VIBRANT CULTURE – THRIVING ECONOMY

ARTS, CULTURE, AND PROSPERITY IN ARIZONA’S VALLEY OF THE SUN

Maricopa Regional Arts and Culture Task Force

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MAY 2004

THE ASSISTANCE OF THE MANY ARTS AND CULTURE PROFESSIONALS AND COMMUNITY MEMBERS WHO CONTRIBUTED TO THE MARICOPA REGIONAL ARTS AND CULTURE TASK FORCE AND THIS REPORT IS ACKNOWLEDGED GRATEFULLY.

FRONT COVER PHOTOS COURTESY OF PHOENIX OFFICE OF ARTS AND CULTURE (U–BRIDGE), HEARD MUSEUM (U–BASKET), ARIZONA COMMISSION ON THE ARTS (E–BRUSHES)
DEAR COLLEAGUES:

When I assumed the chairmanship of the Maricopa Regional Arts and Culture Task Force, I knew arts and culture was important to our quality of life, but I had not realized the full extent of its impact on our region’s economic base.

After nine months of work with our dedicated task force, there is no question that a vibrant arts and culture sector is vital to our economic future. Without arts and culture at its very best, our metropolitan region will lose talented people and innovative firms to San Diego, Seattle, Denver, and other regions that more clearly view arts and culture as an economic asset.

We are fortunate to enjoy a wide variety of quality arts and culture institutions throughout the Valley. In comparison to the other regions we studied, however, arts and culture here is rich in persistence and dedication, but poor in the resources needed to move ahead. Considering the achievements of our arts and culture organizations in the face of tough challenges, imagine what could be done with more – and more sustained – funding. Our region is at a crossroads. The path laid out by the task force will develop arts and culture and reward us economically and socially. If we do not act now, we certainly will fall further behind and suffer the economic consequences.

I want to thank the foundations for sponsoring the Maricopa Regional Arts and Culture Task Force. I also commend our members for giving so much of their time and their many talents. Please read Vibrant Culture – Thriving Economy and join us in the important work of creating both.

Drew Brown
CHAIRMAN, MARICOPA REGIONAL ARTS AND CULTURE TASK FORCE
PRESIDENT, DMB ASSOCIATES

VIBRANT CULTURE – THRIVING ECONOMY

IT’S CLEAR.
The Valley must have a strong arts and culture sector to have a high-skill, high-innovation economy in a great, livable place.

IT’S ESSENTIAL.
Without arts and culture at its best, the Valley cannot be competitive with other U.S. regions and those around the globe.

IT’S POSSIBLE.
To have the best, the Valley’s arts and culture must be:
> Treated as a major source of competitive advantage
> Recognized and celebrated
> Developed to its potential

Vibrant Culture – Thriving Economy presents the findings and recommendations of the Maricopa Regional Arts and Culture Task Force and shows why arts and culture is critical to our future. The Flinn Foundation, J.W. Kieckhefer Foundation, Margaret T. Morris Foundation, and The Virginia G. Piper Charitable Trust sponsored the task force to tackle the issues affecting arts and culture and to capitalize on the collective recognition that arts and culture is essential to this region’s economic development.

* * *
Why Here Why Now: The Business Case for Arts and Culture

The business case for arts and culture touches people, places, and prosperity. Every metropolitan region is in the race for talent, competitiveness, and success in an economy that is dramatically different from that of the past. In light of the needs for the “next economy,” a solid business case emerges for arts and culture playing a central role in economic development and community life.

Five factors form the business case:

- Economic Value
- Creative People
- Sense of Community
- Urban Appeal
- Metro Identity

Where Maricopa’s Arts and Culture Stands:

Hard Looks and Tough Comparisons

Approximately 300 nonprofit organizations throughout Maricopa County offer a kaleidoscope of opportunities for arts and culture professionals and residents, and more are being created each year. These organizations are joined by hundreds of for-profit arts and culture-oriented businesses and municipal commissions that provide programs for residents and an array of services to arts organizations.

Through creativity and sheer force of will, the Valley’s resourceful arts and culture professionals have produced substantial results, especially in light of the challenges presented by such factors as shifting demographics and limited resources. However, the Valley has significantly less arts and culture funding than the benchmark regions studied. According to data from the National Center for Charitable Statistics, the Valley’s arts and culture organizations cope with substantially less revenue than those in other cities. The consequence is that Valley arts and culture organizations face an increasingly tough reality. They must run faster just to stay in place.

The Valley has much upon which to build, but the needs are of a sobering size. For example, annual total revenues for arts and culture organizations in the region would have to more than double to reach the median per capita level for the benchmark regions. Arts and culture organizations in the Valley spend more time than their counterparts raising funds simply to stay in business. Their “fragile present” prevents the actions and initiatives that would bring them to the top of the benchmark regions. In fact, the task force called the gap between the Valley and other regions “unbridgeable” in the existing environment.

The Only Choice: Leadership, Vision, and a Plan for Arts and Culture

The members concluded that this region is at a critical decision point. The Valley can:

- Take action to become a showcase for arts and culture as it improves our region and enhances economic development
- Fall further behind in providing an environment in which the knowledge economy will flourish, thus harming arts and culture, the emerging bioscience sector, education, and every field that depends on innovation

Given the commitment to a more diverse economy and arts and culture’s part in the contest, the choice is obvious. The Valley must become a:

- Center of creativity known for its distinctive arts and culture experiences and opportunities
- Place where residents of all ages and from all walks of life are educated, inspired, and excited by arts and culture
- Metro area where arts and culture contributes continually to the region’s economic development

Deciding to move past the crossroads, the Maricopa Regional Arts and Culture Task Force adopted the following vision and mission to initiate an intense period of development for arts and culture.

