THE MINNEAPOLIS CREATIVE INDEX 2018

Understanding the Scale and Impact of Minneapolis’ Creative Sector
A report from the Office of Arts, Culture and the Creative Economy at the City of Minneapolis
INTRODUCTION

The Office of Arts, Culture and the Creative Economy (ACCE) at the City of Minneapolis is pleased to present the 2018 Minneapolis Creative Index. This report examines the impact of Minneapolis’ arts and cultural offerings, reliably tracks economic and demographic data, and investigates other issues related to the city’s creative economy. It contains economic data compiled by the Western States Arts Federation (WESTAF) and presented in its online tool, the CVSuite. This report also presents qualitative data collected through research, focus groups and interviews commissioned by ACCE and specifically designed to develop and answer important questions about the creative sector. These questions continue to be relevant to each new Minneapolis Creative Index report.

In this third issue of the Minneapolis Creative Index, we once again provide data on our national Creative Vitality Index (CVI) ranking. We learned that the Minneapolis region moved from 6th place to 8th place among our peer regions (the 35 most populous metro areas, or MSAs, in the U.S.) between 2014 and 2016. This drop in ranking is sobering news, reminding us that we need to be vigilant in our policies and investments to ensure we do not lose even more ground to our competitors.

We again took time to provide insight into the economic realities of the creative economy and our creative workforce. We provide data on creative sector revenues and jobs and build on the work we established in our 2015 report. Represented in a regional context, we offer further disaggregation of the data for a more refined look into how creative individuals use space, where and how they find these spaces, and the barriers that prevent them from realizing their workspace needs. The results are eye-opening, demonstrating that some of our assumptions about the primary land use for creative workspace is incorrect. For example, the primary land use for creative workspace is commercial, then residential. Industrial spaces rank a distant third. This knowledge and other revelations from the mapping study will inform the City as it moves forward with economic development planning and workforce preparation in support of the Minneapolis 2040 comprehensive plan update.

While there is a lot of new information in the 2018 Minneapolis Creative Index, we believe that this is a natural evolution and necessary refinement of our data and provides important and timely information for the development and growth of our creative community. We hope you will use this report to make informed decisions and prompt much-needed discussion on the importance of the Minneapolis creative sector to the overall health of the city.

Gülgün Kayim
Director, Arts, Culture and the Creative Economy
City of Minneapolis
In previous issues of the Minneapolis Creative Index, we examined creative industry sales, creative nonprofit revenues, and labor and demographic information about creative workers in Minneapolis to render a picture of the city’s creative vitality. A 2016 suite of data provided by WESTAF on 40 creative occupations and 72 industries will once again form the foundation of this report. We will again provide deeper narrative insights gathered through working group interactions and interviews with members of the multifaceted creative sector. With this update we also start a new dialogue about creative workforce. In these pages we present the results of a mapping study conducted to expand our understanding of where creative work, Arts, Culture and the Creative Economy (ACCE) found that the creative sector is embedded in a myriad of building types and land uses throughout the city. This foundational workspace inventory is integral to understanding the workspace needs and constraints experienced by the creative sector. The results of this study will inform the City as it moves forward with economic development planning as part of its Minneapolis 2040 comprehensive plan update.

The information in this report provides a framework for conceptualizing and understanding the scope and breadth of the creative economy. This report helps City government and arts and culture advocates facilitate a creative sector ecosystem populated by engaged stakeholder groups and supported by innovative policies and programs. Regionally and nationally, this report tracks and compares the city’s and region’s creative economy, demonstrating the sector’s significance in driving valuable, sustainable and equitable economic growth and quality of life benefits in the city and the region.

We encourage policymakers, arts professionals, grantmakers, creatives and arts audiences to use this report to inform and support their decisions around Minneapolis’ creative sector.

ARTISTS AND WORKERS

in highly creative industries can use this report to see how their fields measure up and fit into the greater economy. The data can be helpful to understanding employment opportunities and job growth in the sector, and creative entrepreneurs can draw upon the data in this report to support their efforts to gain and grow capital for their businesses and organizations.

POLICYMAKERS

can use this report to make decisions on arts and cultural activity and creative business development that will positively impact existing residents and businesses, invite new sustainable investment, and foster equitable skill and job development and economic growth in neighborhoods throughout the city.

ARTS AND CREATIVE PROFESSIONALS

can use this report to get an overview of the health and competitive advantage of the creative economy in the city and to understand the relative health of different industries within the sector. They can also use this report to support collaborative efforts toward gaining and distributing resources.

GRANTMAKERS

can use this report to view Minneapolis’ creative sector from the broader perspective of artist and organizational networking and resource strategizing. At a deeper level, the occupational and demographic data can provide insight into the needs of artists and creative organizations, as well as deficiencies in the city’s creative community.

AUDIENCES, FANS AND ARTS ADVOCATES

can see from this report that they play an integral role in the creative economy as supporters, participants, volunteers and donors. Whether purchasing an artisan product at a festival or gallery, acquiring creative services from a business, purchasing a ticket for a performance or sending a child to an educational arts program, audiences practice strong arts advocacy and are the driving force behind the powerhouse creative economy in the city and the region.
DEFINING THE CREATIVE SECTOR

We know from CVSuite data that art and artists are drivers in our city’s economy. Yet the business, government and arts communities debate how to describe the complexities of the sector. A creative ecosystem model developed by the Office of Arts, Culture and the Creative Economy (ACCE) represents the sector as a system of exchanges, revealing the complexities that help explain the interdependence of arts participation and economic drivers.

