

Artful Business: Using the Arts for Community Economic Development

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Abstract

Communities across the United States are integrating the arts into their development efforts. Emerging as a viable approach, community development based on the arts is increasingly being recognized as a catalyzing force. This article presents a typology of arts-based community development approaches: arts business incubators, artist's cooperatives, development of tourism venues, and comprehensive approaches. Five community vignettes illustrate the different approaches, providing evidence of the effectiveness of arts-based development. Considerations for communities include the need to be flexible and creative in implementing programs as well as the overriding need to form a strong basis of support for the arts.

Keywords

Arts-based community development; cultural resources; arts business incubators; cooperatives; community participation

Introduction

Only recently accepted as congruent concepts are the arts as an industry and as an economic development strategy. Throughout history as reflected in urban design, the arts have been integrated into communities. Now, it is viewed as an element to create an environment – “the city as an art object” (Goodey, 1994, p. 155). In the United States, communities are finding that the arts can play a crucial and valuable role in their local community economic development efforts. The resulting effects are both indirect and direct. Indirect effects of arts-based community development approaches are inherently acceptable: amenities and aesthetics of a community

are increased to enhance its overall image and, consequently, attract additional growth and development (Phillips, 1998, p. 5). The more evident direct effects include increased economic activity in terms of jobs, sales, and public revenues. As a study of the role of arts in community economic development in the U.K. indicated, most communities consider that the principal economic importance of the arts industries lies in their capacity to generate employment against a backdrop of recession and restructuring (Williams et al., 1995, p. 74).

Art as a strategy for encouraging quality community economic development has only recently gained wide spread attention in the U.S. However, its role in community development is long-lived, with roots in the City Beautiful Movement that began in the late 1890's. The concept of integrating public art, public parks and other spaces, and beautiful architecture for public buildings became highly popular for several decades. Many of these creations from that era provide the fodder for historic preservation work. When the era of the City Beautiful Movement ended, the willingness to incorporate public art was practically lost until the resurgence of interest almost a hundred years later.

This time, the interest in the arts exceeds a physical dimension of structures – it also includes recognition of the social and cultural impacts on community. Often subsumed in the term “cultural resources,” the arts’ contributions to community development include image modification so as to reposition places in the mental maps of external investors; cultural tourism development for increased consumer services; and increasing

capacity for endogenous development (William et al., 1995, p. 73). Commodifying culture as a supplement to traditional development activities has become a focus of many communities (Fergus, 2000, p. 53), not only in developed economies such as the U.S. or the U.K., but in developing areas of the world as well. To wit, attendees from many countries gathered at the 1999 Culture Counts Conference organized by the World Bank to explore the links between cultural resource-based investments and economic growth (Singer, 2000, p. 11).

Too much “commodification” of culture/the arts can occur, leaving a community without the benefits of social and cultural links. Without participation and decision-making in the development process, communities may experience conflict between culture, community, and identity. As Mayo (2000) promotes, local development work needs to be at the *cultural level* to facilitate participation and empowerment, providing better control of future outcomes. This ideal fits well within the context of arts-based community economic development approaches as the arts generally can be considered as community assets. In turn, community assets are defined as the gifts, skills and capacities of individuals, associations, and institutions within a community (McKnight, 1993, p. 25). In other words, the arts build on the inherent assets of a community, and if the definition of community development as a planned effort to build assets that increase the capacity of residents to improve their quality of life (Green and Haines, 2002, p. 8) is accepted, then arts-based community development holds much potential.

The arts as related to community economic development can be defined as: (1) an industry comprised of individuals, institutions, and organizations functioning as businesses interrelated with other local and regional businesses; (2) wide-ranging to specific cultural amenities; and (3) cultural education, tools, policies, and processes (National Conference of State Legislators, 1987, p.138). Some view the arts as a powerful catalyst for rebuilding *all* aspects of community, not only the economic sphere. For example, one regional development organization described the arts as:

“The arts touch people on a personal, emotional level and have the power to rebuild the fabric of community where it has been torn apart by years of poverty and struggle. The arts can construct bridges across barriers of class, race, gender and age. The arts can interpret and celebrate the past, present and future of a community to replace despair and apathy with hope and creation.” (Rural Action, Inc., 2001, p.7).

This description further enforces the premise that arts-based community economic development strongly represent asset-based community development.

