The Future of the Creative Economy as an Economic Driver

Creative Economy and the Southeastern United States
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Context

- Understanding economic drivers - ED 101
- Creative economy influences on place based branding
- The changing context of the economy - the ""next new normal"
- Recent efforts...
- What is the magic to being successful?
The Relationship Between Local and Traded Jobs

Local Industries
Local industries provide goods and services almost exclusively for the area in which they are located.

Traded Cluster
Traded industries sell products and services across economic areas, so they are concentrated in the specific regions where they choose to locate production.
Understanding the Movement of Money From Outside to Inside

Place

Non-Primary Industries Or Non-Traded Clusters

Leakage

Sales of Goods
Sales of Services
Retirement Savings
Tourism Spending
Ag Exports
Government Trans

Purchase of Goods or Services
Taxes (above Bene)
Outsourced Internet Purchases
Travel Expenditures
Why Does This Matter?
Creative Economy Jobs Can Have Different Impacts

- Walt Disney World or the Bowling Alley
- CNN or the small town newspaper
- Scotty McCreery in 2010 or 2011
Non-direct Impacts or more than math

- Branding
“Branding is a strategic process for developing a long-term vision for a place that is relevant and compelling to key audiences. Ultimately it influences and shapes positive perceptions of a place.”

“A brand is the DNA of a place…It is authentic and indicates what makes a place different from others.”
Branding CEOs for Cities

A brand:
- Creates a common vision for the future of a place and its potential
- Enhances its local, regional, and/or global awareness and position.
- Sheds unfavorable stereotypes associated with a place and makes it more appealing
### Site Selection Factors

% of QOL Factors Rating as Very Important

1. Low Crime Rate 85%
2. Healthcare Facilities 72%
3. Housing Costs 68%
4. Housing Availability 66%
5. Ratings of Public Schools 61%

Source: Area Development 2011 Survey
Clusters

A cluster is a geographically proximate group of interconnected companies and associated institutions in a particular field, including product producers, service providers, suppliers, universities, and trade associations. Clusters arise out of the linkages or externalities that span across industries in a particular location.
Building Competitive Regional Clusters

- Build strong knowledge infrastructure
- Attract research & development
- Educate and train citizens
- Develop a high quality of life to attract & retain talent
- Enable entrepreneurship
- Encourage innovation & creativity with specific actions
- Promote interaction between groups and individuals
What Is the New Normal?

“The future is not some place we are going to, but one we are creating.”

John Schaar
40 Years Ago Toffler Had a Few Thoughts

- 1970- Pre-internet, pre-personal computer, pre-Microsoft, pre-ATMs pre light beer, video games, universal remotes, luggage with wheels and 24 hour cable news
- Durational expectancy
- Transience
- Novelty
Expect Accelerating Change

The average American will move 11.7 times & change jobs every 3.8 years.
Shaping Future Change

- Urbanization
- Globalization
- The Talent Imperative
- The “elites”

“Reality is merely an illusion, albeit a very persistent one.”

Albert Einstein
Urbanization

We Are Becoming A World Where People Live in Urban Regions
Almost 60% of US population lives in Cities of 1 million or more.

Metros generate over 90% of GDP and 86% of employment.

Source: Census
“The global competition and automation are unlikely to abate, and new industries favor large cities.”

“Long-term economic restructuring is occurring both industrially and geographically.”
“What we begin to notice in 1983 was an alarming economic decline in the non-metropolitan South.”

“The impacts of industrial restructuring.”
Halfway Home & A Long way To Go

- “The sunshine in sunbelt has proved to be a narrow beam of light.”
- “The opportunity offered by world markets is balanced by the challenge of world competition.”
Globalization

Marco Polo
East India Trading Company
Silk Road or Amber Road
Columbus
Mobility

- Human Infrastructure (Global Talent)
- Fiscal Infrastructure (Global Capital)
- Physical Infrastructure (Airplanes, Data)
- Innovation Infrastructure (Higher Education, Intellectual Property, Patents)
- Corporate Infrastructure
- Creative Industries…?
“97% of CEOs surveyed say having the right talent is the most critical factor for their business growth”
Ability to Attract Talent

1) Economic Opportunity
   (Depth of Market)

2) Quality of Place
   - Housing Availability & Affordability
   - Education Quality & Cost
   - Quality Health Care
   - Safety

3) Amenities & Choice
Preparation for the Millennials
(They May Change all the Rules)
Each generation has different assumptions, motivations and expectations about work and makes different choices about where, when and how they work.

Later marriages, less children, small spaces, urban, experiences over stuff, global, technological, novel …
Think About This Year’s College Graduates…

- There has always been an internet to find everything
- Rap has always been mainstream
- Rock tours have always had corporate sponsors
- MTV has never shown music videos
- They get more news from John Stewart and Stephen Colbert than newspapers
Think About This Year’s College Graduates…

- And today,
- Movie reviews are tweeted
- Opera is at the movies
- Books, music, video games, are all in your pocket
- Anyone can publish or perform on Youtube or online
Millennials- Their world is...

- More work-life balance
- Balance through integration
- Continuous feedback
- Multi-task
- Team oriented
- Immediacy
- Flexible, tech-savvy, open minded
- Easily distracted
- New, new, new
Fragmentation of Cultural Reference Points

- News
- Books
- Music
- Movies
- Experiences
- What “community” means
“If you can dream it, you can do it”
Walt Disney

What is the American Dream for 2020 or 2050?
Creative Industry Discussions Can Be Divisive, But ...
South Arts Recent Study

- The American South is famous for its artists and their cultural output...
Creative Industries In the South Arts Region (82,852)

- Design: 23%
- Film & Media: 31%
- Heritage & Museums: 1%
- Literary & Publishing: 15%
- Performing Arts: 9%
- Visual Arts & Craft: 21%

Source: Creative Industries in the South, South Arts, Allen Bell, 2011
Creative Employment In the South Arts Region (1,167,108)

- Design: 11%
- Film & Media: 33%
- Heritage & Museums: 2%
- Literary & Publishing: 14%
- Performing Arts: 27%
- Visual Arts & Craft: 13%

Source: Creative Industries in the South, South Arts, Allen Bell, 2011
Creative Industry Revenue In the South Arts Region ($142.6B)

- Design: 11%
- Film & Media: 41%
- Heritage & Museums: 1%
- Literary & Publishing: 28%
- Performing Arts: 7%
- Visual Arts & Craft: 12%

Source: Creative Industries in the South, South Arts, Allen Bell, 2011
The Trend is Global

“...A new development paradigm is emerging that links the economy and culture, embracing economic, cultural, technological and social aspects of development at both the macro and micro level.”
So some takeaways are...
Since 1971, bringing together governors, state legislative leaders, business leaders, higher education leaders, and citizens.

Help communities understand the changing context of competitiveness.

Public policy is about making choices, Southern Growth informs choice.
Thank You

Questions?

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