Within the creative ecology we include, for example, not only artists but also architects and designers, arts educators, foundation funders in the arts, and arts audiences. This visual representation of the creative sector maps out a dynamic ecology of economic and social relationships.

Creative Ecology Highlights

**ART MAKERS**
Highly skilled creative producers are central to our ecology. The core purpose of these artists and organizations is to create art. Without their artmaking activities, there would be no system of economic or social exchange for the creative arts.

**ARTS EDUCATION**
Arts education is a key component of our ecology. Through arts education the next generation of consumers and producers of art and creativity is nurtured. Arts education also plays an important role in the creative ecology by employing artists in teaching positions.

**CREATIVE INDUSTRIES**
The creative industries add monetary value to otherwise functional products. Original artwork or designer clothing is more expensive than off-the-rack mass-produced articles, reflecting the value of the artistic creativity, skill and labor that go into a unique product. This added value is what makes creative industries key players in both the creative and overall economy.

**ARTS FESTIVALS**
Participation / vibrancy / creative placemaking / cultural celebration

**CROSS-SECTOR ARTS**
Producers with indirect arts goals

**PHILANTHROPY & PUBLIC SECTOR SUPPORT**
Community infrastructure / framework or support

**ART FANS**
Indirect participants

**ART MAKERS ORGANIZATIONS**
Support skilled producers

**ECONOMIC & SOCIAL EXCHANGE**
The interdependence of arts participation and economic drivers

**ARTS EDUCATION**
Producers with indirect arts goals

**ARTS FESTIVALS**
Participation / vibrancy / creative placemaking / cultural celebration

**CROSS-SECTOR ARTS**
Producers with indirect arts goals

**PHILANTHROPY & PUBLIC SECTOR SUPPORT**
Community infrastructure / framework or support

**ART MAKERS**
Skilled producers / direct participants

**ARTS EDUCATION**
Educate the next generation of producers/supporters/consumers
KEY FINDINGS: MINNEAPOLIS’ CREATIVE ECONOMY

CREATIVE SALES IN MINNEAPOLIS

CREATIVE SALES PUMPED NEARLY $5 BILLION INTO THE CITY’S ECONOMY

To compare, creative industry sales are nearly 9.2X THE SIZE OF MINNEAPOLIS’ SPORTS SECTOR REVENUES

Creative sales make up 5.8% OF ALL INDUSTRY SALES

Minneapolis’ CVI score outpaces the national average 3.6X OVER

(For details about the CVI, see page 14)

NONPROFIT REVENUES TOPPED $346M IN 2016

CREATIVE JOBS & EMPLOYMENT IN MINNEAPOLIS

14.4% CREATIVE SECTOR JOB GROWTH IN MINNEAPOLIS FROM 2006 TO 2016

1: Photographers (2,841)
2: Musicians and singers (2,553)
3: Writers and authors (2,537)
4: Graphic designers (1,932)
5: Public relations specialists (1,208)
6: Fine artists (1,067)

Creative jobs make up 4.9% OF ALL MINNEAPOLIS JOBS compared with 2.9% OF JOBS NATIONALLY

27% OF ALL CREATIVE JOBS IN THE CITY ARE LOCATED IN THE CITY OF MINNEAPOLIS

AVERAGE OF THE MEDIAN HOURLY WAGES IN MINNEAPOLIS FOR ALL 40 CREATIVE OCCUPATIONS IS $22.18

THE HIGH, MIDDLE AND LOW OF MEDIAN CREATIVE HOURLY WAGES IN MINNEAPOLIS

HIGHEST median hourly wage $54.25
Advertising and promotion managers (210 jobs)

MIDDLE of the median wage scale $21.08
Interior designers (671 jobs)

LOWEST median hourly wage $5.47
Craft artists (568 jobs)

THE MINNEAPOLIS CREATIVE INDEX 2018
The creative businesses, organizations and workforce represented in this report are first and foremost contributors to the local and regional economies. Creative productivity and earnings continue to advance business development, job creation and economic growth – in the same way a new restaurant or brewpub does. In fact, the creatives in the labor pool will create and support the design, production and marketing of these new businesses’ brands and products. Through their production, practices and visible presence, creatives help non-arts and noncultural sectors recruit top talent and tourists, and they have a history of creatively occupying and transforming buildings and communities through their activities – but they themselves are also businesses, and their primary contributions are through sales revenues and earnings.

Creative workers in Minneapolis, as for-profit entrepreneurs and owners of small, medium and large businesses, experienced nearly $5 billion in sales in 2016, or 9.2 times that of the sports sector. And sales from creative industries make up about 5.8% of all industry sales in the city.

Creative industry sales have grown by over $4 million since 2011, averaging over $4.7 billion annually for the past five years. Advertising, with over $1.1 billion in sales, and publishing, with over $946 million in sales, are stalwarts of the city’s creative economy. And design services at over $638 million, media at over $596 million and printing at over $431 million are without a doubt major drivers of economic activity and job growth.