A Regional Vision and Mission for Arts and Culture

VISION – The Valley is a center of creativity renowned for the distinctiveness of arts and culture experiences that contribute to the region’s economy, showcase the vibrancy of a large, growing urban area, and reflect the region’s uniqueness.

To achieve this vision, the region should:

- Encourage the creation, import, and export of a broad range of arts and culture opportunities and experiences
- Foster participation in arts and culture activities that inform, educate, inspire, and excite a broad range of audiences
- Use economic incentives to urge municipal arts and culture commissions and departments and private, nonprofit, and for-profit organizations to integrate efforts, increase cooperation, and act collaboratively on behalf of the region
- Ensure that arts and culture thrive at the grassroots – in neighborhoods and schools
- Offer cultural experiences that relate to the region’s history, environment, and residents
- Achieve a well-rounded system of funding and support for arts and culture through public, private, and philanthropic sources

ARTS AND CULTURE REVENUES

<table>
<thead>
<tr>
<th>Arts, Culture, and Humanities Organization Revenues, FY 2001</th>
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<tbody>
<tr>
<td>Metro Area</td>
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<tr>
<td>------------</td>
</tr>
<tr>
<td>Atlanta</td>
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<tr>
<td>Austin</td>
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<td>Charlotte</td>
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<td>Salt Lake City</td>
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<td>San Diego</td>
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<tr>
<td>Seattle</td>
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</table>

*Includes all contributed, earned, and grant revenues.

SOURCE: BATTLEMENT TECHNOLOGY PARTNERSHIP PRACTICE, AND UNIFIED DATABASE OF ARTS ORGANIZATIONS OF THE NATIONAL CENTER FOR CHARITABLE STATISTICS.
Task Force Recommendations

**RECOMMENDATION: CREATE A REGIONAL ARTS AND CULTURE PARTNERSHIP**

The task force believes that establishing a private, nonprofit organization is a critical first step to achieving the mission and vision. The partnership will:

- Advocate for support for arts and culture in the Valley
- Promote arts and culture and position it in the Valley’s economic priorities
- Build political and business support for arts and culture
- Develop public and private sector funding for arts and culture
- Create partnerships and collaborations in arts and culture

**RECOMMENDATION: IMPLEMENT STRATEGIES AND ACTIONS TO ACHIEVE THE MISSION AND VISION**

Recommended Strategies and Actions

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Actions</th>
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<tr>
<td>STRATEGY 1: Integrate arts and culture into economic development at all levels.</td>
<td>➢ Maintain, reinforce, and refine a business case to integrate arts and culture into regional economic development&lt;br&gt;➢ Make arts and culture opportunities part of travel and tourism promotion</td>
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<td>STRATEGY 2: Significantly enhance participation in arts and culture activities.</td>
<td>➢ Launch a major branding and marketing campaign to raise the visibility of arts and culture that is sustained over a period of time&lt;br&gt;➢ Establish a regional program to support initiatives aimed at growing audiences, developing new products, and reaching new markets&lt;br&gt;➢ Support a regional Web portal to provide access to information on the region’s arts and culture programs, plans, opportunities, and events</td>
</tr>
<tr>
<td>STRATEGY 3: Build regional distinction for arts and culture.</td>
<td>➢ Invest in partnership activities to create signature programs and venues that enhance regional distinction and visibility and attract tourists&lt;br&gt;➢ Encourage the development of vibrant arts and culture districts that integrate arts and culture organizations and artists into community revitalization and economic development initiatives&lt;br&gt;➢ Develop nationally recognized annual events to showcase the region’s arts and culture community, such as a multifaceted festival</td>
</tr>
<tr>
<td>STRATEGY 4: Integrate arts and culture into education at all levels.</td>
<td>➢ Increase opportunities for collaboration among arts and culture organizations, public and private entities, and the region’s education systems to build new audiences now and in the future&lt;br&gt;➢ Support efforts to educate leaders about the value of arts and culture in creating an educated workforce&lt;br&gt;➢ Provide more training opportunities for teachers in arts and culture in professional development</td>
</tr>
<tr>
<td>STRATEGY 5: Identify and secure dedicated funding resources.</td>
<td>➢ Gain the cooperation and approval of business, community, government, and nonprofit organizations and the public at large&lt;br&gt;➢ Analyze funding sources that will provide $30-50 million annually&lt;br&gt;➢ Seek a variety of public mechanisms to complement existing private sources</td>
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Moving Forward

The task force established a work plan with three phases.

**WITHIN TWO TO THREE YEARS**

1) **INITIAL ORGANIZING ACTIVITIES** – Planning for the Regional Arts and Culture Partnership is underway. In addition, the task force recommendations will be communicated to the region’s stakeholders, leaders, and residents.

2) **IMPLEMENT THE AGENDA** – During this same time frame, the partnership will focus on identifying options for sustained funding, supporting an arts and culture information portal and initiating projects to advance the strategies. Particular effort will be devoted to establishing alliances with tourism, commerce, and economic development organizations.

**WITHIN FIVE YEARS**

3) **FULLY FUNDED, FULLY SUPPORTED ARTS AND CULTURE** – This phase will include the establishment of a “venture” fund for arts and culture organizations and support the creation of more signature activities. In addition, a dedicated funding source for arts and culture organizations will be secured.

