

# Creative Economy Inventory and Action Plan East Central Vermont

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## Consultant Scope of Work

### Overview

Over the past fifteen years, there has been a growing understanding of the economic potential of a region's creative assets—its creative talent, enterprises, and organizations. Countries, states, regions, and cities throughout the world have looked broadly at the importance of the economic contribution of creative talent and enterprises. It is now widely accepted that commercial and non-profit artistic and creative enterprises are of vital economic importance in terms of employment, community empowerment, economic competitiveness, enhanced quality of life, and talent development.

Leaders in the area served by the Two Rivers-Ottawaquechee Regional Commission recognize this potential and the need for deeper knowledge of its creative enterprises and talent to realize their full potential. This entails understanding not only the employed and self-employed artists, performers, and writers and cultural organizations but the commercial businesses that also are part of the creative economy such as architecture, design, advertising firms, and film enterprises. Furthermore, there are a number of companies in the region that are important contributors to the region's creative enterprises such as producers of instruments or sound equipment, publishing companies, bookstores, and art galleries.

To understand the full scale and potential impact of the creative economy in the towns served by the East Central Vermont Economic Development District (ECVEDD) requires an examination of the linkages between the region's creative talent and creative enterprises and other key clusters that are critical to the region's economic future. However, while economic data are essential to estimating the scale and scope of the creative economy, they are insufficient. A more accurate picture will emerge by including businesses that are not classified under creative industries such as government, manufacturing, information technology, and retail. Further, it is important to describe and understand the creative "infrastructure" in the region by examining, for example, educational institutions, social infrastructure, sources of business assistance and capital, and places and spaces for art, creative enterprises, and events.

The project will make a concerted effort to ensure that low income residents in the region are a focus of the analysis and the recommendations. Low income residents often do not have access to the same creative-related education, training and career opportunities that higher income residents do. The project will address these challenges as well as challenges to low income residents already working in the creative economy throughout the planning and recommendations phases.

### Approach

An effective action plan must be based on a deep understanding of the region's creative economy and the potential connections between the region's core clusters and its creative talent and enterprises. The action plan must include strategies that

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promote new networks, relationships, and resources that enhance creative work and economic activity and spur innovation. The plan must be specific, achievable, sustainable, and equitable. And it must be actionable, with detailed opportunities for both short-term and long-term benefits.

The fundamental cornerstone of our approach is the conviction that the creative economy can be strengthened to assist in the improvement of the economic wellbeing and quality of life of all residents, as well as add to the competitiveness of businesses in the economy. The development of a strategic approach to building the creative economy involves refining the way people in the arts and cultural industry, business community, and public sector think about the role of arts, culture, and design in the economy.

*This approach includes the following components:*

- 1. Define the creative economy/industries and assess their strength as an economic engine in the regional economy.** The Creative Economy is defined as the businesses, non-profit organizations, and self-employed individuals involved in the origination, production, and distribution of goods and services in which artistic and cultural content gives the product or service value in the marketplace. The creative economy includes the following segments: Design, Film and Media, Visual Arts and Handcrafted Products, Performing Arts, Heritage, and Preservation. And, depending on the region, it can also include Artisan Foods and Literary Arts.

We include, for example, freelancers and the self-employed (writers, performers, musicians, visual artists, designers, architects, and artisans); art and cultural components of educational institutions; businesses that produce and reproduce goods and services that incorporate artistic content and design; businesses in the value chain that serve and support the creative community; and the media and distribution channels through which creative products reach their markets.

Our definition is further tailored to match local strengths and circumstances. The definitional report that was cited in the RFP, for example (based predominantly on our studies), attempts to find commonalities among many studies even though the distinctions among them are important. It is critical that a creative industry assessment identify what is special and authentic about a particular place and what differentiates the creative industries in a particular geographic region. Vermont, for example, is more closely tied to the land and food systems than many of the places studied, and the creative elements of food systems are likely to be an integral part of our analysis.

