



# CREATIVE INDUSTRIES IN ALABAMA

EXECUTIVE SUMMARY

A South Arts Research Publication  
By Allen Bell

BUILDING A BETTER ALABAMA THROUGH THE ARTS



# Alabama

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Creative Industries Profile



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*“Increasingly, quality of life will determine where companies decide to locate, invest and expand business activity...*

*To this end, creative communities and creative industries are important to Alabama’s economic future and strategy for growth.”*

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*Governor Robert Bentley signs the Alabama Commercial Aviation Business Improvement Act on Thursday, April 4, 2013, in his Capitol Office in Montgomery. Also pictured, from left to right, are: Sen. Cam Ward, Sen. Vivian Figures and Commerce Secretary Greg Canfield. Ward, Figures and Rep. Bill Poole sponsored the legislation. Photo: Governor’s Office, Jamie Martin*

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## STATE OF ALABAMA

Alabama has historically been blessed with a wide range of cultural assets and creative individuals. From shape note singing to quilting, from pottery making to country music, from Shakespeare to galleries filled with Southern masterpieces, the state is rich in both contemporary and traditional arts. These artists and art forms not only reflect our unique cultural environment but also constitute a creative industry that contributes to the state's economy and economic development future.

Increasingly, quality of life will determine where companies decide to locate, invest and expand business activity. Quality of life plays a big part in attracting employees, families and the best and brightest executives, all whom want to live in a community that is culturally vibrant and stimulating. Quality of life also contributes toward keeping our best and brightest in the state engaged in good jobs that are part of a changing employment landscape. To this end, creative communities and creative industries are important to Alabama's economic future and strategy for growth.

While we may appreciate our fine arts and artists integral to performances, exhibitions and a wide range of community celebrations, we may not fully appreciate the arts as an important industry in Alabama. The arts and creative industries in the state have a significant economic impact in both the not-for-profit and the for-profit sectors. Whether a symphony hall or a recording studio, a museum or a commercial gallery, a library or a publishing house, the creative industries in Alabama account for 4,700 businesses and over 71,000 jobs, with wages of more than 2 billion dollars generating nearly 8.7 billion dollars in annual revenue. These are significant numbers reflecting activity in the state that is important on many levels.

A revealing report has been compiled and printed by South Arts, a nine-state regional organization based in Atlanta and the Alabama State Council on the Arts. The report provides a comprehensive profile of the creative industries in Alabama. The data in this report will hopefully be shared, used and considered as we craft economic development strategies in the challenging years ahead. The data should also be a motivating factor for supporting and nurturing our valuable creative industries that both enhance our quality of life and create jobs. As Governor, I am pleased to highlight yet another asset of our great state that should be part of our growth in the future.

A handwritten signature in black ink that reads "Robert Bentley". The signature is written in a cursive, flowing style.

Robert Bentley  
Governor



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*“Arts and culture increase economic development by attracting businesses, creating new jobs, increasing tax revenues and promoting tourism.”*

*~Greg Canfield*

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Governor Robert Bentley  
with Greg Canfield,  
Secretary of Commerce  
generating business growth  
on a world stage with the  
‘Made in Alabama’ campaign.  
Photo: Big Communications.

OFFICE OF THE GOVERNOR

ROBERT BENTLEY  
GOVERNOR



DEPARTMENT OF COMMERCE

GREG CANFIELD  
SECRETARY OF COMMERCE

Alabama has long recognized the importance the arts and culture play in economic development. Business officials don't just work in a community; they want their families to have an excellent quality of life in a community rich with opportunities. The arts are an important part of our quality of life and factor in when business executives are making the decision where to locate new companies.

Alabama is the ideal place to live and raise a family. From its beautiful mountain ranges to the white, sandy beaches of the Gulf Coast, Alabama is a state of amazing diversity. The Alabama Shakespeare Festival in Montgomery brings worldwide attention to the state and the state's museums from Huntsville to Mobile are second to none. There are numerous music festivals as well as street festivals for artists. Art museums abound in the state and a special high school for creative young people called the Alabama School of Fine Arts in Birmingham has produced talented and successful young writers and artists.

Arts and culture increase economic development by attracting businesses, creating new jobs, increasing tax revenues and promoting tourism. They are excellent tools to attract professionals to our cities, thereby both retaining and increasing Alabama's pool of talented employees needed for the high-technology jobs being attracted in the state.

Leveraging our state's creative industries can be an excellent way to accomplish our goals of bringing good paying jobs to the citizens of our state.

Greg Canfield

Secretary

Alabama Department of Commerce



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*“A snapshot of the study profiling Alabama reflects our state having almost 5,000 creative industries employing 70,000 people with wages totaling right at 2 billion dollars.*

*The revenue of creative industries is at the 9 billion dollar mark.”*

*-Albert B. Head*

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*James Harrison III, Chairman, Alabama State Council on the Arts tunes a cigar box guitar purchased from an artist/vendor at the Lowe Mill Arts & Entertainment Center in Huntsville. Al Head, Executive Director of the Alabama State Council on the Arts looks on.  
Photo: Barbara Reed*

South Arts, a nine-state regional organization that responds to the arts environment and cultural trends, recently conducted a study on the creative industries in the South. The study released in 2012 provided data for nine states showing the scope and breadth of the creative industries in a region including Mississippi, Tennessee, South Carolina, North Carolina, Louisiana, Florida, Georgia, Kentucky and Alabama.



A snapshot of the study profiling Alabama reflects our state having almost 5,000 creative industries employing over 70,000 people with wages totaling right at 2 billion dollars. The revenue of creative industries is at the 9 billion dollar mark. These figures don't even include government arts activity such as civic centers, public museums, schools and university arts programming. But, these numbers do include individual artists and those self-employed in creative fields. Those sectors add significantly to the total dollars involved in this broad-based field.

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While the regional study spotlighting Alabama was useful and enlightening, the State Council on the Arts felt it would be valuable to also provide a profile for each of the major metropolitan areas in the state, Huntsville, Birmingham, Montgomery and Mobile. With this in mind, the Council asked South Arts to extend the study to reflect the creative industries in each of these areas. So, this report is the results of the initial Alabama profile plus the details on these four geographic regions of the state.

While the numbers provide details and specifics, the important story here is the arts are the backbone of what is now becoming known as the Creative Economy. This is an economy that attracts creative professionals, creative businesses and community design concepts oriented to sustained growth. This progressive approach to economic development promotes new jobs, better jobs, and a smarter workforce that engages in creative problem solving in both business and the broader community.

As this study illustrates, Alabama has rich cultural resources and, thus, great potential. The question remains, to what degree will we recognize, support and utilize these resources and this potential? The challenge and opportunity needs to be met with a public-private partnership focused on nurturing a more creative economy and industry. As the State Council on the Arts plans for the future and directs public support for the arts, increasing emphasis will be placed on contributing to creative communities, creative programs and creative ideas that are part of "Building a Better Alabama Through the Arts."

Finally, the Council needs to thank South Arts and specifically the work of Allen Bell for conducting this study and collecting data that will have both short and long-term impact in Alabama. In the case of the creative industries study, leadership and initiative at the regional level has proven to be a valuable service to many organizations, agencies, communities and individuals with a vested interest in positive growth for the South.

Albert B. Head  
Executive Director



# Alabama

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Creative Industries Profile

## Alabama – Creative Industries Profile



From Hank Williams to Harper Lee, from the Alabama Shakespeare Festival to Mobile's Mardi Gras, from the Birmingham Museum of Art to the Jule Collins Smith Museum of Fine Art, from the Blind Boys of Alabama to the Gee's Bend Quilters, from the Coleman Center for the Arts to the Capri Theatre, Alabama has a rich and diverse culture full of stories, icons, and institutions that help define the state's identity and reputation.

While the arts and culture are important for the state's image and for drawing tourists, they also serve as the foundational base for Alabama's creative economy, which includes a significant number of publishers with the corporate headquarters for Books-A-Million and its subsidiaries located in Florence, a significant presence by Time, Inc. division Southern Progress Corporation which produces lifestyle magazines such as Southern Living, Coastal Living, and Cooking Light based in Birmingham, the headquarters of newspaper conglomerate Community Newspaper Holdings, and periodical publisher Paragon Press in Montgomery.

The creative industries in Alabama represent 4,781 businesses, employing a total of 71,081 people, who earn annual wages totaling more than \$2 billion, and generate almost \$8.7 billion in annual revenue. These

figures represent 4.9% of the state's businesses, 3.7% of the state's employment, at least 2.9% of all wages earned, and 2.5% of all business revenue.

The nonprofit arts, culture, and humanities organizations in Alabama are at the core of the state's creative industries. Of the 1,225 registered arts and culture nonprofits in the state, 462 of those filed IRS form 990, reporting more than \$177 million in annual revenue and almost \$393 million in assets.

The creative industries that fall within the film and media sector and the literary and publishing sector make up the largest percentage of the state's creative economy. The literary and publishing sector is led by periodical publishers, newspaper publishers, commercial lithographic printing, and independent writers. Meanwhile, the leading industries within the film and media sector include radio, television, and other electronics stores, cable and other program distribution, software publishers, advertising agencies, and television broadcasting. Other leading sectors include independent performers, jewelry stores, and architectural services.

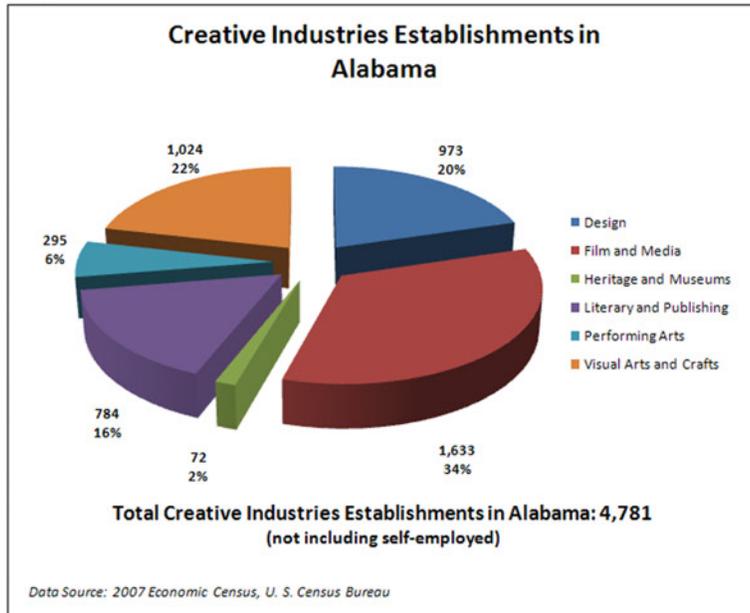
The information in the following pages presents the creative economy data for Alabama in more detail with appropriate documentation.

## Creative Industries in Alabama – By the Numbers

The creative industries in Alabama are driven by 4,781 creative industries establishments, including 1,633 in film

and media, 1,024 in visual arts and crafts, 973 in design, and 784 in literary and publishing.

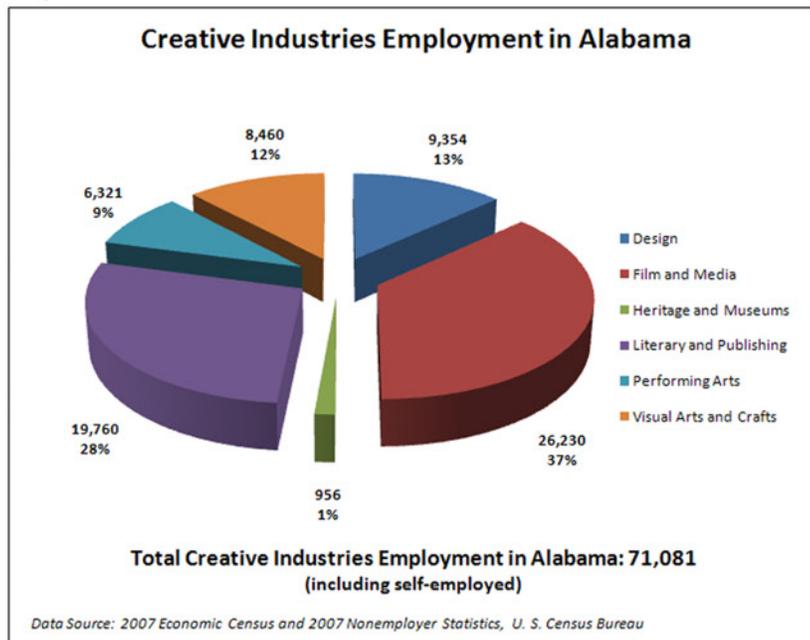
Figure AL-1



The creative industries employ 71,081 people in Alabama, including the self-employed. The largest employment sector among the creative industries is film and media with 26,230, followed by literary and publishing with 19,760

employed. The next three largest are the design sectors employing 9,354, visual arts and crafts with 8,460, and performing arts with 6,321 people employed.