**What Gets Measured, Gets Done**

The region’s success with arts and culture will be seen and felt in many ways. Be that as it may, the task force wants to ensure that concrete measures are adopted to track progress. The task force recommends the following items as initial metrics:

- Ensure the Regional Arts and Culture Partnership is in place and fully functioning by 2005
- Expand the number of cultural tourists in the region by 10 percent by 2006
- Increase attendance at arts and culture events by 25 percent by 2006
- Have a dedicated funding source for arts and culture established and providing funds by 2008
- Increase per capita spending on arts and culture to the national average by 2010

Arts and culture cannot wait because the economy will not wait. Arizona’s Valley of the Sun must begin now to nurture arts and culture for benefits today and tomorrow.

For further information about the Maricopa Regional Arts and Culture Task Force, see www.flinn.org or www.pipertrust.org or call 602-744-6809
Diverse public and private organizations throughout the state supported the vision and developed the roadmap to make bio-sciences a significant economic engine in Arizona’s economy.

We need to apply that same level of energy, cooperation and commitment to our arts and culture sector to generate additional economic benefits and to enrich our quality of life.”

Dr. Jeffrey Trent
President and Scientific Director, TGen

Arts and culture is increasingly an “aha!” subject in this metropolitan region. Public, private, and nonprofit leaders are realizing more and more that arts and culture must play a central role not only in our quality of life, but also in a robust knowledge economy. This realization signals a significant time for the nation’s 14th-largest metropolitan region, as a number of factors converge to make arts and culture truly a major player in the region’s economy and its civic well being.

Four Factors Spotlight Arts and Culture

Much of the region’s new outlook on arts and culture has come from the recent focus on “talent” for an economy dramatically different from that in the past. Commentators as varied as scholar Richard Florida, urban analyst Neil Peirce, and Intel CEO Craig Barrett have said repeatedly that inventive, resourceful people make today’s economy work. As a result, no region will succeed without developing, attracting, and retaining highly creative residents to work in bioscience, design, education, software, the arts, and every other area. Curious, ingenious people want to be around others like themselves, and they will seek out smart places and spaces that support unique experiences.

Another factor is the concern for this region’s economic future. Many have begun to notice that arts and culture contributes millions of dollars to the region’s economy and could do much more in coming years. But, the truly top-of-mind issue is the connection arts and culture has with this region’s major economic goal: competing well in fields that result in a high-skill, high-wage knowledge economy. Because of the demands of the most sought-after people and firms, this vision of a regional economy will not become a reality without a vital arts and culture sector.

In addition, years of almost unbelievable growth have created a sprawling metropolitan region with a diverse population and a bedeviling problem—how to create and maintain a sense of community. Arts and culture is beginning to receive its due as a vehicle to bring residents together to create stronger community bonds. This is good news for an area still coping with the isolating effects of population “churn.”

These three factors tell an interesting story, but not one unique to this region. A fourth factor, however, is singularly ours. In 2002, a report by arts and culture expert Adrian Ellis sounded an alarm about the state of the sector in Arizona. Commissioned by the Flinn Foundation, J.W. Kieckhefer Foundation, Margaret T. Morris Foundation, and The Virginia G. Piper Charitable Trust, The Arts in Arizona described the substantial accomplishments of the state’s arts and culture community despite a challenging environment. However, the unmistakable message was that, without change, arts and culture in Arizona would be unable to contribute in the ways that were beginning to be viewed as possible and desirable. As Ellis wrote, the overriding need is to “move the agenda for the arts in Arizona towards a sustainable level and focus at which artistic activity can thrive rather than simply survive.”

Vibrant Culture – Thriving Economy

Desert Botanical Garden, Phoenix

PHOTO COURTESY OF DESERT BOTANICAL GARDEN

DIVERSE PUBLIC AND PRIVATE ORGANIZATIONS THROUGHOUT THE STATE SUPPORTED THE VISION AND DEVELOPED THE ROADMAP TO MAKE BIO-SCIENCES A SIGNIFICANT ECONOMIC ENGINE IN ARIZONA’S ECONOMY.
The Arts in Arizona influenced the formation of a task force to develop a strategy to change the current environment.

A Task Force to Develop an Arts and Culture Strategy

In June 2003, the Maricopa Regional Arts and Culture Task Force was formed. The 30-member body of arts and culture, business, government, and civic leaders was created as the critical first step in an unprecedented regional cause to: 1) integrate arts and culture into the region’s economic development initiatives; and 2) increase the vibrancy of and financial resources for the region’s arts and culture sector.

To achieve these objectives, the task force was charged with defining a strong “business case” and outlining a plan to move forward. The Maricopa Regional Arts and Culture Task Force met regularly during late 2003 and early 2004.

During its work, the task force answered such questions as:

> What is the connection between arts and culture and a thriving economy?
> How does arts and culture here compare to other metro areas?
> Do we have the appropriate support system for arts and culture?
> Are our past investments in arts and culture paying off?
> What additional investments are needed?

Now is the time to move from ideas to outcomes and benefits.

Of course, agreeing to bring arts and culture into the inner circle of regional economic leadership is only the first step. Now is the time, as one economic development leader put it, to “operationalize the jargon” and begin to move from ideas to outcomes and benefits for the metropolitan region.
Why Here Why Now: The Case for Arts and Culture

It’s clear. The Valley must have a strong arts and culture sector to have a high-skill, high-innovation economy in a great, livable place.

It’s essential. Without arts and culture at its best, the Valley cannot be competitive with other U.S. regions and those around the globe.