This article provides a review of how the arts are being used for community economic development via arts-based community development programs. It identifies four types of approaches illustrated by community vignettes followed by considerations for communities that may want to pursue arts-based community development programs.

A Typology of Arts-Based Community Development Programs

The array of arts-based programs in existence or emerging in communities throughout the United States is astounding. While each reflects the artistic expression and creativity inherent within the community, there are several prevalent types of programs that have emerged: arts incubators, cooperatives, tourist venues, and comprehensive approaches. Each type is described in the following and illustrated with one or more vignettes.

Arts Business Incubators

Incubation programs are an economic development tool designed to foster a community's business development efforts. The approach includes shared administrative and other services, centralized space, and business development assistance provided in a facility where new or young small businesses co-exist. Almost half of all incubators are sponsored by government and non-profit organizations with their primary mission being general economic development goals of job creation, economic diversification, and tax base expansion. Arts incubators help artisans develop business acumen skills, or partner them in cooperative situations or other organizational arrangements to provide the necessary skills. Some communities find that underutilized buildings, such as warehouses or schools, can be converted into studio and related uses. Keeping the costs low, and providing support services combine to make it feasible for artist entrepreneurs to start businesses. Arts incubator programs are emerging in a variety of contexts, from large urban areas such as Chicago, Illinois; Dallas, Texas; and

Portland, Oregon to smaller communities like Sneedville, Tennessee and Sheffield, Alabama (Phillips, 1998, p. 8). An example from each context is provided.

Sneedville, Tennessee

The Jubilee Business Incubator is funded and operated by a community coalition of religious organizations, artisans, farming groups, and others. Located downtown in a renovated 5,700 square foot building, the program helps organize people in the area into a network of grassroots community, youth, economic cooperative, and small business groups. Skilled craftsmanship is part of the heritage of this small mountain community, and the Jubilee project emerged as a way to preserve this heritage while addressing community development needs.

The incubator program provides affordable rental rates to small arts-based businesses, access to fax, copier, computer and Internet, on-site business counseling, and assistance in locating markets for arts and crafts products. Jubilee houses the Appalachian Craft Cooperative, which grew from nine to twenty seven members in a one-year time frame from 1997 – 1998 (Hodges 1998). Within the building, one room serves as a retail store for selling the cooperative's local arts and crafts such as honeysuckle baskets, woodcarvings, and handmade jewelry. A second room is used as a classroom for small business development programs and a third is a computer training center consisting of eight new computers provided by the Tennessee Valley Authority. The remainder of the building houses small business incubator tenants. Opening in 1997, the incubator housed twenty-eight small businesses within a year. Many

began as part-time efforts to supplement incomes with some expanding to full-time operations.

New Orleans, Louisiana

The Entergy Arts Business Center focuses on helping local artisans learn the fundamental skills necessary to operate small businesses. The goal of the center is to support the creation and development of arts-based businesses. It is funded from a variety of sources, including Entergy Corporation, local arts councils, and revenues generated from center programs. It functions as a business incubator, offering rental space and shared services to small arts-based business startups. Tenant companies participate in a variety of business development programs and activities to help them develop their small businesses into successful ventures.

The center also offers business training programs to other artisans who are not incubator tenants. A series of business workshops are offered each summer to any local artisan interested in attending in exchange for a small fee. Topics covered at the workshop include business planning, financial planning, marketing, and legal issues. The center provides initial market tests for artisans by introducing art buyers to artisans, to gauge market demand for their works.

The Entergy Arts Business Center is considered successful in its efforts to support business development. In 1998, it reported a total of 28 jobs and \$1.2 million in revenues for its ten member companies. Two graduate companies had revenues of \$3.6 million and 101 jobs – more striking is that both these companies had failed financially in the past but were able to develop a successful approach to their businesses by participating in the center's incubation program (Kahn 1998).

Arts Cooperatives

Cooperatives can be an effective method for encouraging arts-based business development. Typically, a group of local or regional artisans form a non-profit organization to market and promote their works. A portion of the revenues from cooperative sales pay shared marketing expenses. There are literally thousands of cooperatives throughout the United States. Some of these have reached a “critical mass” level in which they have much influence on community economic development in terms of attracting significant numbers of buyers to the area. The Craftmen’s Guild of Mississippi is summarized as an example of the cooperative approach to arts-based business development.