Yet smaller contributors, such as for-profit art galleries and independent artists at $249 million, and the for-profit performing arts at $208 million, are also impressive contributors to the vibrancy of the creative sector and the city’s overall job growth and economic well-being.
According to a recent study, the nonprofit arts and cultural industry generated $166.3 billion in economic activity in the U.S. Nationally, these organizations spent $63.8 billion and their audiences generated $102.5 billion in event-related spending — to the benefit of nearby businesses. Minnesota Citizens for the Arts identifies 1,601 nonprofit arts and cultural organizations in the state of Minnesota, with a direct spending impact of $818.5 million and an overall economic impact, including audience spending, of $1.4 billion.

Numbers like these demand recognition. By every measure, arts and cultural nonprofits demonstrate impressive returns on investment. They produce and present artworks, deliver valuable infrastructure and services, provide spaces to practice and participate in arts and cultural activity, and offer opportunities for creative and cultural expression and exchange. They also improve cultural competencies, deliver skill training, foster job and business growth, increase government revenues and advance community well-being.

Additionally, the work of many of these organizations is a cornerstone of the city’s entertainment and tourism activity. Of the $346 million generated in arts and cultural nonprofit income in 2016, $129 million – well over one-third – came from program revenues. And of the $129 million in program revenues, 35% came from nonprofit theaters, as patrons enjoyed plays and dance and musical performances.

Contributions and gifts make up the largest share of funding for arts and cultural organizations. In return for almost $201 million in patronage, these organizations do a lot of heavy lifting in our communities. As purveyors of creative placemaking practices, arts and cultural organizations perform work emphasizing the city’s uniqueness, which is leveraged in the branding strategies of local businesses. Organizations produce sought-after lifestyle amenities and illuminate and encourage traditional cultural activity. With reductions in arts curriculums in public schools, arts and cultural organizations often carry the mantle for arts education and skill development.

However, future contributions and gifts will be impacted by changes in federal tax law, which could greatly diminish the valuable quality-of-life role these arts and cultural organizations are able to play in local communities.
The CVI is a vital methodological tool provided to the City by WESTAF as part of its data suite. The CVI helps us see how Minneapolis stacks up as a source of creative economic and social activity. Capturing occupational employment in a more precise way than the census does, it draws from nationally available annual data sources, allowing us to compare Minneapolis and the region with other geographic areas in the U.S.

**THE CITY OF MINNEAPOLIS**

Minneapolis is the geographic core of a regional network of creativity, creative revenue and creative services. Twenty-seven percent of all creative jobs in the state of Minnesota are located in Minneapolis. It’s no surprise then that the city’s CVI score, at 3.6, is nearly four times that of the national average of 1.

**THE METROPOLITAN REGION**

The Minneapolis metropolitan area is home to 75% of the creative jobs in the state. Of the 35 most populous metropolitan regions (MSAs) in the U.S., the Minneapolis/St. Paul/Bloomington MSA ranks 8th in creative vitality.

From 2014 to 2016, the region experienced a decrease in its CVI score, which dropped from 1.40 to 1.37. Some regions experienced increases in their index measures, but about 40% of the 35 metropolitan regions saw decreases – yet our decrease equated to a drop in our overall ranking, from 6th to 8th.

Creativity plays a central role in fostering innovation and sustaining economic growth in nontraditional ways, and it correlates significantly with neighborhood stability and improvement. This CVI check-in reminds us to be vigilant in our policies and investments in the creative sector lest we lose our city’s and region’s creative advantage.

**WHAT THE CVI MEASURES**

- **Occupational Employment in the Arts** based on per capita measurements
- **Community Arts Participation** based on per capita revenues of arts-related goods and services

**THE MINNEAPOLIS CREATIVE INDEX 2018**

- **CVI Score**: 3.6
- **Ranking**: 8th in the nation
- **Percent of Creative Jobs**: 75%

**METROPOLITAN STATISTICAL AREA (MSA)**

- **CVI Ranking**: 8th
- **Percent of Creative Jobs**: 75%

**HOW WE MEASURE UP:**

**THE CREATIVE VITALITY INDEX (CVI)**

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Employment opportunities are at the center of discussions about regional well-being and competitiveness. What follows is a deeper dive into the occupational data for the region aimed at setting the city’s numbers within a regional context. We also offer more insight into wage ranges and how women and people of color engage in the creative sector.

**THE REGION: MINNEAPOLIS/ST. PAUL/ BLOOMINGTON MSA’S CREATIVE ECONOMY**

- **81,038** creative jobs in the region
- **$21.43** median creative hourly wage
- **4.2%** growth in creative jobs from 2014 to 2016
- 75% of creative jobs in Minnesota are located in the region
- Slightly higher than the national median creative hourly wage of $21.33
- **49%** of creative workers are women
- **13%** of creative workers are people of color (POC)
- **39,507** women creative workers increased by 4.2% since 2014
- **10,644** POC creative workers increased by 4.9% since 2014

**DEMOGRAPHICS OF REGIONAL JOBS AND EMPLOYMENT**

**MINNEAPOLIS/ST. PAUL/ BLOOMINGTON METROPOLITAN STATISTICAL AREA (MSA)**

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SPOTLIGHT ON CREATIVE JOBS IN THE REGION

Want to know more?
By disaggregating some of the data, we can see how selected creative jobs are growing and if women and people of color are participating in the growth.

