

City Council Testimony to the **Joint Hearing** of the
Committee on Small Business, and the
Committee on Cultural Affairs, Libraries and International Intergroup Relations
Regarding “*New York City’s Cultural Sector and Derivative Small Businesses.*”

May 11, 2012

I’d like to thank the members of the council for the opportunity to offer testimony today to this joint hearing of the Committee on Small Business and the Committee on Cultural Affairs, Libraries and International Intergroup Relations regarding “New York City’s Cultural Sector and Derivative Small Businesses.” I’m particularly pleased to thank the two committee Chairs, Council members Jimmy Van Bramer and Diana Reyna, for their longstanding dedication to these issues and to convening this forum today.

My name is Michael Hickey. Many of you know me from my former role as executive director of the Center for NYC Neighborhoods and my work coordinating citywide foreclosure prevention efforts to improve neighborhood stabilization. I’ve testified before the Council many times, and you will recall that I’m a fan of numbers, charts and graphs.

I’m testifying today in my role as an independent researcher currently conducting analysis on NYC cultural organizations and their economic profiles. I’m pleased to have access to data provided through the Cultural Data Project, a national initiative which in New York State gathers a wide array of financial information from nonprofit cultural organizations applying to access public funds.

Based on the data collected through CDP, we know a lot about the 723 nonprofit cultural organizations that reported financial data in 2010. We know they had \$2.4 billion in revenues. We know that more than half that was earned income from a combination of ticket sales (\$437 million), classes and workshops (\$77 million), touring (\$45 million), concessions (\$34 million), space rentals (\$83 million) and many other types of entrepreneurial activity. We know that just 12% of that \$2.4 billion (about \$292 million) came from New York City, and that this amount includes capital funding in addition to program support. We know this and many, many other details.

But we’ve missed the point. We’ve placed a burden of proof on the nonprofit cultural sector: justify your existence by showing us that art and creativity result in cash on the barrelhead. We’ve required these 723 organizations to reveal, in painstaking detail, their economic innards in ways that we don’t ask of our Business Improvement Districts, our parks, our Industrial Retention Zones, or our corporate retention subsidy recipients.

And yet, existing community-based cultural networks are already doing the same or similar work:

- Providing technical assistance to member organizations and affiliated partners to improve operations and to access other supports;
- Developing special programs to enhance sustainability, reduce overhead costs, and centralize routine functions;
- Holding events to showcase local partners, attract new consumers, and build local identity;

- Facilitating networking between members and affiliates to create new synergies and expand opportunities for growth;
- Providing marketing support that is community branded while still being producer-specific;
- Engaging the wider community in planning, programming and development to strengthen a sense of place.

This work is happening within community-based cultural clusters all around the city now, but it's largely unseen and certainly under-supported. We must develop strategies as a city that allows us to recognize and support creative clusters. We must:

- Begin by acknowledging that they exist, and that they exist in a structured way that deserves official and sanctioned designation;
- Create room at the table for these community-based creative sector network leaders to be actively engaged in planning and implementing programs and strategies with their business peers and public partners;
- Reduce or eliminate bureaucratic snags and barriers using the tools and processes of parallel networks;
- Create access to public space for community cultural uses through innovative agreements and carefully crafted exceptions;
- Increase support generally to neighborhood based cultural organizations; and
- Seek equitable diversity of representation and engagement in these efforts from community based cultural partners of differing size, structure, and practice.

We already know enough to affirm that creative clusters have a deep and lasting impact in their communities. Indeed, in many cases they are already connected to or even embedded within networks of local small business leaders, community development partners, advocates and organizers. It's time we made it official, and it's time we made it stronger.

I thank you for your time and I look forward to any questions and comments you may have.

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