

Staten Island Cultural Institutions: A Comparative Analysis of Regional Cultural Activity

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Executive Summary

The report uses the rich survey data of cultural institutions generated from the Cultural Data Project to analyze the activities and performance of Staten Island's 28 reporting institutions. In addition, we augment our analysis with data from the Bureau of Labor Statistics on employment in the creative sectors in New York City. Comparisons are drawn between Staten Island's cultural institutions and those in the other boroughs. The report employs the data to analyze cultural institutions within the context of economic development policy, and efforts to extend the reach of the cultural institutions to wider audiences on Staten Island and beyond.

Central findings include:

--Staten Island cultural institutions have higher rates of volunteer staffing compared to institutions in the other boroughs;

--Financial assets held by Staten Island cultural institutions are considerably lower than the rest of the boroughs by most measures;

--Much more so than other boroughs, Staten Island cultural institutions are dependent on City funding to meet revenue requirements;

--There were nearly 1.1 million visitors to Staten Island reporting institutions in 2008;

--These institutions serve a broad base of users from various cultural areas and have a significant economic impact on the region;

--In particular, they represent 41 organizations with 319 employees and \$9,791,000 in annual payroll spending;

--These firms have annual total budgets of over 16.78 million dollars (2008). In terms of total economic impact, these firms create a total of 23.4 million dollars in economic activity and 585 jobs in total are related to the Staten Island cultural sector.

Big cities like New York depend on the anchoring function that not-for-profit cultural institutions provide for workers in the high desirable Creative Core industries. Outer-borough locations like Staten Island offer both the space and cultural amenities that artists and creative core workers seek, and zoning and policies should be developed to foster the development of such communities.

Even though borough cultural institutions are dependent on funding from the City of New York, the pattern of government spending tilts toward large, Manhattan-centered institutions. The report identifies "cultural deserts" within Staten Island and other outer boroughs, geographic areas where neighborhoods are at a far physical remove from the cultural activities.

1. Introduction

Great cities often earn this designation for their economies and cultural and arts milieus. London, Paris, New York and a select number of other global cities are high achievers in these two areas. In fact, economic vibrancy and urban culture are closely linked. Cities with notable creative scenes attract and create high-powered industries, and vice-versa.

Yet, great cities are, in fact, collections of smaller communities. New York has its boroughs, London its various municipalities and Paris its arrondissements; these smaller divisions do not share in the cultural and economic wealth equally (to put it negatively) and each has its own unique character (to put it positively). To truly understand the cultural and economic fabric of a large city requires a more systematic analysis of the parts that make up the whole.

This report focuses on one borough of the City of New York – Staten Island – and conducts an overall high level analysis of the cultural organizations in the borough, aggregated to provide a composite picture of their performance, attendance and financial status. A general comparison is then made of the financial and organizational structure of Staten Island Arts Groups as compared to New York City Group averages. This information is then contextualized in terms of what we know about the links between creative sectors and economic growth in general, and for New York City in particular.

In the pages that follow, we will review the following topics:

2. Descriptive Statistics about New York City Cultural Institutions
3. NYC and Staten Island's Creative Sector in Regional Economic Context
4. New York City Arts Funding and the Persistence of Cultural Deserts
5. Creative Sectors and the Economy
6. Arts, Culture and the Staten Island Economy
7. Conclusion

2. Descriptive Statistics on New York City Cultural Institutions

The mission of the Cultural Data Project (CDP) is to collect and disseminate data about the arts and cultural sector to better understand the needs of cultural organizations and more fully analyze the structure of creative organizations in the United States.¹

The CDP works in collaboration with state affiliates. Twelve states plus the District of Columbia currently participate in the project and 23 states have indicated interest. The

CDP launched in Pennsylvania in 2004. New York State’s effort started in June 2009. (The Cultural Data Project will be operating as an independent non-profit as of April 1, 2013).. See: < www.culturaldata.org >. The New York State Cultural Data Project website was launched on June 2009. See: < www.nysculturaldata.org).

The Cultural Data Project provided the researchers with the raw data files for detailed analysis. Given the requirement to maintain agency confidentiality, the authors will provide data summaries that conceal the identity of individual organizations, but provides useful insights into the working of local cultural organization ecosystems. Most summaries will be provided at the zip code or borough/county level, and also for the City of New York as a whole.

The CDP data profile provides a broad range of data about cultural organizations, particularly related to questions of funding, costs and operations. Data is collected on annual performance. There is a lag time between data reporting, processing and dissemination to Principal Investigators. The general areas of data content are listed in Table 1.

Table 1: CDP Data Areas

CDP Variables	Variables
Characteristics	24
Audited Assets	45
Earned Revenue	167
Federal Funding	5
State Funding	5
County Funding	5
City Funding	5
Salary & Benefits	52
Expenses	202
Advertising & Marketing	16
Balance Sheet Items	151
Restricted Funds	28
Mortgages & Loans	19
Staffing / Attendance	143
Total	867

The CDP data is grouped by year, with organizations providing multiple years of reporting for each data profile item. There are in excess of 800 variables in the CDP datasets and over 1200 in the full data profile and as such there are a tremendous number of areas that can be examined. Given the vast scale of the data profile, it would be common in survey research for a large number of groups to refuse to complete such

an arduous survey. An incentive for an organization to complete the CDP is that the data can be used as the primary input into a large number of cultural funding grant applications. This functionality has been negotiated and promoted by the CDP and it does represent a strong inducement to compliance.

The CDP staff provided the authors with data for the five boroughs of New York City. As such, we can comment in detail on the performance of cultural organizations within the borders of New York City. The data does not represent a census of all cultural organizations in the region. The actual count of cultural organizations in New York City (or on Staten Island) is subject to some debate. There is no clear definition or standard as to what criteria should guide classification as a cultural institution. Based upon standard sampling theory and data analysis, the authors suspect that smaller and younger organizations are more likely to be missed. Indeed, *ad hoc* and informal networks populate the sector, and their institutional footprint is often small.

The data is expected to better represent the large- and medium- sized cultural organizations better than small and dynamic young organizations. Also, organizations that provide cultural content but do not report as cultural organizations would also not be included in the CDP data. Tables 2 and 3 provide an overview of organizations in the CDP data as reported by the National Standard for Arts Information Exchange (NSAIE) as promulgated by the National Endowment for the Arts. The data identifies 11 different types of groups on Staten Island and 37 types of groups in New York City as a whole.

Table 2: Organization by NSAIE Type for New York City (2008)

NSAIE Code	NSAIE Institution	NYC Firms
1	Individual Artist	8
3	Performing Group	326
5	Performing Group - Community	21
6	Performing Group - Youth	15
7	Performing Facility	45
8	Art Museum	33
9	Other Museum	46
10	Gallery / Exhibit Space	32
11	Cinema	4
12	Independent Press	6
13	Literary Magazine	5
14	Fair / Festival	19
15	Arts Center	68
16	Arts Council / Agency	11
17	Arts Service Organization	140
18	Union / Professional Organization	1
20	Parent - Teacher Organization	1
22	Middle School	1
24	Vocational / Technical School	1
25	Other School	9
26	College / University	1
27	Library	1
28	Historical Society	10
29	Humanities Council	1
30	Foundation	8
31	Corporation	7
32	Community Service Organization	25
35	Religious Organization	1
37	Parks and Recreation	5
40	Government - Legislative (House)	1
45	Media - Radio	2
46	Media - TV	9
47	Cultural Series Organization	30
48	School of the Arts	15
49	Arts Camp / Institute	5
50	Social Service Organization	10
99	None of the Above	92
	Total Firms	1015

Table 3: Organizations by NSAIE Type – Staten Island (2008)

NSAIE Code	NSAIE Institution	Staten Island Firms
3	Performing Group	8
5	Performing Group - Community	1
7	Performing Facility	1
8	Art Museum	2
9	Other Museum	5
15	Arts Center	1
16	Arts Council / Agency	1
17	Arts Service Organization	3
47	Cultural Series Organization	2
50	Social Service Organization	1
99	None of the Above	3
	Total Firms	28

The reports are most frequently available for the year 2008 with 1015 organizations citywide reporting information on their respective cultural group. The authors will focus on this key cohort to examine the broadest cross section of the represented cultural groups in the region. Table 4 provides an overview of the number of organizations that report in the CDP by year.

Table 4: Data Reporting: Raw NYC CDP Data

23	Organizations in 2006	
210	Organizations in 2007	
1015	Organizations in 2008	
832	Organizations in 2009	
188	Organizations in 2010	
2276	Reports in All (2002-10)	

We will focus on 2008 data for most of our discussion in the following report as the 2009 data appears to be only partially complete and the 2010 data is largely incomplete. We look to examine this data to more fully understand the functions and challenges for cultural organizations in New York City and also to examine the relative performance and viability of arts organizations across the city. Table 5 provides a count of organizations by county and year. 2010 report numbers are low because not all organizational filings have been processed.

Table 5: CDP Data Reporting by Borough

Borough	2007	2008	2009	2010
The Bronx	2	39	35	7
Brooklyn	31	173	149	24
Manhattan	156	707	568	132
Queens	12	68	52	17
Staten Island	9	28	28	8
Total	210	1015	832	188

Staffing Analysis

The following tables present an overview of the critical operational variables for the cultural organizations that reported on the CDP data profile in 2008. The results provide a good overview of the large to moderate size cultural institutions as highlighted above.

Table 6: Total Staffing – Paid and Volunteer

Total Staffing					
Borough	Organizations	Paid Staff		Volunteers	
		FT	PT	FT	PT
The Bronx	39	2,572	1,221	285	1,840
Brooklyn	173	1,539	2,134	423	5,625
Manhattan	707	13,719	22,880	1,651	33,716
Queens	68	509	1,410	31	1,431
Staten Island	28	135	203	89	534
Total	1,015	18,474	27,848	2,479	43,146

Staffing varies considerably across organizations by borough. In Table 6, the total level of staffing is reported by borough. Staten Island's twenty-eight institutions report employing 135 full-time and 203 part-time employees. With 13,719 full-time and 22,880 part-time employees, Manhattan's cultural institutions have the highest economic impact among the boroughs.

Staten Island has one of the highest levels of volunteer activity in the region. Staten Island institutions report using 89 full-time volunteers, and 534 part-time volunteers. This finding is something of a double-edged sword. It might speak to mobilization efforts to recruit volunteers or the health of the local civic environment. Or, it might reflect a

suboptimal condition regarding the level of full-time staffing of the cultural institutions. This finding might merit closer examination by policymakers.

Table 7: Average Staffing by Type

Average Staffing					
		Mean	Mean	Mean	Mean
Borough	Organizations	Paid FT	Paid PT	Vol. FT	Vol PT
The Bronx	39	65.9	31.3	7.3	47.2
Brooklyn	173	8.9	12.3	2.4	32.5
Manhattan	707	19.4	32.4	2.3	47.7
Queens	68	7.5	20.7	0.5	21.0
Staten Island	28	4.8	7.3	3.2	19.1
Total City	1,015	18.2	27.4	2.4	42.5

Table 7 reports on the average level of staffing across the sample of institutions in each borough. We find that there are an average of 4.8 full-timers, 7.3 part-timers and 19 volunteers at a composite Staten Island institution. While Staten Island falls behind the other boroughs in this measure, the largest drop-off is in the category paid part-time staff. The citywide average is 27.4 employees. Staten Island exhibits the second highest average of full time volunteers, with the average cultural group having 3.2 full time volunteers. Queens stands out in terms of a lack of full time volunteers with only 0.50 volunteers per average institution. Again, we clearly see the larger scale enterprises in Manhattan, with an average paid full time staff of 19.4 and an average part time staff of 32.4. In contrast, the outer-boroughs of Brooklyn, Queens and Staten Island are generally served by organizations with less than 9 full time staff members and less than 20 part time staff members.

Institutional Structure and Age

With regard to institutional age, incorporation date and structure of the board of directors, the average cultural institution in New York City was founded in 1979 and incorporated in 1981. The oldest City cultural institution dates to 1785 and the newest reported in the CDP data was organized in 2008 and the most recent incorporated in 2010.

Staten Island groups are similar to other counties in that the average foundation date for Staten Island institutions is 1977 and an average incorporation date of 1981. The oldest Staten Island institution was founded in 1881 and the earliest incorporation occurred in 1918. The average New York City cultural institution has 13.36 members on their board

of directors, with a minimum of zero and a maximum of 156. The average institution on Staten Island has 11.82 members serving on their board, with a minimum of 4 members and a maximum of 31 members. Average Board member contributions are reviewed in the section on financial performance.