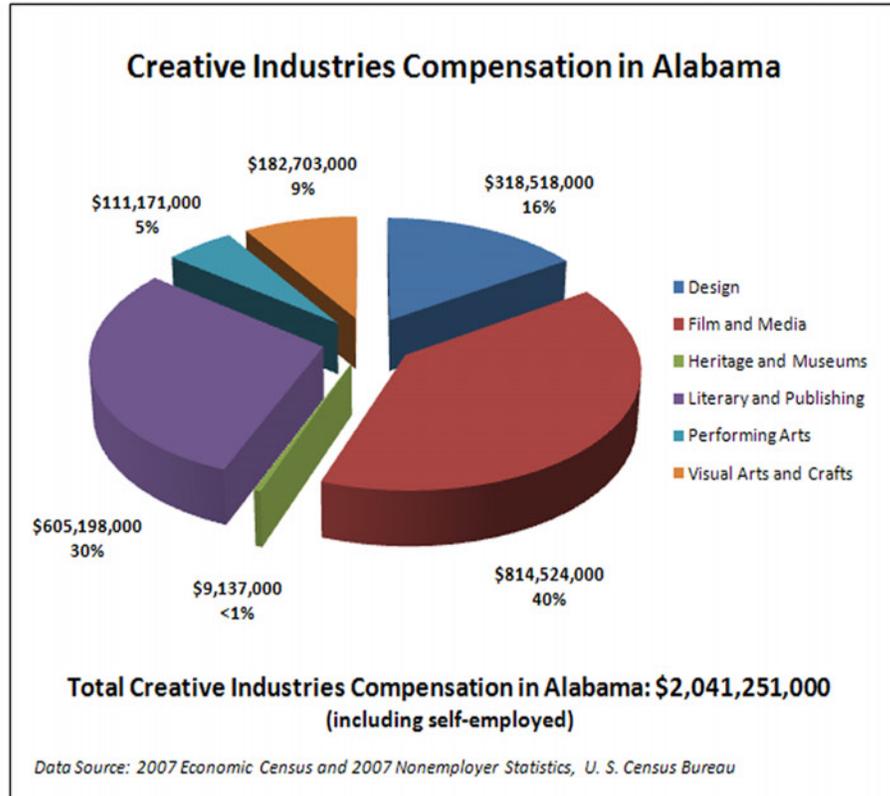
Figure AL-2



Workers in the creative industries in Alabama earned more than \$2 billion in 2007. About 40% of that total, or almost \$815 million, was earned by people working in film and media. Workers in literary and publishing earned more than \$605 million or 30% of the total,

while those employed in design earned almost \$319 million. Wages in the visual arts and crafts totaled \$182.7 million, with \$111.2 million earned in the performing arts, and \$9 million earned in heritage and museums.

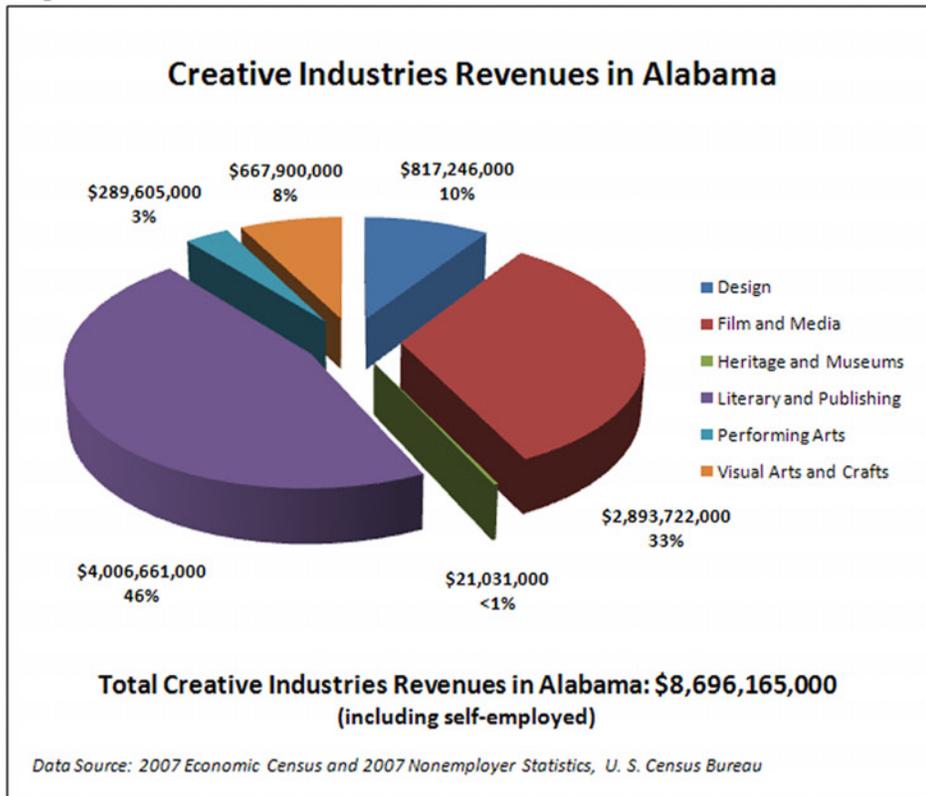
Figure AL - 3



Total annual revenue for the creative industries in Alabama is \$8.7 billion. The largest sector based on revenue is literary and publishing with more than \$4 billion, and 46% of the total creative industries revenue for the state. Film and media revenue totaled \$2.9 billion, or 33% of the total

creative industries revenue for Alabama. Creative industries revenue for the state also included \$817 million in design, \$668 million in visual arts and crafts, \$290 million in performing arts, and \$21 million in heritage and museums.

Figure AL-4





# Creative Industries

IN FOUR ALABAMA METRO AREAS





# Introduction

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The creative industries are a major economic engine in Alabama, but especially in the state's metropolitan areas. Commissioned by Alabama State Council on the Arts, the research division of South Arts conducted this study on the creative industries in four metropolitan statistical areas in the state – Birmingham, Huntsville, Mobile, and Montgomery. This research is a follow-up to the regional and state-level research South Arts conducted and published in *Creative Industries in the South* and released in January 2012.

The data for this research includes figures for non-profit and for-profit businesses, as well as the self-employed. The data in the study is divided into six major industry sectors – design, film and media, heritage and museums, literary and publishing, performing arts, and visual arts and crafts. The specific industries that are included within each of these industry sectors can be found in Appendix 2 at the end of this report.

The main data sources for this study are the 2007 Economic Census and the 2007 Non-Employer Statistics, both from the U.S. Census Bureau, as well as the National Center for Charitable Statistics, which operates under the umbrella of The Urban Institute.

The study includes data on: number of establishments, employment, payroll and earnings, and revenue. The data is presented as totals and per capita. The report also includes creative industries percentages for each city's total economy, the top twenty creative industries sectors in each metro area, comparison between the creative industries and other industry clusters, and nonprofit arts, culture, and humanities figures.

While this study draws on numerous sources of data and attempts to be as comprehensive as the data allows, there are a number of data points and industry sectors that are left out of this study that would fall under our definition of the creative industries. Omissions due to limitations of our data sources include: all government-owned and operated cultural institutions, including local, state, and federal history museums and parks; all college and university cultural institutions, including performing arts facilities, art museums, arts departments, and arts faculty; all public and private school arts departments, arts facilities, and arts faculty; amusement parks and other purely recreational operations; antique furniture; historic preservation; culinary arts, including restaurants that reflect local cultural traditions; fashion and clothing; nightclubs with entertainment; commercial photography and graphic arts schools; cooking or culinary arts schools; and data for creative workers employed in non-creative industries.

While a lot of creative industry and creative workforce segments are omitted from this study due to the limitations of our data, a vast array of creative industry sectors are included in this study as well.

The **design** sectors include, but are not limited to, architecture firms, landscape architecture firms, interior design and graphic design establishments, drafting and industrial design services, and floral design.

The **film and media** sectors include the entire value chains for radios, televisions, and other entertainment-based electronics; film production, distribution, exhibition, sales, and rentals; radio, television, and cable broadcasting; software publishers and internet publishing and broadcasting; and advertising, public relations, and media agencies.

A more limited sector group, the **heritage and museums** sectors include museums, historical sites, zoos, and botanical gardens. In general, the data used for this sector group is considered to be a significant undercount because many of the establishments that would fall under this category are government-owned. This study does not include any government data for any of the sectors in the report.

One of the larger sector groups, **literary and publishing** sectors include all kinds of printing – lithographic, gravure, flexographic, screen, and digital printing, as well as book printing; the entire value chain for books, periodicals, and newspapers, from writing, to printing, to distribution, to sales and marketing; libraries and archives; and independent writers.

The **performing arts** sectors include the entire value chain for music, dance, theater, and festivals, comprising instrument manufacturing, distribution and sales; music recording, reproduction, distribution, and sales; theater production; dance production; promoters and agents for artists, entertainers, and other public figures; theater, music, and dance facilities; and independent performers.

Finally, the **visual arts and crafts** sectors include a wide variety of mediums, including the full value chain for photography, pottery, glass, silver, and jewelry; arts supply manufacturing, distribution, and sales; crafts stores; photography studios and developing labs; fine arts schools; art galleries and dealers; and independent artists.

In light of the expanded definition of the creative industries and the importance of their broad reach into the state and metro economies, South Arts has conducted this study in an effort to create baseline data on the creative economy of the four metro regions of Birmingham, Huntsville, Mobile, and Montgomery. The purpose of the report is to begin the conversation on the importance of this economic sector to state and municipal economic stability and growth.

