

## Create Jobs

STRATEGY 1 IS ABOUT CREATING JOBS via the development of arts and culture as a productive economic sector and as one that stimulates other enterprises. Successful programs treat artists and small cultural organizations as businesses and microenterprises that increase employment.

The arts and culture sector—most often associated with nonprofit organizations large and small, and a wide range of individual practicing artists—has not generally been considered a major contributor to the U.S. economy. However, this sector makes up a significant industry and a larger and far more influential portion of most communities' workforce than previously understood. When recognized and nurtured as small business enterprises, individual artists and nonprofit cultural organizations provide significant employment in our communities.

The small business sector in the United States accounts for more than half of all private sector employees. Small businesses are growing faster than large firms, creating three-quarters of the new jobs. They're also more innovative, producing thirteen to fourteen times more patents per employee than large firms.\*

The number of artists drawing all or part of their living from their artistic work is virtually impossible to ascertain. In 1970, the Bureau of Labor Statistics estimated that there were 730,000 artists in the United States; by 2001, that estimate had risen to more than two million.<sup>32</sup> Since many working artists operate "under the radar" and are not counted by either the Small Business Administration or the Bureau of Labor Statistics, these figures are likely even higher.

In a 2002 study by Americans for the Arts, it was estimated that the country's nonprofit arts industry generates \$134 billion in annual economic activity.<sup>33</sup> This places nonprofit arts among the top ranks of national industries, drawing more audience participation and expenditures than professional sports, among others. Significantly this study covers only formal nonprofit organizations, not individual artists or related fields such as design, media production, or any "informal arts" activities that take place outside institutional settings.\*\*

Small businesses play a number of important roles in the economy, serving local and niche markets for products and services, employing half of private sector workers, including many young, old, female, and minority workers, and creating most of the net new jobs.

—U.S. Small Business Administration<sup>31</sup>

\* According to the Small Business Administration, Office of Advocacy, 2.5 million of the 3.4 million jobs created in 1999 and 2000 were among small businesses. An estimated 16.5 million sole proprietorships were active in 2000. Of all small businesses, 53 percent are home-based, while only 3 percent are franchises. [www.sba.gov/advo/stats/sbfaq.html](http://www.sba.gov/advo/stats/sbfaq.html).

\*\* For a detailed study of the high degree of participation in "informal arts" taking place outside nonprofit or formal organizations, see Alaka Wali, *The Informal Arts in Chicago: Finding Cohesion, Capacity and Other Cultural Benefits in Unexpected Places* (Chicago: The Center for Arts Policy, Columbia College, 2003).

Artists are pure entrepreneurs, creating unique products and services that have value well beyond the raw materials used. They work in all corners of the country, yet they rarely rely on business plans, investors, operating policies, or marketing campaigns.

Whether artists and their work are the cause or effect of robust economies, as economists have argued, is a less important distinction. It's not an either-or scenario. The potential of artists and arts organizations to create jobs and an environment supportive of innovation is evident in both arguments.

The examples that follow are but two of many. The first resulted from a strategy devised by two Pittsburgh community development corporations that set out to revitalize a nearly abandoned commercial corridor. As legendary urbanist Jane Jacobs said, "New ideas must use old buildings."<sup>34</sup> And old buildings were something this neighborhood had in abundance. These CDCs also found that creative entrepreneurs were in no short supply, and they went about matching the two.

The second example is an effort launched by a city agency in San José, California, to professionalize and stabilize nascent arts activities for the purpose of serving, engaging, and motivating the city's culturally diverse and talented workforce.

## STRATEGY ①

### Create Jobs

#### Nurturing Artist Enterprises

#### *The Penn Avenue Arts Initiative, Pittsburgh, Pennsylvania*

[www.pennavenuearts.org](http://www.pennavenuearts.org)

#### The Setting

Penn Avenue transects the residential neighborhoods of Friendship and Garfield about four miles east of downtown Pittsburgh. For decades it was a bustling connection between two of the busiest shopping districts in western Pennsylvania: Downtown Pittsburgh and East Liberty. Both centers lost their edge to outer developments during the 1960s and '70s. As jobs in the mills and foundries disappeared, household purchasing power diminished and the number of retail businesses that once lined Penn Avenue drastically decreased. The avenue was also a boundary between African American and White residential neighborhoods—less of a main street or meeting ground than a service area for passersby.



By 1980, population flight to other cities and suburban neighborhoods further weakened the viability of the businesses that remained. More than fifty small retail shops and services gradually closed their doors. Corner bars gave way to open-air drug trafficking and other illicit activity. The strip of two- and three-story mixed residential and business properties was nearly vacant when two CDCs turned their attention to the area.

### Organization Type/Description

The Penn Avenue Arts Initiative (PAAI) is a partnership between two non-profit community development corporations—the Bloomfield-Garfield Corporation and Friendship Development Associates, Inc. Launched in 1998, PAAI expresses a development strategy that intertwines neighborhoods, commercial areas, and cultural projects. It is driving the redevelopment of a culturally diverse district and creating an economic engine working with two distinct neighborhoods and a largely vacant commercial corridor.

### Mission or Statement of Purpose

After surveying the corridor during the late 1990s, the two partnering CDCs discovered the area was already home to a surprising number of artists and fledgling arts organizations, most of whom had moved in unheralded. PAAI was designed to build on these assets and transform a twelve-block strip of Penn Avenue into a quirky, thriving multicultural street with artists, arts organizations, arts-related businesses, ethnic restaurants, and neighborhood-serving businesses.