Attendance and Event Productivity

Attendance and operational productivity is of significant interest to both organizations as comparative metrics to their peer groups as well as to arts administrators and grant funders as to understanding the comparative impact of various forms of arts groups on their community. These impacts come from both service delivery (presentation of and attendance at events) as well as the sponsorship of new creative/curative projects that develop new content. As such, we present here various forms of creative output measures for the consideration of the readers. Relative merit of each metric can be discussed in light of given outcome goals. The value of each metric may be different for funders or administrators as compared to arts organizations.

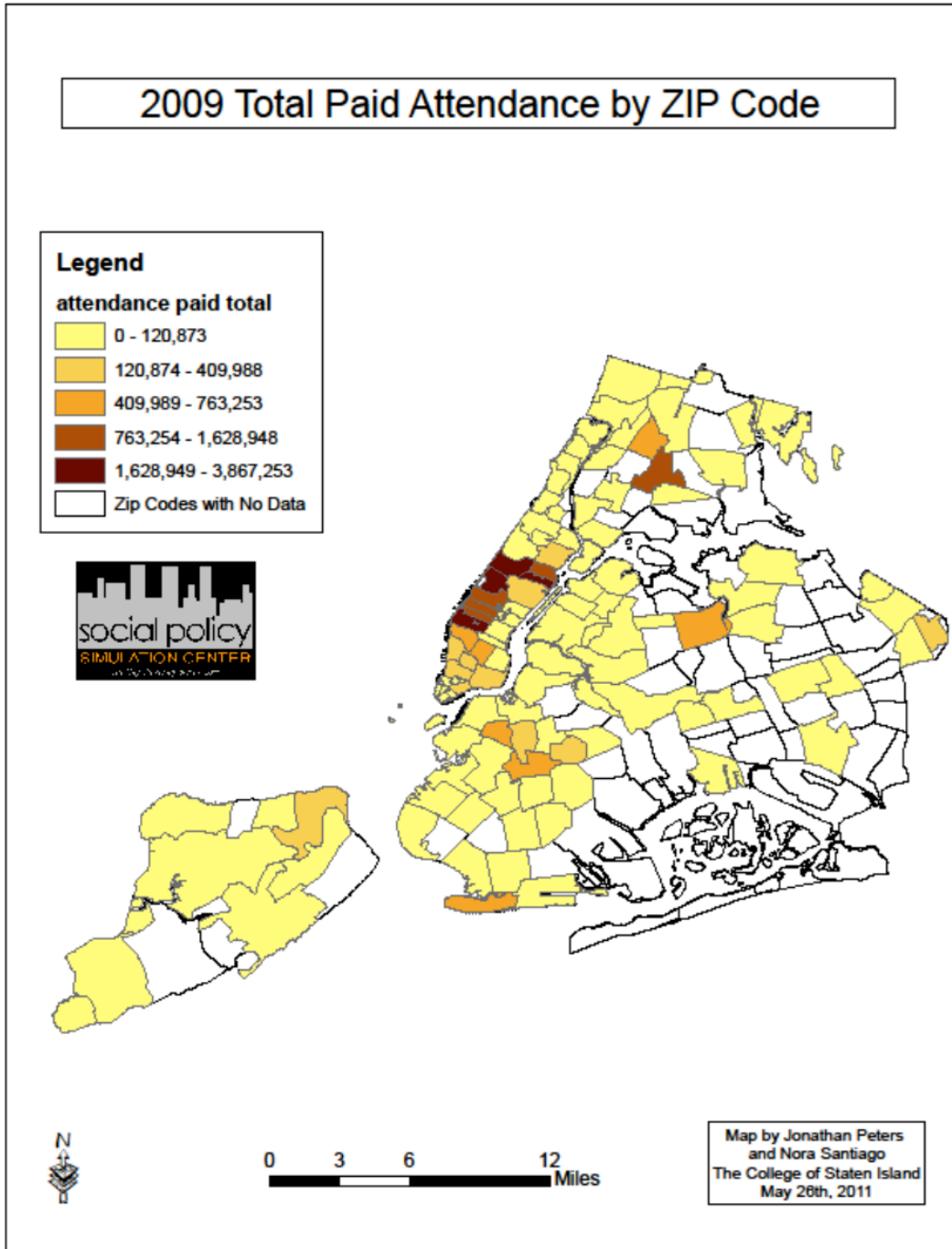
Table 8- Attendance Data by Admission Class

Borough	Organizations	Mean Total Attendance	Grand Total Attendance	Paid Attendance	Free Attendance	% Paid
The Bronx	39	97,723	3,811,208	2,032,554	1,778,654	53.3%
Brooklyn	173	36,960	6,394,134	3,062,562	3,331,572	47.9%
Manhattan	707	110,095	77,837,389	24,939,874	52,897,515	32.0%
Queens	68	100,571	6,838,833	1,314,511	5,524,322	19.2%
Staten Island	28	39,167	1,096,684	296,379	800,305	27.0%
Total City	1015	94,560	95,978,248	31,645,880	64,332,368	33.0%

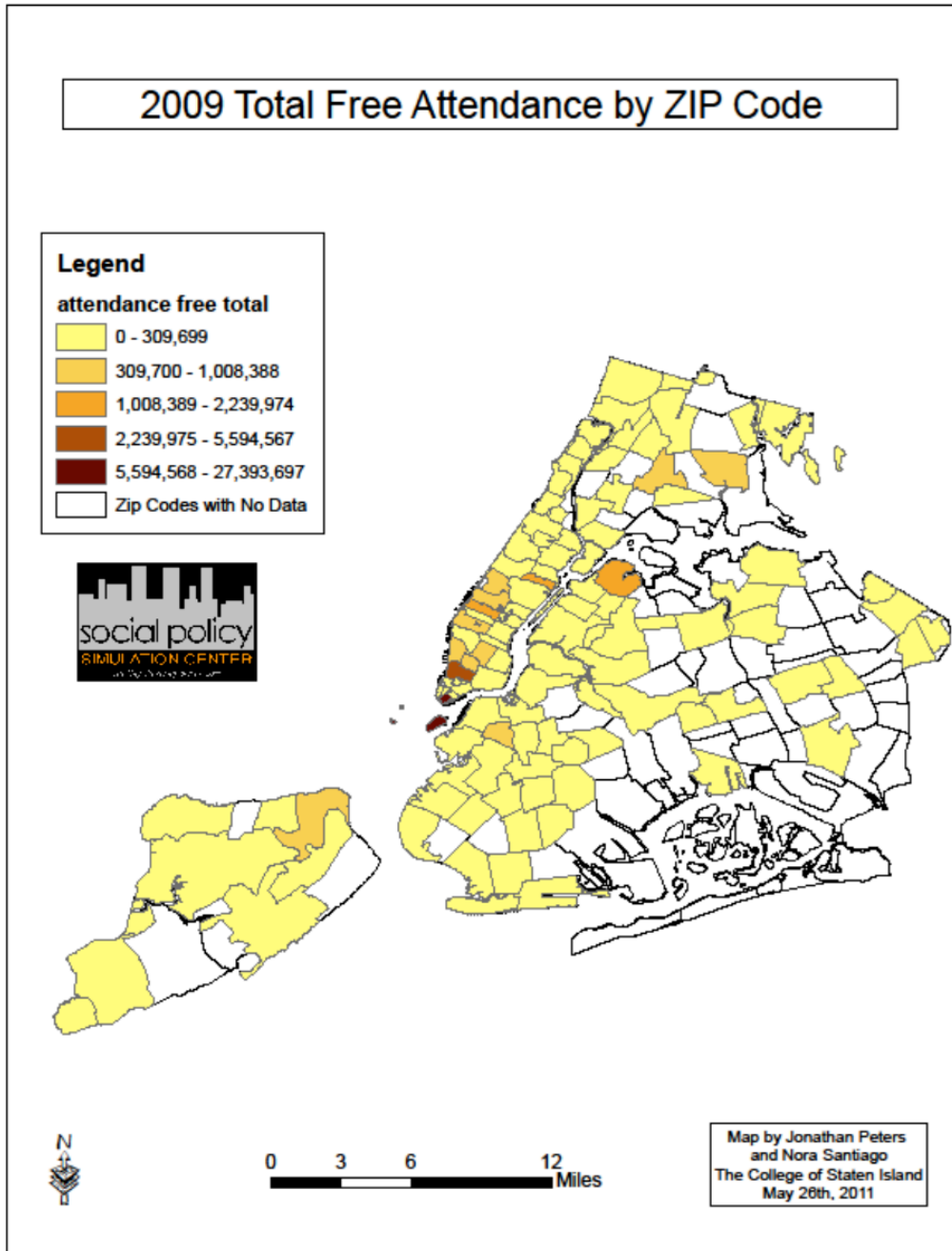
Table 8 reports physical attendance visits to cultural institutions by borough. There were 1,096,684 million visits to Staten Island institutions in 2008 accounting for 1.1% of all visits citywide. 27% were paid admissions compared to an overall citywide average of 33% paid admissions. Only Queens had fewer paid admissions on a percentage basis. Obviously, the provision of free visits promotes the missions of the cultural organizations. But it represents a significant cost as well. Review of the ratio of paid to free admissions might merit review, particularly in light of the some of the staffing imbalances indentified in Tables 6 and 7.

Maps 1 and 2 provide an overview of attendance by Zip Code for 2009. The data clearly indicates the spatial dispersion of attendance by cultural organizations, with high concentrations of activity in the central core of Manhattan, but also with significant attendance in some key areas of the Outer Boroughs. The data has a somewhat different spatial pattern for free versus paid attendance.

Map 1- Paid Attendance



Map 2 - Free Attendance



Visits to Manhattan institutions accounted for 80% of all visits. Attendance numbers per organization is similar to the Bronx and Queens. Staten Island and Brooklyn organizations tend to have an average attendance in the range of 36,000 to 40,000 per organization per year.

Table 9 provides an overview of state-wide attendance that examines this matter in detail. In particular, the Staten Island data indicates that the attendance numbers in terms of the split of free versus paid are somewhat above state norms with regard to paid admissions and slightly below the New York City averages. The Staten Island cultural institutions are significantly above both their state and city peers with regards to children attendance as a component of overall attendance.

Table 9: Attendance Data for NYS, NYC & SI (2008-2011)

Att endance			NYS (2009-2011)			NYC (2008)		SI (2008)	
Paid			42,111,811	25.7%		31,645,880	33.0%	296,379	27.0%
Free			122,037,732	74.3%		64,332,368	67.0%	800,305	73.0%
Total Att endance			164,149,543			95,978,248		1,096,684	
Att endance - Children			14,360,061	8.7%		9,771,453	10.2%	173,065	15.8%