# Birmingham

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*Vulcan statue overlooking Birmingham. The world's largest cast iron statue is considered one of the most memorable works of civic art in the United States. Designed by Italian artist Giuseppe Moretti and cast from local iron in 1904. Image courtesy of Alabama State Council on the Arts.*

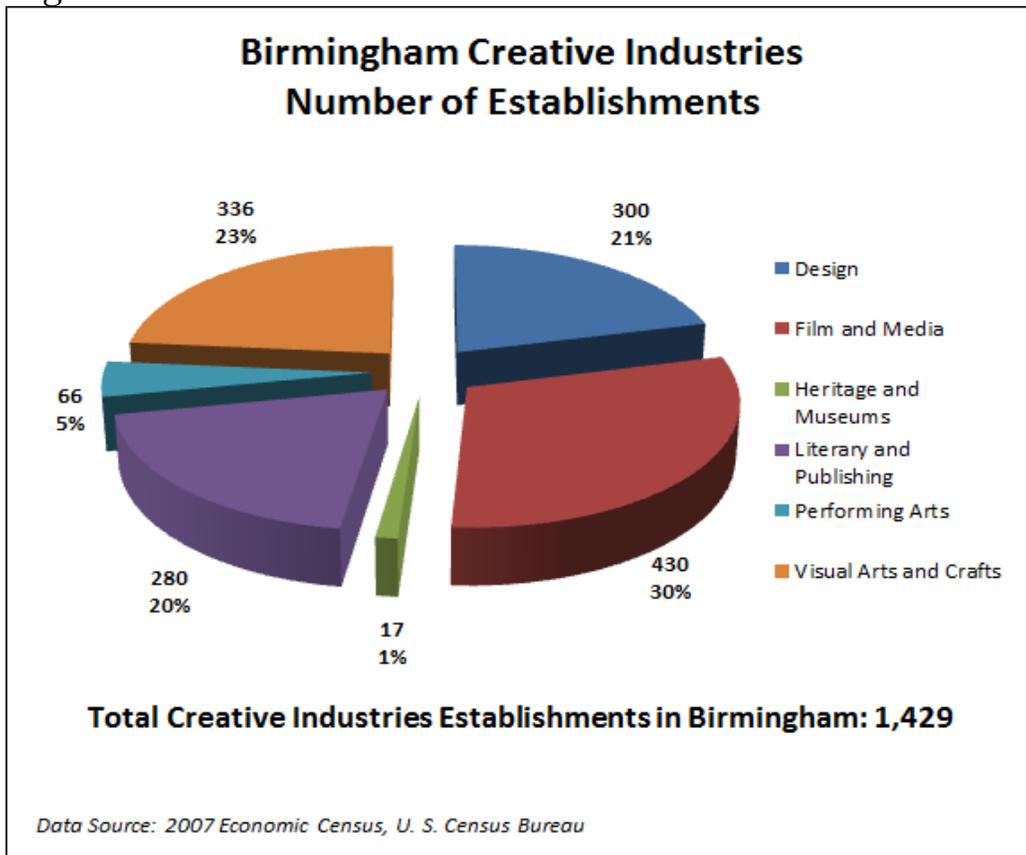
## Creative Industries in Birmingham – By the Numbers

The creative industries are a major economic engine in Alabama, but especially in the state's metropolitan areas. Birmingham, for example, is home to more than 1,400 creative industries establishments, representing more than 5% of all businesses in the metro area. By number of establishments, the largest sectors in the city are film and media with 430 creative industries establishments representing 30% of all creative industries establishments in the Birmingham metro area. Visual arts and crafts include 336 establishments or 23% of the total, design has 300 establishments or 21%, and literary and publishing has 280 establishments or

20%. Although they rank lower in number, the performing arts and heritage and museums establishments are still impactful with 66 and 17 establishments, respectively.

Notably, the heritage and museums numbers are an undercount because the Economic Census data only includes for-profit and non-profit establishments and excludes all government entities. Many establishments that fall under the heritage and museums sector are operated under the auspices of local, state, or federal government agencies and therefore are not included in the data presented in this study.

Figure BHM-1

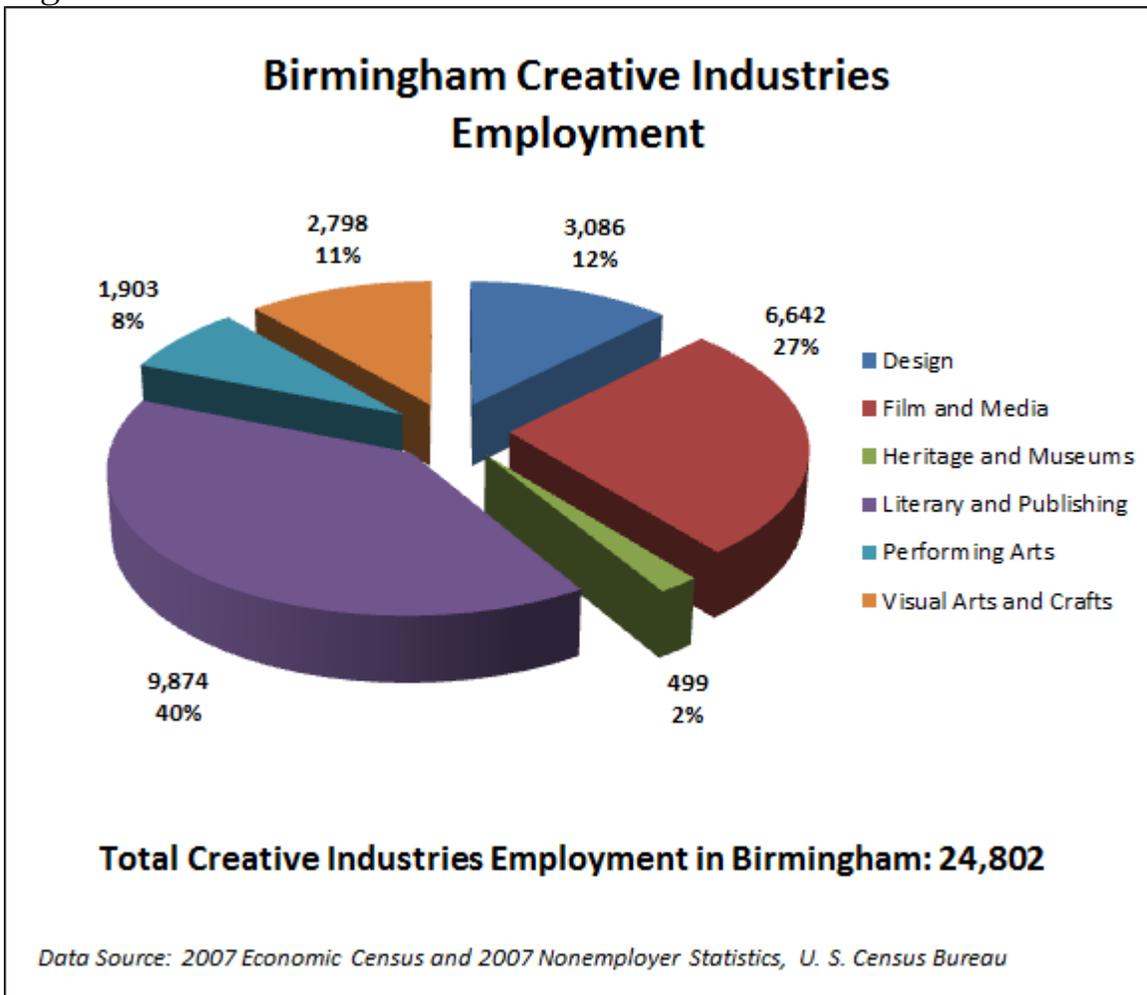


Based on the number of establishments, literary and publishing is only the fourth-largest sector group among the Birmingham creative industries. It is by far the largest sector, however, based on employment, payroll, and annual revenue.

Literary and publishing represents 40% of all creative industries employment in

the Birmingham MSA with 9,874 people employed and self-employed. It is followed by film and media with 6,642 workers or 27% of the Birmingham total, design with 3,086 workers or 12% of the total, visual arts and crafts with 2,798 workers or 11%, performing arts with 1,903 workers or 8%, and heritage and museums with 499 workers or 2%.

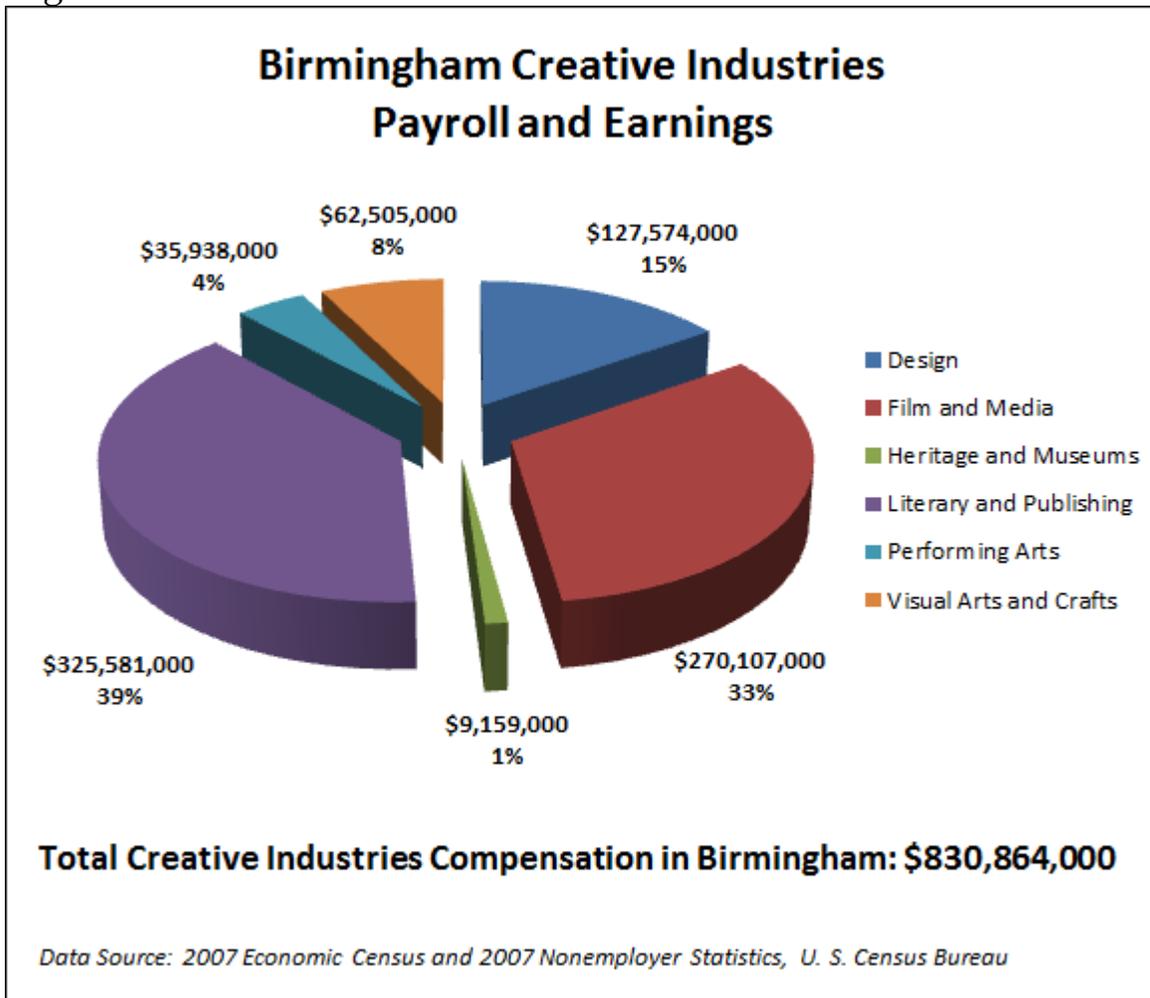
Figure BHM-2



Literary and publishing represents the largest share of payroll and earnings from the self-employed among the creative industries sectors in Birmingham with more than \$325 million or 39% of the MSA total. Following closely behind is film and media with more than \$270 million in

payroll and earnings or 33%. The remaining 22% is split between design with \$128 million in payroll and earnings, visual arts and crafts with \$63 million, performing arts with \$36 million, and heritage and museums with \$9 million.