- 2. Consider the full range of benefits derived from the creative economy.** It is imperative to consider the full range of economic benefits associated with the creative economy. Beyond the direct employment and income-producing activities of the creative sector, a Strategic Plan must consider the role of creative activities in contributing to the region's quality of life and ability to attract and retain creative talent and enterprises. For example, greater emphasis on the arts and

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design in the schools provides opportunities to keep students interested in school longer and provides a more relevant learning environment for their education. This can lead to new measures of school success and, ultimately, to increased graduation rates. And creative activities and creative placemaking are increasingly important components of community development and revitalization.

3. **Focus on implementation.** The greatest challenge facing communities that have committed to undertaking a rigorous planning effort is not in the development of good ideas, but in building the capacity and momentum necessary to ensure that the good ideas get implemented. Most strategic plans end up gathering dust on a shelf because the realities of implementation are not fully considered or appreciated. To address this constraint, it is important to identify implementation-oriented projects throughout the course of the larger effort and to build implementation capacity and action throughout the planning effort.
4. **Create a collaborative team with the client.** The entire consulting team believes that a successful project requires consistent and regular communication with the client. We suggest that the project involve a regular bimonthly conference call with client team members and the consultants. We will also work hand-in-hand with the Two Rivers-Ottawaquechee Regional Commission and its partners to review what we are finding during our research, vet key challenges and opportunities for strategy, and begin building capacity and relationships for early and long-term implementation.
5. **Facilitate a comprehensive stakeholder and community engagement process.** The consulting team partners believe strongly that robust stakeholder and community engagement are critical to consensus building, decision making, and identifying and cultivating the strong leadership that will be needed for successful plan implementation. Our suggested planning process is open and iterative—inviting participation and dialogue through interviews, focus groups, community meetings, and web-based interaction. This process will be critical to all phases of the project. In fact, beyond the data collection and analysis, this part of the project will form the backbone of our work.

### **Tasks and Deliverables**

The full range of tasks and deliverables to be completed as part of the TRORC Creative Economy Strategic Plan are as follows.

#### **Task One: Startup and Management**

##### **A. Review Past Work on Vermont's Creative Economy**

We are aware of and will draw upon, where appropriate, work carried out as part of past economic development plans for the state of Vermont, and particularly reports of the Vermont Council on Rural Development, Council on the Future of Vermont, and contributions of the Vermont Arts Council.

## **B. Develop Stakeholder Input and Town Outreach Plan**

One of the most critical early tasks will be to work with the client to develop a plan for ensuring appropriate input into the planning process and to engage appropriate stakeholders, including key civic and political leaders, in the process. Some of the best analyses, strategies, and action plans fail without effective efforts to engage, involve, and recruit, and to build trust and excitement within the creative sector stakeholder community as well as the broader community. This effort will identify the stakeholder landscape and then begin the long-term effort to build a sustainable community engagement group dedicated to promoting the creative economy as an economic engine for the region.

Engagement with stakeholders will occur in several different forms: (a) One-on-one interviews with creative individuals, arts and cultural organizations, creative businesses, and leading stakeholder representatives; (b) Focus groups or group interviews with sets of stakeholders whose opinions and thoughts can be better determined in a group environment; and (c) an Online survey of artists and creative if the client is willing to assist.

## **C. Communications and Coordination with TRORC**

The primary contact will produce monthly progress memos and support as needed to fulfill EDA requirements.

### **Task Two: Scale and Scope of Creative Industries Cluster**

Working with the creative economy definition referenced above, the team will undertake a detailed analysis of the scale and shape of the creative industries in the region.