It’s possible. To have the best, the Valley’s arts and culture must be:
- Treated as a major source of competitive advantage
- Recognized and celebrated
- Developed to its potential

Many Valley public and private sector leaders recognize that arts and culture must be a cornerstone of economic development. This departure from traditional thinking is in line with the groundbreaking actions various entities have taken in recent years to set the region on the path toward a competitive knowledge economy.

For example, in November 2001, the Business Coalition, a watershed regional effort among nine leading business groups, came together to cope with the economic shocks brought by the events of September 11, the recession, and issues hindering the Valley’s competitiveness. In 2002, Arizona celebrated the collaborative success that resulted in the newly formed Translational Genomics Research Institute located in Phoenix. Also that year, the Flinn Foundation published Arizona’s Bioscience Roadmap: A Vision for Arizona and began a series of strategic initiatives that turned all eyes on the needs and potential of emerging fields. The creation of Arizona State University’s multidisciplinary research center, Arizona Bioscience Institute, complemented the broad community effort.

In step with other organizations, the Greater Phoenix Economic Council (the Valley’s regional public-private economic development organization) published a comprehensive 10-year economic development strategy that codified its change in direction to quality economic development in aerospace, bio-industry, advanced business and financial services, technology, and software. In early 2004, the Governor’s Council on Innovation and Technology issued Building Arizona’s Knowledge-Based Economy with scores of recommendations on venture capital, higher education, collaboration, workforce development, and other topics. Separately, each of these items would have been notable. Taken together, they demonstrate a strong commitment to the growth of a knowledge economy and to the multifaceted approaches needed to develop it.

A Place for Arts and Culture in Economic Growth

As shown in Table 1, arts and culture contribute to this effort in five major ways:
- Economic Value
  - Creative People
  - Metro Identity
  - Sense of Community
  - Urban Appeal

Economic Value

Arts and culture’s economic value should be viewed in two different ways:
1. Traditional economic impact, including expenditures, taxes, and jobs
2. As a critical contributor to knowledge-based economic growth

Millions of Dollars of Impact

In 2000, according to a nationwide study by Americans for the Arts, the nonprofit arts industry in the U.S. generated $134 billion in total economic activity. Forty percent of that figure ($53.2 billion) came from spending by arts organizations, an amount 45 percent higher than in a comparable study in 1992. The remaining 60 percent ($80.8 billion) resulted from arts audiences’ expenditures. Tourists accounted for a sizable proportion of that spending, considering that visitors spend nearly 80 percent more per event ($38.05) than do local attendees ($21.75). In Maricopa County, the nonprofit arts pumped nearly $344 million into the region’s economy in 2000.
Greater concentration of housing, today’s participants have a wide range of interests and care little about whether a venue for something they want to see or do is for-profit or nonprofit. Each feeds the other; the nonprofit side offers new offerings and ideas that are then presented in for-profit venues. For example, the play commissioned by a nonprofit theatre company may make its way to stages booked by for-profit presenters. Profit-based ventures also offer employment opportunities for the area’s artists and performers. Without strong for-profit and nonprofit entities, a region’s offerings and opportunities will be incomplete.

Creative People
Although he is not the only one to do it, George Mason University professor Richard Florida has made the case most engagingly for catering to and investing in creativity wherever it might be found. As he puts it, the “creative class” is the one most needed for leadership in the global economy. These often young, highly educated people – who first choose where they want to be, knowing that employment will follow – are the ones causing such a stir. Their preferences for where to live, what to do, and how to work are one of the reasons why arts districts, historic preservation, and venues for culture and entertainment are in constant demand, all times of the day and night are in the headlines.

How and Why People Participate in the Arts and Culture, today’s participants have a wide range of interests and care little about whether a venue for something they want to see or do is for-profit or nonprofit. Each feeds the other; the nonprofit side offers new offerings and ideas that are then presented in for-profit venues. For example, the play commissioned by a nonprofit theatre company may make its way to stages booked by for-profit presenters. Profit-based ventures also offer employment opportunities for the area’s artists and performers. Without strong for-profit and nonprofit entities, a region’s offerings and opportunities will be incomplete.

Lifelong arts education should be seen as “creativity insurance.”

Fortunately, these types of results are receiving a warm reception at the Arizona Department of Education. An arts education advocate, State Superintendent of Public Instruction Tom Horne re-established a state-level arts education specialist for the first time in a decade. In addition, funds have been made available for school districts across the state to reinvigorate their arts education programs.

TABLE 3: ARTS EDUCATION PROVIDES THE SKILLS EMPLOYERS AND ENTREPRENEURS NEED.

<table>
<thead>
<tr>
<th>Skills Desired by Employers, 2002</th>
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<tr>
<td>Basic Skills</td>
</tr>
<tr>
<td>Oral communications</td>
</tr>
<tr>
<td>Reading</td>
</tr>
<tr>
<td>Writing</td>
</tr>
<tr>
<td>Basic arithmetic</td>
</tr>
</tbody>
</table>

A Critical Economic Component
As substantial as the current impact figures are, arts and culture’s most important contribution may be to the Valley’s “next economy,” and this impact has to be viewed in different terms. Whether one thinks in terms of street festivals, poetry jams, or baroque opera, arts and culture as a whole has a substantial impact on “quality of place.” It is the combination of cultural, architectural, historical, social, and recreational assets that defines a community and, thus, is vital to a region’s competitiveness. For today’s leaders, workers, and entrepreneurs, lively arts and culture is something to seek out and value. The Regional Partnership in Charlotte, North Carolina, for example, reported that executives from four firms recently recruited to the city listed the quality of local arts as one of the three top factors in their relocation decisions.