Note: NYS Attendance data provided by CDP for 2009-2011 as a composite

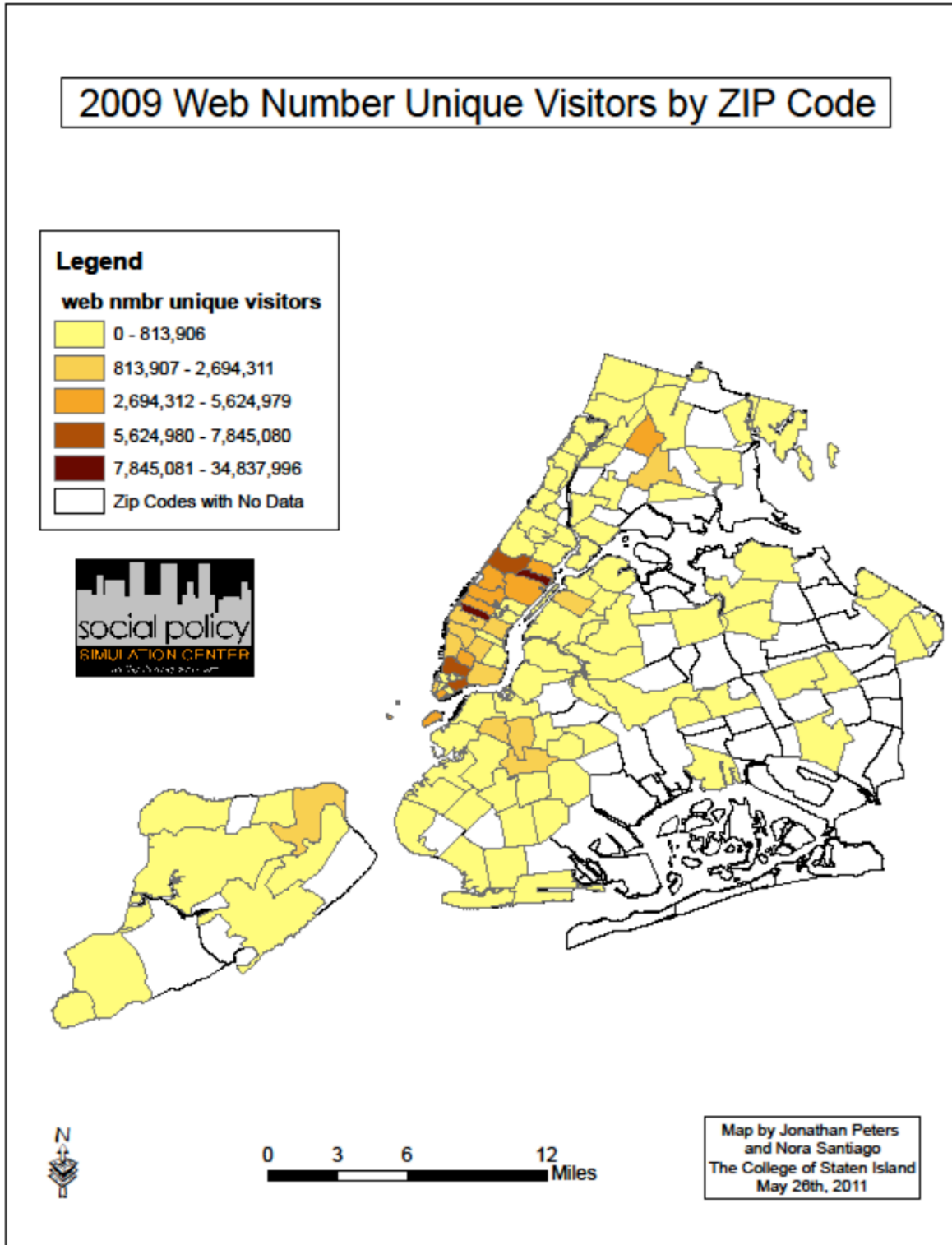
In the emerging world of technology-enabled arts and culture, it is interesting to get a fix on the use of technology to access the resources of cultural institutions. The CDP data allows institutions to report on their cyberactivity. As such, we present in Table 10 results on the visits by web page count and by unique cyber visitors.

Table 10 - Cyber Visits – By Borough

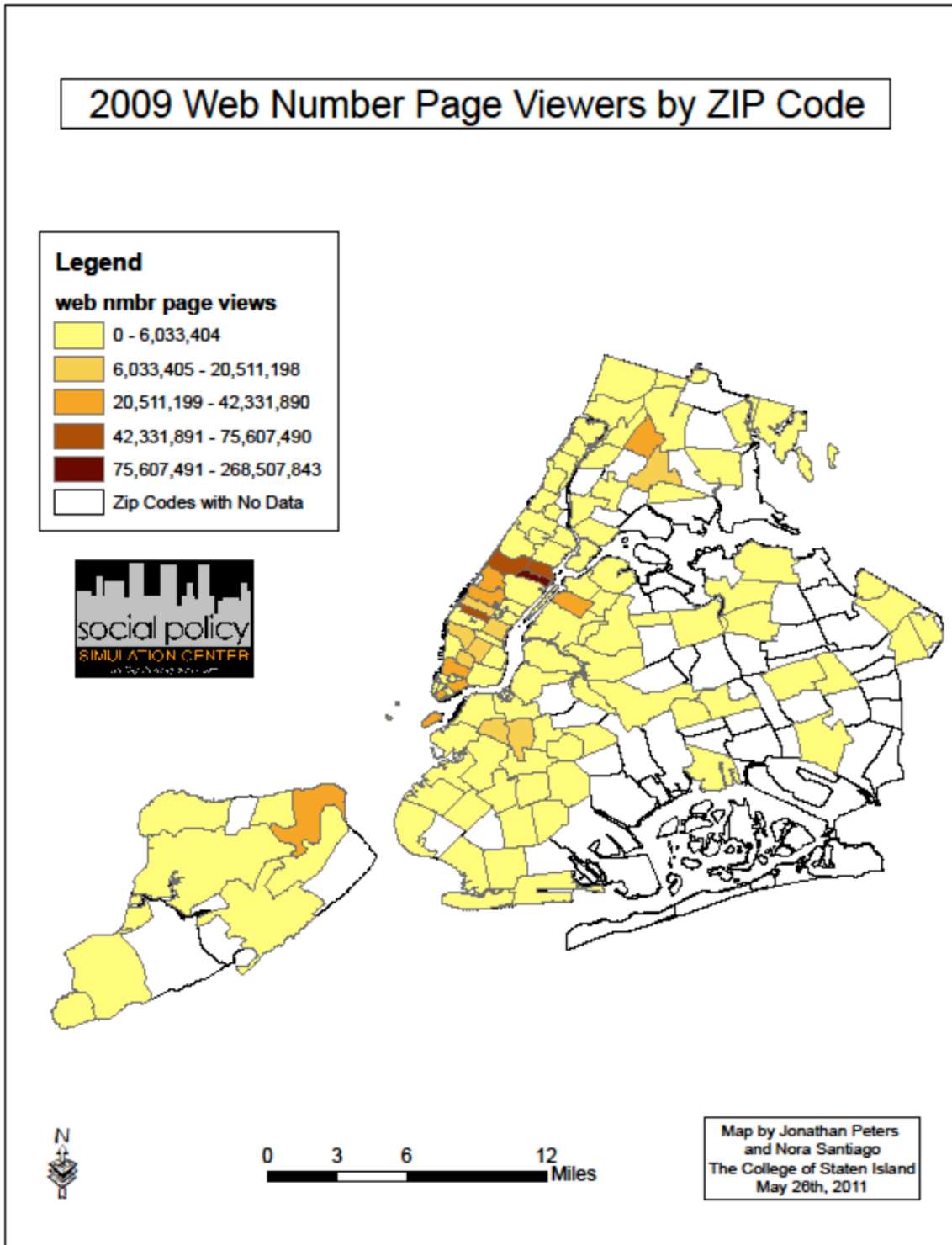
			Web Page		Web Page		Average		Average
Borough	Organizations		Views		Unique Visitors		PageViews		Web Visitors
The Bronx	39		28,813,887		3,979,137		738,818		102,029
Brooklyn	173		31,221,201		9,379,875		180,469		54,219
Manhattan	707		800,425,942		130,826,027		1,132,144		185,044
Queens	68		29,844,201		1,731,951		438,885		25,470
Staten Island	28		22,160,507		683,482		791,447		24,410
Total City	1015		912,465,738		146,600,472		898,981		144,434

Maps 3 and 4 provide an overview of web visitors at a Zip Code level both for unique visitors and for web page hits.

Map 3- Unique Web Visitors by Zip Code



Map 4- Web Page Views by Zip Code



Based on the reporting of both web page views (frequency of access to content) and unique visitors (how many individual IP addresses access the site of a particular institution) one can see the development of significant cyber-relationships between visitors and cultural institutions. In terms of raw usage numbers, citywide, electronic visits to cultural websites exceeded the total amount of visitors to the bricks and mortar facilities (96 million physical visitors versus 147 million cyber visits).

The relationship between cyber visits and physical does not follow the citywide trend on Staten Island. There were 683,000 unique visitors to the websites of Staten Island's reporting cultural institutions in 2008 compared to 1.1 million visitors to the bricks and mortar facilities.

Despite the impressive numbers, cyber visiting allows for rather limited contact with an organization, especially in collection based organizations such as museums. The average visitor viewed only 6.22 pages of content on a cultural institution's web site. In reality, for a collection based organizations these hits may reflect a very minor level of content review. In addition, the review of web page content may only reflect a minor portion of the cognitive experience of examining an object in person.

The interesting question that the data does not allow us to answer is the relationship between a cyber visit and subsequent site visits, as well as the reverse (site visit followed up by further content review online). The physical isolation of Staten Island cultural institutions from mass transit leave them competitively disadvantaged compared to institutions in other boroughs. A strong web presence might lure visitors in, and provide access to collections and resources to an off-island audience who cannot make the trip. Cyber visiting can be an effective tool for mobility limited individuals as well as a significant asset for students in local and remote educational institutions –further analysis is warranted.

In terms of output and productivity, the CDP data provides us with some benchmark estimates of overall agency activity. The CDP data provide us with metrics of performance/event outcomes broken into 7 categories. These include productions, exhibitions, classes, tours, films, lectures and performances. Given the relative level of intensity in terms of effort to stage an exhibit or such as compared to a class, it is difficult to normalize the data into one measure of output/productivity. Table 11 provides some comparative metrics of events at the New York State, New York City and Staten Island level.

Table 11:**Event Outcomes for NYC, NYC & SI (2008-2011)**

Events	NYS (2009-2011)	NYC (2008)	SI (2008)
Productions	37,500	13,125	108
Exhibitions	10,138	3,529	91
Classes	92,100	31,771	437
Tours	5,376	8,974	78
Films	23,552	14,457	26
Lectures	18,134	10,745	131
Performances	90,287	48,650	238

Note: NYS Attendance data provided by CDP for 2009-2011 as a composite

Financial Performance

In terms of resources, there are various metrics of resources and assets that may be useful to examine as they relate to arts organizations. These include assets, revenue, income and expenditures.

First, as is shown in Table 12, from a general expenditures perspective, the data is quite clear that the Staten Island organizations have similar patterns of fund expenditures to other New York City cultural institutions, with roughly 80.0 to 81% of their expenditures going to program activities, 6.5% to 7.0% going to fundraising and 12.0 to 13.5% going to general costs. While Staten Island organizations are slightly low in terms of fund raising expenditures, they appear to be clearly in line with NYC norms. The data is solid from a reporting perspective, with all 1,015 NYC and all 28 SI agencies reporting these items in 2008.

Table 12: Expenditures by Broad Category (2008)

2008 Expenses	New York City	%	Staten Island	%
Total Expenses - Program	\$ 3,081,537,509	80.7%	\$ 14,007,197	80.1%
Total Expenses - Fundraising	\$ 263,854,077	6.9%	\$ 1,134,710	6.5%
Total Expenses - General	\$ 474,554,663	12.4%	\$ 2,344,362	13.4%
Grand Total Expenses	\$ 3,819,946,249	100.0%	\$ 17,486,269	100.0%

Table 13 provides total assets by borough for the cultural organizations of New York City. Assets represent items of value that are held on the balance sheet of an organization. These assets are generally held at purchase price and are reflective of the historical value of a particular asset. Assets include cash, financial assets, property, plant and equipment. In the realm of cultural institutions, this may include the value of the art and objects in a collection as well as property assets such as buildings and land.

Table 13 – Total Assets by Borough - 2008

Borough	Organizations	Total Assets	Mean Assets	% of Assets
The Bronx	39	\$1,496,016,660	\$51,586,781	10.88%
Brooklyn	173	\$547,539,413	\$4,679,824	3.98%
Manhattan	707	\$11,494,890,987	\$20,748,901	83.57%
Queens	68	\$198,713,005	\$4,139,854	1.44%
Staten Island	28	\$16,913,147	\$805,388	0.12%
Total	1015	\$13,754,073,212	\$13,550,811	100.00%

Note: The Mean measure of assets is the arithmetic average of the reports.

Assets, from an accounting standpoint, represent items of value held by an organization. These assets are in some way generally expected to be used to benefit the corporation in terms of producing revenue through their use as capital stock (e.g., property, plant or equipment) or through their sale at some point in the future (e.g., inventory and accounts receivables).

In reviewing the assets held by various cultural organizations around New York City, one clearly sees the tremendous amount of assets held by the Manhattan organizations. The 707 reporting organizations in Manhattan hold 83.57% of the total assets (\$11.5 billion). The assets of a composite arithmetic mean Manhattan organization was \$20.7 million dollars. Staten Island’s assets totaled \$16.9 million dollars with the mean calculation of \$805,000. Staten Island lags behind the other boroughs on this measure. The mean calculation for Queens and Brooklyn exceeds Staten Island by a factor of five. The cultural anchor organizations of the Bronx are particularly secure with total assets of \$1.5 billion and a mean calculation of \$51.6 million. (A few very large organizations in the Bronx are driving the dollars there.)