#### **1. Analysis of Creative Industries**

The first step in developing a deeper understanding of the region's creative economy will be to analyze the scale of creative industries and occupations. Specifically, the following research will form the basis of our assessment:

- *The use of data analysis from the following sources.* The primary source of data will be Economic Modeling Specialists International (EMSI), a company that draws from a variety of national data sources that use North American Industrial Classification System (NAICS) and Standard Occupational Codes (SOC). Most importantly, it includes self-employed individuals and uses tested algorithms to estimate suppressed data. The primary challenge of this project will be to capture information from a group of towns not always aligned with county boundaries – counties are the most common unit of analysis for national economic data. We will

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approximate the region as best we can by using EMSI's zip code based data and, only where absolutely necessary, estimate employment as proportionate to the distribution of populations. We believe this will provide the best picture possible, especially given the constraints of the underlying national data collection system.

- *Estimation of embedded creative activity.* Traditional economic analysis of NAICS code data often misses many creative enterprises. Significant employment is often embedded in other NAICS codes. For example, many small creative businesses are often classified as retail, wholesale, and manufacturing businesses. Some cultural institutions, such as libraries and museums, are classified as government employment, glass artists are sometimes classified as manufacturers, fashion apparel such as Vermont's SolMate Socks are classified under textiles and apparel, architectural art work is sometimes classified under metal fabrication, and music production and musicians are classified under religious institutions. To capture a fuller picture of the creative sector activity, we will look for creative activity embedded in other sectors.

### 2. Analysis of Creative Talent

In addition to analyzing the creative enterprises, it is critical to understand the creative talent base. The workforce analysis will look at both those employed within the creative industries and creative workers who are employed in other economic sectors in the region. The goal is not to just quantify these jobs, but, more importantly, to identify the types of jobs and skills required for the creative industries workforce. This description will include the following:

- *Analysis of the **creative workforce employed in the creative industries.*** Within the cluster are creative workers such as artists, performers, and musicians, and non-creative workers like clerical, technical, service, and managerial employees who work in creative industries such as museums, theater, dance companies, design firms, etc..
- *Analysis of the **creative workforce employed in other industries.*** Our analysis will also include creative workers who provide their creative talent within so-called non-creative industries, such as banks and financial firms, manufacturers, and construction firms that are not included within the creative industries analysis. Examples of these creative workers are graphic designers, writers, and web site developers who work within these non-creative industries. We will examine the creative talent pool in the region and, to the extent possible, try to understand the ability of the region to retain this talent.

### **3. On-Line Survey**

In other studies we have surveyed artists and creative people to learn more about their economic status, the services they value, and their needs. Though managing and administering a full survey is beyond the scope of the budget, we will design and analyze such a survey. TRORC will take responsibility for distributing the survey to appropriate audiences with our guidance. This information would add to the information base concerning core creative individuals and allow some comparisons to other regions that we have surveyed.

### **4. Economic Impact**

Economic impact will be estimated by the earned wages within creative enterprises and by creative individuals, along with a conservatively estimated multiplier effect to capture the local expenditures from wages earned. We realize that this represents only a part of the full economic impact that includes, for example, expenditures on creative events, non-value chain related local spending by creative enterprises, secondary incomes earned through creative pursuits, and unreported incomes of creative enterprises. Where possible we will look for examples of these impacts in our focus groups, web-based research, local knowledge, and interviews but will not attempt to quantify them.

### **5. Overlap between creative industries and other key sectors**

Creative individuals and creative talent are important not only in their own right, they also have a critical impact on other economic clusters in the region. The team has particularly deep and internationally recognized experience in cluster methodology and analysis. We will describe those intersections based on what we learn gathering information from a variety of sources in the region including industry associations, web sites, and reports. These may include, for example:

- *Communications and Information Technology.* Many communications and software developers rely on creative content that in turn depends on art and design talents.
- *Manufacturing.* Creativity and design have become a competitive advantage for certain types of products such as kitchen goods, furniture, some metal fabricating, and the variety of products emerging from Maker Spaces.
- *Food Systems.* The culinary arts, specialty and artisanal foods, and farm products-based art (e.g., wool) all include different forms of creative work and business. Creative and imaginative talents add value to agricultural products and agriculture inspires art, literature, film, and music, as well as supporting agri-tourism and gastro-tourism.