The For-Profit Nonprofit Arts and Culture Cycle
A rarely noted, but essential, aspect of both economic impact and competitiveness is the synergy between nonprofit organizations and for-profit entities. As illustrated in the Urban Institute’s study Aggetto to Rachmaninoff:

**TABLE 2: ARTS AND CULTURE SIGNIFICANTLY CONTRIBUTES TO THE REGION’S ECONOMY.**

<table>
<thead>
<tr>
<th>Impact</th>
<th>U.S.</th>
<th>Maricopa County</th>
</tr>
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<tbody>
<tr>
<td>Total Impact</td>
<td>$134.0 billion</td>
<td>$344.0 million</td>
</tr>
<tr>
<td>FTE Jobs</td>
<td>4.85 million</td>
<td>11,469</td>
</tr>
<tr>
<td>Household Income</td>
<td>$89.4 billion</td>
<td>$245.1 million</td>
</tr>
<tr>
<td>Local Government Revenue</td>
<td>$6.6 billion</td>
<td>$12.0 million</td>
</tr>
<tr>
<td>State Government Revenue</td>
<td>$7.3 billion</td>
<td>$22.5 million</td>
</tr>
</tbody>
</table>

SOURCE: AMERICANS FOR THE ARTS, 2003

ONE OF THE KEYS TO NATIONAL COMPETITIVE-NESS IN THE NEW ECONOMY IS A VIBRANT QUALITY OF LIFE. BUSINESSES CAN NOW LOCATE WHERE THEIR EMPLOYEES WANT TO LIVE, SO IF WE ARE TO ATTRACT THE NEW BUSINESSES WE DESIRE, WE MUST ENSURE THAT OUR CULTURAL AMENITIES ARE AS STRONG AS POSSIBLE.”

WILLIAM J. POST
President & CEO, Pinnacle West Capital Corporation

PHOTO COURTESY OF CITY OF MESA

One of the three top factors in their relocation decisions.
Metro Identity

Seeing or participating in something one does not have at home is one of the joys of traveling, whether to another state or another country. In terms of both visitors and residents, arts and culture serves as a metropolitan “brand builder” because it truly reflects its locale. As brand expert Al Ries has written, “The crucial ingredient in the success of any brand is its claim to authenticity.” Only New York has “Broadway.” Only Los Angeles has a concert hall designed by Frank Gehry, while only Denver has made the extension of its art museum into a showplace where people also will live and work. Experience Music helps to set Seattle apart, while San Diego’s decision a century ago to create Balboa Park still pays dividends.

Ben Cameron, Theatre Communications Group director and former Target executive, puts a fine point on the connection between metro identity and arts and culture.

“In a time of increasingly mindless homogenization, it is the arts that confer distinction on a community. It is the Guthrie Theatre that makes Minneapolis, Minneapolis. The St. Paul Chamber Orchestra that makes St. Paul, St. Paul. The Intiman Theatre that makes Seattle, Seattle. And here in Arizona, it is the Arizona Theatre Company, Actors Theatre, Childsplay, Borderlands, Phoenix Theatre, and Invisible Theatre…[The arts] confer distinction, we foster individuality, we move a community beyond a parade of hotel chains to a true home.”

Only the Valley has its particular mix of arts and culture. This region is home to such nationally recognized institutions as the Heard Museum, Childsplay, Phoenix Boys Choir, Desert Botanical Garden, Arizona Museum for Youth, and Arizona State University’s Ceramics Research Center – to name but a few. Taken together, the variety of arts and culture in the Valley provides an identity, yet as will be shown below, the image could be sharper and clearer.

Sense of Community

In the Valley, only a third of residents were born in Arizona – the lowest level, by a substantial margin, of any of the nine benchmark cities considered later in this report. Considering the region’s rapid growth as well, it is more important than ever to create the common experiences and bonds that lead to the “social capital” and sense of community needed to solve problems and maintain quality of life. Participating in arts and culture is one of the best ways to bridge socioeconomic, ethnic, and generational differences, and discover common threads and identities.

Participating in arts and culture is one of the best ways to bridge differences.

A Different Approach to Social Issues

Arts and culture also has been shown to be an effective mechanism for helping at-risk youth and others who are experiencing special challenges. Writing programs, arts camps, “playback” theatre, and many other arts and culture tools have provided lasting alternatives to gangs, drugs, and dropping out. For example, Phoenix-based Essential Theatre has helped scores of young people in juvenile detention centers and other institutions to understand more about themselves and their choices.

Urban Appeal

As one pundit put it, a great way to foster arts and culture, quality of place, and creativity is to “save old buildings.” Indeed across the U.S., down-at-the-heels urban and suburban neighborhoods and downtowns – even shopping malls – have been revitalized by arts and culture organizations and professionals. Arts venues in many cities (such as Orpheum Theatre in Phoenix or Max Fisher Hall in Detroit) have been among the first historic structures to be renovated, often providing the necessary anchor for restaurants, retail, and nightlife. A recent study of seven New York City neighborhoods found that arts and culture-related development is remaking neighborhoods that many had written off as too hard to revitalize. Historic areas across the Valley are telling similar stories. For example, Mesa’s downtown historic residential districts complement the new performing arts development taking place in the central city. Roosevelt Street and Grand Avenue in central Phoenix are the latest “hot spots” for galleries and artists.