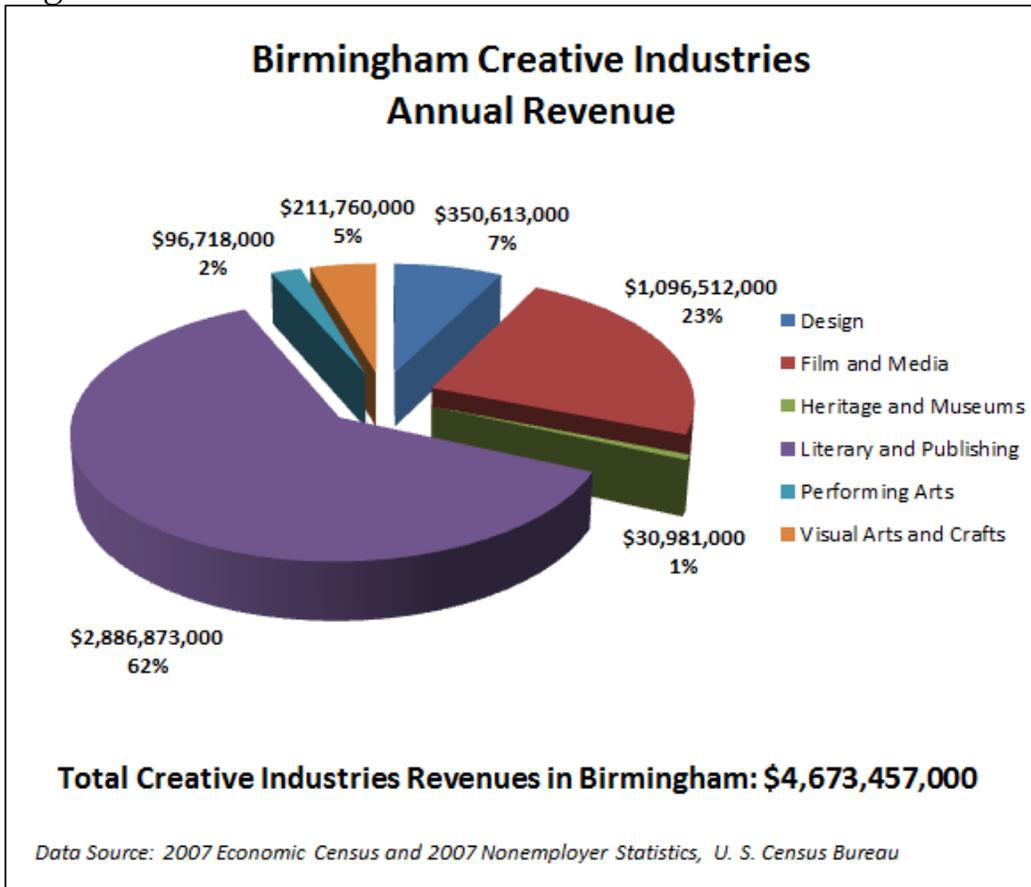
Figure BHM-3



Among the creative industries in Birmingham, literary and publishing represents a whopping 62% of revenues, earning \$2.9 billion annually. Film and media is the next largest sector group with \$1.1 billion in revenue or 23% of the

MSA total, followed by design with \$351 million, visual arts and crafts with \$212 million, performing arts with \$97 million, and heritage and museums with \$31 million in annual revenues.

Figure BHM-4



Literary and publishing represents a large percentage of the people employed, payroll and earnings, and annual revenues for the creative industries in the Birmingham MSA. With all of the business model changes as a result of the current technological revolution and its effects on the literary and publishing industries, it seems like it would be valuable for Birmingham leaders, elected officials, and economic developers to consider the implications of these changes and how best to help their local literary and publishing establishments to adapt and thrive. Major shifts include: newspaper publishers, book publishers, periodical publishers moving from a print distribution model to a digital distribution model, leading to losses in

local jobs for printing and distribution; all industries moving to less printing and more digital content, leading to job losses in commercial lithographic printing; the loss of physical distribution of creative content leading to the loss of retail jobs in book stores, as well as music and movie stores. Some of the major needs include job retraining and education to grow the digital workforce, building additional infrastructure to encourage the development of digital creative industries, and incentives to keep, grow, and attract digital creative establishments. Major literary and publishing firms based in Birmingham include Books-A-Million and Southern Progress Corporation (publisher of *Southern Living*, owned by Time Warner).

# Huntsville

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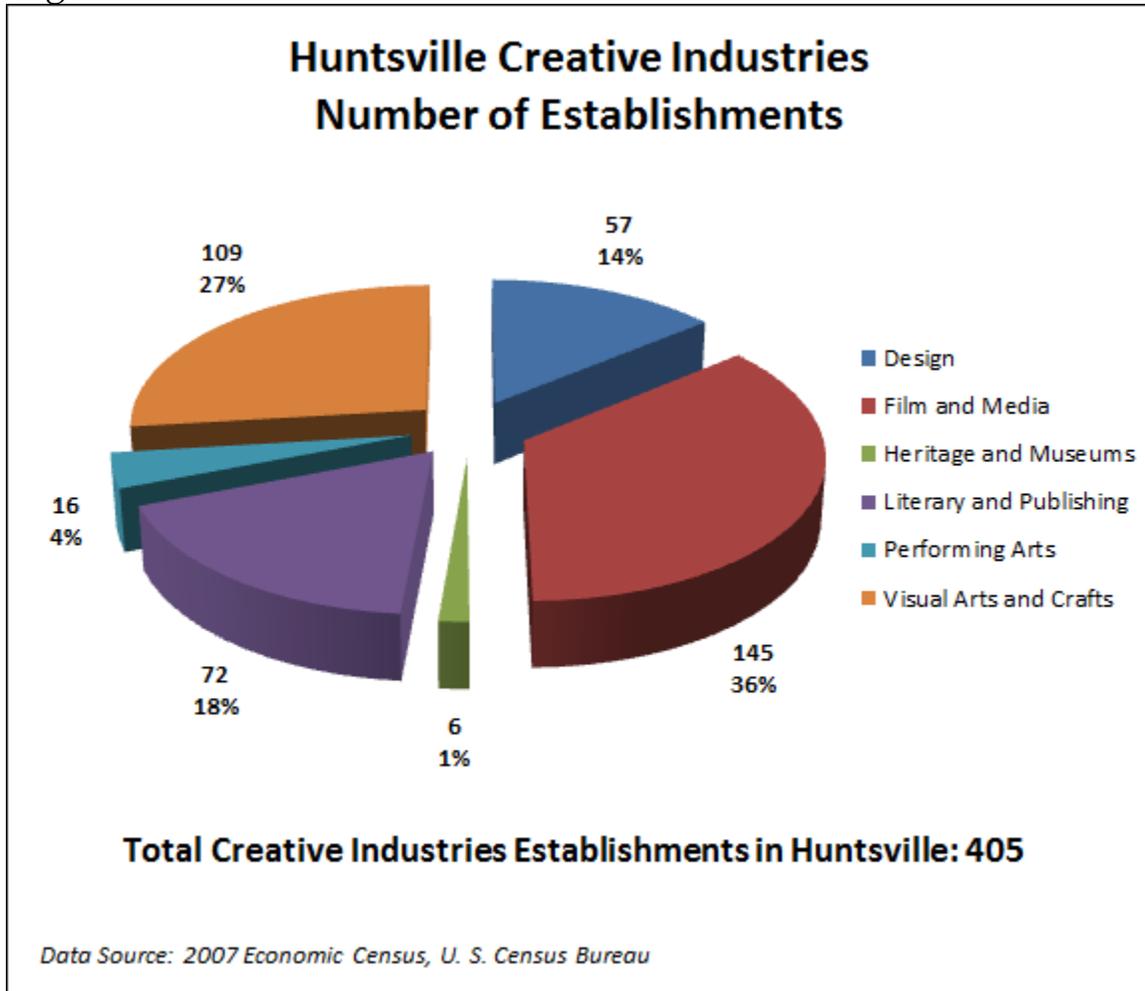
*The Huntsville Museum of Art. Image courtesy of Alabama State Council on the Arts.*

## Creative Industries in Huntsville – By the Numbers

There are a total of 405 creative industries establishments in the metropolitan area of Huntsville, Alabama. The total includes 145 film and media establishments, 109 visual arts and

crafts establishment, 72 in literary and publishing, 57 in design, 16 in performing arts, and 6 in heritage and museums. The creative industries represent 4.5% of all industry establishments in Huntsville.

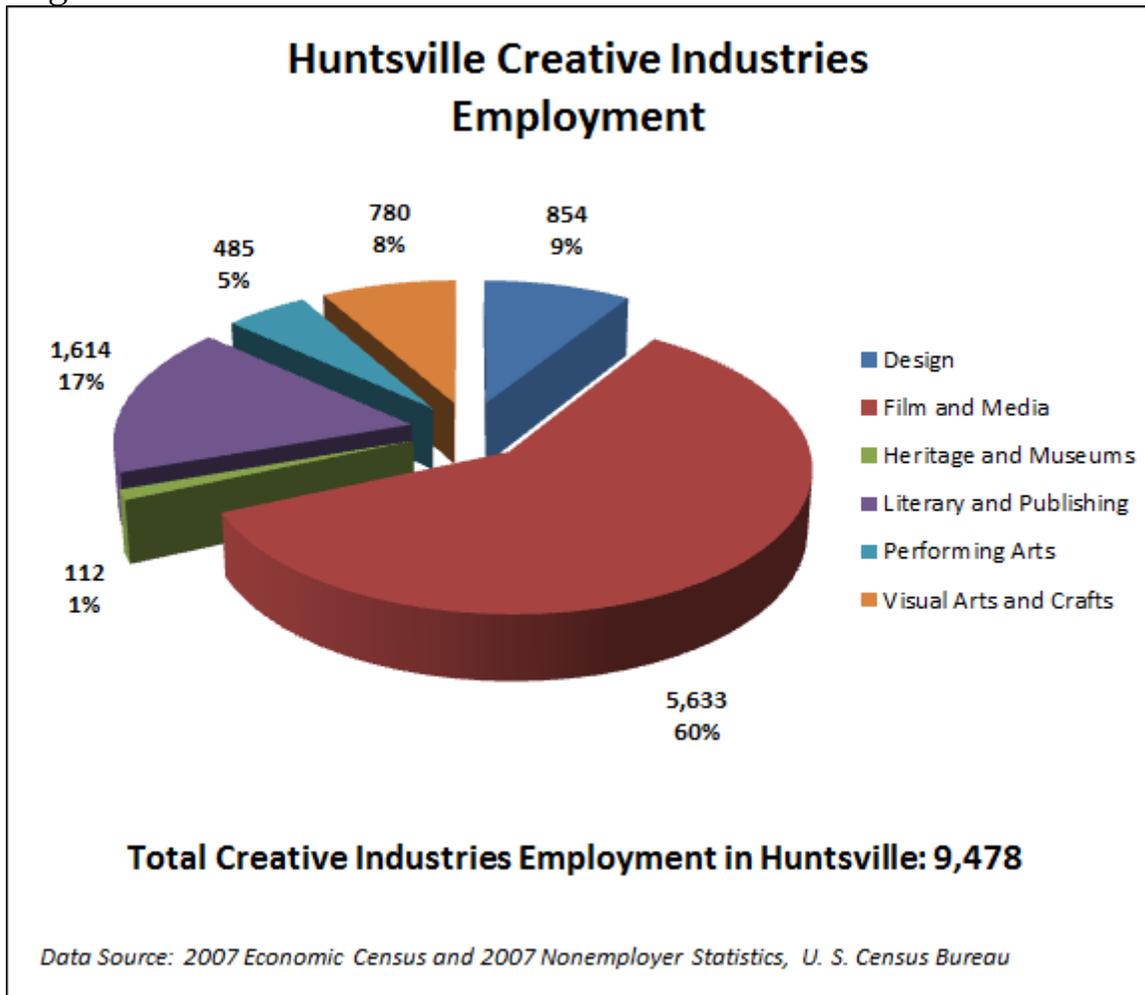
Figure HSV-1



The creative industries employ 9,478 people in the Huntsville metropolitan area, including the self-employed. The total employment numbers include 5,633 from film and media, by far the largest sector, 1,614 from literary and publishing, 854 from design, 780 from visual arts and crafts, 485 from performing arts, and 112 from heritage

and museums. The large number of employees included in the total for film and media is likely influenced by the location of large companies in Huntsville, including Cinram, Inc., which manufactures CD's and DVD's for movies, music, and video games, and DirecTV.