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- *Tourism and Hospitality.* The creative economy is an important component of the region's tourism industry via museums and theater, cultural and historical assets, creatives, and music. Moreover, design plays an increasingly important role in the competitiveness of B&Bs, hotels, and Inns.

### **Task Three: Description of the Support Infrastructure**

For the region's creative economy to grow and flourish it will need organizational and resource support. A critical part of developing the strategic plan will be to examine the region's creative assets and eco-system, including the organizational infrastructure that currently serves, or could serve, the needs of the creative economy.

This description will be derived from information gained from focus groups, interviews with individuals and representatives of local and state arts or design-based councils, guilds, or associations, from the web and literature, industry and phone directories, and existing knowledge of the client. Therefore, the consulting team will undertake online research and interviews to better understand the following assets and the support infrastructure:

- *Social infrastructure.* Creative people and companies thrive on access to ideas, and a supportive associational infrastructure is a vital part of growing a creative economy. We will look at the guilds, councils, organizations, and informal place-based and media-based networks that support learning, collaboration, and association.
- *Education and workforce training capacity.* The educational system can help ensure continuity and further skill development in creative sectors and help integrate creativity and innovation into the broader economy. We will look at where creative people in the region acquire their skills and how the local school systems treat art and design both for their educational and cultural value and their economic value as potential career paths.
- *Financial and business resources.* The team will provide a brief snapshot of resources available to arts and creative enterprises in the region as well as incentives offered by the public sector. Information on the business, entrepreneurial, and technical support and capital will be gathered from interviews and focus groups.
- *Places and spaces.* We will highlight some of the facilities and venues that are essential for the economic viability of the creative industries. These will include performance and exhibition facilities and venues, galleries, studio space, live/work space, and the small clubs, restaurants, and other community facilities that are increasingly important venues in the music industry, poetry and literary readings, and art shows.

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- *Festivals and events.* Festivals and events can play a critical role in creative economies. Such place-making events build community and offer critical markets for locally produced creative products. They also bring visitors to the region, which has an economic impact on their local communities.

### **Task Four: Analyze Results and Formulate an Action Plan**

The focus of the strategic plan will be to design policies, programs, and projects that will create jobs and revenues in the region through leveraging its creative economy assets and entrepreneurial capacity. The strategic plan will build on the findings from the previous tasks, the “vision” that is created by the stakeholders, and the consultants’ experience and knowledge of best practices in similar regions. The strategic plan will also take into account and build upon existing economic development resources and capacity. Finally, it will be based on proven practices and successes in benchmark regions elsewhere.

The goals, strategies, and action steps recommended will be thoroughly vetted throughout the strategic planning process. Stakeholders will be given opportunities to suggest goals and strategies. Once we have the chance to embellish and enrich their suggestions, we will provide ample time to discuss a draft set of goals and strategies with the Steering Committee. This process ensures maximum input from the community and also ensures a deeper sense of ownership of the overall strategic and action plan.

The final document will include the following sections:

1. Overview – highlights of the region’s creative economy strengths, challenges, and opportunities, as well as the vision for the future of the region’s creative economy.
2. Creative Economy composition – a description of key segments of the region’s creative industry segments, and the strengths of these segments.
3. Economic Importance of the Creative Economy – results of the quantitative analysis of the creative industries, creative talents, and economic impact
4. Convergence with other Economic Sectors – a description of how the creative economy interacts with and adds value to the other economic sectors in the regional economy.
5. Creative Economy and Entrepreneurial Support System – a description of the key resource organizations in the region, and the strengths and weaknesses of this system’s ability to support the long-term growth of the creative economy, including creative entrepreneurs.
6. Descriptions of comparable benchmark creative economies elsewhere.



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7. Recommendations and Action Steps –action items that the region needs to take to strengthen and grow its creative economy based on proven best practices.
8. Early-stage Opportunities – a listing of some of the early-stage projects and programs that the region could begin to work on in the near-term.