Arts and culture clearly must be central to the Valley’s economic development. As the following section indicates, other regions have already accepted the business case and are moving ahead. The Valley will need to do the same to remain competitive.
Where Maricopa’s Arts and Culture Stands: Hard Looks and Tough Comparisons

A ny look at the sector would be incomplete without a sense of the wide variety of roles that arts and culture play in the Valley. For example, in addition to the contributions of the symphony, ballet, opera, and art museum, a grassroots organization in a tough neighborhood provides free top-notch music lessons to youngsters. One of the most respected museums in Arizona and across the nation attracts tourists who want to understand more about native cultures. A theatre company commissions new works, catering to up-and-coming professionals, while another presents award-winning professional theatre for young audiences. Markets bring all types of artists and buyers together. Film festivals are taking hold. Other groups bring history to life, while still more teach about the Sonoran Desert and explain the mysteries of science. University-sponsored presentations and activities run the gamut of arts and culture. This list could go on for pages and still not capture all of the arts and culture activity in the Valley.

In fact, as the region’s population has grown and diversified, residents have started scores of organizations to complement those with decades of history. Approximately 300 nonprofit organizations throughout Maricopa County offer a kaleidoscope of opportunities for arts and culture professionals and residents, with more being created each year. These many organizations are joined by hundreds of for-profit arts and culture-oriented businesses and municipal arts commissions that provide a variety of programs for residents and services to arts organizations.

As the task force’s research shows, the Valley’s arts and culture community is notable for its creativity, persistence, and sheer force of will. Without those, the Valley’s resourceful arts and culture professionals would not have produced such substantial results, especially in light of the challenges presented by such factors as shifting demographics and limited resources. But for all of the strengths, there also are challenges. Those identified by professionals, business people, and residents during the task force process are summarized in Table 4.

Not a Leader by Most Measures

The Valley has a growing arts and culture community with notable accomplishments. But, what appears to be remarkable when viewed in isolation pales when seen in comparison to the benchmark regions. The following section details how the Valley stacks up to the metropolitan regions of Atlanta, Austin, Charlotte, Denver, Indianapolis, Portland, Salt Lake City, San Diego, and Seattle. These regions were chosen for comparison because they are frequently listed as the Valley’s economic competitors. The Valley lags on nearly every standard measure of the total arts and culture sector. Data about the arts and culture sector is rarely as detailed as desired, but, there is no mistaking the comparatively negative position as shown in Table 5.
Sustained leadership is key to success

A diversified funding base is necessary and much is happening in the Valley's arts and culture community to address the weaknesses. For example, Alliance for Audience has been formed to be the conversion and visitor's bureau for arts and culture. This nonprofit group expects to spearhead joint marketing, develop cultural tourism, and increase arts participation.

Commitment Rich, But Resource Poor

At some point, commitment cannot make up for a lack of dollars. The Valley has significantly less arts and culture funding than other regions. According to data from the National Center for Charitable Statistics, the Valley's arts and culture organizations must cope with substantially smaller revenues than those in other cities. The Valley trails all of the other regions on per capita spending, for example.

This is not to say that corporations, foundations, local governments and residents in the Valley have neglected arts and culture. In particular, cities and residents have done much to create arts and culture as we know it today. For example, past Phoenix voter-approved bond funds created facilities such as the Orpheum Theatre. Of the Phoenix bonds approved in 2001 for arts and culture, $25.7 million is slated to be spent in 2004. In addition, voters gave the go-ahead for significant performing arts centers in Mesa and Tempe. These major facilities will come online within the next two years. Phoenix will be building a theater facility soon, while the West Valley is cooperatively launching a campaign to create a new West Valley Fine Arts Center. The key is that local government investments have been more for capital improvements, public art, facilities, and city-sponsored programs and events than for ongoing support of arts and culture organizations. These investments have paid off handsomely in getting the Valley to where it is today, and more benefits will come from the facilities under construction. However, facilities and municipal programs are only a part of the puzzle of how to foster and sustain arts and culture.

Less Employment, Fewer Establishments

Despite recent investments, the Valley has a smaller concentration of its employment in arts and culture compared to the nation and most of the benchmark regions, as well as fewer organizations. In fact, the Valley placed last in the number of arts and culture establishments per 100,000 residents. Thus, the Valley lacks the size and vibrancy of arts and culture organizations compared with most of the other regions.

Big Gaps to Bridge

The Valley has much upon which to build, but the needs are of a sobering size. For example, annual total revenues for arts and culture organizations in the region would have to more than double to reach the median per capita level for the benchmark regions. Arts and culture organizations in the Valley spend more time than their benchmark counterparts raising funds simply to stay in business. Their "fragile present" prevents the actions and initiatives that would bring them to the top of the benchmark regions. In fact, the task force called the gap between the Valley and other regions "unbridgeable" in the existing environment.

Lessons and Ideas from Benchmark Cities

The benchmark cities may be ahead of the Valley in various ways, but the trends that emerge from the research reveal some similar interests and struggles. For example, all of the benchmark cities share an emphasis on arts education and activities for children and families. In addition, increasing capacity to deliver quality and compete nationally for tourists and economic growth is a common thread. A movement toward cooperation and collaboration was evident, especially in marketing. Across these regions, civic and business leaders are beginning to store up and expand the many ways in which arts and culture serves the economy and the community. This has led to an increase in leadership for arts and culture development. However, reaching diverse and growing populations has been a common challenge, as has been coping with increased competition among a region's cities. Most important in most of the benchmark regions, the understanding of the contributions of arts and culture remains shallow despite significant traditions of arts and culture support.