Assets are a mixed blessing from the point of view of a collection-based cultural institution. The management of the balance sheets of these institutions is more complex. Collection based organizations (zoos, museums and the like) look to acquire a collection of assets to display and manage to achieve the desired goal of a broad spectrum of content in their particular field. As such, they tend to acquire numerous assets for display or research purposes, spending considerable amounts of capital in the process. Once the objects are acquired, their maintenance and storage can be only achieved through significant current expenditures. Examination of assets of cultural institutions should weigh factors such the institutional mission and the balance of holdings against operational budgets. Museums in particular, with perhaps millions of dollars in valuable art works may in many cases be considered asset rich, but may also be challenged as to their operating budget and revenue.

The data suggests that Staten Island’s anchor cultural Institutions are the poorest by far in terms of assets among borough peers. This in part may reflect the history of the collections on Staten Island (in general, the value of an asset is placed on the books of

an institution based upon the date of acquisition and the purchase price) with older institutions with strong historical collections (acquired long ago) having less value than collections with a more recent acquisition history. An organization with a more recent acquisition history may find that from an accounting basis, the value of their collection is skewed strongly towards their recent acquisitions. For example, an institution with two Picassos –purchased in 1920 for \$100,000 and in 2010 for \$3,000,000--would have less assets than a wealthier museum with an aggressive acquisitions policy who may have purchased two similar painting in 2011 and 2012 for \$3,000,000 and \$3,500,000.

One could also argue that the level of assets reflects to some degree the level of attractiveness of the institutions (depth of collections if you wish) and should also be predictive of the level of paid admissions and total admissions in general.

Funding by Borough and Source

Revenue sources and income in general are of interest to organizations and cultural funding groups as they reflect some aspects of the income generating potential of an organization as well as a partial reflection of the inherent financial stability of an organization. Unlike commercial enterprises, which are expected to rely on sales of goods and profit to sustain their operations, cultural organizations in general are partially or largely reliant on outside funding/donations to sustain their operations. The level, scale and mix of funding sources are of considerable interests to various parties in the cultural community.

The plain facts are that a strong reliance on non-fee sources of income implies a level of dependency and a discussion of scale and operations that reflects upon the availability of outside revenue sources.

Table 14: Revenue – Total Funding by Source

Revenue Sources - Total Funding by Source (2008)						
	City	State	Federal	Foundati on	Earned	Sum
County	Funding	Funding	Funding	Funding	Revenue	Revenue
Bronx	\$ 76,722,498	\$ 9,915,498	\$ 28,173,183	\$ 66,365,531	\$ 151,461,521	\$ 332,638,231
Kings	\$ 47,564,102	\$ 9,845,100	\$ 3,155,046	\$ 34,983,885	\$ 73,824,405	\$ 169,372,538
New York	\$ 218,583,503	\$ 77,063,815	\$ 49,591,325	\$ 522,785,196	\$ 1,179,308,068	\$ 2,047,331,907
Queens	\$ 21,529,017	\$ 3,451,617	\$ 3,155,109	\$ 9,927,397	\$ 18,962,664	\$ 57,025,804
Richmond	\$ 8,604,658	\$ 984,556	\$ 53,000	\$ 2,013,300	\$ 5,072,944	\$ 16,728,458
Total NYC	\$ 373,003,778	\$ 101,260,586	\$ 84,127,663	\$ 636,075,309	\$ 1,428,629,602	\$ 2,623,096,938

Tables 14 provides an overview of the main funding sources for New York City cultural organizations in terms of revenue for 2008. In particular, the reporting institutions share roughly \$2.6 billion annually in resources with over 60% of the money raised through earned revenue sources. The remaining 40% of revenue comes from a mix of government and foundation support. Most cultural organizations are organized as not-for-profit 501c-3s, a tax status that makes such revenue collection possible.

What is clear is the importance of own-source revenue generation for many cultural institutions. On Staten Island, the reporting institutions generated 30% of total revenue

from user charges such as admissions. The citywide report on this measure is 54.5%. Manhattan institutions generate roughly 40% of the total funding in the City through various charges for their services, and for the other three other outer-boroughs, 44%.

From an overall funding perspective, foundation funding is quite important for New York City cultural organizations, with roughly 22% of total funding arising from that source. Foundation funding was second only to earned revenue as a source of funding for cultural institutions citywide. For Staten Island’s institutions, only 12% of support came from foundation sources, compared to 21% for Brooklyn, 20% for the Bronx and 17% for Queens.

Table 15: Percentage of Revenue by Source

Revenue Sources - Percent by Funding Group						
	City	State	Federal	Foundati on	Earned	Sum
County	Funding	Funding	Funding	Funding	Revenue	Revenue
Bronx	20.6%	9.8%	33.5%	10.4%	10.6%	12.7%
Kings	12.8%	9.7%	3.8%	5.5%	5.2%	6.5%
New York	58.6%	76.1%	58.9%	82.2%	82.5%	78.1%
Queens	5.8%	3.4%	3.8%	1.6%	1.3%	2.2%
Richmond	2.3%	1.0%	0.1%	0.3%	0.4%	0.6%
Total NYC	100%	100%	100%	100%	100%	100%

Table 15 provides an overview of the funding sources in percentage terms per borough by source. In other words, the total share funding is analyzed by category as it is divided among the boroughs. This allows us to examine the relative share of each method of funding by borough. For example, Manhattan received \$218 million, or 58.6% of the \$373 million allocated by New York City municipal sources. Staten Island received \$8.6 million, 2.3% from this same pool of dollars.

Among this collection of reporting anchor institutions in the data profile, Manhattan cultural institutions received the lion’s share of the overall funding from City, State and Federal sources. Foundation funding is highly skewed towards Manhattan based institutions, with 82.2% of the total foundation dollars moving to that borough. Staten Island institutions receive 0.3% of the total foundation funding dollars in New York City.

In terms of earned revenue, Manhattan institutions generate a disproportionate share of the earned revenue as well, with 82.5% of the total dollars earned by cultural institutions being generated in Manhattan. Staten Island institutions generate only 0.4% of the earned revenue in New York City.

Evident in this cut of the data is a three tier structure among the city’s anchor cultural institutions. Manhattan’s many active cultural institutions dominate the scene. In the second tier are the Bronx and Brooklyn institutions with Staten Island and Queens operating as relatively modest players across funding categories.

Table 16: Revenue Sources by County

Revenue Sources - Total Funding for County by Source (2008)						
	City	State	Federal	Foundati on	Earned	Sum
County	Funding	Funding	Funding	Funding	Revenue	Revenue
Bronx	23.1%	3.0%	8.5%	20.0%	45.5%	100%
Kings	28.1%	5.8%	1.9%	20.7%	43.6%	100%
New York	10.7%	3.8%	2.4%	25.5%	57.6%	100%
Queens	37.8%	6.1%	5.5%	17.4%	33.3%	100%
Richmond	51.4%	5.9%	0.3%	12.0%	30.3%	100%

Table 16 provides one additional cut of the data on the revenue and funding side of the discussion. Here, we have summed revenue by county and constructed percentages of funding for each county by source. In this table we can see a composite of the overall funding picture by county. So, for Staten Island, 51.4% of funding for cultural institutions comes from New York City’s municipal government. No other borough is so dependent on City funding. Queens is a distant second at 37.8%. Manhattan institutions receive only 10.7% of their total funding share from the City government. With such heavy reliance on City funds, Staten Island lags behind other boroughs in funding from the Federal government, foundations and earned revenue.

In terms of earned revenue, Manhattan provides 57.6% of their funding through the development of own revenue sources – significantly higher than the other boroughs. However, as a group, the outer borough organizations tend to have quite a bit of their funding provided by earned revenue, with the Bronx leading the way at 45.5% of total revenue generated by earned sources. Staten Island institutions rank last at 30.3% of the earned revenue spectrum in terms of total funding.

One final look at support by category provides us with a more detailed look at the contribution categories. In this case, we have split out the earned revenue components to examine the individual parts of revenue stream. Table 17 provides an overview of the main revenue sources. It identifies the key weaknesses for Staten Island institutions. As we have already highlighted, the Staten Island culturals tend to be underfunded in terms of City and National resources on a per capita basis. Staten Island performs well with respect to State level funding.

Table 17: Financial Support by Source (2008)

Support Category	New York City (2008)		Staten Island (2008)	
	(N=1015)	Percent	(N=28)	Percent
Corporate	\$ 216,907,247	8.4%	\$ 657,857	4.7%
Foundations	\$ 636,075,309	24.6%	\$ 2,013,300	14.5%
City Government	\$ 373,003,778	14.4%	\$ 8,604,658	61.9%
County Government	\$ 804,321	0.0%	\$ 23,675	0.2%
Federal Government	\$ 84,127,663	3.3%	\$ 53,000	0.4%
State Government	\$ 101,260,586	3.9%	\$ 984,556	7.1%
In Kind Support	\$ 60,437,949	2.3%	\$ 330,296	2.4%
Individuals	\$ 477,420,661	18.5%	\$ 434,018	3.1%
Net Assets Released	\$ -	0.0%	\$ -	0.0%
Other Contributions	\$ 113,461,528	4.4%	\$ 10,928	0.1%
Parent Organization	\$ 15,899,662	0.6%	\$ -	0.0%
Special Events Fundraising	\$ 178,006,106	6.9%	\$ 632,590	4.6%
Tribal Contributions	\$ -	0.0%	\$ -	0.0%
Trustee/ Board Contributions	\$ 325,166,023	12.6%	\$ 148,135	1.1%
Total Support	\$ 2,582,570,833		\$ 13,893,013	

We will explore this governmental gap further in the next section. Here, we want to highlight the shortfalls that occur in terms of corporate support, Foundation support and Board Member support. In terms of corporate and foundation support, a clear gap exists in terms of the overall levels of funding. Given the tremendous interest in board member recruitment and support, it leaves little doubt that there is generally a perception that corporate and foundation support will be increased by key board membership.

It is interesting to note that funding supplied by parent organizations to their subsidiary cultural organizations on a city wide level (\$15.9 million per year) exceeds the total support category for Staten Island institutions as a whole. This provides an interesting scale to some of the funding disparities we are examining. Apparently, in New York City there are organizations with an internal ability to fund subsidiary organizations at a level that exceeds all Staten Island support. No Staten Island organization reports any parent organization funding.

With regards to board support, Staten Island cultural institutions have slightly smaller boards as compared to the New York City average – 11.82 members for SI as compared to 13.36 for NYC on average. When looking at board contributions, we see a clear and pronounced gap in funding. NYC organization board members contributed on average of \$23,979 per board member per year (13,560 board members making 325.166 million dollars in total board contributions). The average Staten Island board member makes a contribution of \$446 per year or \$148,135 in total. While this is low relative to the New York City averages, we would council the reader to examine the income distribution by borough to see where the greatest concentration of wealth is

located and where most corporate leaders live and work. In addition, large contributions from high wealth individuals to certain flagship organizations may skew the data to some degree.

In fact, if Staten Island institution board members contributed at the same rate as NYC averages, they would be contributing 7.9 million dollars a year and would be contributing a much greater share than NYC averages to their institutional resources – roughly 36.4% of funding as opposed to 12.6% for NYC as a whole. While this is interesting to consider, the idea that increased board contributions would solve Staten Island cultural funding issues is quite flawed. The expectation that board contributions can substitute for the high shortfalls in other funding categories is to place too much reliance on a small core of volunteers and community leaders as well as an unrealistic expectation on what is generally viable in the long term. Board burnout (multiple board participation) and excessive requests for funds can sap the creative strength of local boards populated in large part with small businesses owners and/or members of moderate to upper middle income levels.

With an expected link between board members and their corporate and foundation partners funding patterns it is not unexpected that we would find shortfalls in both Corporate and Foundation support on Staten Island due to financially less well connected boards. Staten Island institutions might also consider a strategy to diversify source revenues to guard against a downturn from any one revenue stream.

Given the concerns regarding the need for cultural institutions to provide a reasonable level of self-support (we suggest this might be an issue of particular importance because of the need to balance and diversify the collection of revenue streams), attendance and admission prices across the region are presented in Table 18. The CDP provides numerous types of admission rate categories – here we have broken the rates into the standard adult and child admission rate.

