if housed in an artist community could receive onsite training to prepare them for a career in the creative industries.

- **Open municipal Request for Proposal requirements to nonlocal and nontraditional developers.** Cities with property to dispose of for a public benefit like affordable housing may require or prioritize local development experience when scoring and selecting a development team. This may ensure greater efficiency and inspire confidence, but by effectively closing the door to new teams and concepts, also dampens opportunities for innovation.

- **Expand the state's economic and business development toolbox to consider the totality of the creative industries.** While the *Otis Report on the Creative Economy* has demonstrated the impact of the entire creative industry ecosystem on the state of California, the state's resources continue to focus primarily on the return on investment of the entertainment subsector through the California Film Commission. The health and viability of California's entertainment industry is paramount, but how might existing stay-local incentives and resources available through the Governor's Office of Business and Economic Development, such as the California Competes initiative, be tuned to include the retention of creative talent and how might it be expanded beyond the entertainment subsector? Could incentives and tax credits be adapted for the creation and essential safety upgrades of artist work/live space? Could a commission on the creative industries be established? What role might the California Arts Council play in this new context?

- **Leverage the nascent state-certified cultural district program as a premier model for affordable artist housing preservation and creation.** The model could be replicated in locally adopted cultural, creative, arts, and entertainment districts for wider impact. For example, the use of privately formed local business improvement districts to create funding pools dedicated to affordable creative space. Incentivize alternative affordable housing construction models through planning and zoning, building code, and new scoring criteria for competitive housing programs. For example, the tiny-house movement and shipping container construction may offer innovative cost-effective solutions for artist (and other) affordable housing if barriers to funding and approvals were uniformly removed.[10]

- Form partnerships that can advance affordable artist housing and homeownership funding opportunities. Nationally, state and city cultural facility funds have been used successfully to fully capitalize cultural facilities, but even seed and gap funding for affordable live/work and work/live construction and undercapitalized building upgrades could be the leverage needed to see additional investment. While public funding options are limited, public/private partnerships may be the answer. Large creative industry employers and corporations that relocate to communities with vibrant arts and cultural offerings have the most to gain by safeguarding creative workers. Private foundations that prioritize funding for arts, culture, housing, job creation, and equitable practices would make good financial and strategic partners. Folding in public entities with retuned business development incentives and housing plans that include the creative industries and artists, could form the basis of such a fund. Ancillary to this, funding pools for grants and low-interest loans programs could be developed and directed through a CDFI or state program for first-time artist homebuyers.

- Get ahead of space-loss trends by learning from the experience of other states. Colorado saw a rapid decline in available warehouse space and a steep rise in rental rates that lead to artist displacement from light-industrial work and work/live situations, after marijuana was legalized. Growers with cash in hand moved in and artists moved out. As city ordinances force California growers indoors, the new but growing cannabis industry will further pressurize the real estate market. Is there an opportunity to direct some of the projected revenue to the preservation and creation of affordable artist work/live and live/work space?

- Implement statewide affordable land protections now. Expand the community land trust and land banking model being implemented on behalf of nonprofit arts and cultural organizations in San Francisco and Oakland by the nonprofit Community Arts Stabilization Trust (C.A.S.T).[11] How can this model be adapted to bring new opportunities for long-term affordability and financial equity among low- and moderate-income creative workers?

9
EngAGE is a Los Angeles-based nonprofit that "transforms affordable senior apartment communities into vibrant centers of learning, wellness and creativity." The organization and its founder Tim Carpenter have received national attention and the program has been expanding outside of California in recent years.

10
Space 4 Art, a San Diego nonprofit has modeled a tiny house, mixed-use, environmentally sustainable, affordable artist housing community through a STEAM program partnership. The innovative group has operated successfully as a rental-based mixed-use artist community in a rapidly gentrifying neighborhood of downtown and is seeking to relocate and establish a permanent home in its piloted housing model.

11
C.A.S.T., founded in 2013 through a public/private collaborative effort, is a San Francisco-based nonprofit that purchases and leases space for the exclusive use of nonprofit arts organizations. It seeks to build capacity among organizations to lease and own property, thereby ensuring their long-term stability in a rapidly escalating real estate market. Under the leadership of Moy Eng, the organization has attracted national and international attention for its innovative approach and its facilitation of equitable urban transformation.