Our data offers a glimpse into a selection of creative occupations in the region, ranked by median hourly wage – high, middle and low. We show the number of jobs, rate of job growth, racial and gender diversity percentages, and the growth in gender and racial diversity for each job type.

Advertising, promotion, public relations and fundraising managers account for a fair number of jobs in the region, as well as the top median hourly creative wage rates. Square in the middle we find music directors and composers, flanked by interior designers and makeup artists. At the low end of the creative wage scale are fine artists and craft artists.

This disaggregation reveals the wide range of creative skill, enterprise and income opportunities that exist within the creative sector. We see moderate job numbers and rates of job growth in the higher and middle income earning areas, signifying positive job attraction for the region. Lower rates of growth in the fine and craft arts industries highlight the reality of limited-income opportunities and represent a negative employment attractor for the region. However, the number of fine and craft artists is considerable, suggesting these creatives find ways to supplement their incomes to realize a living wage and remain engaged in the creative sector.

Disaggregating for race, however, reveals disparities in who benefits from job growth in the selected higher and middle wage creative occupations. The vast majority of workers in these positions are white, with the exception of makeup artists, who account for a tiny number of jobs. And while women are represented in fairly equal numbers in this selection, the average median hourly wage data is presented in aggregate, limiting analysis of gender-based pay disparities that are acknowledged in the wider job market.

This glimpse into the high, middle and low median wage earners in the creative sector demonstrates the sector’s scope and breadth of creative occupations and income opportunities. In reality, however, a large percentage of creative workers tend to be concentrated in a few primary fields.

In a sector represented within 72 industries and defined by 40 creative occupations, 50% of creative workers fall into just five creative occupations. We display the top five creative occupations where one-half of creatives in the city and the region are realizing wage rates near or above the City’s targeted minimum hourly wage goal of $15. In general, these creative workers are realizing wage rates near or above the City’s targeted minimum hourly wage goal of $15. We would need a more expansive study of the creative sector to understand why these five creative occupations attract and employ creatives in these numbers, how these employment opportunities are structured (full-time, part-time, contract), and how they are integrated within and instrumental to the larger creative industry and overall economy. Look to the mapping study and narratives that follow in this report for some insight into these questions, as well as concerns and issues about opportunities for advancement, deeper benefits, skill development and struggles related to finding and affording workspace.
WOMEN IN THE REGIONAL CREATIVE ECONOMY

Regional demographic data can tell us a bit more about the gender and racial makeup of the creative sector. As noted earlier, over 39,000 women work in the creative sector in the region, making up 49% of the creative workforce. We list the top 10 jobs for women based on their numbers in the workforce and examine parity gains since 2014.

Because the wage data is aggregated, it’s unclear if women achieve near or above the City’s targeted minimum wage goal. Current research shows that overall, women earn only 82% of what their male counterparts earn. Therefore, their concentration in middle and lower earning creative jobs, as shown in this top 10 list, may represent more diminishment of opportunity for women than it does for their male colleagues.

We were also interested in learning whether women had continued to make gains in representation in the creative workforce. We found that in some creative occupations women are gaining ground. Women have increased their numbers as makeup artists (31.8%), choreographers (13.6%), fashion designers (12.5%), architects (12.5%) and actors (11.1%), and they constitute a majority in the makeup artist and choreography fields. This data shows they are finding ways to expand their creative presence – although not necessarily in the fields where their numbers are sizable.

Overall, however, gains for creative women workers have been limited, and in some cases they are losing ground. For example, women make up only 30% of musicians and singers. While overall opportunities for this job type increased between 2014 and 2016, the percentage of women in this field decreased. Likewise, women’s parity decreased in photography and merchandise display/window trimming, despite growth in these job categories. Limited parity gains, parity losses and persistent wage disparities in the overall job market present a note of concern and consideration for creative businesses and organizations.

MEDIAN HOURLY WAGE FOR ALL WORKERS (DATA NOT DISAGGREGATED BY GENDER)

<table>
<thead>
<tr>
<th>Job Type</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Photographers</td>
<td>$15.13</td>
<td>$14.07</td>
</tr>
<tr>
<td>Writers &amp; Authors</td>
<td>$21.44</td>
<td>$22.91</td>
</tr>
<tr>
<td>Graphic Designers</td>
<td>$23.97</td>
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</tr>
<tr>
<td>Public Relations Specialists</td>
<td>$14.12</td>
<td>$15.12</td>
</tr>
<tr>
<td>Editors</td>
<td>$7.81</td>
<td>$7.81</td>
</tr>
<tr>
<td>Musicians &amp; Singers</td>
<td>$19.25</td>
<td>$19.25</td>
</tr>
<tr>
<td>Fine Artists, including Painters, Sculptors &amp; Illustrators</td>
<td>$12.40</td>
<td>$12.40</td>
</tr>
<tr>
<td>Art Directors</td>
<td>$20.78</td>
<td>$20.78</td>
</tr>
<tr>
<td>Merchandise Displayers &amp; Window Trimmers</td>
<td>$15.00</td>
<td>$15.00</td>
</tr>
<tr>
<td>Interior Designers</td>
<td>$10.00</td>
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</table>

