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Arts and Culture Means Business in East Central Minnesota

New Study Shows Strong and Growing Impact of Nonprofit Arts and Culture on East Central Minnesota's Economy

SAINT PAUL, MN: We have known for a long time that the arts and culture are important to East Central Minnesota. They enhance our quality of life, bring diverse communities together, and make our area a magnet for jobs and businesses. A new study was released today by East Central Minnesota Regional Arts Council and Minnesota Citizens for the Arts that shows that, in addition to contributing to our state's excellent quality of life, the nonprofit arts and culture sector is also a substantial industry in East Central Minnesota generating **nearly \$10 million dollars in total economic impact annually.**

As the most comprehensive report ever done of the creative sector, *Creative Minnesota* is a new effort to fill the gaps in available information about Minnesota's cultural field and to improve our understanding of its importance to our quality of life and economy. It kicks off a new centralized, concentrated effort to collect and report data on the creative sector every two years for analysis, education and advocacy. All of the research developed by the *Creative Minnesota* team will be available at creativemn.org.

Creative Minnesota: The Impact and Health of the Nonprofit Arts and Culture Sector found that **30 nonprofit arts and culture organizations support the equivalent of 172 full time jobs** in East Central Minnesota. Over **223,072 people attend** nonprofit arts and cultural events annually in the region.

Creative Minnesota is a snapshot of the health and impact of nonprofit arts and culture organizations in 2013 and looks at their spending and their audiences as well as other indicators of the sector's health and impact on the economy. **East Central Minnesota is "punching above its weight" in terms of local economic impact. While the region was 8th ranked in population in 2010 among the eleven regions studied, it ranked 7th in size of its economic impact from the arts and culture. It also has the highest overall per-person average attendee spending at \$25.68 above the cost of the ticket.**

The most recent comparable statewide economic impact study of the arts and culture sector was 2006's *The Arts: A Driving Force in East Central Minnesota's Economy*, conducted just before the Great Recession and also just before the Legacy Amendment was passed in Minnesota. The Legacy Amendment created dedicated funding for the arts and culture as well as for conservation. **The new report showed a growth in the economic impact of the arts and culture in this region of over \$1.4M since the last report, in addition to an increase in attendance of over 39,000 people since 2006.**

Sheila Smith, Executive Director of Minnesota Citizens for the Arts, said “It is a testament to how much Minnesotans care about arts and culture that, although Minnesota is just now crawling out of the Great Recession, the nonprofit arts and culture sector seems to have shown resilience and even growth in this period.”

Mary Minnick-Daniels, Executive Director of the East Central Arts Council said, “The arts in East Central Minnesota have a deep influence on our quality of life! The arts have measurable impact. When people attend or produce art or arts events they spend money and support our local economy. In fact, often artists here are small business owners. The arts are truly a business that impacts all of East Central Minnesota. This study shows the impact of people engaged in arts events and art making which leads to vital economic growth and development. Not only do the arts play a critical role in stimulating creativity and in developing vital communities, they also are important for discovery, learning, and achievement.”

Local legislator Tony Lourey of Kerrick was impressed by the strength of the arts impact on local economies. “A thriving arts community makes a thriving town, a thriving region, and a thriving state. Every playwright, actor, potter, guitarist, jeweler, knitter, painter, carver, dancer – as well as every audience member, every customer, and every supplier – give and receive mutual benefits. The arts encourage both work and play, and they promote cultural and economic vitality for our East Central region and all Minnesota.”

“There are many art opportunities in our region that add to the economic vitality,” said Nancy Hoffman, Executive Director, Chisago County HRA-EDA, A Natural Resource for Business. “The arts attract people to the region that are purchasing art, eating in restaurants, and shopping at our local stores. One event that has a large impact on our local economy is the St. Croix Valley Pottery Tour. The tour consists of seven sites and 54 potters. It brings in thousands of people that are purchasing pottery as well as other local goods and services. Just as important as the economic impact is the culture and quality of life arts provide for the residents.”

“The arts are a powerful agent of community change; what was once considered radical in Pine City now has its place in the plans and policies that serve our community,” said Nathan Johnson, Community Development Director, City of Pine City. “A part of our pursuit is to enhance our emerging reputation as a small-town arts destination. What the arts do in Pine City is allow us to escape our small town, if but for a moment, without leaving home.”

Jolene Foss, Community Development Director of the City of Princeton said, “Beautification, learning opportunities and hometown pride are just three of the uniquely beneficial qualities that can be seen and felt by incorporating the arts into our community...As we continue to foster a strong art presence, we know that this will in turn spur economic development and make this small town an “Art Destination.”

Creative Minnesota was developed by a collaborative of arts and culture funders in partnership with Minnesota Citizens for the Arts (MCA). The report leverages new in-depth research made possible because of Minnesota’s participation in the **Cultural Data Project** (culturaldata.org).

“We hope that arts advocates, legislators, local government officials and arts and cultural organizations will use this report to find new ways to improve their lives and economies with arts and culture,” said Sheila Smith, Executive Director of Minnesota Citizens for the Arts.

The *Creative Minnesota* team includes **Minnesota Citizens for the Arts, The McKnight Foundation, the Minnesota State Arts Board, the Forum of Regional Arts Councils of Minnesota, Target, the Bush Foundation, Mardag Foundation, and Jerome Foundation**, with in-kind support from the **Minnesota Historical Society** and others.