CONCLUSION

Artists and creatives make up a significant percentage of our workforce and are essential to the creative economy. They impact our communities as educators and cultural practitioners. As artisans and makers, they drive small-town tourism-based economies. They are risk-takers and small business entrepreneurs. Together they keep our economy thriving, our communities authentic, and our brand of innovation, creativity, and equity at the forefront. California communities large and small; urban, suburban, and rural; mountain, desert and coastal have an equal stake in their future.

The greatest challenges facing our artists and creatives are the rising cost of real estate through unfettered and speculative development; the loss of appropriate spaces in which to live and work; the barriers to successful artist housing projects; and the absence of targeted and comprehensive strategies to combat the issues. The solutions are found in adaptations to policies and priorities; realignment of existing tools and resources; and public/private and cross-sector partnerships that are formed with a common goal of positive change and the assurance of successful models of affordable artist housing and workspace opportunities.

If California is to protect and retain this tremendous asset, it must approach the problem like a creative. It must find solutions by innovating from the top down and bottom up. It must reinvent itself in the face of a changing landscape or risk losing its emerging artists and pipeline of creative workers. Technology and industry decentralization trends allow creatives to relocate and thrive in communities nationwide. They follow the opportunities and affordable spaces that offer the greatest freedom and the infrastructure that they need. We need to make it easy for them to remain here, at home, in California.

CASE STUDIES

Artist housing comes in all physical and functional forms. Projects may be classified as live/work or work/live. Projects may be housing-only with shared creative spaces or follow a co-housing model. Some artist housing projects in California are well-known and long-standing like the Brewery Artist Lofts or Santa Fe Art Colony, both in downtown Los Angeles. Others are more obscure, naturally occurring affordable spaces hidden within warehouses in industrial zones or adaptively reused buildings in smaller towns across the state. They may be funded with public resources, privately financed, or the product of sweat equity and a do-it-yourself strategy.

Buildings that provide housing and working spaces for artists are diverse because the needs and opportunities vary. The continued natural growth of new, unique, appropriate, and safe spaces should be fostered. One way to do that is to reference successful models that can be replicated and learned from. The following are three distinct examples of successful artist housing projects. The first, located in Pomona, California, is a work/live project on the edge of a light industrial zone. It was created and is operated by the for-profit developer Arteco Partners, who are also credited with the revitalization of downtown Pomona as an arts colony. The second, in Sacramento, California, was catalyzed by the efforts of the Capitol Area Development Authority (CADA) and developed by CFY Development, a local affordable housing developer. It is a mixed-income project involving new construction and historic adaptation. The third, located in Santa Cruz, California, is the product of Artspace, a national nonprofit leader in affordable artist housing. An arts campus, it is 100% affordable to the artists and families who live and work there and the largest of the 46 affordable arts facilities that make up Artspace's portfolio.

POMONA PACKING PLANT

Model: work/live, mixed-use, affordable without covenant
Address: 560 East Commercial Street, Pomona, California 91767
Developers: Arteco Partners
Type of property: Historic warehouse built in 1916
Year renovation complete: 2013
Cost: (approx.) $1.5 million acquisition; $3.5 million renovation
Total sq. ft.: 60,000
Stories: 1
Number of units: 21 work/live, 1 commercial
Size of units: 1,400–7,500 sq. ft.
Rent range: $0.47–$0.65 per sq. ft. per month

DESCRIPTION

The Pomona Packing Plant exemplifies how private investment can preserve affordability and ensure working artists remain in arts districts they help popularize.

Arteco Partners is a local development firm that led the revitalization of downtown Pomona, California, through an arts-driven strategy of creating arts-focused studio, live/work, and mixed-use projects. Learning that some artists were not accommodated by the 1200–1500 sq. ft. live/work lofts they designed for artists who work in smaller, more traditional media including desktop multimedia, in their other projects, they conceptualized this commercial project with accessory residential uses to serve those who work in large-scale and industrial media, like metal and wood. The work/live certified spaces include heat, an industrial sink/kitchenette, and a private bathroom with a shower. Artist tenants understand it is a working complex and subject to the noise and activity of a commercial environment.

A commitment to affordability is possible due to the relatively low acquisition and renovation costs; the use of the 10% historic tax credit as a source of additional up-front capital; the single-story design; and use of Arteco's in-house, design, and construction team. At the time of this writing, its relative affordability is evidenced by a new 300-unit Transit Oriented Development project, the Monterey Station Apartments, which advertises open-concept units that rent for as much as $3.00 per sq. ft. – over four times that of the Pomona Packing Plant spaces. Market rate projects can now capture these high rents in part due to the proximity of projects like the Pomona Packing Plant and the area's desirability as an arts and entertainment destination.