Table 18 - Paid Admission Rates and Average Total Attendance

	Mean		Mean		Mean
	Att endance		Adult		Child
Borough			Admission		Admission
The Bronx	97,723		\$ 12.00		\$ 6.00
Brooklyn	36,960		\$ 20.00		\$ 7.00
Manhatt an	110,095		\$ 22.00		\$ 8.00
Queens	100,571		\$ 14.00		\$ 5.00
Staten Island	39,167		\$ 14.00		\$ 4.00

Staten Island’s cultural institutions had the lowest average child admission price and the second lowest adult admission price (tied with Queens), and Staten Island organizations had the second lowest average attendance, with only Brooklyn organizations having lower average activity among reporting institutions. This finding presents a challenge—raising admission prices might drive attendance rates lower, although the Brooklyn model (\$20 for adult admissions, \$7 for children) suggests there may be some room for

price increases. There is certainly more disposable income on Staten Island than there is in the other outer-boroughs. The median family income on Staten Island in 2010 was \$82,000 compared to Brooklyn's \$47,000 (US Census report).

The Bronx had the lowest average price for adults and the middle price for children, yet as outlined in Table 18, the Bronx institutions had the highest average paid attendance rate for their institutions. Bronx organizations realize the highest rate of revenue based upon visits of any borough in this study.

Taken as a composite, our tabulations by area from the CDP data indicate a number of areas of interest for the cultural community on Staten Island. The specific solutions and metrics of performance should be given further consideration as we move forward. Alternative models of funding may need to be applied in light of the existing structural deficiencies in Staten Island funding sources. We explore in the next section the economic impact of the cultural organizations on our community and the potential to create a more equitable and sustainable arts community.

3. NYC and Staten Island's Creative Sector in Regional Economic Context

In New York City, the central place of the FIRE (finance, insurance, and real estate) sector economy is well-established; NYU President John Sexton suggests that politicians, civic activists and business leaders start thinking in terms of FIRE and ICE (intellectual, cultural and educational capital) as well.² Much of the institutional infrastructure is in place for ICE, and the professionals are in New York to support the development of the sector. The municipal government needs to continue to build on its success in establishing New York's image as creative industries hub. Work should be done to weave the outer-boroughs into an industry that has largely operated within the Manhattan core.

New York City is the true home of the creative industries in the United States. Its "Creative Core" of arts and culture-related industries consists of 11,671 businesses and non-profits. These make up 5.7% of the employers in the five boroughs and provided employment to 309,000 workers in 2002.

The Center for the Urban Future defines this Creative Core in New York to include 2,000 arts and cultural non-profits, 500 art galleries, 2,300 design-service businesses, 1,100 ad-related firms, 700 book and magazine publishers and 145 film studios. Most importantly, New York is home to a tremendous concentration of human capital in these endeavors with an astonishing number of the entire nation's stock of professionals in these fields. 1/3 of the nation's actors, 27% of the country's fashion designers, 12% of film editors and 9% of our graphic designers call New York home.³

The creative sector is not only important because it helps cities craft an image as an exciting, vibrant place to work and live, it also matters to the dollars-and-cents bottom

line for the regional economy. A rough projection of the macroeconomic employment for a sector is about three times the direct impact of the number of jobs the sector employs. In excess of 900,000 workers in New York City have their livelihood linked to the creative sector.

Because it is an emerging industry, the definition and boundaries of the Creative Core merits examination. There are nine core industries that form the base of the Creative Core: advertising; film and video; broadcasting; publishing; architecture; design; music; visual arts; performing arts.⁴

This report uses an approach developed by analysts at the Center for the Urban Future and Mt. Auburn Associates. They identify nine separate industrial sectors:

- Advertising
- Film and Video
- Broadcasting
- Publishing
- Architecture
- Design
- Music
- Visual Arts
- Performing Arts

The researchers used the US Census County Business Patterns data series to identify the size of the labor force and firm characteristics. In 2002, 198,627 jobs were included in the nine categories above. Another 79,761 freelancers and sole proprietors are engaged in these industries, but are not classified as workers.⁵ This number leaves out down-stream supply channels like movie theaters and bookstores, but does include art galleries and museums. Adding the secondary channels yields a final number of 309,142 workers in creative industries in New York City.

This number still has limitations, as a large amount of creative activity is embedded in universities and manufacturing. Based on further analysis, the authors are able to pull out an additional 30,754 from these sectors.

Industries are generally not studied as a collective creative industrial sector from a statistical perspective, so a number of cross cuts from existing industries is needed to develop the best picture of the creative sector industry in New York City. In general, the US federal government does not generally collect data using the creative community organization. Thus, the fashion industry is generally subsumed under manufacturing, wholesale and retail. In addition, this industry has a significant number of sole

proprietorships that are an important part of the creative core that may be poorly measured by existing statistics.

Table 19 provides an overview of the employment, average salary, total payroll and number of firms in creative fields based on data from the Bureau of Labor Statistics by industry description and borough for the fourth quarter of 2008.

Using the BLS data we see that in the report year that Staten Island had 41 businesses in the Creative Core sector with 319 paid employees and an annual payroll of \$9.8 million. The average salary was \$30,692. The Staten Island establishment total equals 1.2% of the City share. If Manhattan establishments are excluded, Staten Island accounts for 7.7% of the outer-borough share. Using the out-boroughs as the point of comparison, Staten Island accounted for 7.6% of employment and 6.5% of annual payroll. Manhattan dominates the sector with most of the establishments and payroll with the four outer-boroughs holding only 9% of the jobs and 5.4% of the annual payroll.

Table 19 – Creative Workers - New York City

Data from BLS by Industry and Borough

FIPS-Code /Borough	Industry code Description	Paid employees for pay period including March 12 (number)	First-quarter payroll(\$1,000)	Annual payroll(\$1,000)	Total establishments	Average Salary
City-Wide						
7111	Performing arts companies	17,048	210,269	920,788	1,000	\$54,011.50
7113	Promoters of performing arts, sports, and similar events	13,949	152,188	631,784	461	\$45,292.42
7115	Independent artists, writers, and performers	4,379	101,405	765,505	1,880	\$174,812.74
712	Museums, historical sites, and similar institutions	11,905	129,449	544,758	212	\$45,758.76
TOTAL		47,281	593,311	2,862,835	3,553	

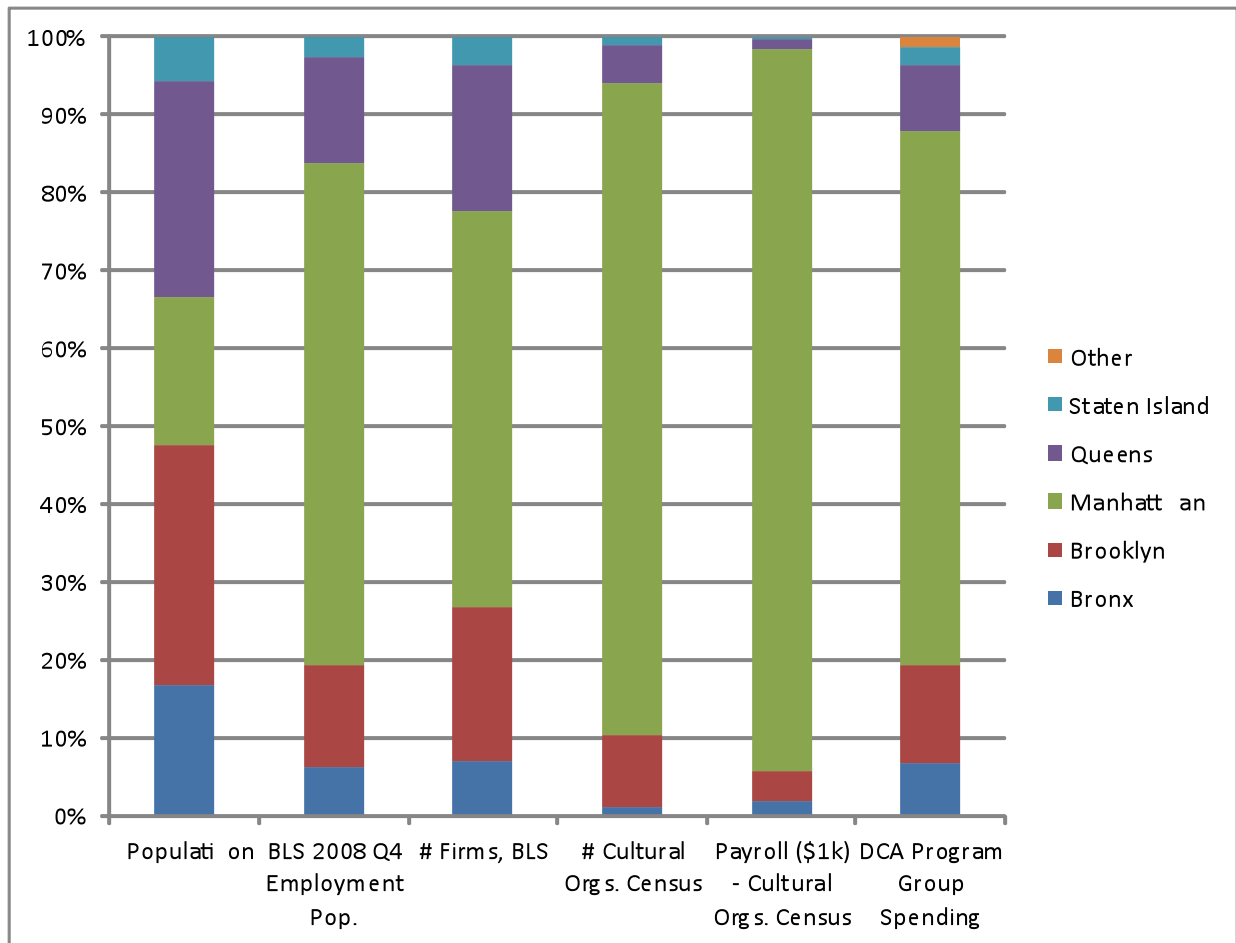
By Borough						
Bronx	FIPS Codes 7111, 7113, 7115, 712	1,200	13,000	55,229	38	\$46,024.17
Brooklyn	FIPS Codes 7111, 7113, 7115, 712	2,746	23,205	108,838	326	\$39,635.11
Manhattan	FIPS Codes 7111, 7113, 7115, 712	41,891	547,832	2,656,074	2,981	\$63,404.41
Queens	FIPS Codes 7111, 7113, 7115, 712	1,125	7,148	32,903	167	\$29,247.11
Staten Island	FIPS Codes 7111, 7113, 7115, 712	319	2,126	9,791	41	\$30,692.79
TOTAL		46,081	580,311	2,807,606	3,515	\$60,927.63

Figure 1 provides an overview of population, employment, total firms, number of cultural organizations, cultural organizations payroll and New York City DCA Program Group funding. As such, it provides a useful overview of the patterns of employment and spending in our region. First, the population of New York City is spread about depending upon housing density and borough size, with Brooklyn and Queens having the largest population bases – with 2.5 and 2.2 million residents respectively. Turning to total employment in all industries, the huge domination of the regional job market by Manhattan becomes apparent. With 2.4 million of the 3.7 million jobs in New York City – or 64.3% of NYC’s jobs, Manhattan clearly dominates in this area. Manhattan also

dominates in terms of total firms in all industries – with 50.8% of the firms in New York City located in Manhattan. This also shows that with 117,928 firms in Manhattan, there are more large firms in Manhattan in terms of employment as compared to firms in the Outer Boroughs. When we shift to the cultural sector, we also find a domination of cultural firms in Manhattan, with 19.4% of New York City's population has 83.9% of the cultural firms. In terms of cultural payroll, Manhattan has 92.8% of the payroll or 2.66 billion dollars of the 2.9 billion dollars in cultural payroll in New York City. Part of the disparity may be related to the income of independent artist, writers and performers, where the BLS data reports a lower average firm size by employment in Manhattan than the CDP data – an indication that the BLS may be catching more of the independent creative “contractors” as opposed to the CDP data, which may be more representative of the “institutional” staff of formal organizations.

When examining cultural funding by the City agencies, we observe a pattern of funding that is more reflective of the employment base or firm base as opposed to the City's population data. For example, examining the NYC Department of Cultural Affairs Program Group funding (their small organization funding mechanism), we see a strong skew in the funding towards Manhattan organizations – with 68.4% of the DCA Program Group funding going to Manhattan organizations.