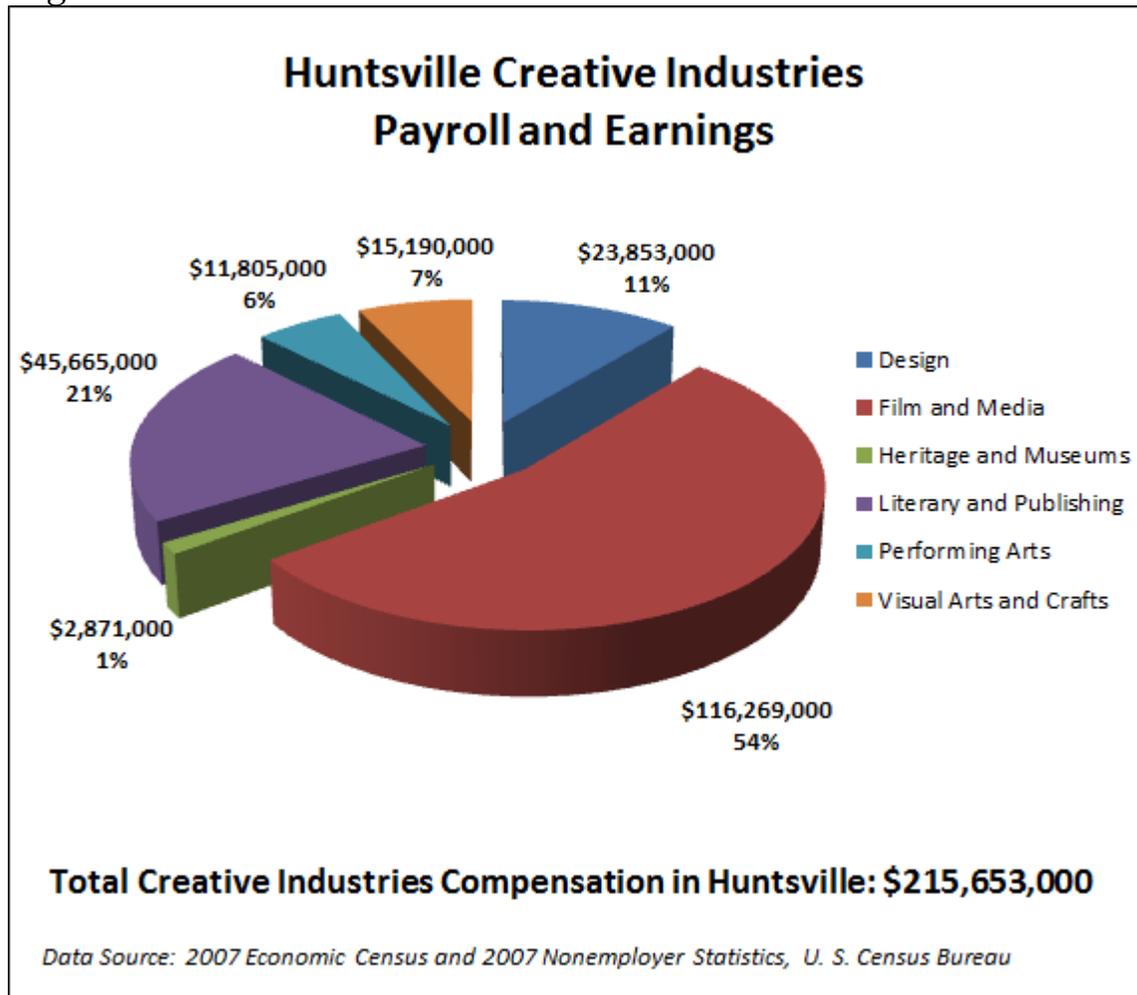
Figure HSV-2



Those working in the metropolitan Huntsville creative industries earn \$216 million each year, including earnings from the self-employed. A full 54% of that total is earned in the film and media segment with total payroll and earnings representing \$116 million. The next two largest segments based on employee compensation are the literary and

publishing sector group with wages and earnings by the self-employed totaling \$46 million, and the design sector group with payroll and earnings at \$24 million. The remaining segments are visual arts and crafts at \$15 million, performing arts at \$12 million, and heritage and museums at \$2.9 million in payroll and earnings.

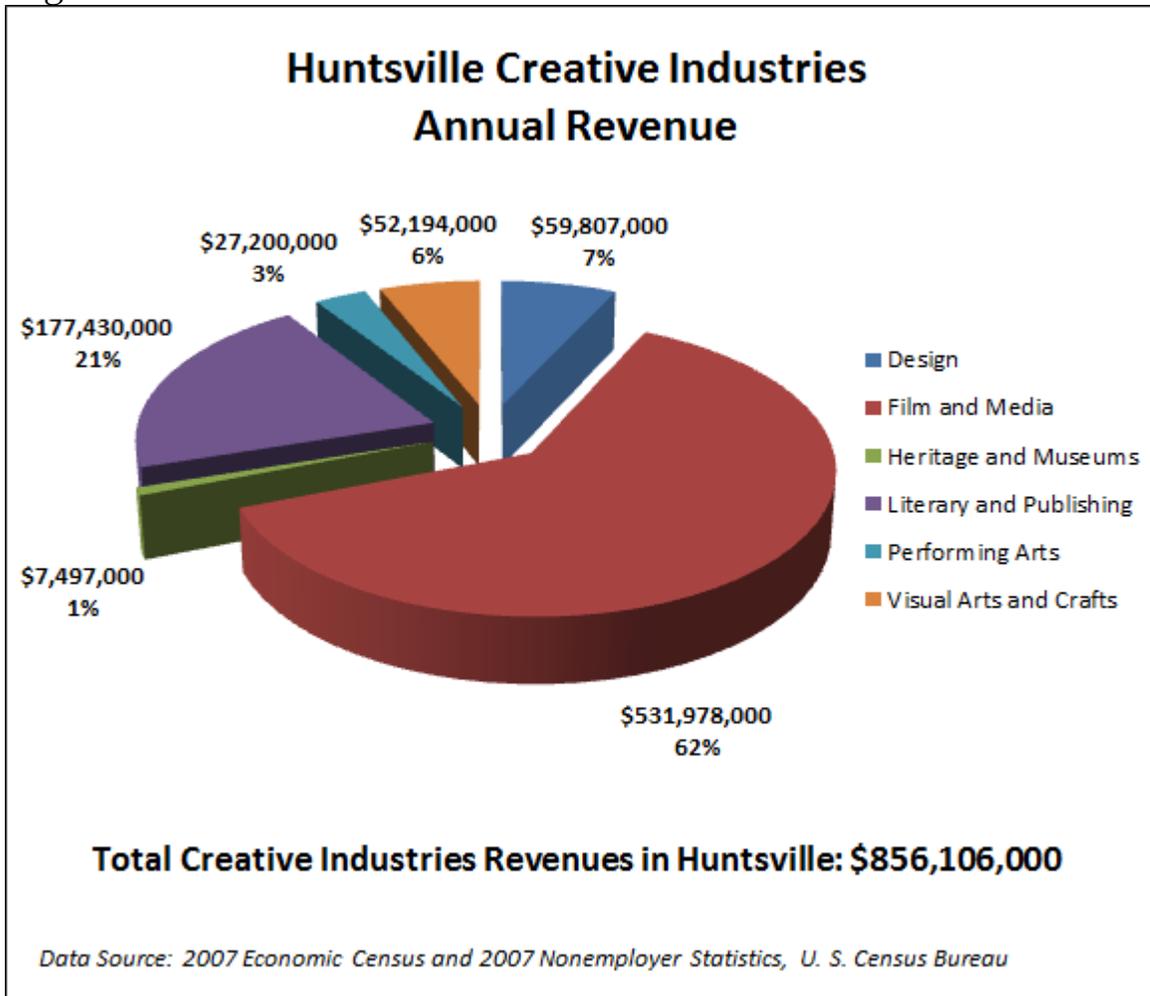
Figure HSV-3



Total revenues for the creative industries in Huntsville are \$856 million. Again, the sector group of film and media represents the largest segment of the total with \$532 million in annual revenues or 62% of all creative industries revenue in Huntsville for 2007. Film and

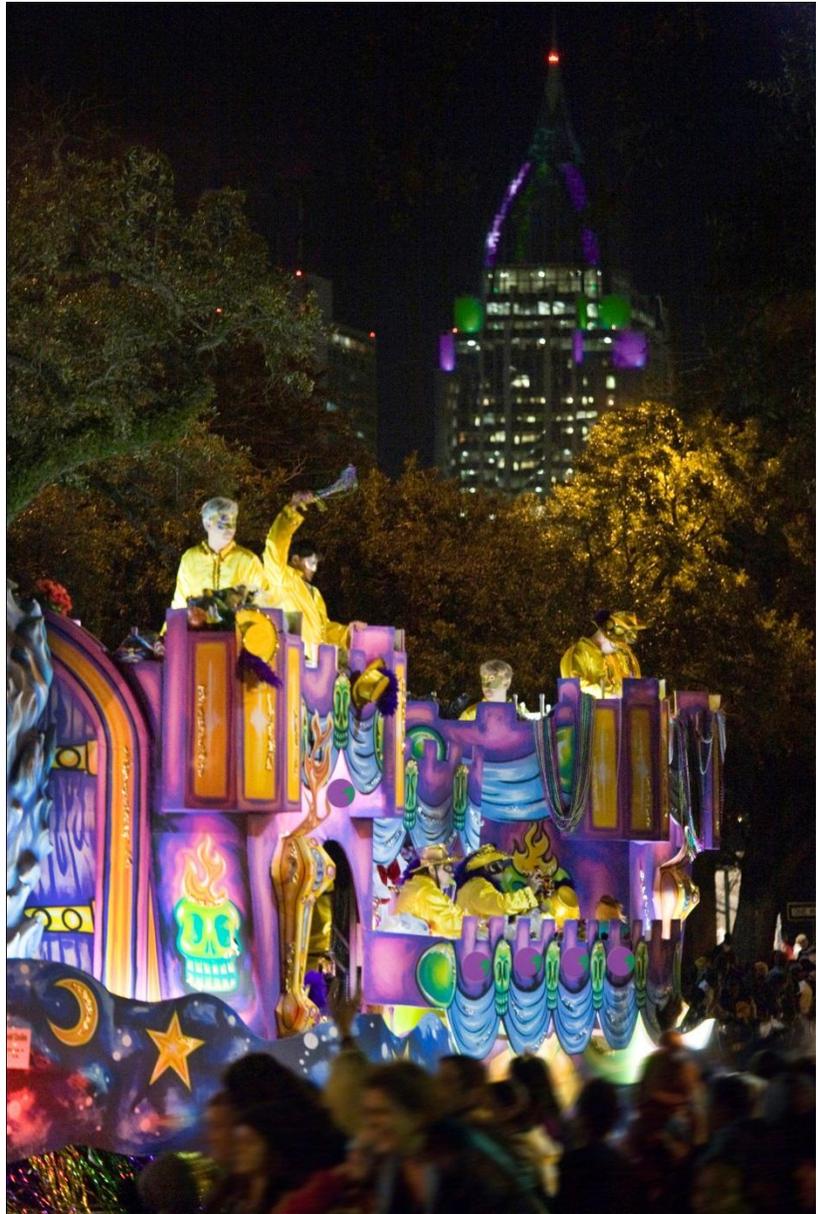
media is followed by literary and publishing with \$177 million or 21%, design with \$60 million or 7%, visual arts and crafts with \$52 million or 6%, performing arts with \$27 million or 3%, and heritage and museums with \$7.5 million or 1%.