CHALLENGES

Land-use incompatible site. The abandoned warehouse, deemed by the city as unsuitable "for today's manufacturing needs" was just outside of the downtown-specific plan that allowed live/work and in a light industrial area that did not. The project would have been infeasible if the city of Pomona had not seen the value of the project and collaborated to make the required changes. While that amendment process took a year, rezoning would have triggered the California Environmental Quality Act, increasing the timeline and cost and rendering the project infeasible.

There was no land available for onsite parking. The city assisted by vacating an adjacent dead-end street, now owned by the project and used for parking. The current building's use, with approximately 50 residents and employees, was presented as less intense than the historic warehouse use, allowing for a flexible interpretation of the parking requirement.

FEATURES AND AMENITIES

- 10–30-foot, open-rafter, vaulted ceilings
- Exposed brick walls and concrete floors
- Single-story building – necessary for the industrial work/live function
- Skylights
- Industrial electrical services available (220v)
- Fiber-optic connectivity
- Private parking
- Large entry doors, some units have roll-up exterior-facing doors

UNIQUE ELEMENTS

- Includes an affordable satellite location for the nonprofit Museum of Neon Art (MONA)
- Home to Pomona's first microbrewery
- Adjacent to the downtown Pomona Arts Colony, Pomona's arts district, and a participant in the monthly Pomona Arts Colony Association sponsored Art Walk
- Sensitive design that restored and retained historic features of the building
- Diverse tenant base including furniture and fashion designers, filmmakers, and sculpture and ceramic artists
- Interior space design allows for expanding or retracting spaces as tenant needs shift

SOURCES OF FUNDING

- Noncompetitive, 10% Federal Historic Tax Credit
- Private financing

KEY TAKEAWAYS

- The project was made possible by city leaders who found value in and prioritized the project by modifying their land-use documents and flexibly interpreting their parking requirements. Municipalities need to act proactively to pave the way for artist work/live and live/work projects by amending planning and land-use documents in advance of new development or by making work/live allowable by permit. Having a cooperative and flexible approach toward developments that address several community goals is vital. In an escalating real estate market, keeping the entitlement process efficient and costs low for developers is one way of fostering new affordable spaces.

- This same project would not be feasible in Pomona's current downtown real estate market. The cost of land has increased and with the added expense of seismic retrofitting, the existing affordable rents would not be sufficient to cover the private financing. Land banking for the arts and introducing affordability restrictions are two ways of preserving properties before values rise in existing light industrial and commercial areas around the state.

- Private development can lead revitalization strategies that retain the integrity of historic resources and provide affordable and appropriate space for artists, while creating vibrant mixed-use and commercially successful districts. Supporting private developers who subscribe to the belief that affordable artist spaces are important assets to communities and complementary to commercial development and who are willing to balance profit with community benefit is important.

WAL (WAREHOUSE ARTIST LOFTS)

Model: live/work, mixed-use, mixed-income (with affordability covenant)
Address: 1108 R Street, Sacramento, California 95811
Developers: R Street Investors, LP, a partnership of CFY Development and John Cicerone
Type of property: Historic structure built in 1914, plus new construction
Year Renovation completed: 2014
Cost: $41.6 million
Residential/Common area sq. ft.: 202,454
Commercial sq. ft.: 13,000
Stories: 6-story historic, 4-story new construction
Total live/work units: 116
Number of affordable units: 86 (30%, 40%, 50%, and 60% of AMI (Area Median Income))
Number of market rate units: 30
Size of market rate units: 550–800 sq. ft. (all are studios)
Size of affordable units: 550–1,575 sq. ft. (studio, 1, 2, and 3 bedroom)
Rent range: Affordable units are U.S. Department of Housing and Urban Development (HUD) regulated per AMI; market units range from $1,100 to $1,250 per month

WAL is a revitalization catalyst for the Historic R Street District, fulfills multiple community and public agency goals, and is an arts-centric, long-term affordable stronghold for artists and creative workers.