Overall, the benchmark research provided the following lessons for the Valley:

- Sustained leadership is key to success
- Building support for arts and culture takes time and leadership
- The public and policy makers must know how arts and culture benefit the region and the economy before they will provide significant new support

Without A Doubt

The task force’s research has revealed that the knowledge economy will not slow down. The Valley’s arts and culture sector wants to achieve even more, but limited resources make that tough to do. Without changes, arts and culture will fall victim to the “unbridgeable gap.” The Valley’s business and civic leadership increasingly understands the economic development-arts and culture connection. So, can the Valley step up to the promise of arts and culture? The task force’s recommendations show that it is possible.

**TABLE 5: ARTS AND CULTURE REVENUES**

<table>
<thead>
<tr>
<th>Arts Area, and Humanities Organization Revenues, FY 2001</th>
<th>Total Revenues</th>
<th>Contributed Revenues</th>
<th>Per Capita Total Revenues</th>
<th>Per Capita Contributed Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro Area</td>
<td>($ millions)</td>
<td>($ millions)</td>
<td>($)</td>
<td>($)</td>
</tr>
<tr>
<td>Atlanta</td>
<td>298</td>
<td>134</td>
<td>70</td>
<td>31</td>
</tr>
<tr>
<td>Austin</td>
<td>79</td>
<td>42</td>
<td>60</td>
<td>32</td>
</tr>
<tr>
<td>Charlotte</td>
<td>128</td>
<td>68</td>
<td>83</td>
<td>44</td>
</tr>
<tr>
<td>Denver</td>
<td>258</td>
<td>125</td>
<td>119</td>
<td>58</td>
</tr>
<tr>
<td>Indianapolis</td>
<td>284</td>
<td>107</td>
<td>188</td>
<td>71</td>
</tr>
<tr>
<td>Phoenix</td>
<td>94</td>
<td>40</td>
<td>29</td>
<td>12</td>
</tr>
<tr>
<td>Portland</td>
<td>162</td>
<td>80</td>
<td>70</td>
<td>34</td>
</tr>
<tr>
<td>Salt Lake City</td>
<td>75</td>
<td>51</td>
<td>56</td>
<td>38</td>
</tr>
<tr>
<td>San Diego</td>
<td>143</td>
<td>66</td>
<td>50</td>
<td>23</td>
</tr>
<tr>
<td>Seattle</td>
<td>430</td>
<td>215</td>
<td>119</td>
<td>60</td>
</tr>
</tbody>
</table>

*Includes all contributed, earned, and grant revenues.

**TABLE 6: A LESSON LEARNED IS THAT ARTS AND CULTURE REQUIRES ATTENTION TO FOUR AREAS.**

<table>
<thead>
<tr>
<th>Ingredients for Arts and Culture from Benchmark Cities</th>
<th>Leadership</th>
<th>Sustained Funding</th>
<th>Arts and Culture Distinction</th>
<th>Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td>Funders</td>
<td>Individuals, events, and venues</td>
<td>Signature programs</td>
<td>Arts education</td>
</tr>
<tr>
<td>Advocates among public, business, and policy makers</td>
<td>Corporations</td>
<td>Broad variety of offerings</td>
<td>Branding</td>
<td></td>
</tr>
<tr>
<td>Strategic thinking</td>
<td>Foundations</td>
<td>Arts and culture districts</td>
<td>Marketing</td>
<td></td>
</tr>
<tr>
<td>Alliances</td>
<td>Public</td>
<td>Historic districts</td>
<td>Tourism</td>
<td></td>
</tr>
<tr>
<td>United arts campaign</td>
<td>“Venture” projects</td>
<td>Outreach</td>
<td>Diversity</td>
<td></td>
</tr>
</tbody>
</table>

Most arts and culture studies look at organizations. University of Minnesota scholar Ann Markuson looks at the issues by occupational data. For example, how many artists, designers, and architects do various metro areas have? In a March 2004 study of artistic concentrations in the 29 largest metro regions, the Phoenix region is 18th. Among the benchmark regions included, Seattle ranks 5th, San Diego 9th, Portland 11th, Atlanta 12th, and Denver 21st.

**PHOTO COURTESY OF BALLET ARIZONA (TIM FULLER)**
The Only Choice: Leadership, Vision, and a Plan for Arts and Culture

The Maricopa Regional Arts and Culture Task Force adopted the following vision and mission to be used to initiate an intense period of development for arts and culture.

VISION – The Valley is a center of creativity renowned for the distinctiveness of arts and culture experiences that contribute to the region’s economy, showcase the vibrancy of a large, growing urban area, and reflect the region’s uniqueness.

To achieve this vision, the region should:
> Take action to become a showcase for arts and culture as it improves our region and enhances economic development
> Fall further behind in providing an environment in which the knowledge economy will flourish, thus harming arts and culture, the emerging bioscience sector, education, and every field that depends on innovation

Given that we – collectively – have already decided to compete for our share of the knowledge economy and arts and culture plays a big part in the contest, the choice is obvious. The Valley must become a:
> Center of creativity known for its distinctive arts and culture experiences and opportunities
> Place where residents of all ages and from all walks of life are educated, inspired, and excited by arts and culture
> Metro area where arts and culture contributes continually to the region’s economic development

A Regional Vision and Mission for Arts and Culture

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Task Force Recommendations

RECOMMENDATION: CREATE A REGIONAL ARTS AND CULTURE PARTNERSHIP

The task force believes that establishing a regional private, nonprofit organization is a critical first step to achieving the mission and vision. The partnership will:
> Advocate for support for arts and culture in the Valley
> Promote arts and culture and position it in the Valley’s economic priorities
> Build political and business support for arts and culture
> Develop public and private sector funding for arts and culture
> Create partnerships and collaborations in arts and culture