Figure 1: Creative Employment and Funding by Borough



In this sector, the most important element is concentration of human capital—the entrepreneurial and professional energy unleashed and amplified by bunching synergistic firms in one city. Many workers in the sector are freelancers who move between firms or create a patchwork of part-time employment. Of the more than 300,000 workers in the Creative Core sector, 29% report that they are self-employed. The freelance nature of much of the sector is a double-edged sword. On one hand, self-employed people are adaptable, flexible and competitive. Firms increasingly hire on a project basis, and need to have an able pool of workers at the ready. Also, many projects require workers with multiple talents. Some workers like this fluidity of employment, but the instability of working arrangements is a stressor that can lead to burnout. While average wages in the sector are robust in Manhattan (\$63,404) they are lower in the outer-boroughs (\$36,400 four-borough average).

Creative Core workers thrive in a dense ecosystem of professional contacts through which they can sequence opportunities. Many in the sector belong to associations and organizations to build a portfolio of informal contacts.⁶

The not-for-profit sector plays a central role in the health of the Creative Sector economy. Many workers hold more than one job, or hold a “day-job” to pay the bills as they pursue their artistic vision. A 2000 National Endowment for the Arts study, for example, found that 39% of musicians in the US hold a second job. The not-for-profit world is a particularly hospitable environment for this workforce that can provide opportunities that draw on the set of skills tied to their creative endeavors. While in other industries, professionals are either in non-profit or for-profit sectors, in creative industries, “a seamless fluidity [exists] between the two sides.”⁷

Perhaps more importantly, the institutional infrastructure in New York of universities, schools and museums as well as other not-for-profit arts organizations provide a forum for workers to hone their craft and lay the groundwork for the community’s receptivity to the arts, building a market for local artists to sell their works. The ecosystem of New York, with the not-for-profit arts community at its heart, the Center for the Urban Future notes, “keep top creative talent in the city by allowing workers the freedom to innovate, and to do projects they find exciting and rewarding—typically the reasons they pursue creative work in the first place.”⁸

Another source of stability are trade associations and unions—15 unions and 50 locals in New York related to the Creative Core industries – which organize intellectual property issues and manage labor relations, even if they can sometimes drive up costs.

Yet the Creative Core sector faces significant challenges in terms of its long term viability and competitive position in the world markets. These include the high cost of living in the region, limited work space and a general worsening of economic security of those who work in the sector.⁹

New York’s international competitors and aspiring global cities like Toronto and Vancouver, and even small municipalities in states like Louisiana, seek to relocate some or all of our Creative Core to their cities. This change is not without precedent, as New York City lost the core of the music industry to Los Angeles in the 1960s and much earlier lost the emerging film industry to Los Angeles, driven out in part by Thomas Edison’s relentless pursuit of patent infringements on his new motion picture technology that discouraged innovation by others.¹⁰

Other global cities relish cutting into New York City’s share of these creative industries, particularly as theories touting the Creative Core as a key element in economic development strategies become popularized by such thinkers as Richard Florida. Even if the “Bohemians as urban saviors” argument is sometimes oversold, it is the case that

growing cities usually have the high human capital concentrations that correlate with the Creative Core sector.¹¹ Furthermore, the best way to retain and attract professionals is to create open, diverse communities—values that creative industries promote.

In addition to the competition between cities and regions, there is a core-periphery dynamic at play as well within cities. That is, neighborhoods within cities and cities within metropolitan regions compete for resources and influence. Greenwich Village and Soho became famous for their tremendous arts scenes, fed in no small part by cheap rents, agglomerations of talent and City policies that encouraged artists to develop those neighborhoods. The current generation of artists has long since been driven out of Manhattan and fears being priced out of their present enclaves in Brooklyn and Queens. They may be driven out of the City and the region altogether at some point in the foreseeable future as the lack of affordable spaces caps the potential growth of some sub-sectors of the industry that are particularly undercapitalized and dependent on freelancers. Some artists are leaving Brooklyn for Philadelphia, a city ninety miles to the south, bypassing Staten Island to live in what some term a “sixth borough.”¹²

Freelancers can be very footloose and highly sensitive to long-term changes in costs of doing business. New York City in particular is a very expensive place to live. Although early predictions from some that “flat” production processes would eliminate economic agglomerations have not come to pass, improvements in communications technology always leaves open the possibility of unmooring people from place. Freelancers and artists can always decamp and work on projects from other parts of the country. Social networks and ongoing business opportunities will keep “creatives” in place, but only up to a point. The City, it is true, has, up until the current period, been able to provide an unparalleled “support infrastructure” for creative work, as noted above. But it will have to work it keep its competitive advantage.

New York has some programs, such as “Healthy New York”, to provide long-term inexpensive health insurance for the self-employed. The Affordable Health Care Act of 2009 will help the sector by decoupling health care from employment. Freelancers will be able to enter into the state healthcare exchanges for coverage, and small businesses where many in the sector work will be required to provide coverage for employees. In so much as health care coverage provided by New York State has traditionally been better than state governments elsewhere, the changes in health care policy may encourage workers and artists to stay put. But creative advantage today is no guarantee that economic and social forces won’t conspire to destroy that advantage in the future.

In some of these challenges we see Staten Island opportunities. Many city officials, leaders in the sector, and the preeminent think-tank on urban development, the Center for the Urban Future, have noted that the affordability issue for New York’s creative people risk turning New York into a city like Washington with only “institutional art.”¹³ If

rapid gentrification is the challenge, spreading out of Manhattan and Brownstone Brooklyn while staying within the boundaries of New York City is the answer is a potential solution.

Greater St. George is an area with an established grassroots arts community that deserves focused attention from New York City government officials and the Manhattan arts community. It has the affordable space for living and housing that the City needs.

There is a long tradition of the City government and philanthropic organizations supporting the not-for-profit community and its artistic subset with housing, work, and performance space. Westbeth in the West Village, Manhattan Plaza Apartments in Hell's Kitchen and The Aurora apartment building in Murray Hill are examples of sustainable private/public partnerships for housing. There are also City models for the development of space for not-for-profit organizations, including 666 Broadway and 120 Wall Street.

In our conversations with Staten Island stakeholders, some suggested encouraging the development of the arts by giving artists long-term leases in the community with the option to buy. Promoting a support system in an area of affordability like Staten Island would be good for the City economy. Working with local restaurants and bars to provide performance and lounge space was another piece that was often discussed.

In both the City at large and Staten Island, there is a missing education and training piece. The local arts community needs a mentoring system for new organizations and training in fundraising and grant-writing and lobbying. Bridge-building between the formal economic development organizations such as the Chamber of Commerce and the SI Economic Development Corporation, and the borough arts community would facilitate this work.

Many artists might not have acquired the training needed to run a small business. The problem here is two sided – the creative community needs to be emotionally and intellectually open to acquire a basic understanding of small business operations if they wish to successfully operate their arts organization or business – and that is not always the case. In addition, there is not a great deal of targeted creative business management training available and targeted to help people in the creative industries.¹⁴ Some in the business have suggested that the city government play a role in centralizing information about business services for the creative community. F.I.T. has made a point of including some of this in their central curriculum for the fashion and creative tracks.

Greater St. George might well be served if it were designated as a cultural arts district, we were told by borough stakeholders. Terry Lundren of Macy's department store and a leader in the fashion industry noted that since artists are getting pushed out of

Manhattan, providing better transportation to the places they are moving to for cheaper rents is essential. While more subway trains have been running to serve the far-flung places in Brooklyn where artists are moving, including Bushwick, Fort Greene, Coney Island and Ditmas Park, there has been little focus on increasing Staten Island Ferry service runs to the greater St. George neighborhood.¹⁵

London had initiated “Creative London,” an attempt to better deliver services to the creative community and overcome some of the barriers to success. (This effort was scuttled with the elimination of the London Development Agency in 2012.) The approach of the municipal government of New York has been less formal but perhaps more sustainable than London’s. The Bloomberg administration created a “creative economies” desk at EDC, and room is being made at city business incubators for sector start-ups. Agencies such as the Department of Housing Preservation and Development have set aside funds for capital programs. The Bloomberg administration has expanded eligibility of the Capital Access Revolving Loan Guarantee Program to non-profits. The Center for the Urban Future suggests more programs targeted at small business could be extended to help non-profit arts organizations, including REAP (the Relocation and Employment Assistance Program) an initiative that provides tax credits to businesses that move from Manhattan to the outer-boroughs. The next mayoral administration would be wise to consider St. George as a City neighborhood to cultivate the Creative Core.

Recent discussion of the growing regional centers of culture founded in part by Brooklyn émigrés has further focused interest in this matter. Current growth in arts communities North of New York City around Metro North stations is partially motivated by young families with school needs is showing us a need for growth in quality arts/cultural areas – and also the partial failure of New York City to accommodate these populations inside the City borders. Staten Island, with much higher quality schools than the rest of New York City on average could provide some of that capacity if regional investment in transportation and arts operations were made.

4. New York City Arts Funding and the Persistence of Cultural Deserts

New York City government has long been an active supporter of arts and culture. The City’s Department of Cultural Affairs (DCA) has a larger budget than the US National Endowment of the Arts (NEA). In 2006, \$131 million went to the city’s Cultural Institutions Group, the 34 biggest cultural institutions located on city-owned property. A smaller pot of funds goes to another 600 smaller entities through their Program Group funding program. In 2006, the DCA also had a 4-year, \$803 capital budget (2006) to spend. That is up in nominal terms. But this funding is not necessarily keeping pace with inflation, and successive City administrations have not addressed the affordability issues for the arts in the city aggressively.

The DCA and the City's Economic Development Corporation (EDC) have been working to redesign the Industrial Development Authority Bond program to use it for the arts. The Mayor's film office has streamlined grant process. Tax credits are provided for filming in NYC. Yet some in digital media complain that the city is slow to adapt. Some of this is, no doubt, special interest pleading, but it is clear that competition for creative activities across cities is fierce and New York's policies are not always the most proactive.¹⁶

To be fair, the issues in this are formidable and multifaceted. The study Creative New York (2005) by the Center for an Urban Future highlights a number of key matters in the section "Show Stoppers?" In this section, the the fields in this core are constantly changing and prone to technology and market transformations. But there are some common cross cutting challenges and collective interests that are prime for a sector-style, broad approach. These issues include:

High cost of arts space

High cost of living

Income insecurity

Inability to use industrial spaces for creative activities as opposed to manufacturing

Lack of business and market knowledge on the part of creative workers

Rapidly changing technology

All of these issues need to be addressed and some ideas about how to meet these challenges are presented in more detail in the conclusions of this report. But one can begin with the more prosaic question of how cultural funding from government is distributed across the city.

In discussing cultural organizations in New York City, a key distinction exists between organizations identified as a member of the Department of Cultural Affairs' (DCA) Cultural Institution Group (CIG) and organizations served by the DCA's Program services unit. According to the NYC Independent Budget Office (2002 & 2009) the Cultural Institutions Group is made up of 33 Organizations and the Program Services Unit provides funding to 780-882 Organizations each year. In broad terms, the CIGs – receive roughly 80-85% of DCA Funding with the Program Groups sharing the residual 15-20%. In the CDP the the data series contains 31 of the listed 33 CIGs with 36 Org_ID codes. This is due to the fact that the Wildlife Conservation Society has more than one Org_ID codes as do others. Table 20 contains a list of the New York City CIG's

Table 20: NYC DCA Cultural Institution Groups – 2010
Five Staten Island Institutions (in bold) number among the 36

American Museum of Natural History
Brooklyn Academy of Music
Brooklyn Botanic Garden
Brooklyn Children's Museum
Brooklyn Museum
Carnegie Hall
El Museo del Barrio
Flushing Town Hall
Jamaica Center for Arts and Learning
Lincoln Center for the Performing Arts
Museum of Jewish Heritage
Museum of the City of New York
Museum of the Moving Image
New York City Ballet
New York City Center
New York City Opera
New York Hall of Science
New York State Theater
P.S. 1 Contemporary Art Center
Queens Botanical Garden
Queens Museum of Art
Queens Theatre in the Park
Snug Harbor Cultural Center
Staten Island Botanical Garden
Staten Island Children's Museum
Staten Island Historical Society
Staten Island Institute of Arts and Sciences
Staten Island Zoological Society
The Bronx County Historical Society
The Bronx Museum of the Arts
The Metropolitan Museum of Art
The New York Botanical Garden
The New York Public Theater
The Studio Museum in Harlem
Wave Hill

Yet the CDP data provides us with insight into a broader spectrum of institutions – including a number of organizations not funded in any significant way by the major cultural organization in New York City – The Department of Cultural Affairs. Table 21 provides an overview of the mix of organizations by groups for the 1013 institutions reporting data in the CDP.

