



December 10, 2019

TO: Members of the Rural Economic Development Working Group

FROM: Karen Mittelman, Executive Director, Vermont Arts Council
Amy Cunningham, Deputy Director, Vermont Arts Council and coordinator of Vermont Creative Network

RE: Testimony on the Creative Sector and Rural Economic Development

Thank you for this opportunity to present ideas and data about the importance of the arts, creativity, and innovation to Vermont's economic future.

A growing body of research tells us that the creative sector - the people and businesses that produce and distribute creative products and services - provides a powerful springboard for economic growth. Nationwide, arts and culture-related industries contribute more to GDP than agriculture or transportation, and growth in the sector outpaces overall economic growth. There is also mounting evidence that creative enterprises are particularly critical to the economic viability of rural states like Vermont. A report released earlier this year by the National Governors Association called on rural states to invest in arts and culture as drivers of economic change. (*Source: [Rural Prosperity through the Arts and Creative Sector: A Rural Action Guide for Governors and States](#), National Governors' Association, Jan. 2019*).

There is a particularly compelling case to be made for the power of the creative economy in Vermont, where creative industries and jobs provide a substantial share of all employment.

- Creative industries provided 30,404 jobs across the state in 2018.
- Vermont has a higher share of jobs in creative industries (7% of all employment) than the average across the United States. The majority of those jobs are in Design, Specialty Foods, and Visual Arts and Crafts.

(*Source: Report from Mt. Auburn Associates to the Vermont Arts Council, 2019*)

By many indicators, the concentration of creative talents and businesses that Vermont offers is impressive for a small, rural state. At a time when our communities face formidable economic and demographic challenges, the creative economy offers powerful solutions.

- **Art and culture attract young people** who are vital to Vermont's future. Millennials spend more on arts and cultural experiences than other demographic groups, and look for places to live that offer vibrant downtowns.
- **The arts drive tourism.** 70% of visitors who come to Vermont for a world-class music festival, dance performance, or museum exhibit say it was their primary purpose for visiting.
- Vermont's arts and culture industry leverages \$44 million in event-related spending. When people attend a cultural event, they also eat dinner in local restaurants, pay for parking, buy gifts and souvenirs, and stay overnight in a hotel.

(Source: *Arts and Economic Prosperity 5*, Americans for the Arts, 2015)

Research completed by the Vermont Creative Network on the state's creative economy demonstrates that Vermont's dynamic creative sector is already a strong driver of economic growth. It also tells us that there is significant untapped potential in the sector – in other words, Vermont's creative economy requires a boost in order to continue to grow.

Critical needs in the sector include: nurturing entrepreneurship and creative skills; aligning education and training with available creative-sector jobs; connecting artists to broader markets; and encouraging partnerships and synergy between creative businesses and other economic sectors.

More broadly, our research suggests that creativity and artistic innovation should be positioned at the heart of Vermont's identity and our vision for the future of our state.

A Vision for Vermont's Creative Economy:

Creativity and innovation are the heart of the "Vermont brand," attracting tourists and new residents, creating jobs, and advancing economic growth.

❖ **Marketing creativity.**

Vermont's flourishing creative economy has enormous potential to drive tourism, when promoted through a coordinated statewide marketing campaign. Our reputation for creativity and innovation should be recognized as part of what defines Vermont's identity, and attracts creative entrepreneurs and young people to our state.

❖ **Investing in creative enterprises and individuals.**

Nearly 50% of Vermont's creatives are self-employed or freelancers. Many exceptional Vermont artists and creative businesses lack the resources to secure a broad market reach. With additional investment, Vermont-made creative products can reach more consumers in Vermont, throughout the New England region, and nationwide. Economic incentives are needed to encourage development and to sustain creative enterprises such as makerspaces, arts guilds, and galleries.

The Space on Main, a non-profit co-working space in Bradford, opened in October 2018 and welcomed over 2,300 people in the first 4 months. It now attracts an average of 500 people per month and supports 18 co-working members and a fully-booked art gallery. Enterprises like this forge the conditions and community spaces where arts and creative businesses thrive, attracting younger residents and deepening economic investment, both key to sustaining Vermont communities.

❖ **Leveraging cross-sector intersections/partnerships to amplify economic development.**

Strong, profitable connections can be forged between creative businesses and other sectors of Vermont's economy (such as agriculture/food production and outdoor recreation).

Cross-sector partnerships are also essential to support production of signature community-based arts events (for example, a concert series in partnership with local trail networks that features local food trucks, breweries/dispensaries and artisan vendors).

Statewide networks are needed to support and sustain active communication and resource-sharing among Vermont's far-flung creative businesses and organizations.

One impressive example of partnership and resource-sharing is in the NEK, where Catamount Arts (based in St. Johnsbury) brought its mobile stage to 33 events this summer, engaging 45,000 people in arts performances in places across the region that lack arts venues.

❖ **Educating, training, and supporting emerging entrepreneurs.**

Vermont's educational system should support and nurture entrepreneurship and creative skills, meeting employers' needs for innovative thinkers and creative talent. High schools, Career and Technical Education centers, and colleges are not yet providing creative sector-related art and design skills matched to the workforce needs of Vermont's businesses. Art and graphic design, for example, might be fully integrated into Technical Education curricula; culinary arts skills would meet current workforce needs in the restaurant industry.

Co.Starters programs to provide support and resources for aspiring entrepreneurs have been successfully launched at two locations in Vermont. In Burlington, Generator offers a Co.Starters track specifically for artists and creatives. Investment in successful models like these is critical to turn promising arts-related business ideas into reality.

Strategic investment can make a difference.

Both public and private sources of funding need to be mobilized to achieve this vision.

Successes from other states offer possible models for Vermont:

- In Montana and Nebraska, state governments have invested in "art entrepreneurs" and makerspaces at rural libraries, boosting sales of artwork and promoting local economic development;

- Mississippi and Virginia established cultural heritage, art and music trails that inspire tourism;
- In Louisiana and Colorado, state legislation led to certified "creative districts" to target investment in cultural enterprises; and
- Many states have mobilized community colleges as anchors for arts-related career training.

Conclusion

Arts and culture build the infrastructure for healthy, vibrant communities where people want to live, work, and raise their families. Vibrant arts institutions and cultural experiences—grounded in the authentic character of our towns and villages—are key to attracting younger residents, strengthening our communities, and securing Vermont’s economic future.

Attachments:

Rural Prosperity through the Arts and Creative Sector: A Rural Action Guide for Governors and States https://www.nga.org/wp-content/uploads/2019/01/NGA_RuralArtsReport.pdf.

Building on a Legacy of Creativity: Understanding and Expanding the Creative Economy of the Northeast Kingdom (Report to the Vermont Arts Council and the Vermont Creative Network, December 2018)

Full report:

[https://www.vermontartscouncil.org/uploads/Vermont%20Creative%20Network/Resources/Research/201901NEK_C.E.REPORT2.12.2019\(2\).pdf](https://www.vermontartscouncil.org/uploads/Vermont%20Creative%20Network/Resources/Research/201901NEK_C.E.REPORT2.12.2019(2).pdf)

Executive summary:

https://www.vermontartscouncil.org/uploads/Vermont%20Creative%20Network/Resources/Research/NEK_executive_summary_041219.pdf