Jackson, Mississippi

In 1973, a group of artisans interested in preserving and promoting the folk, traditional, and contemporary crafts of Mississippi formed a non-profit organization, The Craftmen’s Guild of Mississippi. The goal of the group has been to set standards of excellence in arts and crafts. To qualify for membership, an artisan must design his or her own work and submit three pieces to the Guild’s Standards Committee for review. By ensuring high standards, the Guild has developed a reputation as one of the best arts cooperatives in the region and in turn, have impacted community development in positive ways. Their first project was to establish The Mississippi Crafts Center, located on the historic Natchez Trace Parkway north of Jackson in a dogtrot log cabin. A nationally recognized program of crafts demonstrations, classes, and festivals attract numerous visitors and artisans to the area.

The Guild constructed a second project near downtown Jackson, The

Chimneyville Crafts Gallery, that includes a sales center, main offices, classrooms, and studios. Large festivals are held several times per year that attract visitors and artisans from throughout the region. The Guild conducts public service projects to promote the arts and community. They also sponsor continuing education programs in addition to sales and marketing of members’ works.

Tourist Venues

Some communities develop their arts-based resources into venues to attract tourists. While the arts incubators, cooperatives, and comprehensive approaches may recognize tourism as a valuable economic development activity, this approach explicitly develops programs to support tourism. The number and types of tourist venues based on art are tremendously diverse. Some communities use themselves as the palette for the venue, painting murals on the walls of their buildings, or incorporating public art on a major scale into the community - Stuebenville, Ohio; Toppenish, Washington; and Loveland, Colorado, are such examples (Phillips, 2002, p.16). Care must be taken with this approach so that over commercialization or theming does not threaten community ambience. The following vignette illustrates development of a arts-based tourist venue.

Tifton, Georgia

Located in South Georgia in the heart of prime agricultural lands, Tifton has applied an approach of providing several venues to attract tourists to spend a day or longer in Tifton exploring the arts. Two venues have been developed, the Tifton Museum of Arts and Heritage

and the Georgia Agriama. Additionally, a special program has been implemented in conjunction with Abraham Baldwin Agricultural College, the Arts Experiment Station. This latter effort focuses on placing public art exhibits throughout the downtown area and in regional schools.

The realization that arts could serve as a community development catalyst in Tifton came with the development of The Georgia Agriama in 1976. Built with funds from the state of Georgia, the Agriama is a living history museum and incorporates traditional arts and craft exhibits. With an annual budget of \$1.5 million and a draw of over 60,000 visitors per year, it serves as a major economic impact on the area. To further attract tourists to Tifton, the Tifton Museum of Arts and Heritage was developed in a historic downtown building, refurbished with a \$100,000 grant from the National Endowment for the Arts. This project has been an instrumental component of an arts-based development strategy, and has prompted the redevelopment of nearby properties for arts-related activities. The historic railroad depot has been converted to an art gallery, and a renovated theater serves as a performing arts center. Combined, the venues have helped Tifton realize its arts-based community development goals.

Comprehensive Approaches

Other communities attempt to utilize arts-based business development as an overall community development strategy. Rather than serving as one component of a development plan, the arts become the basis of the plan, usually focusing on revitalizing local economies. The underlying conviction for the community-wide revitalization effort is

that the arts are a key to revitalizing the community. While arts events alone are not enough, it is the integration of the arts into overall community development strategy and planning, including encouraging wide-spread citizen participation, that seems to be an effective community development approach, at least in the following community.

Bellows Falls, Vermont

The conversion from a dying former mill town to a vibrant community attracting national attention has been dramatic and impressive. By the late 1980's, the village was in serious economic decline, with the once vibrant brick factories vacant and crumbling, the Victorian houses subdivided into apartments, and the majority of storefronts were empty. So much change has occurred since that time that the Vermont Community Development Association held a day-long conference in 2000 to "showcase the village as a 'prime example' of a community using creative ideas, the arts, cooperative local citizen efforts and wide variety of funding sources to revitalize itself" (Smith, R., 2000, p.B1).

In 1997, Robert McBride, an artist from New York who first visited the village in the early 1980's, founded the Rockingham Arts and Museum Project (RAMP). This community based organization has as its mission statement:

RAMP is intent on developing awareness of the arts, creating vitality in the community with the arts and demonstrating that the arts favorably impact the local economy. Success of the program relies on developing effective partnerships. The theme is Art Makes a Difference!