### Goals and Strategies

The organization enhances public perception of the district, instills pride in the neighborhood, fosters inter- and intracommunity ties, and establishes an artists' niche. It helps artists and nonprofits create viable enterprises that, in turn, support a variety of other businesses and result in an economically vibrant commercial and residential corridor. Key strategies include the following:

- Increase the number of artists who own live/work spaces
- Support the purchase and renovation of properties to make them more accessible to artists
- Attract and support artists, cultural groups, and arts-related activities
- Empower local youth by encouraging artists to engage them in arts-related projects
- Make decision makers and investors aware of the burgeoning activity by hosting tours
- Encourage civic engagement by mobilizing neighborhood volunteers for PAAI committees and other civic activities
- Attract and support new midsize “anchor” arts organizations

### *Snapshots*

#### **The Penn Avenue Arts Initiative**

*Pittsburgh, Pennsylvania*

#### **Setting**

A commercial and service corridor lined by vacant mixed-use properties

#### **Community Assets**

- Two established community development corporations
- Existing artist population
- Several small arts organizations

#### **Strategies**

- Form a partnership between community development corporations and artists and arts groups
- Develop financial products and incentives to encourage investment in artist live/work spaces and community arts groups
- Develop cultural activities to show off artwork and attract visitors

#### **Outcomes**

- Seventy-three new arts-related jobs
- Eighteen new arts businesses
- \$6.5 million in arts-related private investment
- New property, sales, and income tax revenues
- Percentage of local artists rose from 2 percent to 16 percent

**C**omplementing this renaissance has been the emergence of ethnic restaurants and a coffee-house, which feed off of the energy that a younger audience wants in its urban culture. Also, a National City Bank branch office returned to Penn after an eight-year hiatus.

— Shop Mainstreets  
Pittsburgh<sup>35</sup>

- Develop public arts projects to distinguish the district and leverage artist involvement in infrastructure reconstruction

### General Description of Activities

Using multiple financing tools, PAAI first stabilized existing artist live/work spaces and helped develop and upgrade facilities for nonprofit arts groups. Such tools are generally as alien to artists and small nonprofit arts groups as performance art is to mortgage brokers. Versed in both areas, Jeffrey Dorsey, arts district manager, has “translated” or acted as an intermediary to provide business and financial help to artists.

Recognizing that Penn Avenue has to be more than a place where artists come to create, PAAI both promotes existing activities and develops a variety of festivals and events throughout the year. These not only attract residents from across the city and region but also provide incentive for artists, residents, and businesses to work together. PAAI draws from the strengths of Penn Avenue’s anchor arts businesses—Pittsburgh Glass Center, Dance Alloy, and Garfield Artworks—as well as from the many small arts studios on or adjacent to Penn Avenue. The area’s emerging vitality is not just in the creative work taking place there but in the interactions of individuals of diverse social, racial, and economic backgrounds. Among the activities developed are

- An artist loan and grant fund
- A weekly e-mail news listing of available buildings, cultural events, classes, jobs, calls for volunteers, and community meetings
- Micro-grants to pay artists to engage neighborhood youth in meaningful activities
- A studio/gallery opening event on the first Friday of each month to highlight artists, arts studios, galleries, and activities on the avenue
- An annual community arts festival with hands-on activities for children, live performances, vendors, displays, and other activities that attract art buyers and families from a wider area

Among PAAI’s proudest accomplishments are the spectacular studio, rehearsal, and office spaces for the Dance Alloy Company, and the stunning 16,000-square-foot facility for the Pittsburgh Glass Center. By 2004, more than thirty artist-owned studios, twenty artist-rented studios, and several small performance and exhibition spaces had sprung up along the avenue. It is emerging as the kind of bohemian environment that Richard Florida, guru of creative communities, points to as essential to a city’s ability to be economically competitive. In the chicken-or-egg conundrum of whether the artist or the bohemian environment came first, PAAI is building upon the existing artist population while attracting more residents and visitors who spend money locally at the increasing number of cafes, restaurants, and shops.



A once largely depopulated commercial corridor is now thriving as a desirable destination and place to live and work.

### Assets Employed

- Presence of artists and small and midsize arts groups
- Vacant mixed-use building stock suitable for retail, light industry, and housing
- Expertise of two established CDCs
- Growing public interest in edgy artistic and culturally active neighborhoods
- A variety of financing and small business development tools
- Increasing need among artists for inexpensive and versatile live/work space

### Direct Outcomes

Between 1998 and mid-2004, PAAI recorded

- Forty-nine artists relocated to the area
- Seventy-three new arts-related jobs created in small nonprofits, sole proprietorships, small fabrication shops and others
- Stabilization of several nonprofits through property ownership
- Five arts organizations started in or relocated to the avenue
- Eighteen new arts businesses established
- Space totaling 127,991 square feet put to use for arts activities
- Forty-seven new studio spaces created, used by 278 artists
- More than \$6.5 million in private investment leveraged in arts enterprises
- A growing number of new retail and services businesses
- Physical rejuvenation of declining mixed-use area
- Nearly \$5 million in additional investments scheduled

### Indirect and Potential Impacts

- Development of a more socially active commercial corridor
- Expanded regional trade and tourism stimulated by ongoing arts events and annual festivals
- Increased property, sales, and income tax revenues
- Interaction between neighborhoods with mixed cultural, racial, and socio-economic backgrounds
- Development of a more stable and civically engaged community with increased local property ownership
- Enhanced neighborhood safety as a result of increased activity and upgraded property condition



After working on PAAI renovation projects, Loysen + Kreuthmeier Architects purchased this building and will move their business to Penn Avenue. PAAI works with businesses and potential building owners to obtain a sales agreement, renovate the property, and encourage visitors to the area.