DESCRIPTION

CADA (Capitol Area Development Authority) is a self-supporting public agency charged with building "safe, affordable and environmentally sustainable urban neighborhoods" through redevelopment strategies and public/private partnerships. After 15 years of failed development proposals offered up by private developers for the redevelopment of the CADA-joined historic Lawrence Warehouse and adjacent vacant parcel site, CFY Development created a partnership and the concept of WAL, a mixed-use, mixed-income project for local artists, was realized.

A commitment to affordability is possible through an allocation of 9% Low Income Housing Tax Credits and other affordable housing, redevelopment, and environmental remediation sources; income from commercial tenants; and the inclusion of market rate lofts. There is a 55-year affordability covenant for the 84 subsidized units and an artist preference in place for all units. The live/work spaces are residentially zoned, but designed for artists and their families and shared spaces for "creative collision," collaboration, and exhibition are integrated into the facility including a dance studio with sprung floors, mirrors, barres, and an 18-foot-high ceiling; a large "Performance Hall"/ flexible event space; a large courtyard; and an actively used rooftop. Over 20 locally commissioned art installations and art works are integrated into the design. The funding, functionality, and management practices are modeled in part after the Artspace development model.

The commercial space includes The Public Market and is a natural extension of the artist housing with its unique, local retail and pop-up style restaurants in an airy and vibrant atmosphere. A locally owned barbershop/bar anchors the commercial concept.

CHALLENGES

The building is large, vibrant, and multifunctional; operating costs reflect this. However, operating income is restricted by the low rents. The project would benefit from a more robust budget. A local artist helps by sponsoring arts-based entertainment and fundraising events to feed money back into the project to the benefit of the artist residents.

The project can be very social with many publicly interactive events, which can lead to security issues and concerns.

Financing for this project was not typical and highly complex. The success relied upon a good relationship between the developer and the lending institutions and the tax credit syndicator.

FEATURES AND AMENITIES

- Performance hall/community room
- Dance studio
- Landscaped courtyard
- Rooftop BBQ and picnic area
- Secure parking garage
- On-Site laundry facilities
- Solar thermal hot water heating
- Large windows
- Up to 18-foot-high ceilings
- Facilities for cleaning/disposing art materials
- Hard surface flooring
- Pet friendly
- Classroom
- Special events and programming

UNIQUE ELEMENTS

- Located in the heart of a transit-oriented, mixed-use neighborhood
- The project participates in the monthly Historic R Street District "First Friday" art walk event
- The development team engaged artists early in the process to inform the project design and ensure an authentic arts community
- Energy efficient project with a Green Point Rating of 126
- Secure bike parking is provided to promote a reduction in carbon footprint

SOURCES OF FUNDING

- 9% Low Income Housing Tax Credits (LIHTC)
- CA infill and infrastructure funding program (Prop1C)
- 20% Federal Historic Tax Credits
- Private financing
- CADA residual receipts loan
- U.S. EPA Brownfields Program loan – secured by CADA

KEY TAKEAWAYS

- Public agencies that lead with intention the creation of affordable artist housing projects through public/private partnerships can satisfy multiple public goals, while ensuring long-term appropriate and affordable spaces for local artists and creative workers in revitalizing areas.
- With a four-year, 300-household waitlist at the time of this writing, WAL has tapped into the intense need for affordable artist live/work options in California.
- Innovative projects require strategic partnerships and inclusive practices. WAL is a success story because its team includes public and private leaders and involved artists throughout the process. It also leverages the creative and entrepreneurial talents of its residents and commercial tenants through its collaborative management and business practices in order to foster economic growth.

CASE STUDY

THE TANNERY ARTS CENTER

Model: live/work, mixed-use, 100% affordable (with covenant)
Address: 1010–1070 River Street, Santa Cruz, CA 95060
Developers: Artspace Projects, Inc. (Housing and Studio), Tannery Arts Center, Inc. (Venue)
Type of property: Adaptive reuse of historic tannery buildings built in mid-1800s, plus new construction
Year renovation complete: Housing 2009, Studio 2012, Venue 2015
Cost: $35.4 million (housing), $7 million (studios)
Residential sq. ft.: 180,000
Commercial sq. ft.: 23,622
Stories: 1-story studios; 3 floors of residential live/work
Number of units: 100 (affordable at 30%, 40%, 50%, or less of AMI)
Size of live/work units: 550–1200 sq. ft. (studio, 1, 2, and 3 bedrooms)
Rent range: HUD-regulated per AMI
Number of studio-only spaces: 28
Size of studios: 200–3,200 sq. ft.
Theatre seating capacity: 182

DESCRIPTION

The Tannery Arts Center is an 8.3 acre mixed-use campus-style project built in three phases. It includes the Artspace Tannery Lofts, the Digital Media and Creative Arts Center (a.k.a. Working Studios at the Tannery), and the Colligan Theatre. It was created through a joint effort by the former Redevelopment Agency of the city of Santa Cruz, nonprofit developer Artspace Projects, Inc., and the local nonprofit Tannery Arts Center, Inc. (TAC).