Figure HSV-4



# Mobile

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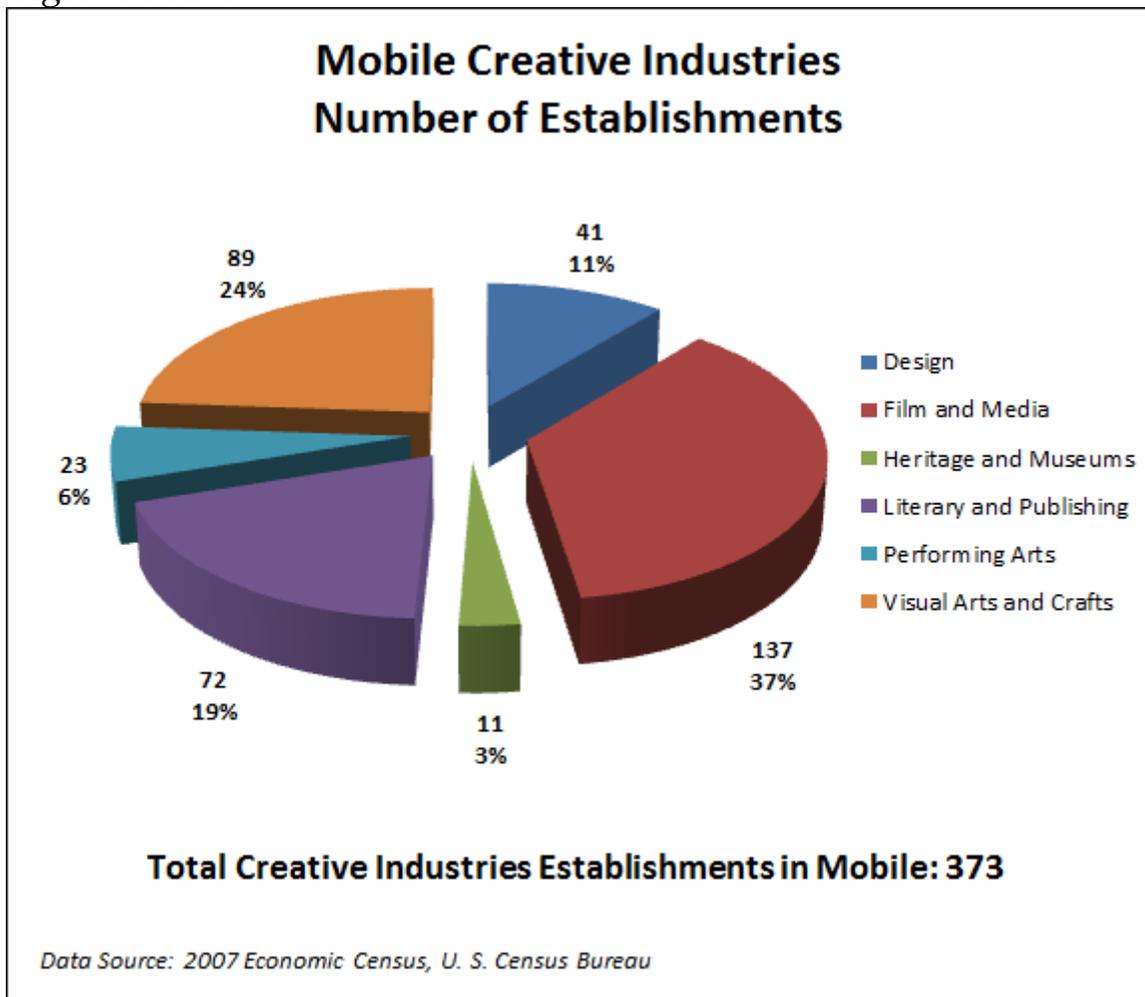
*Festivities during Mobile's Mardi Gras. Image courtesy of Alabama State Council on the Arts.*

## Creative Industries in Mobile – By the Numbers

Based on the sector group breakdown of Mobile's 373 creative industries establishments, the state has a balanced creative industries presence between film and media, visual arts and crafts, literary and publishing, design, performing arts, and heritage and museums. The total includes 137 film and

media establishments, 89 in visual arts and crafts, 72 in literary and publishing, 41 in design, 23 in performing arts, and 11 in heritage and museums. This total number of establishments for the creative industries does not include the self-employed.

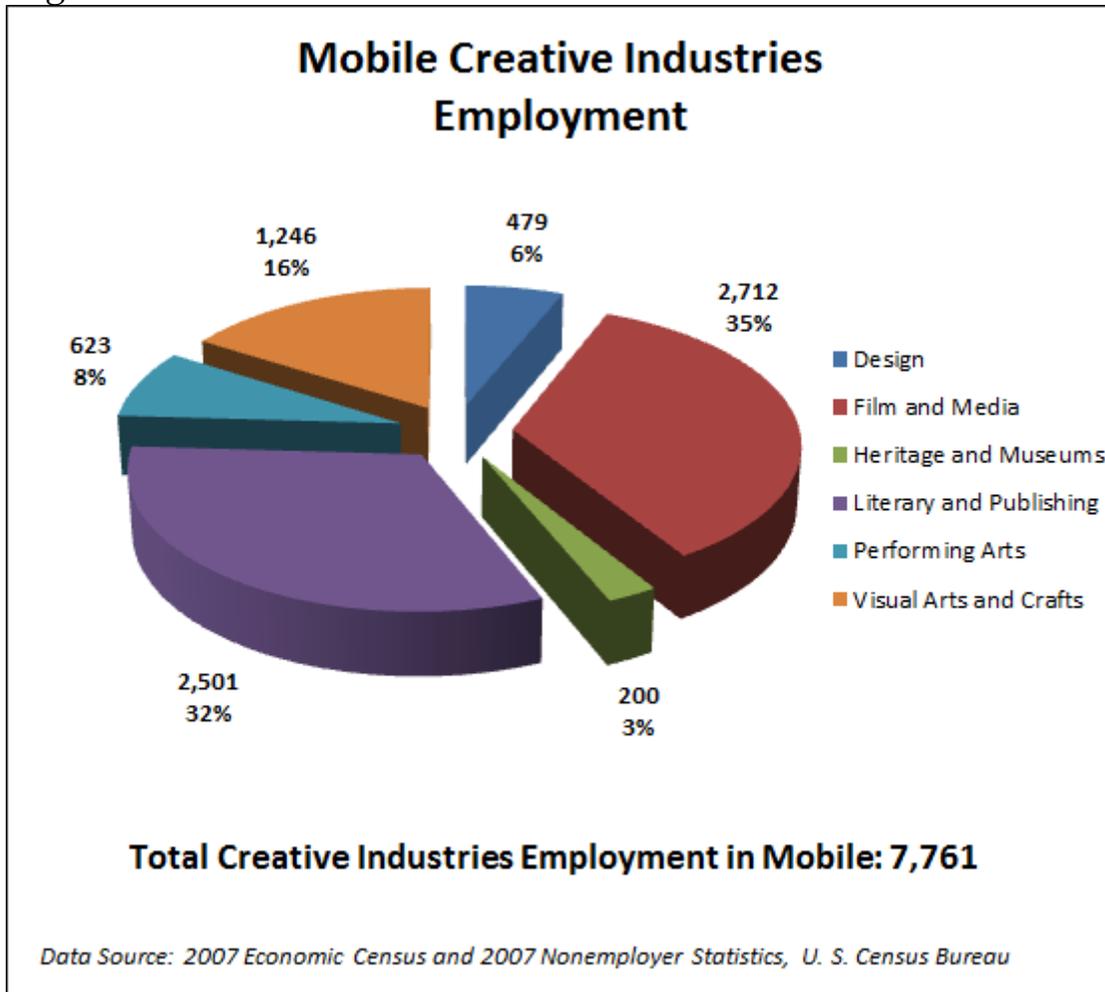
Figure MOB-1



The creative industries employ 7,761 people in Mobile, including 1,444 who are self-employed. Among the creative industry sector groups, the largest in Mobile is film and media with 2,712, people employed, followed by literary

and publishing with 2,501. The next largest segments are visual arts and crafts with 1,246 employed, performing arts with 623, design with 479, and heritage and museums with 200 employees.

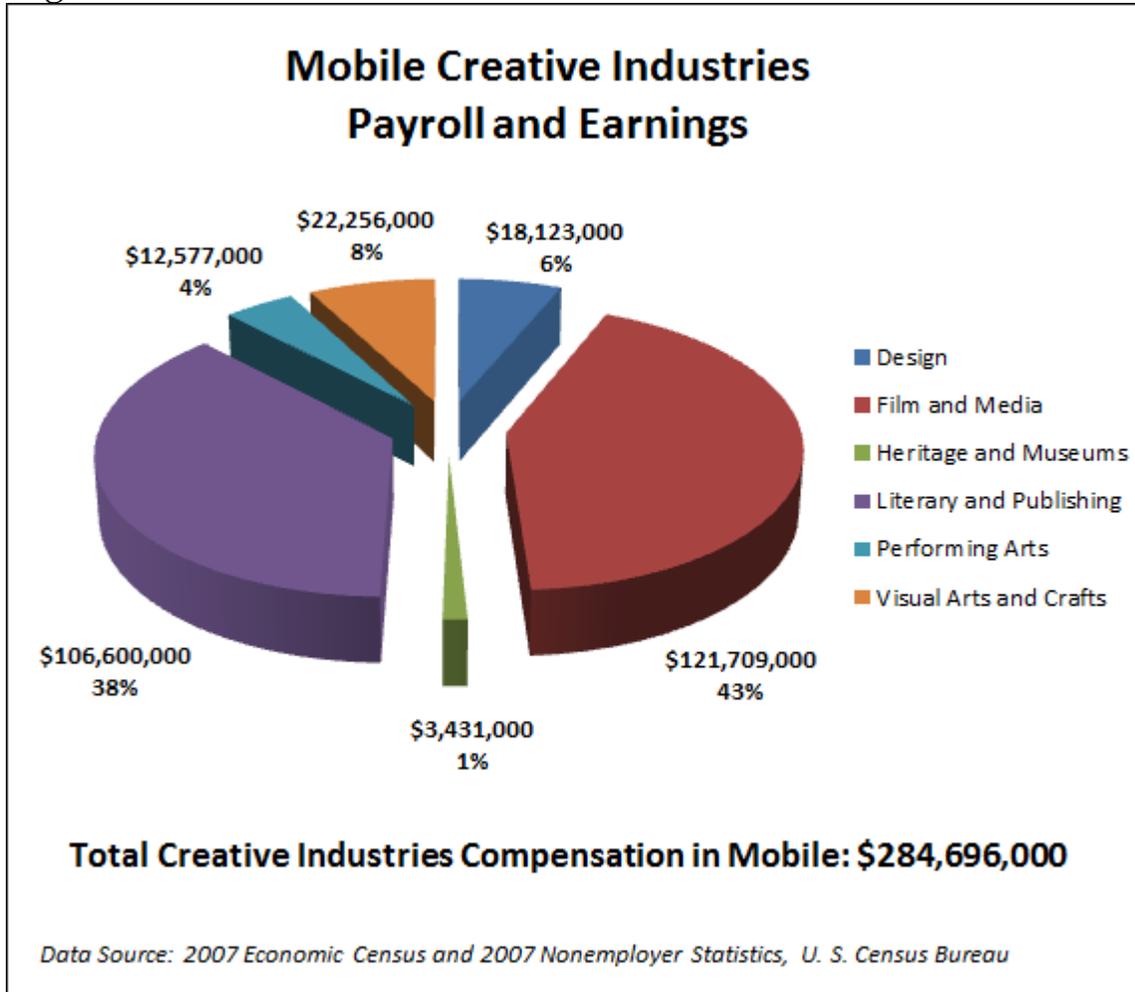
Figure MOB-2



Wages earned by workers in the creative industries totaled \$285 million in 2007. The largest share of that total came from the film and media sector with \$122 million paid in wages and earned by the self-employed. That is followed by

literary and publishing with \$107 million in earnings, visual arts and crafts with \$22 million, design with \$18 million, performing arts with \$13 million, and heritage and museums with \$3.4 million in payroll and earnings.