2016 numbers reflect the most recent data available.
The Minneapolis Creative Index 2018

People of Color in the Regional Creative Economy

Our data demonstrates an underrepresentation of people of color (POC) in creative jobs compared with their representation among all metropolitan area workers. Yet the data also shows an increase in the number of POC in creative jobs between 2014 and 2016. While simultaneously discouraging and hopeful, these two realities for POC in the creative workforce are reflective of a larger concern and conversation about persistent racial disparities in overall employment and wage opportunities for POC in the city and the region. The City of Minneapolis has prioritized work toward equitable job growth and a reduction in these persistent disparities in its draft 2040 comprehensive plan. Our data aims simply to illuminate the top fields where creative POC work in order to facilitate better conversations about the potential for job growth in communities of color and how creative work can translate to skill development and wage and advancement opportunities.

People of Color (POC) in Creative Jobs

<table>
<thead>
<tr>
<th>Category</th>
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<th>Hispanic or Latino</th>
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<tbody>
<tr>
<td>Number of Creative Workers</td>
<td>2,933</td>
<td>2,897</td>
<td>2,810</td>
<td>1,863</td>
<td>•</td>
<td>18</td>
</tr>
<tr>
<td>% of Creative Workforce</td>
<td>3.6%</td>
<td>3.6%</td>
<td>3.5%</td>
<td>2.3%</td>
<td>•</td>
<td>0.02%</td>
</tr>
<tr>
<td>Growth in Number of Jobs Since 2014</td>
<td>4.3%</td>
<td>6%</td>
<td>4.9%</td>
<td>4.1%</td>
<td>6.2%</td>
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Top Creative Jobs

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<th>Musicians &amp; Singers</th>
<th>Public Relations Specialists</th>
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<tbody>
<tr>
<td>Number of Jobs</td>
<td>401</td>
<td>347</td>
<td>337</td>
<td>613</td>
<td>467</td>
<td>233</td>
<td>938</td>
<td>446</td>
<td>129</td>
</tr>
<tr>
<td>Growth in Number of Jobs Since 2014</td>
<td>2.9%</td>
<td>3.4%</td>
<td>4.4%</td>
<td>4.6%</td>
<td>6.5%</td>
<td>6.1%</td>
<td>4.4%</td>
<td>4.9%</td>
<td>8.2%</td>
</tr>
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Median Hourly Wage for All Workers (Data Not Disaggregated by Race)

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MAPPING WORKSPACE
FOR CREATIVE ENTREPRENEURS, BUSINESSES AND NONPROFITS

The overall creative workforce in Minneapolis comprises 22,339 workers. Creative workers find employment in creative and noncreative businesses alike. Rather than identify where every creative worker in the city is located, however, Arts, Culture and the Creative Economy (ACCE) sought to inventory a subset of the creative workforce – namely, decision makers at the forefront of creative enterprise, to show where they’re finding workspace.

This first-time foundational mapping project shows the location of creative entrepreneurs, businesses and nonprofit organizations whose primary mission, output and staff is creative. ACCE wanted to understand the opportunities and barriers experienced by decision makers in this subset who endeavor to locate workspace with access to a limited pool of resources. We know that the potter producing wares for art fairs and the social media marketing firm with nine employees and 10 contract hires do not have access to the same resources as the bank that employs creatives in its marketing department. Likewise, the major retailer with hundreds of employees in its design department does not face the same spatial challenges as the dance troupe, small architectural firm or team of fashion design collaborators.

So we limited our focus to these often smaller and less conventional businesses and organizations. We created a guide by collapsing 72 industries into nine commonly used typologies within the creative sector: performance, dance, visual arts, literary arts, music, design, media and communication, marketing and PR, and management and development. We distributed our 40 job codes within these genres to help us determine what kinds of businesses and organizations to look for – a process involving collaboration from supporting associations, business and organization list reviews, online searches and building site visits. Our final address list includes 2,376 entrepreneurs, businesses and organizations in 1,030 buildings.

This list is in no way comprehensive, and it represents a snapshot in time of an ever-changing landscape of creative activity and location. Yet the map provides numerous insights into the physical realities and distribution of this subset of the creative workforce within the city.
We found that these creative entrepreneurs, businesses and organizations are located throughout the city. We also discovered that creative initiative finds space in every designated land use in the city. Interestingly, industrial land use ranks third, accommodating only 13% of the creative subset we mapped, dispelling the commonly held belief that a preponderance of creatives exists in repurposed industrial buildings. This finding also raises questions about the purported threat creative enterprise represents to the industrial manufacturers remaining in the city.

Thirty-nine percent of creatives in the subset are working in spaces zoned commercial, a category comprised of three characteristically similar land use types: Retail and Other Commercial, Mixed Use Commercial and Office. Of these land use types, Retail and Other Commercial is the top single land use for creative enterprise.

An equally interesting discovery was the role residential land use plays in the work lives of creatives. Four characteristically similar residential land use types, Single Family Detached, Single Family Attached, Multifamily and Mixed Use Residential, shelter the workspaces of 36% of our creative subset.