Artspace, a national leader in affordable artist housing and facility development is the long-term steward of the 100-unit Tannery Lofts and the Working Studios, the former of which Artspace master leases from the partnership and subleases directly to 28 professional artists to create, display, and sell their work. The live/work spaces have flexible floorplans and durable surfaces to accommodate a variety of residentially compatible art practices, while the Working Studios accommodate commercial and more industrial art forms and support public interaction. There is an artist preference in place for the live/work units and a selection review committee.

TAC, which was formed for this project and is governed by a board of directors representing local business, the public, and the arts, helped guide the direction of the overall project. In addition, it fundraised for and constructed the Colligan Theater.

A commitment to affordability is assured by a long-term affordable land lease; public benefit resources, including private equity generated from a state allocation of 4% Low Income Housing Tax Credits; funding from the 2013 Housing and Economic Recovery Act for the job-growth focused Working Studios; and the guiding mission of Artspace to "create, foster and preserve affordable spaces for artists and arts organizations."

CHALLENGES

The development site was historically significant, important to the local community, and highly contaminated. A complex project, the Santa Cruz Redevelopment Agency, which was a champion for the project from the start, remediated the site and provided a long-term, affordable lease. The city and its agency's participation was critical to the project's success and long-term self-sustainability.

The site is in a 100-year flood plain and the historic buildings were not suitable for housing. New construction with historically sensitive design placed parking at grade with housing and mechanicals located above.

"The construction of the project has generated hundreds of local jobs and will benefit our community for decades to come. The Tannery Arts Center is the culmination of years of effort by many community stakeholders working together to realize a vision to preserve and support the rich cultural and artistic heritage that makes Santa Cruz unique."

– Bonnie Lipscomb, Economic Development Director, City of Santa Cruz

FEATURES AND AMENITIES

- Playground
- Flexible live/work design
- Large windows and high ceilings
- Shared flexible community/exhibition space for residents
- Covered parking
- Campus-style property is well suited for destination-type events like annual art crawls and monthly First Friday events
- Pet friendly (dogs up to 60 pounds allowed)

UNIQUE ELEMENTS

- The Redevelopment Agency refurbished the historic Kron House, which serves as the offices for the Arts Council of Santa Cruz County
- The city's Economic Development Department remained a key partner in the campus expansion after the initial housing was complete (for example, the city leased the Tannery's historic Hide House building to the Tannery Arts Center, Inc., which rehabilitated and expanded the building to become the Colligan Theater)
- Participation in monthly art walks and a significant number of community- and artist-produced events and lectures makes this campus an arts and heritage destination for visitors
- Five historically significant buildings were preserved
- Management policies allow residents to modify their units per guidelines and use common areas for the display of art

SOURCES OF FUNDING:

- 4% Low Income Housing Tax Credits/Bonds
- Multifamily Housing Program (MHP)
- Federal Home Loan Bank – Affordable Housing Program
- Santa Cruz County Housing Trust Fund
- City of Santa Cruz Redevelopment Agency
- U.S. Economic Development Administration (EDA)
- Private philanthropy

KEY TAKEAWAYS

- Santa Cruz has exceedingly expensive real estate and rents. While its brand as a desirable place to live is built in part on the reputation of its creative community, it was losing its artists to displacement. This project provided an opportunity for the city to retain its artists and creatives and to attract back the many who had left.
- The grand success of this complicated, three-phase campus is in direct proportion to the dedication of community leaders, both public and private who galvanized around it. Innovative partnerships are needed to successfully implement these large vision projects.
- When dedicated nonprofits lead or comprise partnerships and have a meaningful stake in artist housing development, there is increased assurance of appropriate space and management practices and long-term benefit to the creative community.

Download the full report, view highlights from the creative economy release event, and learn more about other resources at **www.otis.edu/otisreport**

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