Kate Wolford, President of The McKnight Foundation said, “Like other entrepreneurs and small business owners, artists add significant economic and creative value across the entire state. Backed by hard data, *Creative Minnesota* reveals important truths about how our state’s artists and arts and culture organizations are making dynamic contributions to our economic vitality and to our high quality of life.”

The report references data about **30 arts and culture organizations** in East Central Minnesota: including: Audubon Center of the North Woods; Braham Pie Day; Cambridge Center for the Arts; Center City Opera Company; City of Milaca; City of Onamia; Depot Studios; East Central Minnesota Chorale; East Central Regional Arts Council; Elim Oasis Adult Day Health Center; Franconia Sculpture Park; Isanti County Historical Society; Kanabec County Art Association; Kanabec History Center; Milaca Area Historical Society; Milaca Fine Arts Council; Mora CAPP-Comprehensive Arts Planning Program; Mora Vasaloppet; Northern Exposures Photography Club; Old School Arts Center; Onamia Area Friends of the Library; Onamia Community Education; Paradise Community Theatre; Performing Arts Committee District 911 Community Education; Pine Center for the Arts; Pine City Arts Council, Princeton Area Visionary Committee; St Croix Valley Potters Tour; We R Able; and Wyoming Area Creative Arts Community.

Caveats

This study did not analyze the reason for the growth in the sector between 2006 and 2015. The growth is likely a combination of factors:

- Overall growth of these numbers since 2006 was driven in large part by the addition of hundreds of new small and medium organizations to the study. However, it may also reflect increased public funding for arts & culture, growth of organizations’ individual impact or the addition of new organizations to the sector.
- It is important to note that the Cultural Data Project (CDP), which was the source for about a third of the data about participating arts organizations in 2015, did not exist in 2006. The CDP gives us much more detail on the economic activities of nonprofit arts & culture organizations than we had in the past.
- In addition, more nonprofit arts & culture organizations participated in this new study, not only because of the existence of CDP but also because it includes grantee data from the Minnesota State Arts Board (MSAB), Regional Arts Councils (RACs), and Minnesota Historical Society (MHS), and the previous study did not.
- It is notable that the Arts and Culture Fund of the Legacy Amendment, passed by voters in 2008, also came into play during this period, which has increased the number and type of grantees from the MSAB and RACs by 75% (from 1219 in 2008 to 2139 in 2012), and also increased the grants made by MHS. Separate from this study, it has been confirmed that attendance at arts events funded by the Minnesota State Arts Board and Regional Arts Councils has increased by 21% (from 10,421,608 attendees in 2008 to 12,612,314 in 2012) since the passage of the Legacy Amendment (*source: Minnesota State Arts Board*).

Notes on the Cultural Data Project and other Sources:

This research was made possible by the state’s participation in the **Cultural Data Project**, www.culturaldata.org/ which is a web-based data system utilized by arts and culture grant makers in thirteen states and the District of Columbia. Many public and private grant makers in Minnesota require some or all of their arts and culture grantees to submit data to the CDP. Most CDP data is financial, though it includes information about services provided, numbers of participants, staffing and volunteers as well. CDP data in this report is from 298 arts nonprofits as they reported it to the CDP.

The CDP data was supplemented by the responses of 396 arts and culture nonprofits to a brief online financial survey and by 575 organization’s grantee data provided by the Minnesota State Arts Board, Regional Arts Councils and the Minnesota Historical Society. In addition, 3410 audience members completed a survey at arts and culture events around the state. Additional information came from the National Endowment for the Arts, the Tourism Marketing Council, Explore Minnesota, the Minnesota Department of Education and others.

Americans for the Arts (AFTA) was commissioned to calculate the economic impact research portion of this report as part of *Arts & Economic Prosperity® IV: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the State of Minnesota*, Americans for the Arts, 2014 and the associated eleven regional Minnesota studies, which can be downloaded at creativemn.org. Additional data analysis was done by CliftonLarsonAllen using the data sources cited above.

The Legacy Amendment

The Legacy Amendment was passed by a statewide vote of the people of Minnesota in 2008 to dedicate a portion of the state’s sales tax to create four new funds for 1. land conservation, 2. water conservation, 3. parks and trails, and 4. arts and culture. The legislature appropriates the dollars from the Legacy Arts and Culture Fund to the Minnesota State Arts Board, Regional Arts Councils, Minnesota Historical Society and other entities to provide access to the arts and culture for all Minnesotans.

Sponsoring Organizations

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- **Minnesota Citizens for the Arts (MCA)** is a statewide arts advocacy organization whose mission is to ensure opportunity for all people to have access to and involvement in the arts. MCA organizes the arts community and lobbies the Minnesota State Legislature and Congress on issues pertaining to the nonprofit arts and conducts original research. MCA works with over 40,000 arts advocates in Minnesota. 651-251-0868, www.mncitizensforthearts.org @MNCitizen.
- **The McKnight Foundation:** www.mcknight.org
- **Target:** <https://corporate.target.com/corporate-responsibility>
- **Bush Foundation:** www.bushfoundation.org
- **Mardag Foundation:** <http://www.mardag.org/>
- **Jerome Foundation:** <http://www.jeromefdn.org/>
- **The Minnesota State Arts Board:** <http://www.arts.state.mn.us/>
- **Forum of Regional Arts Councils of Minnesota:** <http://www.arts.state.mn.us/racs/forum.htm>
- **Minnesota Historical Society:** <http://www.mnhs.org/about>
- **Ideas that Kick:** www.ideasthatkick.com
- **Americans for the Arts:** www.AmericansForTheArts.org

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