

SOUTH CAROLINA

OVERVIEW

The South Carolina Arts Commission's (SCAC) mission includes a commitment to excellence across the spectrum of the state's cultures and forms of expression alongside developing a thriving arts environment, considered essential to the quality of life, education, and economic vitality of all South Carolinians.¹ The SCAC, the state's principal arts agency, was created as an agency of state government in 1967 to develop and implement a comprehensive statewide program to promote the arts and to assure their continued excellence across the state.

As in the case of practically every other state, the SCAC's major source of funding is tax dollars appropriated by the South Carolina General Assembly. In addition, the SCAC receives federal government grants administered by the National Endowment for the Arts (NEA) and funds raised from private foundations and community sponsors. The SCAC is governed by nine volunteer citizen commissioners appointed for three-year terms by the governor and confirmed by the state Senate. The commissioners, assisted by a staff of 19 (as of January 2006), attend grant panel meetings and convene regularly to take action on funding and formulating policy on the arts in South Carolina.

FUNDING FOR THE ARTS

State funding for the arts in South Carolina came under tremendous pressure during the review period given the debilitating effects of the state fiscal downturn and the need to divert funds to other essential programs. In fact, between fiscal years 2001 and 2005, funding for the arts in South Caro-

lina suffered a precipitous 43 percent plunge. Even though in each year after fiscal year 2002, the level of cutbacks declined, cumulatively they amounted to a drop from \$5.4 million in fiscal year 2001 to \$3.1 million in fiscal year 2005. These decreases included a 17 percent reduction, the highest level between fiscal years 2001 and 2002 (from \$5.4 million to \$4.5 million), 15 percent between fiscal years 2002 and 2003 (\$4.5 million to \$3.8 million), and 11 percent and then 9 percent between fiscal years 2003, 2004 and 2005 (\$3.8 million to \$3.4 million to \$3.1 million).

In responding to these sharp funding reductions during the five-year review period, the SCAC was forced to implement a number of cost-cutting measures while continuing to provide quality service.² Some of these measures introduced during the review period included eliminating selected programs and services; slashing most other programs; reducing the Commission's workforce; instituting a voluntary and mandatory furlough program; holding positions vacant; maximizing cost savings and efficiencies through a reduction in travel costs by more than 30 percent (between fis-

cal years 2001 and 2005); reducing the number of leased cars from four to three; replacing a quarterly newsletter with a less expensive mailed piece; substituting various print pieces with electronic versions; and switching cellular phone services for a savings of \$160 per month. The Commission's reports to the General Assembly during several of the review period years noted that the reduction in direct staff interaction with the agency's constituents, such as grantees and grant applicants (on account of the travel restrictions), had the potential to cause a decline—in the long term—in the high customer satisfaction rate the agency had previously secured.

ECONOMIC IMPACT

The SCAC has been very proactive in stressing how the arts industry changes lives one-by-one, family-to-family, eventually spreading across communities, schools and the entire state. To document this trend, the SCAC commissioned the University of South Carolina's Moore School of Business to carry out a study assessing the economic impact of the cultural industry on the state.³ This study, released in April 2002, once again clearly demonstrates the tremendous economic magnitude of the arts and cultural industry on the state. As in the case of the studies in so many other states, even though the results are several years old, the sheer enormity of their economic impact is in no way diluted; in fact, it is possible to comfortably forecast that these economic impacts in the ensuing years actually have increased to even greater heights from the numbers reported in the past few years.

In developing a model for the cultural industry, the University of South Carolina study views the cultural industry in South Carolina as compris-



Hubbard Street Dance Chicago perform *Rooster* by Christopher Bruce at the 2005 Spoleto Festival. Photograph by Todd Rosenberg, courtesy the Spoleto Festival USA.

ing three major activities: heritage and culture (museums, historical sites and parks, libraries, K-12 arts education in the state's schools); performance and exhibition activities (performers and performing groups, galleries, filmmaking); and the individual artist (ranging from a craftsman's artwork featured locally to an artist performing in the international arena). The study then sought to calculate the economic impacts flowing both to and from this triad of activities along with the numerous businesses that both sustain elements of the triad and also survive because of the triad's elements. In further breaking down the elements

of the triad, the study calculated the economic impact of the following: Spoleto Festival USA (the major international festival held annually in Charleston that ranks among the most visible aspects of the cultural industry in the state) and Piccolo Spoleto, the Southeastern Wildlife Exposition, other cultural and arts festivals, artists, arts education, cultural organizations and the film industry.

