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Wisconsin's creative industries have \$9.7 billion annual impact, national study shows Wisconsin's creative workforce is larger than the state's beer, biotech and papermaking sectors

A new study from the U.S. Department of Commerce and the National Endowment for the Arts (NEA) shows that Wisconsin's creative industries have a \$9.7 billion annual economic impact and support over 94,000 jobs statewide.

The Commerce Department's <u>Bureau of Economic Analysis</u> and the NEA's <u>Office of Research & Analysis</u> study on the Arts and Cultural Production Satellite Account (ACPSA) tracks the annual economic impact of arts and cultural production from 35 industries, both commercial and nonprofit. Those 35 industries (<u>listed here</u>) range from architectural services to sound recording to nonprofit businesses, and in whole or in varying percentages are considered to be a distinct sector of the nation's economy. The ACPSA reports on economic measures—value-added to GDP as well as employment and compensation.

According to <u>Arts Wisconsin</u>, the leading statewide organization advocating for community cultural development and investment, and other public/private partners, the ACPSA numbers for Wisconsin are indicate a growing sector worthy of investment:

- \$9.7 billion value-added to the state's economy by the arts and creative sector
- 3.1% arts and creative sector value-added as a share of the state's economy
- \$5.6 billion creative worker compensation (earnings and benefits)
- **94,167** creative worker jobs

Wisconsin's creative workforce employment numbers are greater than the state's beer (63,000 jobs), biotech (35,000 jobs), and papermaking (31,000 jobs) industries.

The research proves that creativity is a resource needed for success by every Wisconsin business and community in the 21st century.

"Fostering a creative, diverse and engaged workforce is essential for driving Kohler's sustained business success," says Laura Kohler, Senior Vice President for Human Resources, Stewardship and Sustainability for Kohler Co. of Kohler, WI. "Among our 38,000 associates worldwide, we continuously invest heavily in new and innovative approaches to problem solving. We appreciate what the arts and creative industries offer in terms of elevating the American economy and nurturing a workforce focused on exploration, imagination, and entrepreneurship."

Arts and culture, arts education, and the creative industries play an important role in developing vibrant communities, educating and training the 21st century workforce, and building a foundation for growth and lifelong learning, making them critical to the future of Wisconsin.

"Global economic competitive success is wholly based upon innovation. It is imperative that Wisconsin develop the creative talent necessary to invent and commercialize new products and services," says Dennis Winters, Chief Economist for the Wisconsin <u>Department of Workforce Development</u>. "DWD is an able and willing partner in developing all of the state's human resources."

Nationally, five million people are employed in the arts and cultural sector. These five million wage-and-salary workers earned \$386 billion in 2016. The arts and cultural sector contributed \$804.2 billion or 4.3 percent to the nation's gross domestic product (GDP) in 2016. The arts and cultural sector contributed \$804.2 billion or 4.3 percent to the nation's gross domestic product (GDP) in 2016. This represents an increase of .1 percent from 2015 when economists reported that the sector added 4.2 percent or \$763.6 billion to the U.S. economy.

"For the past five years, the partnership between the Bureau of Economic Analysis and the National Endowment for the Arts has yielded invaluable information about the economic impact of arts and culture," said Acting NEA Chairman Mary Anne Carter. "The data has consistently demonstrated the value of the arts to the nation, to individual states, and to the lives of the American people."

Key national findings from this year's ACPSA are:

- Arts and culture play a significant role in the economic activity of the country. The value-added to GDP by arts and cultural production is nearly five times greater than that of the agricultural sector. Arts and culture adds nearly \$60 billion more than construction and \$227 billion more than transportation and warehousing to the U.S. economy.
- Arts and cultural goods create a trade surplus. In 2016, the U.S. exported nearly \$25 billion more in arts and cultural goods and services than it imported, a 12-fold increase over 10 years.
- ACPSA exports are driven by movies and TV programs, advertising, and arts-related software such as video games.
- The average annual growth rate for arts and culture outperforms the growth rate of the total U.S. economy. From 2014 to 2016, the average annual growth rate in the contribution of arts and culture was 4.16 percent, nearly double the 2.22 percent growth rate of the total U.S. economy.
- Consumer spending of the performing arts has risen significantly. Between 1998 and 2016, the rate of consumer spending on performing arts admissions more than doubled, rising from 0.12 percent of U.S. GDP in 1998 to 0.26 percent, totaling \$32.7 billion, in 2016.

Click here for more information on the Arts and Cultural Production Satellite Account research.

"These impressive statistics make it clear that Wisconsin's creative sector is a positive force for change," says Anne Katz, Director of Arts Wisconsin. "Wisconsin has abundant creative industry assets needed for global leadership and competitiveness. Now is the time for the state and all of its communities to invest in this kind of 21st century economic, workforce, and civic development."

For more information on Wisconsin's creative industries and workforce, contact Anne Katz, Arts Wisconsin, 608 255 8316 | akatz@artswisconsin.org | www.artswisconsin.org.