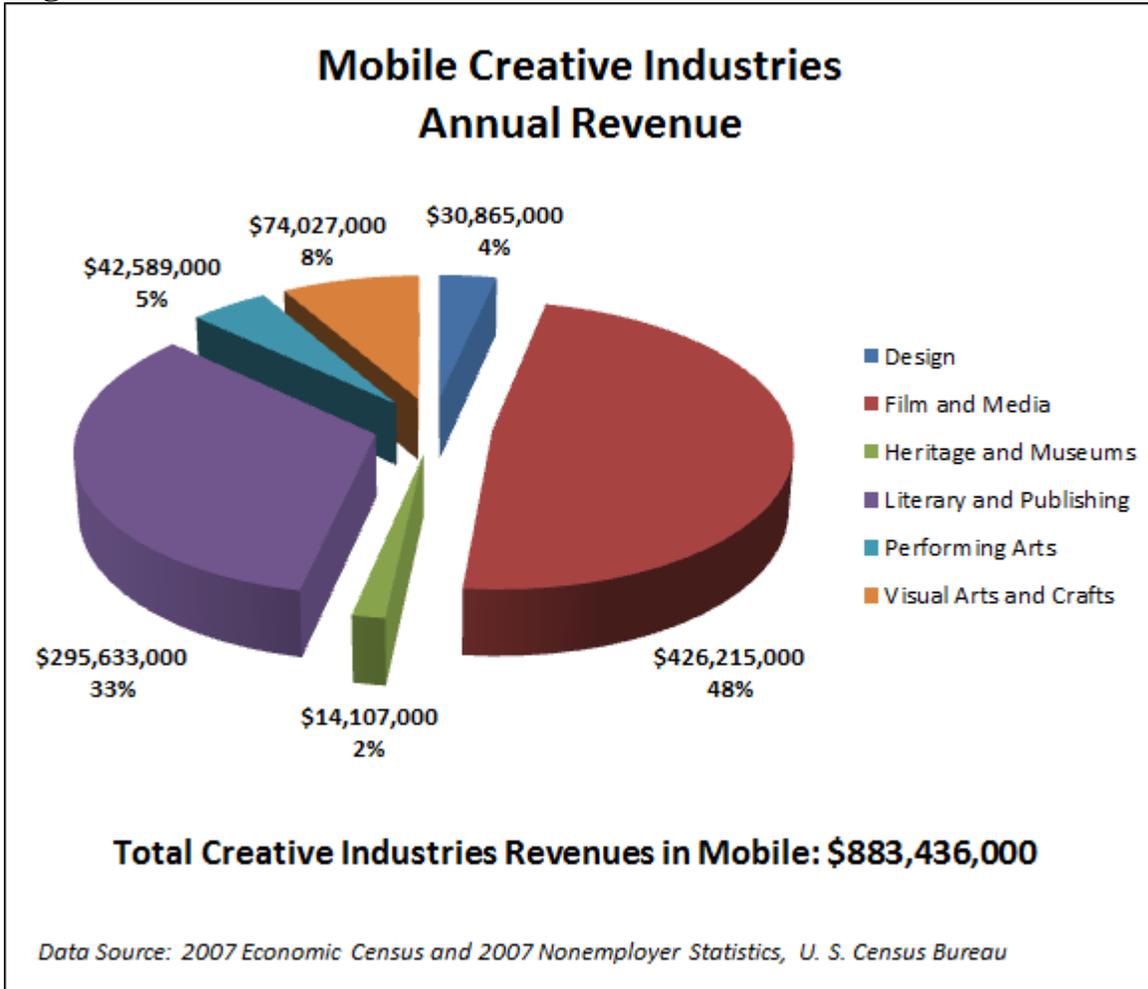
Figure MOB-3



Annual revenues for creative industries in Mobile totaled \$883 million, including \$426 million from film and media, \$296 million from literary and publishing, \$74 million from visual arts and crafts, \$43 million from performing arts, \$31 million from design, and \$14 million from heritage and museums establishments and self-employed revenue.

million from performing arts, \$31 million from design, and \$14 million from heritage and museums establishments and self-employed revenue.

Figure MOB-4



# Montgomery

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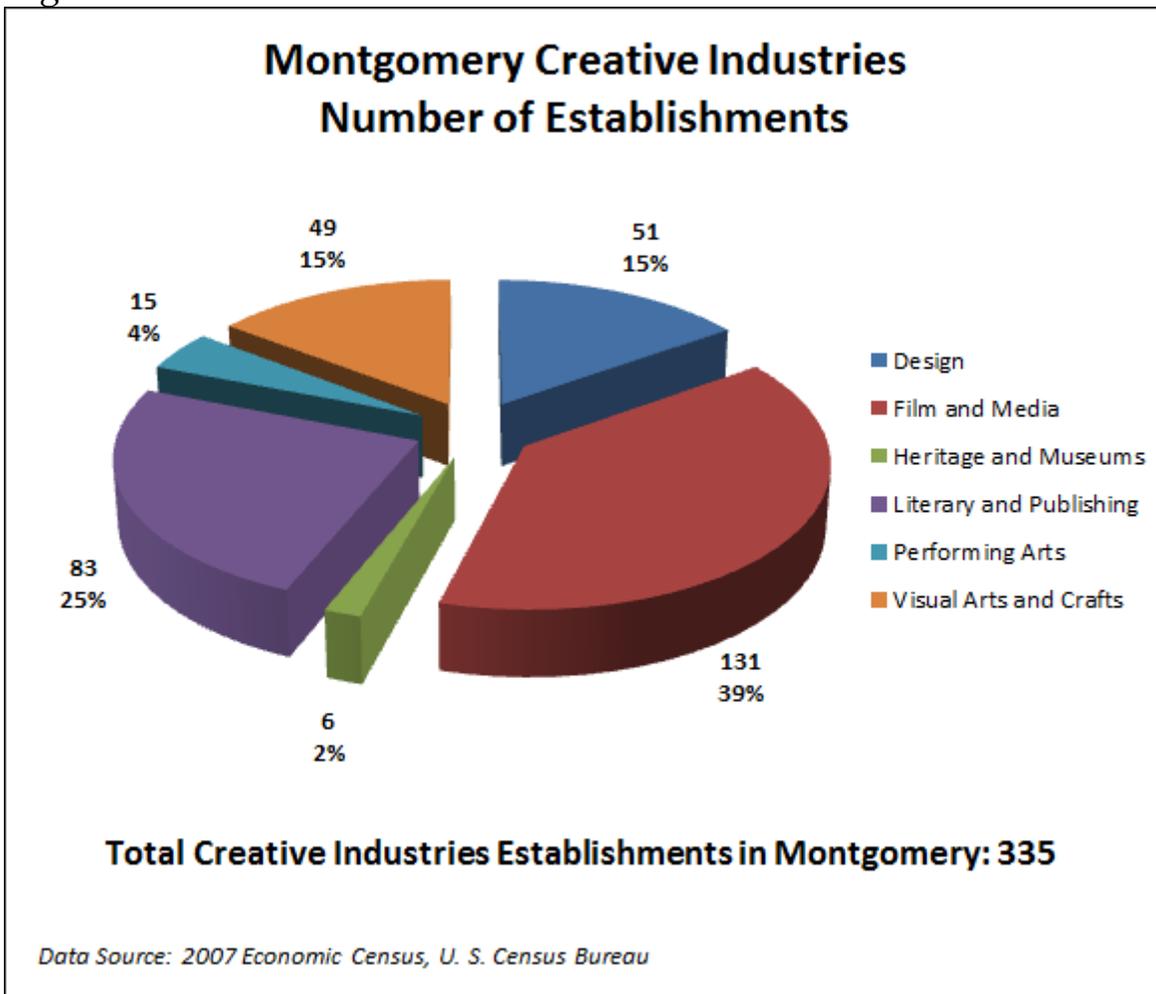
*The world-class Alabama Shakespeare Festival is among the largest Shakespeare theatres in the world.  
Image courtesy of Alabama State Council on the Arts.*

## Creative Industries in Montgomery – By the Numbers

In the metropolitan area of Montgomery, there are 335 creative industries establishments, including 131 in film and media, 83 in literary and publishing, 51 in design, 49 in visual arts and crafts, 15 in performing arts, and 6 in heritage and museums. This total number of establishments for the creative industries does not include the self-employed.

The largest creative industry sectors in the metro area based on number of establishments include: radio, television, and other electronics stores; architectural services; publishing industries; jewelry, luggage, and leather goods stores, and printing and related support activities.

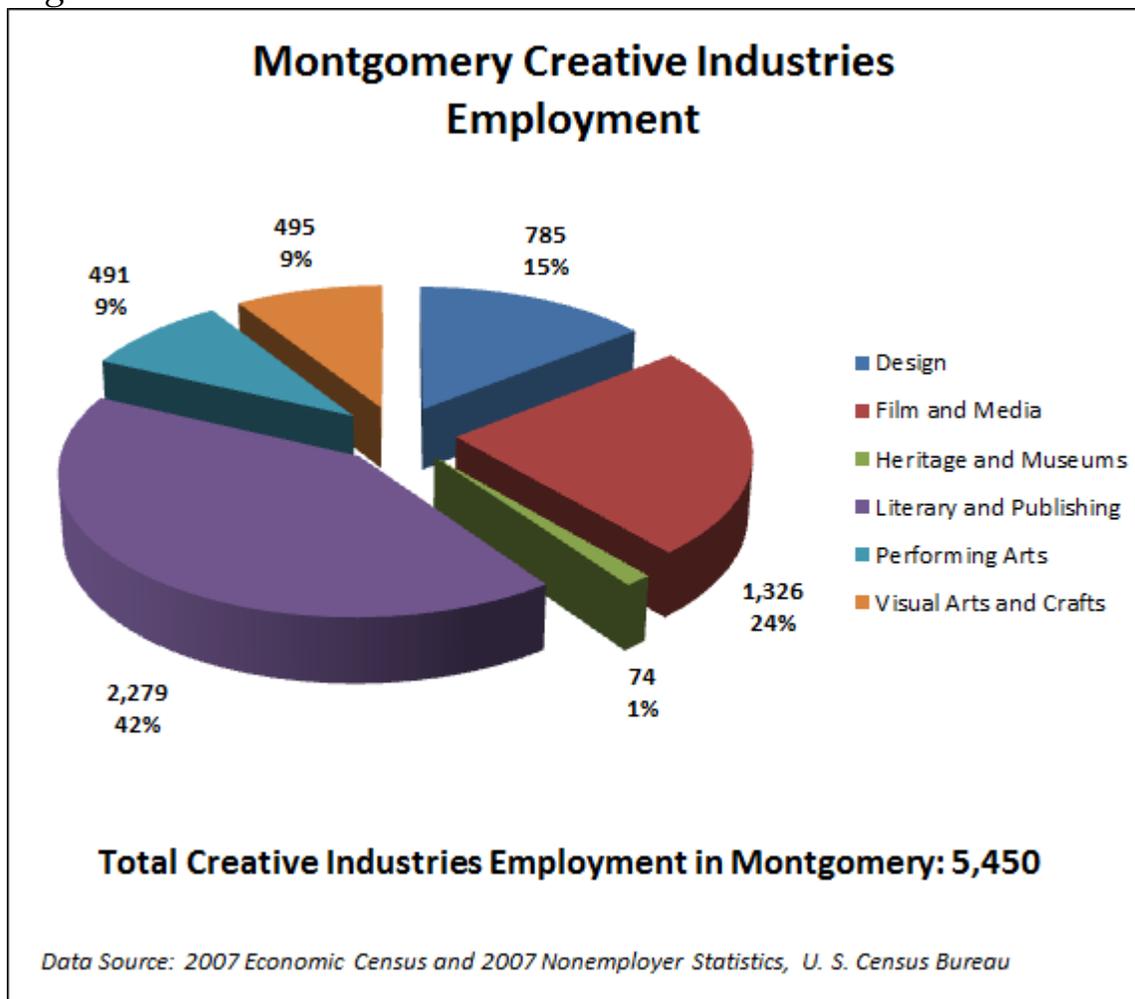
Figure MGM-1



The creative industries employ a total of 5,450 people in Montgomery. The largest employer is the literary and publishing sector group with 2,279 people employed, followed by film and media with 1,326; design with 785; visual arts and crafts with 495; performing arts and crafts with 491; and heritage and museums with 74. While literary and publishing is the second-largest creative industries sector based on the number of

establishments, it is the largest sector based on employment. This is due in large part to the number of people employed in the publishing industries and commercial lithographic printing in the metro area. Other industry sectors with high employment levels include radio, television, and other electronics stores; architectural services; and broadcasting.