The study documented that relevance of the arts as a vital cog in the complex South Carolina economic engine is supported by the magnitude of its impacts on wages and salaries, jobs, and economic output in South Caro-

lina. Specifically, the cultural industry supports \$686.7 million in labor earnings, 29,348 jobs, and \$1.8 billion in output. In addition, the cultural industry returns more than \$44 million a year to the state in sales and income taxes.⁴ While the earnings impact amounts to 1.3 percent of total earnings statewide, the employment impact represents 1.6 percent of total non-farm employment. In other words, of every \$100 of wages and salaries earned in South Carolina, \$1.30 can be linked to the cultural industry. Similarly, of every 100 jobs in the state, 1.6 are directly or indirectly linked to the arts. Moreover, of every 200 jobs in the Charleston metropolitan area, one exists exclusively because of the outside money brought in by the Spoleto Festival USA and Piccolo Spoleto. Table 23 encapsulates some of these key measures in laying out the economic impact of the cultural industry in the state.

In addition, South Carolina artists spent a total of \$35.8 million on supplies and services across the state. Based on ensuing multiplier effects, these artists' activities generated a total of \$23 million in earnings, 870 jobs, and \$120.5 million of economic output. Then, festivals across the state, excluding Spoleto USA, Piccolo Spoleto, and the Southeastern Wildlife Exposition, spent a total of \$40 million in South Carolina. Not only did

Table 23
Economic Impact of the Cultural Industry in South Carolina

	Earnings	Jobs	Output
Artists	\$23,043,234	870	\$120,549,386
Arts Education	\$98,398,308	3,712	\$194,333,580
Festivals*	\$27,719,877	1,044	\$105,444,058
Film Industry	\$29,454,420	1,491	\$74,521,536
Cultural Organizations	\$148,998,123	5,639	\$424,936,314
For-profit Organizations	\$329,910,001	14,963	\$925,471,851
Spoleto USA/Piccolo	\$29,200,138	1,628	\$67,799,479
TOTAL	\$686,724,151	29,348	\$1,913,056,654

Source: University of South Carolina, April 2002

* Excludes Spoleto, Piccolo Spoleto, and the Southeastern Wildlife Exposition

this spending result in a total of \$27.7 million in labor earnings, it generated 1,044 jobs and \$105.4 million in output.

The annual Spoleto Festival USA and Piccolo Spoleto in Charleston are perhaps the most renowned facets of the thriving arts scene in the state. Spoleto Festival USA has firmly established itself as one of the world's major arts festivals, presenting 100 world premieres and 93 American premieres since its inception in 1977.⁵ For 17 days and nights each spring, Spoleto Festival USA fills Charleston's historic theaters, churches and outdoor spaces with over 120 performances by renowned artists as well as emerging performers in disciplines ranging from opera, theater, music theater, dance, and chamber, symphonic, choral, and jazz music, as well as the visual arts. One of the Festival's tenets is to provide young performers the opportunity to work with veteran directors, designers and performers. The Piccolo Spoleto event, launched in 1979 by the city of Charleston, complements the main Spoleto Festival USA by providing a venue for local and regional artists. According to the 2002 study, an estimated 153,500 visitors attended the two events in 2000. These attendees spent a total of \$43.1 million in the Charleston area. The largest expenditures were on lodging, food and beverage, and tickets to the performances. This spending supported a total of \$29.2 million in labor earnings, the equivalent of 1,628 full-time jobs and \$67.8 million in economic output.

According to the South Carolina Department of Education, an estimated \$75 million is spent on arts education for kindergartners through 12th graders in public schools. This expenditure by the schools, primarily in the form of salaries, supports a total of \$98.4 million in earnings, 3,712 jobs, and \$194.3 million in output. Then, the study solicited information from a variety of cultural organizations including local arts councils, historical sites and associations, libraries, museums, parks, and other organizations. These groups had total expenditures of \$159.9 million in South Carolina. The operations of these organizations

Table 24

Details on SCAC's Grants Fiscal Years 2002 through 2005

Year	Amount	Number of Grantees	Number of Counties
FY 2002	\$2,244,271	398	42
FY 2003	\$2,185,504	368	42
FY 2004	\$2,031,780	347	42
FY 2005	\$1,911,513	311	43

Source: South Carolina Arts Commission, FY 2002 through 2005 Agency Accountability Reports

supported a total of \$149 million in earnings, 5,639 jobs, and \$424.9 million in economic output.

In a trend that is being replicated in a vast number of states across the country, the motion picture industry also has been blossoming in South Carolina in recent years. According to the University of South Carolina study, the motion picture industry in South Carolina spent a total of \$49.1 million in the state. A majority of these expenditures represents new money to the state, that is, money spent by non-residents. (Even in the instance of the Spoleto Festival USA, the money spent is a true net addition to the South Carolina—and more specifically, Charleston—economy since a bulk of it was money spent by people living outside the city). Overall, these direct expenditures support a total of \$29.5 million in wages and salaries, 1,491 jobs, and \$74.5 million in output.