RECOMMENDATION: IMPLEMENT STRATEGIES AND ACTIONS TO ACHIEVE THE MISSION AND VISION

Recommended Strategies and Actions

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRATEGY 1. Integrate arts and culture into economic development at all levels.</td>
<td>&gt; Maintain, reinforce, and refine a business case to integrate arts and culture into regional economic development</td>
</tr>
<tr>
<td></td>
<td>&gt; Make arts and culture opportunities part of travel and tourism promotion</td>
</tr>
<tr>
<td>STRATEGY 2. Significantly enhance participation in arts and culture activities.</td>
<td>&gt; Launch a major branding and marketing campaign to raise the visibility of arts and culture that is sustained over a period of time</td>
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<td></td>
<td>&gt; Establish a regional program to support initiatives aimed at growing audiences, developing new products, and reaching new markets</td>
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<tr>
<td></td>
<td>&gt; Support a regional Web portal to provide access to information on the region’s arts and culture programs, plans, opportunities, and events</td>
</tr>
<tr>
<td>STRATEGY 3. Build regional distinction for arts and culture.</td>
<td>&gt; Invest in partnership activities to create signature programs and venues that enhance regional distinction and visibility and attract tourists</td>
</tr>
<tr>
<td></td>
<td>&gt; Encourage the development of vibrant arts and culture districts that integrate arts and culture organizations and artists into community revitalization and economic development initiatives</td>
</tr>
<tr>
<td></td>
<td>&gt; Develop nationally recognized annual events to showcase the region’s arts and culture community, such as a multifaceted festival</td>
</tr>
<tr>
<td>STRATEGY 4. Integrate arts and culture into education at all levels.</td>
<td>&gt; Increase opportunities for collaboration among arts and culture organizations, public and private entities and the region’s education systems to build new audiences now and in the future</td>
</tr>
<tr>
<td></td>
<td>&gt; Support efforts to educate leaders about the value of arts and culture in creating an educated workforce</td>
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<td></td>
<td>&gt; Provide more training opportunities for teachers in arts and culture in professional development</td>
</tr>
<tr>
<td>STRATEGY 5. Identify and secure dedicated funding resources.</td>
<td>&gt; Gain the cooperation and approval of business, community, government, and nonprofit organizations and the public at large</td>
</tr>
<tr>
<td></td>
<td>&gt; Analyze funding sources that will provide $30-50 million annually</td>
</tr>
<tr>
<td></td>
<td>&gt; Seek a variety of public mechanisms to complement existing private sources</td>
</tr>
</tbody>
</table>

SOURCE: MARICOPA REGIONAL ARTS AND CULTURE TASK FORCE.
Moving Forward
The task force established a work plan with three phases.

WITHIN TWO TO THREE YEARS

1) INITIAL ORGANIZING ACTIVITIES –
Planning for the Regional Arts and Culture Partnership is underway. In addition, the task force recommendations will be communicated to the region’s stakeholders, leaders, and residents.

2) IMPLEMENT THE AGENDA –
During this same time frame, the partnership will focus on identifying options for sustained funding, supporting an arts and culture information portal and initiating projects to advance the strategies. Particular effort will be devoted to establishing alliances with tourism, commerce, and economic development organizations. Dollars for arts and culture have to be a major focus for the partnership. In identifying options for sustained funding, the task force noted a variety of sources used by other regions:

- Workplace giving
- Special license plate
- Retail sales tax
- Hotel-motel tax
- Secondary property or special district levy
- United Arts campaign
- Tax incentives
- Endowments
- Real estate transfer tax
- Impact fee

The task force recommends that these and other sources be studied in depth and a multisource strategy prepared.

WITHIN FIVE YEARS

3) FULLY FUNDED, FULLY SUPPORTED ARTS AND CULTURE –
This phase will include the establishment of a “venture” fund for arts and culture organizations and support the creation of more signature activities. In addition, a dedicated funding source for arts and culture organizations will be secured.

What Gets Measured, Gets Done

The region’s success with arts and culture will be seen and felt in many ways. Be that as it may, the task force wants to ensure that concrete measures are adopted to track progress. The task force recommends the following items as initial metrics:

- Ensure the Regional Arts and Culture Partnership is in place and fully functioning by 2005
- Expand the number of cultural tourists in the region by 10 percent by 2006
- Increase attendance at arts and culture events by 25 percent by 2006
- Have a dedicated funding source for arts and culture established and providing funds by 2008
- Increase per capita spending on arts and culture to the national average by 2010

Arts and Culture for a Knowledge Economy: Clear, Essential, and Possible Now

Vibrant Culture – Thriving Economy has presented the business case for arts and culture and a concrete plan and timetable for moving forward. Of course, making the vision a reality will require the effort and commitment of many leaders, residents, and arts and culture professionals. This report lays the foundation for substantial progress – just in time. Arts and culture cannot wait because our economy will not wait.

For further information about the Maricopa Regional Arts and Culture Task Force, see www.flinn.org or www.pipertrust.org or call 602-744-6809.

1 Ellis, Adrian. The Arts in Arizona, 2002.
2 Ries, Al. The 22 Immutable Laws of Branding, p.49.

EXAMPLES OF DEDICATED SOURCES OF FUNDS FOR ARTS AND CULTURE

- Denver – A retail sales tax generates more than $37 million annually for scientific, cultural, and arts organizations
- San Diego – A hotel-motel tax produces $9.5 million each year for arts and culture organizations
- Charlotte – A united fundraising campaign nets $9 million per year for science and arts and culture organizations
- Salt Lake City – A retail sales tax provides $15.5 million for recreational facilities, botanical, cultural, and zoological organizations