In sum, creative entrepreneurs, businesses and nonprofits are located throughout the city and innovate in all types of buildings and land uses, including public spaces like sidewalks, alleyways and parks. Not unlike other businesses, a majority make use of commercial buildings. An almost equal percentage of this creative subset, however, uses residential property for workspace. These two categories account for three-quarters of the creatives we mapped, while industrial spaces follow at 13%, and institutional land use makes up 9%.
The mapping project also provided visual confirmation and comparisons for consideration in future economic development efforts. For example, we confirmed that a high level of creative enterprise is represented in and around the Northeast Arts District, yet the mix of creative genres indicates greater variation in career and entrepreneurial opportunities than we expected. By comparison, North Minneapolis contains much less creative enterprise—fomenting deeper inquiry and potential opportunity.

In the main, mapping this subset of creative enterprise provided a valuable visual dimension to our understanding of the $5.3 billion creative economy. Focusing on creative entrepreneurs, businesses and nonprofit organizations enabled a portion of the sector to emerge visually from the totality of creative and noncreative businesses that employ the city’s 22,339 creative workers. While the overall creative economy is deeply embedded in and integral to noncreative businesses, the creative subset we mapped is an important economic driver on its own, and it faces unique space-related opportunities and constraints. Visual identification of where this creative subset is located will benefit the City as it considers continued business development and job creation in the creative sector.
Over the course of four working group sessions this past spring, the Office of Arts, Culture and the Creative Economy (ACCE) at the City of Minneapolis solicited input from creative entrepreneurs and businesses, building owners, bankers, council representatives, City staff, and arts, cultural and other nonprofit organizations about pursuing opportunity and space as creative practitioners in the City of Minneapolis. We offered our preliminary findings from the mapping project, as well as details from previous Minneapolis Creative Index reports and the Creative City Road Map. It is apparent that workspace is a major concern, impacting creatives’ ability to establish, locate, operate, grow, contract, define and realize the potential of their creative endeavors. Through the lens of several building owners, we offer a glimpse into that discovery here.
OWNING CREATIVE SPACE

While much has been written about how the creative sector is integral to revitalization and how creatives re-purpose and reactivate moribund spaces, the urban planning literature fails to illuminate the reality of finding and managing creative spaces within the context of limited capital resources and pro-growth economic agendas.\(^\text{2}\)

Representatives from Northeast Bank and Venture Bank attended our meetings and noted that they welcome discussions with creative building and business owners about their plans and capital needs, but acknowledged that creative use does not always translate well into standard building financial operating statements. Nonprofit funders acknowledged limited programs aimed at real estate build-outs or purchases. City representatives also noted the difficulty of translating creative use concepts into land use categories and private property development plans.

Jonathan (Jono) Query, owner of the Q.arma building in northeast Minneapolis, rents space to over 30 artists and creative businesses. His tenants pay in accordance with his rent scale, his approach to leasing his property is often problematic for lenders who want to see higher rates of return from the property’s performance.

Jono’s stable history with the property and relationship with his bank has enabled plans for an addition, but for those just beginning their entrepreneurial creative building efforts, a lack of history and relationships can prove daunting as they seek capital to fund their vision. For example, Christopher Webley purchased a long-vacant property in North Minneapolis. The space houses his benefit corporation, New Rules, and offers creative workspace and market and social space. Yet he achieved this successful outcome only by adapting to a series of fiscal and regulatory constraints that limited his ability to offer northside creatives a variety of production equipment, as he had originally planned at the coworking space. Christopher’s concept for co-creative rather than production and sales output. While Jono is comfortable with his bottom line, and his tenants are amenable to his rent scale, his approach to leasing his property is often problematic for lenders who want to see higher rates of return from the property’s performance.

Positive impact is a theme shared by many building owners. A hulking mass of industrial buildings reborn as an arts mecca in northeast Minneapolis stands at the center of a transformation of that community over several decades. Debbie Woodward has directed the Northrup King Building’s slow, steady evolution into 220 spaces for artist studios, galleries and small businesses. Yet while lauded for her work and commitment to offering reasonably priced space to creative entrepreneurs, she notes she doesn’t receive discounts on plumbing and roof repair. Instead, success translates into a long waiting list of would-be tenants, demonstrating the need for the kind of workspace she provides and illustrating how damaging the loss of this space would be for her tenants. She finds ways to maintain and even build out more space in spite of tight margins.

Likewise, Jackie Hayes, who began her transformation of a former convent into office, studio, rehearsal and performance space over 23 years ago, notes the pivotal role her building plays in the arts and cultural community. She also has a tenant waiting list at her Center for Performing Arts building in south Minneapolis and is considering an addition. However, based on her experience with several commercial lenders over the past two decades, she knows the difficulty of communicating to investors how her building fulfills a need for music teachers, dance troupes, artists and small nonprofits. For-profit investors are hesitant to perceive arts and cultural nonprofits as viable businesses and tenants, confounding their nonprofit status with the larger realm of charities and social service providers. But Jackie’s tenants operate as businesses. And, ironically, as a for-profit building owner, Jackie is not eligible for the foundation grants or philanthropic support available to the nonprofit realm, despite the benefit she provides to the nonprofit arts and cultural community.

Similarly, the creative building owners we talked to indicate that while their desire to enlist creative tenants in support of community revitalization and the creative economy receives acclaim from community members, it is not straightforwardly supported by access to traditional capital resources. And although their waiting lists reflect the needs of creative sector entrepreneurs, businesses and organizations, their experiences demonstrate institutional resistance.