(Rockingham Art and Museum Project, 2000, p. 1).

This organization has been credited with prompting the village into action and taking charge of their future, rather than being victimized by hard economic conditions (Phillips 2002). RAMP does more than organize and coordinate arts events - it integrates art into overall community development, in a manner that builds support for the arts through infrastructure improvement and other activities. For example, RAMP renovated the historic Exner Block (built in the 1870's, the pressed tin structure is considered one of the state's important architectural features) (Vermont Arts Council, 2000, p.9). Remaining unused for decades, the Exner Block is now affordable space for artist studios, apartments, and retail space. The funding required a creative mix of public and private sources, bringing together more than \$1 million in tax credits from local banks, \$400,000 from federal sources, and \$400,000 from the state of Vermont (Rockingham Arts and Museum Project, 2000, p. 2). Through RAMP's efforts, Bellows Falls became the ninth community in the state of Vermont to receive official Downtown Designation, which helps promote revitalization efforts (Lockwood, 2000, p. 1).

Considerations for Implementing Arts-Based Community Development Programs

Communities face a variety of challenges when devising and implementing arts-based programs and activities. Many communities are home to artisans, yet it is simply not enough to be artistically creative and expect that to translate into thriving businesses. The

arts environment is extremely competitive and arts organizations and artists have to be inventive in finding sources of funding and revenue. There are negative outcomes as well. As with any investment, there are opportunity costs – perhaps a community could have achieved a more desirable type of economic development outcome had they pursued different strategies. Another is that arts-based approaches generally rely on consumer services as the economic base, and typically, these industries pay less than producer services or manufacturing activities. Most are associated with increasing tourism – some citizens may not wish to have an influx of tourists and related problems that can arise such as traffic congestion and demands on infrastructure. There is the danger too of creating a manipulated townscape in which community ambience and sense of place are lost. Gottdiener (1997) and Sorkin (1992) both clearly illustrate this in their explorations of consumer culture-driven urban development and redevelopment.

The following considerations are presented to those communities interested in arts-based approaches:

- General support for the Arts. Citizens and local government officials need to recognize that a healthy arts presence is a vital part of community infrastructure and is important in terms of community development. Participation approaches in community decision-making should be used to further build support.
- Seek out untapped resources. Local governments may have more resources than direct funding that can be used to

- support arts-based businesses and other activities. Examples include rent-free facilities from a variety of sources such as school classrooms and auditoriums, commercial warehouses, conference centers or vacant retail spaces.
- Integrate the support of arts with community development benefits. Whenever possible, the community should strive to link benefits with arts-based activities. For example, artisans could participate in programs such as bringing art to public schools, or placement of art in public venues.
 - Maximize resources through community sharing. The centralization of facilities and resources is a significant factor in the success of arts-based programs. A centralized facility such as a production studio, gallery, office, or retail space can be used by numerous groups to provide cost savings. This is one of the underlying premises of arts business incubator programs – by sharing, costs are reduced for everyone involved.
 - Adopt a flexible approach to arts support. All artists are different and need different kinds of support and assistance. Business management assistance to arts entrepreneurs is usually a critical need in communities, yet the type of assistance may vary. Successful arts-based programs will respond to artists on an individual basis.

Conclusions and Implications

Developing arts-based community development approaches is challenging yet possible, as evidenced by the community vignettes presented. Four typologies of arts-based community development approaches have been identified: business incubator programs, cooperatives, tourist venues, and comprehensive approaches. Each approach can be applied depending on what the community is seeking to accomplish. For those communities desiring to increase business activity, the arts business incubator approach may be applicable. Other communities may wish to utilize the arts as a platform to develop a comprehensive community development approach. Cooperatives can play a role as well – typically founded by artisans for marketing purposes, cooperatives in some cases can become a community development catalyst. Other communities may seek to attract tourists and will focus on arts-based venues to do so. Regardless of the type, asset-based community development can serve as guide.

Flexibility and creativity in arts-based community development approaches seems to be key. The ability of a community to respond to the particular needs and opportunities inherent in its arts resources will influence the outcomes of a development approach. Creativity is needed in providing shared facilities and resources, as well as business development training. Finally, any arts-based development approach must have the support of the community. By recognizing the unique and positive

aspects of the arts, a community can effectively capture its benefits.

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