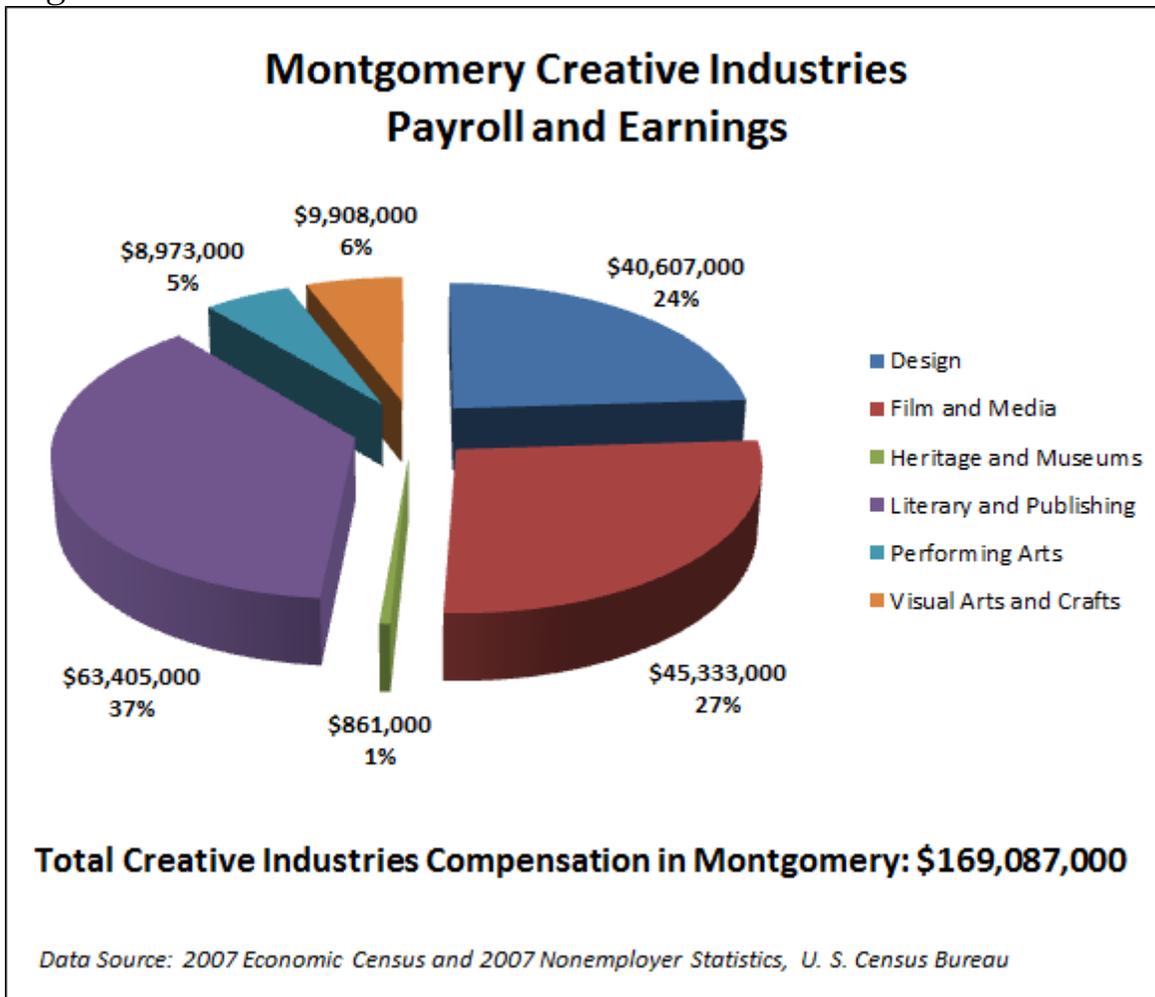
Figure MGM-2



Creative industries wages in Montgomery total more than \$169 million annually, including earnings by the self-employed. Based on total wages, the largest sector group in the metro area is literary and publishing with a total of \$63 million in wages for 2007. On average, employees in the design sector group are paid a higher wage than other sectors in the metro area, with the film and media sector paying the second

highest wages on average. In Montgomery, the largest industry sectors based on total wages are the publishing industries with \$34.5 million in payroll and earnings; architectural services with \$25.4 million; broadcasting with \$13.4 million; printing and related support activities with \$11.0 million; and specialized design services with \$11.0 million.

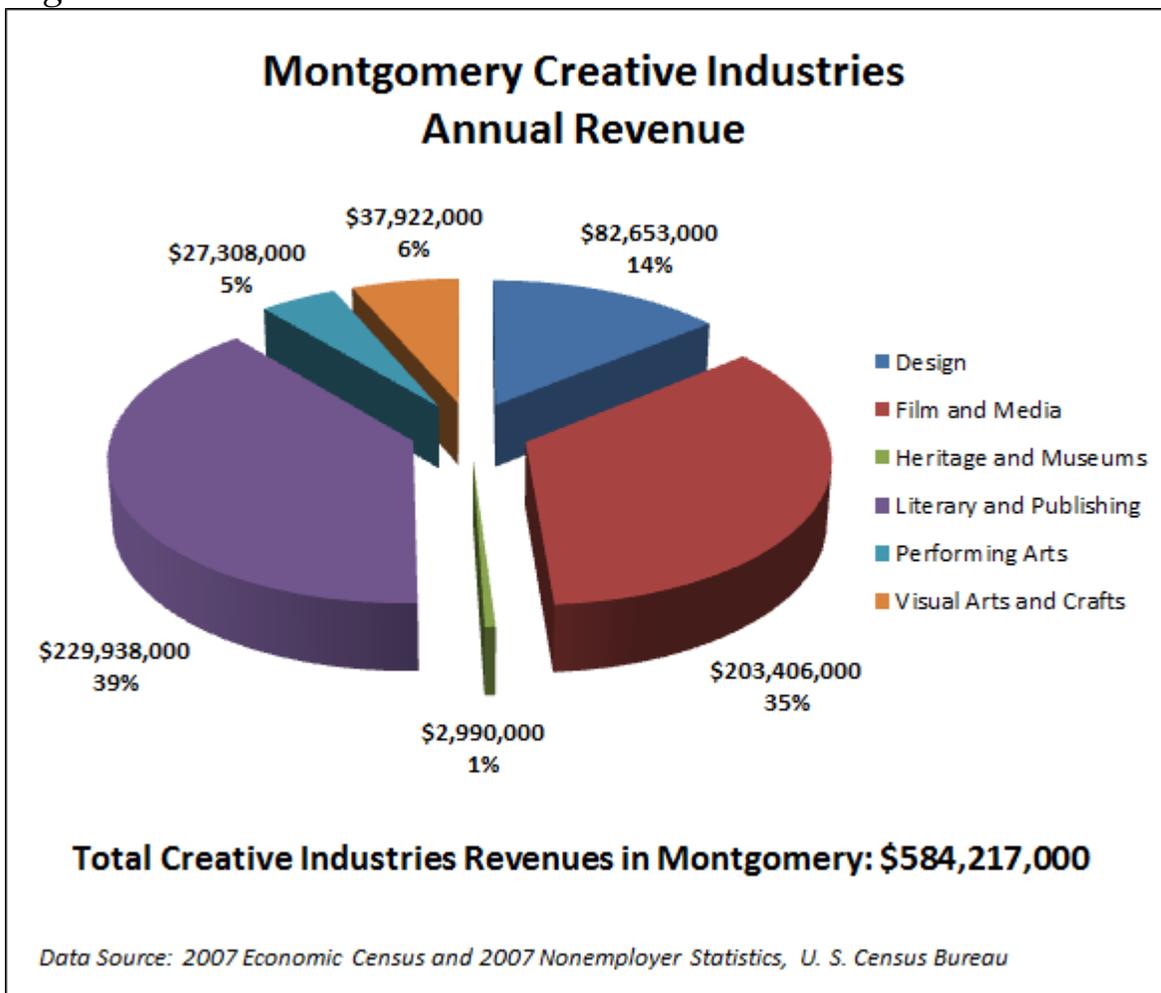
Figure MGM-3



The Montgomery creative industries earned revenues totaling \$584 million in 2007. The highest total revenues were earned in the literary and publishing sector group with \$230 million, followed closely by the film and media sector with \$203 million. The two leading sector groups are followed by design with \$83 million; visual arts and crafts with \$38 million; performing arts with \$27 million; and heritage and museums

with \$3 million in annual revenue. Based on industry sector total revenues, the largest single sector among Montgomery creative industries is the publishing industry with \$124 million, followed by radio, television, and other electronics stores with \$75 million; architectural services with \$63 million; broadcasting with \$42 million; and printing and related support activities with \$42 million in annual revenue.

Figure MGM-4



## Conclusion

As is evident from this study, the creative industries are a major component of state and local economies throughout the South. Creative businesses representing film and media, literary and publishing, design, visual arts and crafts, the performing arts, and heritage and museums are prevalent throughout every state in the region. The creative industries have an enormous impact on the number of businesses, number of employees, annual payroll, and annual revenues throughout the economy of the South, and they represent one of the largest industry clusters in the region.

Even though the creative industries are a significant and growing segment of the region's economy, there is a lack of attention paid to the creative economy in the South. This is evident from the absence of a focus on the creative industries and the creative workforce at the state and regional level, and the continuing decrease in funding for the primary government departments that interact with those engaged in the creative industries, namely state arts agencies.

While the general scope of this study is the creative economy, this is much broader than the range of nonprofit arts organizations with which state arts agencies interact directly and where state arts funds have their most direct impact. It should be noted, however, that numerous studies have demonstrated the mutually beneficial interaction of for-profit businesses and non-profit organizations. In fact, industry clusters in a specific creative industry often find their foundation and initial strength in the ground-work laid by a strong community network and nonprofit base that allows the for-profit sector within that

creative industry to thrive. This is where the study of industry clusters has been immensely important.<sup>11</sup>

Other studies have demonstrated the value of the interaction of individual artists with multiple sectors of the creative economy – including the commercial, nonprofit, and government sectors. For instance, as self-employed contractors, individual artists work on a freelance basis with numerous types of businesses, organizations, and government agencies for a wide variety of creative jobs.<sup>12</sup>

The goal of state and local governments and regional collaborations should be to maximize the presence and economic impact of the creative industries on the region, including establishments, revenue, employment, and payroll. This can be achieved through a number of policies and approaches at the regional, state and local levels.

Policy recommendations for government agencies, chambers of commerce, economic development agencies, and funders include:

- Matching education and workforce development policies with the needs of the creative industries
- Including the creative industries in discussions and policy considerations related to supporting and expanding existing industries
- Including creative industries entrepreneurs in policy development related to entrepreneurship and new industries
- Acknowledging the nonprofit arts, culture, and humanities industry as an essential component of the creative industries, with unique

characteristics which allow those organizations to help communities prosper, put creative people to work, attract tourism revenue, assist with rural development, attract businesses, provide a competitive advantage, and enhance community identity.<sup>4</sup>

- Supporting policies and funding levels that will allow local arts agencies and state arts agencies to be more effective partners, giving them the opportunity to maximize their impact on the creative economy and nonprofit arts, humanities, and cultural organizations in their respective communities and states
- Funding continuing research on the creative economy for localities, states, and the region.

While the final product of this study is a sizable report, the information contained herein raises as many questions as answers. There is still much research to be done. The South Arts research agenda for the region's creative economy includes:

- Mining Bureau of Labor Statistics data to illuminate the size and scope of the creative workforce in the South
- Looking at historical data from the 1997 and 2002 Economic Census to create a picture of trends for the creative industries and specific sectors in the region
- Expanding on this research to include a broader picture of the creative industries by adding data from the culinary arts, historic preservation, fashion, arts education, and government arts agencies and facilities

- Creating a more extensive report on the nonprofit arts, culture, and humanities organizations in the region
- Conducting creative economy research for metropolitan regions within the South
- Exploring creative economy industry clusters and their interaction with other economic sectors
- Studying artists as entrepreneurs
- Examining changes in the creative industries related to the present technology revolution.

As we work to pull our households, businesses, cities, counties, states, the region, and the nation out of the Great Recession, the creative industries will be an important part of the solution to our economic woes. A growth industry with massive numbers of establishments, employees, payroll, and revenues, the creative industries are at the forefront of innovation and invention which drives much of our economic growth. As a region, with our states working in partnership with one another and region-wide organizations, we need to take note of this and work to help the creative industries meet the full potential of their economic impact in the South.

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