Their experiences also reveal a conundrum. The creative sector straddles the for-profit and nonprofit realms. Creatives have for- and nonprofit statuses, manage for- and nonprofit cash flows, and network within a broad range of for- and nonprofit entities and endeavors. While this duality enables creative workers to manage the precarity of creative work, it can confuse and inhibit access to resources that are more clearly directed to for-profits on the one hand or nonprofit organizations on the other – but seldom to entrepreneurs or enterprises that actively engage in both realms.
As demonstrated throughout this report, the creative economy produces solid revenues and fosters business, organization and job growth. In addition to important economic contributions, creative sectors are also credited with producing amenity-rich landscapes that attract and retain populations. Creative enterprise draws people to neighborhoods, producing customers for nearby businesses such as restaurants and shops, and as their work transforms public spaces in neighborhoods, real property values and tax revenues improve. The direct and indirect economic benefits of the creative economy are further bolstered by positive social contributions to community development and well-being.

This heavy lifting is done through integration in two resource and capital realms: for-profit and nonprofit. Creative for-profits and nonprofits exist in an interdependent ecosystem and display tremendous resilience as they rely on each other to create the necessary hierarchy of skill, experience and capacity that’s foundational to the city’s vibrant arts and cultural entertainment industry. For example, we note on page 11 how the for-profit performing arts generated $208 million in industry sales in 2016. On page 13 we indicate that nonprofit theaters generated over $45 million from program revenues. Therefore, creative placemaking, cultural exchange and community cohesion. ACCE’s elevation of the sector’s economic contributions to stabilizing and transforming communities, both physically and in terms of well-being.

The creative economy in Minneapolis and the region can first be understood and valued for the sector’s business and economic contributions as they are demonstrated in total, regardless of the unique character of the industry’s revenue streams and workforce configurations. Then, after recognizing the sector’s economic significance and impact, value should be added for the creative economy’s contributions to stabilizing and transforming communities, both physically and in terms of well-being.

Historically, advocates for arts and culture have highlighted the sector’s transformative outcomes like creative placemaking, cultural exchange and community cohesion. ACCE’s elevation of the sector’s economic contributions – which have traditionally received lesser acknowledgement25 – is part of a strategy to overcome challenges in fostering institutional comprehension and accommodation.

For example, the creative sector helps us to understand future employment trends. Recent studies indicate that one in five jobs in the U.S. is held by a contract worker, a trend expected to continue across all industries and professional levels.26 Creative workers are at the forefront of this flexible entrepreneurship trend, and many manage the precariousness of freelance and project-based work by holding multiple jobs, experiencing periods of underemployment and integrating a mix of professional, social and recreational experiences into their practice to facilitate strong and necessary network development.27 As archetypes of flexibility and as exemplars of needed change in traditional workforce development concepts and strategies, the creative sector offers significant insight into how to plan for an expanding contract workforce.

Likewise, the creative worker contract experience reminds us of the importance of understanding and resolving policies related to this newer form of employee/employer relationship, such as affordable health care and other necessary and positive infrastructure support for contract workers.

We also gained insight into how the unique character of creative practice often involves multiple spaces and collaborations, which indicates a growing demand for more flexibility in workspace design and land use categorization within the knowledge economy.28 For many, the concept of a single workspace is outdated, yet it remains at the center of traditional land use planning. Insights from the creative sector will help inform innovation in planning practice. And within the creative sector, uneven financial rewards and unique business configurations further shape the desire for flexibility, signaling the need for change and improvement in how institutions perceive of creative enterprise and offer access to capital and resources.

Finally, detail from the data and narratives provided in this report indicate that Minneapolis should not assume continued adaptability and success in the creative sector unless it facilitates a more supportive and inclusive ecosystem. Over the past two years, Minneapolis slipped in its CVI rating as other regions improved. And long tenant waiting lists for creative workspace could be a harbinger of workspace scarcity, as could the findings from the mapping project that reveal a high number of creatives working from home. We also regard changes in the federal tax laws with caution, as they threaten the impressive revenues and relevant support services offered by the city’s nonprofit sector.
**RECOMMENDATIONS**

**CREATIVE ECONOMY**

Acknowledge and fully represent the broader for- and nonprofit business configurations within the creative sector, such as entrepreneurs and business startups, for-profit businesses of all sizes and nonprofit organizations. Acknowledge and amplify the value of local creative sector contributions to the city’s economy and quality of life.

- Promote creative sector workforce opportunities for the attraction and retention of skilled workers locally and nationally
- Promote arts and cultural assets and activity locally, nationally and internationally
- Create new and expand existing business resources within the city to ensure support for creative entrepreneurs, businesses and nonprofit organizations
- Provide leadership in facilitating network development, collaborations and partnerships between the creative sector and the private, philanthropic and public sectors

**CREATIVE WORKSPACE**

Acknowledge the role contract, freelance and project-based work and mobility play within the creative sector workforce and how they impact workspace needs. Facilitate economic development and planning initiatives and policies geared toward these needs, such as multisite collaborations, shifting production requirements, and flexible pop-up-based retail and performance spaces.