Finally, for the first time in the University of South Carolina's series of cultural industry impact studies (the first was done in 1988), a separate survey was sent to elicit information from the for-profit segment of the cultural industry. Among these businesses are art galleries, craft suppliers, dance instructors, and photographers. Based on these survey results, a total of 9,126 jobs was directly linked to the for-profit arts-related firms. Based on the level of business activity and employment at these firms, the study noted a cumulative impact of \$329.9 million in earnings, 14,963 jobs, and \$925.5 million worth of economic output, a most significant level indeed.

Beyond the 2002 economic impact study, the SCAC also listed details on the grants it provided to various artists and organizations during the review period.⁶ These grants are the crucial lifeline to a number of these artists and arts organizations and trigger a considerably greater amount of economic activity than the initial disbursements. Table 24 lists this grant information for fiscal years 2002 through 2005.

The impacts of the cutbacks in state appropriations are quickly apparent from reviewing the data in Table 24, as not only did the number of grantees decline each year from fiscal year 2002 to fiscal year 2005, the total amount allocated diminished too. This is reflected in the earlier section that elaborated trends from the state legislative appropriations to the SCAC. Specifically, the amount allocated as grants declined from \$2.2 million in fiscal year 2002, to \$1.9 million in fiscal year 2005; similarly, the number of grantees dropped from 398 to 311.

Another brand new event that falls under the category of stimulating economic activity across the state is the International Arts Festival of Greenville, further evidence of an arts-related event promoting positive economic flows. In its 2005 inaugural year, the Festival attracted artists from 22 states from as far away as Colorado and Wisconsin who featured ceramics, photographs, jewelry, rugs, paintings, portraits and other forms of art. The Festival's organizers believe they have sufficient momentum and interest to continue it annually.



Spoletto's Artistic Director for Choral Activities Joseph Flummerfelt leads the Westminster Choir at the 2005 Spoleto Festival USA. Photo by: William Struhs, courtesy the Spoleto Festival USA.

CULTURAL HERITAGE TOURISM

Like so many other states, South Carolina, led by the SCAC, is focused on capitalizing on its many cultural and heritage sites to promote tourism and, thereby, generate interest in these sites (and related activities) as well as create additional economic opportunities. Toward this effect, in an address to Governor Sanford about the SCAC's activities, the SCAC's director sought

the governor's support in promoting a pilot program to stimulate interest in cultural tourism projects across the state.⁷ The push to aggressively promote cultural tourism in South Carolina surfaced from the fact that the state did not make the list of top 10 cultural tourism destination states, even though there were five other Southern states on this list. In securing the governor's attention beyond the usual budgetary assistance, the SCAC director asked the governor to designate a staff liaison for cultural tourism. The responsibilities of this staff liaison would include coordinating efforts between the SCAC and other cultural agencies/ tourism officials to entice more cultural tourists to the state and to facilitate a continuous dialogue between all the different groups. This, the director stressed,

would ensure that the arts and culture in South Carolina are used to their fullest potential in promoting the quality of life and economic growth of those residing throughout the state.

In order to accomplish the goal of promoting cultural tourism initiatives across the state, the SCAC recently solicited grant applications from artistically based projects that would serve to enhance the state's capacity in the cultural tourism area.⁸ The overriding objective in providing grant monies

to eligible groups or individuals would pivot on the particular project expanding and marketing existing cultural offerings to increase cultural tourism; developing and marketing new cultural offerings to attract cultural tourists; building or enhancing partnerships that increase in-state cultural tourism; attracting new cultural tourists (particularly visitors from outside the state); and collecting data to support a cultural tourism project. Another important fact stressed by the initiative included the numerous partnerships such as links between, but not limited to, culture, tourism, and business organizations; and/or public and private sector organizations, and/or local, state and federal agencies/municipalities. The amount provided as grant money could be as much as \$10,000 with a one-to-one match between the grant applicant and the SCAC.

BUILDING BOOM

A number of South Carolina performing cultural organizations continue to draw throngs of visitors and arts patrons to their events. One of the more notable organizations in this connection is the Charleston Stage, founded by Playwright Julian Wiles in 1978, currently South Carolina's largest professional theater company that is in residence at the Historic Dock Street Theater.⁹ In addition to having presented over 150 productions at the theater, Charleston Stage has played to a collective audience of more than 1 million patrons. The theater company also employs 20 full-time staff, guest artists, scores of actors, dancers, singers and musicians and Theatre Wings High School Apprentices. In addition, arts education continues to be a crucial outreach activity of the Charleston Stage, and the theater company offers a number of educational services to schools throughout the state.