Table 21: Data Mix of Organizations – 2008

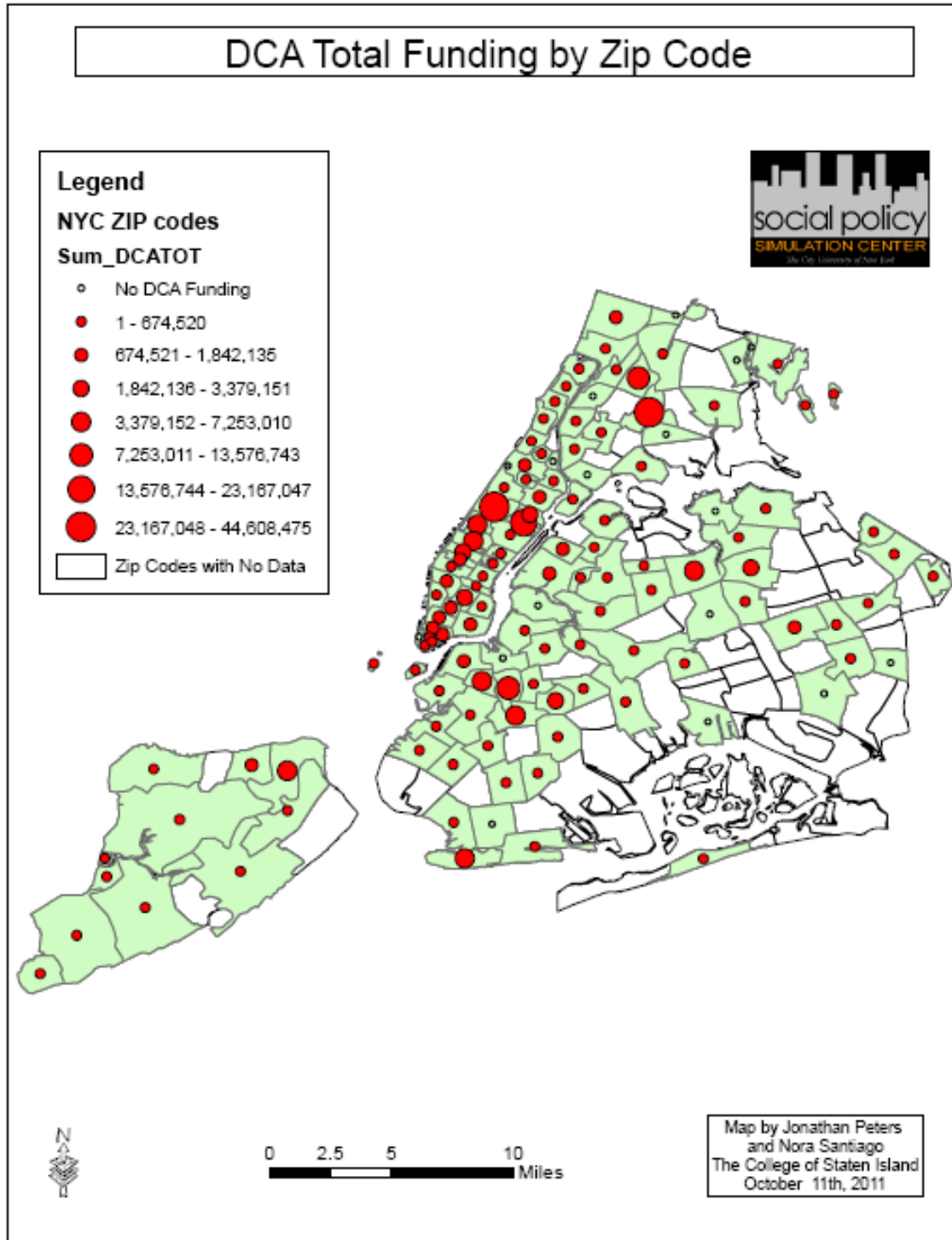
1015	Total Organizations in CDP (2008)
36	CIGs Org_ID Codes
848	Funded Program Groups (IBO)
131	Non-DCA Funded Organizations In CDP

Thus, in the CDP data we have a wide range of organizations in terms of size and geographic scope. Organizations range in size from \$40.00 to \$410 million dollars in terms of total expenditures. As such, we are able to examine the geographic span of arts funding by Zip Code as well as explore the concept of cultural deserts in a densely populated cultural city. In addition, the question of relative funding is very important when we are considering governmental forms of cultural funding.

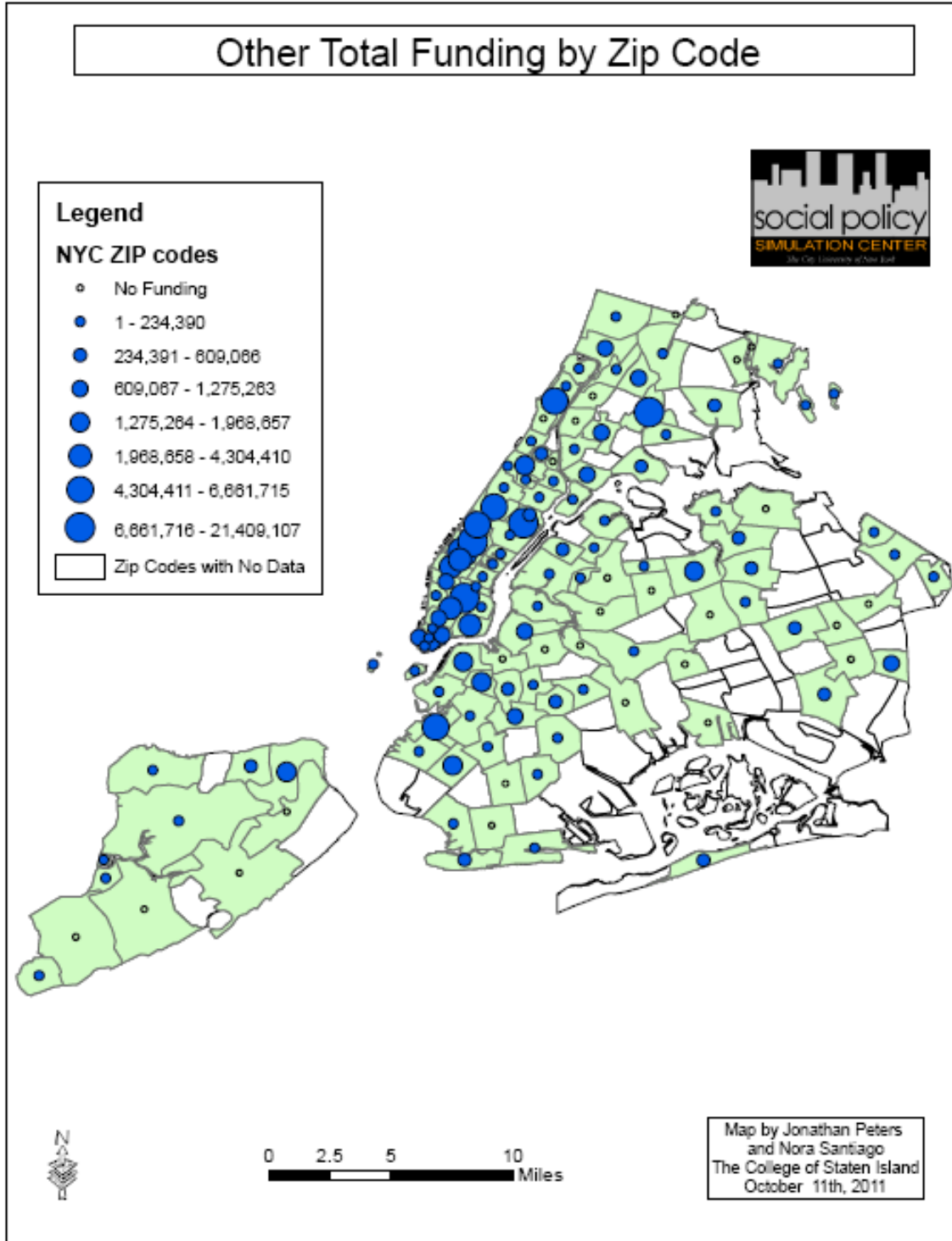
Questions of regional equity, propriety of spending, funding levels and cultural spending as a regional or national priority enter into the discussion once we look to utilize governmental resources for cultural funding. Arts organizations should consider and balance their perspective on funding when work with municipal sources and realize that creative decisions may clash with political realities in terms of desired outcomes.

To further explore the issue of regional equity, the authors mapped a number of the resource and attendance variable by Zip Code. This provides a very clear picture of the relative spending by county and area. There are two primary sources of government arts and culture funding in New York City: direct municipal funding from the NYC Department of Cultural Affairs (DCA); and other sources, primarily Federal. Maps 5 and 6 below show how these two sources of funding are distributed City-wide.

Map 5: Department of Cultural Affairs Funding by Zip Code (2008 CDP Data)



Map 6: Funding by Other City Agencies by Zip Code (2008 CDP Data)



These maps show that every borough in the City, and most Community Boards, receive at least some arts and culture funding from government. However this distribution is highly unequal and there is a definite core-periphery effect where Manhattan, and Manhattan below 110th Street in particular, gets the lion's share of money with a distinct funding 'gradient' that falls as one moves away from Manhattan.

One could say that these maps identify the "Cultural Deserts" in NYC, with large areas of the city without any funded arts organizations and/or any listed organization at all. A cultural desert is a region with significant population but lacking in cultural amenities. In particular, we consider any zip code with no cultural organizations or no government funding for cultural organizations as part of a desert. Following the agronomist vocabulary, we will also consider the areas of the regions where the cultural assets are lacking as a desert and also the fringe areas with small organizations with low funding as arid zones, and finally, areas with significant isolated cultural deserts as oasis. Also, along the fringe of the deserts, we tend to find smaller organizations that are most likely less able to expand their reach into the deserts. We have a few oases in the region, but in large parts of the south of Brooklyn, the center of Brooklyn and Queens and the south east and east of Queens are all deserts. In addition, much of Staten Island is quite "arid."

This is not simply a question of institutional turf and borough rivalry. The concentration of government spending leaves some neighborhoods as culturally rich and other relatively barren in comparison. Access to culture resources matters not only between boroughs but within boroughs as well. In our conversations with members of the Staten Island arts community, there was some frustration expressed that there was a demand for cultural opportunities in South Shore communities but few venues through which to bring arts into those neighborhoods.

The Staten Island Social Capital Community Benchmark Study conducted by the College of Staten Island (with grant support from the Staten Island Foundation) in 2006 provided data about community participation in cultural activities. The findings support the hypothesis that proximity to cultural institutions and programming promotes involvement in the arts. For example, while 23% of survey respondents living in Community Board #1 (North Shore) reported being part of a "literary, art, discussion or study group," only 14% of respondents in Community Board #2 (Mid-Island) and 16% of Community Board #3 (South Shore) said the same.

When respondents were asked how many times within the past twelve months they had taken part in artistic activities with others, 63% of North Shore respondents said they had not done this, compared to 69% in Mid-Island and 67% in the South Shore. 10% of respondents in the North Shore reported participating in public artistic activities at least once a week, compared to only 5% in Mid-Island and 6% in the South Shore communities. Map 7 provides the community boundaries by district on Staten Island.