- Encourage and support workspace development that fosters and maintains naturally occurring affordability through preservation and adaptive reuse of existing buildings and complexes, development of nontraditional policy and land use configurations, and accommodation of flexible build-out and design plans
- Specifically protect and expand existing production, practice, rehearsal and performance spaces
- Facilitate and support real estate programs that prepare for-profit businesses and nonprofit organizations in the creative sector to participate in new development and rehabilitation projects
- Explore new and alternative strategies such as creative coworking spaces, cooperative ownership opportunities, long-term lease options, developer and public subsidies, alternative pro forma model development and unique scaling/space configurations in design development

While Arts, Culture and the Creative Economy (ACCE) celebrates the success of the creative economy as demonstrated by the findings in this report, we also acknowledge the vulnerability of the creative sector and aim to support the development of business resources devoted specifically to skill building and business knowledge development in the creative sector. ACCE also seeks to influence planning and development initiatives aimed at the retention of creative space while encouraging the development of environments that are scaled and affordable to creative practice. Finally, ACCE encourages the facilitation of a supportive creative ecosystem that brings together programs and resources and advances partnerships and collaborations.

**ONGOING REPORTING**

ACCE continues to share its findings and to collaborate locally, regionally and nationally with arts and cultural supporters and advocates such as Meet Minneapolis, Greater MSP, Minnesota Citizens for the Arts, Minnesota Compass and SMU DataArts (formerly the National Center for Arts Research and DataArts).

Beginning in 2013, ACCE, along with the City of Minneapolis, offered a new perspective on the creative economy. Highlighting revenues and job data, the first Minneapolis Creative Index report recognized the significant role creative workers and the creative sector play in the city’s annual business, organization and job growth. Since then we’ve updated the data on a frequent basis and taken a deeper dive into the demographic details of creative workers, providing insight into parity and opportunity for women and people of color in the creative sector. With the 2018 report, we update all these elements and begin to explore creative workspace. We will continue to issue frequent reports with deeper dives into the stories behind the numbers and narratives.
The majority of the data in the report comes from the 2015 data version, except for the sales data, which comes from the 2018 data version. We used the 2018 data version to analyze sales data after we identified the need to analyze more sales data than we had originally pulled from the 2013 data version. Access to older data versions is very difficult to obtain; therefore, using the 2018 data version for our sales analysis was appropriate.

Occupational data in the CVSuite comes from Economic Modeling Specialists Inc. (EMSI). EMSI’s proprietary labor market data database and modeling provide data on art workers who are full-time, part-time and contract workers, including agricultural workers. This is referred to as their “complete” employment set. We use this data to avoid an undercount of creative workers.

The selection of occupations to be considered in the CVSuite was accomplished through a process of cross-walking occupations using Standard Occupational Classification code with Department of labor rates for matching particular skill sets with occupations. The CVSuite measures 45 selected occupations and are highly correlated with measured skill sets in thinking creatively, originality and fine arts knowledge as measured by the Employment and Training Administration’s "O*NET" occupational network database. Given this meticulous selection of occupations, the CVSuite provides the highest justifiable way to measure the creative economy. In 2014 and 2016, WESTAF expanded the list of creative occupations available through the CVSuite, using the original O*NET competencies and adding codes that scored lower in some competencies, which allowed for a broader scope that includes more occupations.

Information about nonprofit arts activity is secured from the Urban Institute’s National Center for Charitable Statistics and Economic Modeling Specialist Inc. (EMSI). The Urban Institute’s National Center for Charitable Statistics aggregates information from the Internal Revenue Service’s 990 forms. The forms are required for submission by exempt organizations with annual gross receipts of $500,000 or more. Industry data sources also from EMSI. Federal statistical agencies use NAICS codes for the collection, tabulation, presentation and analysis of economic statistics. WESTAF selected industries offered in the CVSuite based on relevance to the creative economy and input from CVSuite clients. In 2014, WESTAF expanded the list of creative industries available through the CVSuite from 10 to 72, the number we used for our 2015 report. In 2016, WESTAF expanded the list to 97, selecting additional industries based on share of employment by its newly expanded list of creative occupations. In our analysis for the report, we used the same set of 72 creative industries as in the 2015 report.

Every five years the U.S. Census evaluates the industry classification system to keep pace with the changing economy. CVSuite recently updated its industries to the 2017 NAICS codes, which included changes to the following NAICS codes: 512100 Production and 512200 Production and Distribution. These new Production and Distribution codes have been combined into a new code, 512250 Production and Distribution. In the 2015 report and in this report, too, we use NAICS codes (443201) and record codes (451200), which have been combined into a new industry electronic stores (443100) and record stores (451200). Beginning with 2017, the CVSuite index was retroactively updated to include the new industry electronic stores code and to remove the decommissioned codes. Based on the employment rates published by the National Industry Employment Statistics (EES) program, only data from the new codes are included within the index calculation because this percentage of revenues estimates the previous CVSuite index indicates, camera and record stores sales. A full list of creative industries is available by request to Arts, Culture and the Creative Economy at the City of Minneapolis.

See “Creative Community in Minneapolis.” In 2011, Minneapolis, MN, National Center for Arts Research, University of Minnesota, 2011. See also Francisco Jackson, Florence Kalawaze-Green, Joann Hamer, University of Minnesota, 2014, and Thigpen and Ministry of Education and Research: arts and culture in the City of Minneapolis.


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