Map 7: Staten Island Community Districts

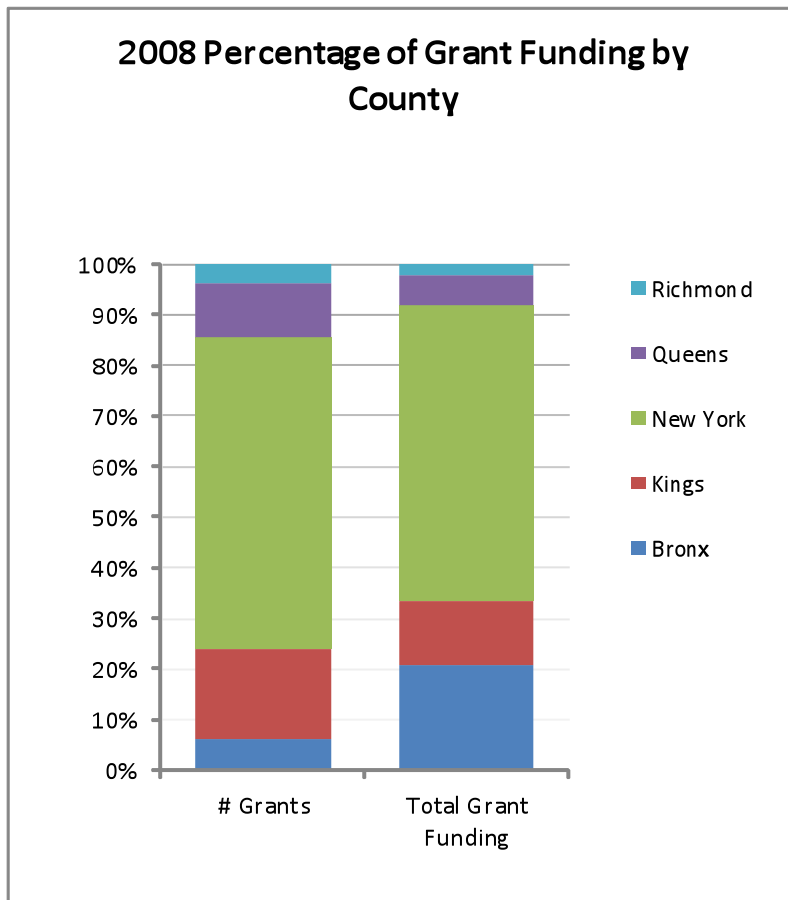


The premise of social capital theory is that communities are strengthened when residents participate in a wide range of civic activities. People who participate in social life are happier, healthier and more trusting of others and of social institutions, including government. Another thread of this argument is that residents are more likely to use services and connect with civic and government institutions if they are in close proximity to the places that house these services. A solid body of evidence in social welfare and a

few other fields demonstrates that spatial access to services correlates to use. The survey evidence cannot yield direct evidence of the connection between the location of cultural institutions and patterns of individual engagement, but it is not much of a leap to assert that a more enhanced presence of cultural institutions in the Mid-Island and South Shore neighborhoods would help close the participation gap we have identified here.

Figure 3 puts these data in further context by plotting both the total number of DCA Program Group grants (their small organization funding program) and total funding amounts by county (synonymous with borough). Staten Island in particular received both the lowest number and smallest total amount of arts grants in 2008.

Figure 3: DCA Program Group Grants by County - 2008



Of course Staten Island is the smallest borough (by population) in the City. We would expect Staten Island's share to be the smallest of the five boroughs. A closer notion of

fair share turns on the ratio of funds to population size. Table 22 adjusts DCA grants to reflect relative population sizes by borough.

Table 22: 2008 Total DCA Program Group Spending Compared to Population

Borough	DCA Program Group Spending	Share of Spending	Share of Population	Per Capita DCA Funding	If: Population Based Funding Levels
Bronx	\$2,316,762	6.80%	16.70%	\$1.71	\$5,701,556
Brooklyn	\$4,288,700	12.60%	30.80%	\$1.72	\$10,477,005
Manhattan	\$23,282,899	68.40%	19.10%	\$15.05	\$6,513,326
Queens	\$2,916,685	8.60%	27.70%	\$1.30	\$9,422,738
Staten Island	\$787,400	2.30%	5.70%	\$1.72	\$1,925,896
Other	\$448,075	1.30%			
Total	\$34,040,521	100.00%	100.00%	\$4.21	\$34,040,521

Table 22 shows the share of total DCA program group funding received by each borough compared to its share of population. The final column shows how much funding each borough would receive if that funding were based on its share of total City population. All the boroughs outside of Manhattan receive a good deal less proportionately. Staten Island ties with Brooklyn for second/third place in this disparity, slightly better than fourth-place Bronx and far above the biggest loser proportionately, namely Queens.

This is not to say that tying arts funding to relative population is the only measure of equity among New York City residents. Many visitors, and the tourist dollars they bring, flow into Manhattan and on that basis alone Manhattan would be entitled to receive a disproportionate share of arts and culture investment. Indeed, that borough has many great world-class institutions that deserve high support. It is also important to remember that the bulk of municipal funding is distributed to the 33 large organizations that are classified as CIGs.

What this exercise suggests is that perhaps art and culture funding in the City misses a key element which is that all art is in some sense local and some localities are being starved of funding which means that they remain artistically and culturally impoverished. Put another way, there is an argument to be made for more geographic and demographic balance in creative endeavor across the City and public funding is a key lever to achieving this. Such balance would result in a more sustainable distribution of both cultural and economic benefits across the many communities that make up the boroughs and Staten Island in particular.

In terms of funding, the current institutional structure for governmental funding is generally skewed towards existing cultural players, with the vast bulk of governmental funding is delivered to a very small pool of large, established organizations, without any open competition for these funds. While this may maintain the status quo for established cultural organizations, it clearly has a strong bias against new and innovative cultural groups and high risk creative endeavors.

One idea that may have some merit is a discussion of the need for the industry to develop a better “adventure capital market”— a form of funding that is somewhere between investment venture capital and true philanthropy.

Another idea is to distribute DCA capital and operation funding in a way that shores up more vulnerable institutions that do not have great endowment reserves. The great cultural institutions of Manhattan have enormous endowments and philanthropic resources. Staten Island’s cultural institutions do not. City policy should buttress less stable institutions.

5. Creative Sectors and the Economy

So why is arts and culture important economically? These activities have value in their own right but also have significant economic return. Some in the Staten Island arts community expressed frustration that this message is often lost when the public and policymakers think about the local cultural scene. Local stakeholders expressed interest in building stronger connections between the cultural community and local economic development advocates.

In the literature on economic development, there are at least four major sources of economic return in investment in the creative sector economy, with culture institutions at the core.

The Power of agglomeration economies: First, creative sectors create a self-reinforcing dynamic in which an agglomeration (i.e. concentration) create synergies whereby creative people attracts additional creative people to work and live in the community. A critical mass of creative people increases the flow of ideas and innovation, and makes workers and firms more productive. The basic idea is fairly simple: people in similar fields feed off of each other’s energy, activities and interactions and this only happens once a certain critical mass is attained.

The advantages of creative-class human capital: Drawing on Richard Florida’s concept of a creative class, many communities seek to jumpstart a virtuous cycle that

turns on the location preferences of talent people. Creative professionals are high value-added problem solvers with lots of formal education. They are highly mobile, and locate in communities that have the urban amenities they crave. Firms like to set up shop close to talent. Having a concentration of creative class professionals generates its own direct returns, and is closely correlated with the creation and attraction of high-tech industries that pay good wages. Getting creative core professionals to plant in a community often turns on the provision of high-quality amenities, including arts and culture. So cities attract creative people which attract productive professionals which spurs growth. This builds on “human capital theory” (which builds on agglomeration economies, described in the first point) in which a “creative class” that works in knowledge-based occupations leads to the formation of an urban base of people and skills that enhances the productivity of the local economy in the same way that an existing base of capital stock can drive traditional industrial concerns. But arts and culture is a key driver in Florida’s theory, distinguishing it from more generic ‘human capital’ development theories.

The enhancement of the stock of social capital: Robert Putnam defines social capital as referring to “features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit.”¹⁷ Key measures of social capital include levels of social trust and engagement. In communities where individuals trust each other and participate in community life, residents are happier, healthier, and feel better about the places where they live. Like other forms of capital, social capital has long term payoffs, and investments in social capital stock need to be at levels sufficient to ensure that society gets the requisite returns. Investment in arts and culture improves quality of life in a community by encouraging community engagement and developing a sense of place and pride in community. Not only does this strengthening of social capital stock attract creative sector professionals, increasing social trust and engagement improves economic efficiency through by lowering economic transactions costs (informal trust replaces more costly formal enforcement mechanisms); increases public accountability through a more informed and active electorate; and increases the amount of positive collective activity.¹⁸

Staten Island is losing its young professionals who grew up here to New Jersey. Investment in cultural institutions should be part of a broader effort to improve public amenities and government services to keep native Staten Islanders and attract newcomers.

The power of economic multipliers: This theory, borrowed from macroeconomics, provides a basis for assessing the impact of infrastructure (or other expenditures) on the regional economy. From the point of view of the regional economy, any spending by the regional or national government has two economic benefits – first a direct benefit caused by the investment multiplier effect from the spending itself; and secondly, the long term impact of the project on regional competitiveness and attractiveness.¹⁹

The macroeconomic impact of any sort of government spending links back to the payments that are made out of the contract payments. These factor payments to workers, suppliers, managers and others provide direct stimulation to the economy. Typically, we expect the investment multiplier to be on the local economy to be about two to three times the size of the investment.

The secondary impact is harder to quantify, as it is a derived impact of improved regional attractiveness and improved economic performance. This may best be reflected in lower economic costs and these costs saving flowing through to increased employment and wages or through the increased regional attractiveness of a particular area. Quantification of these impacts are delicate and time consuming, however, they can be estimated. We provide some quantification of these impacts in Section 6.

In terms of funding of New York City's cultural institutions, the current formula for governmental funding is generally skewed towards existing cultural players, with the vast bulk of governmental funding delivered to a very small pool of large, established organizations, without any open competition for these funds. New York State spending on the culture and the arts has been significantly reduced since the recession started. While this may maintain the status quo for established cultural organizations, it clearly has a strong bias against new and innovative cultural groups and high risk creative endeavors.

6. Arts, Culture and the Staten Island Economy

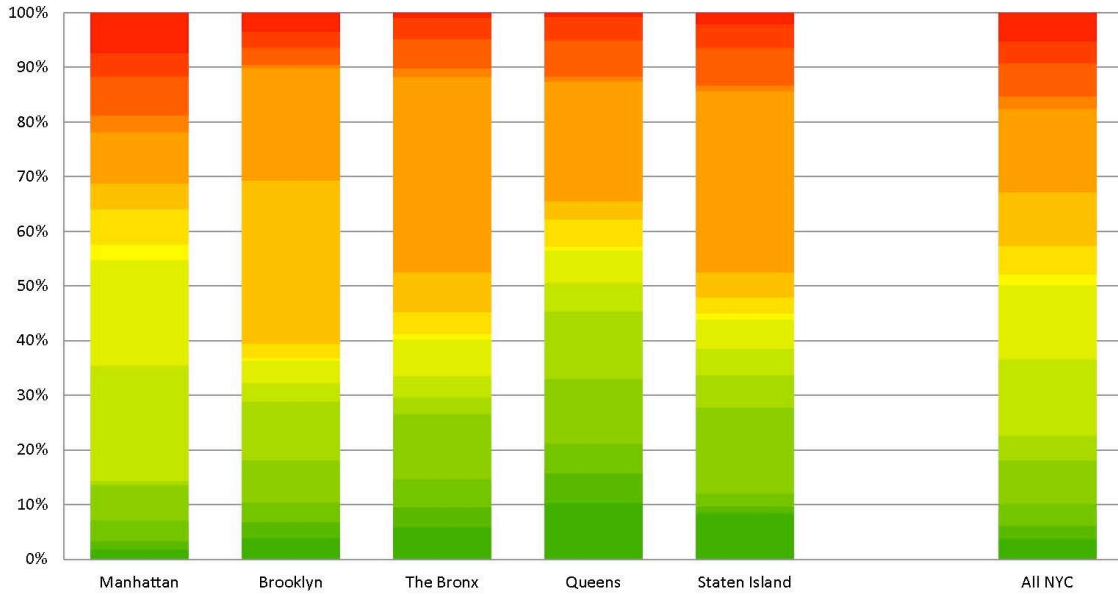
The four dimensions described above closely interrelate. But two core concepts stand out for the purposes of this report: the multiplier effects of arts and culture industries; and the notion of a creative capital base (both human and social in the senses discussed above). In other words, the instrumental value of the arts and cultural institutions (holding aside the powerful argument for intrinsic value) turns on two matters: improvement in the quality of life that investment can bring, and the economic potential of creative core industries that are built on a foundation of support of arts and cultural institutions and activities.

Creative Sector Multipliers:

To fully analyze the impact of arts organizations on the regional economy, one must first evaluate the comparative impacts and multiplier effects of cultural spending. Based on the economic literature on regional economic multipliers as developed by the U.S. Commerce Department, the authors evaluated the relative impact of the cultural sector – both from a spending and a jobs perspective on regional employment.

Figure 4 and Map 8 provide an overall perspective on the level of employment by job class in New York City based upon Bureau of Labor Statistics reported data. This data serves as a useful comparison to the CDP data as it provides an outside validation of the overall levels of employment by cultural organizations as well as employment in general.

Figure 4 & Map 8: Overall Employment by Sector and Borough



2009 NYC Job Distribution by NAICS Code

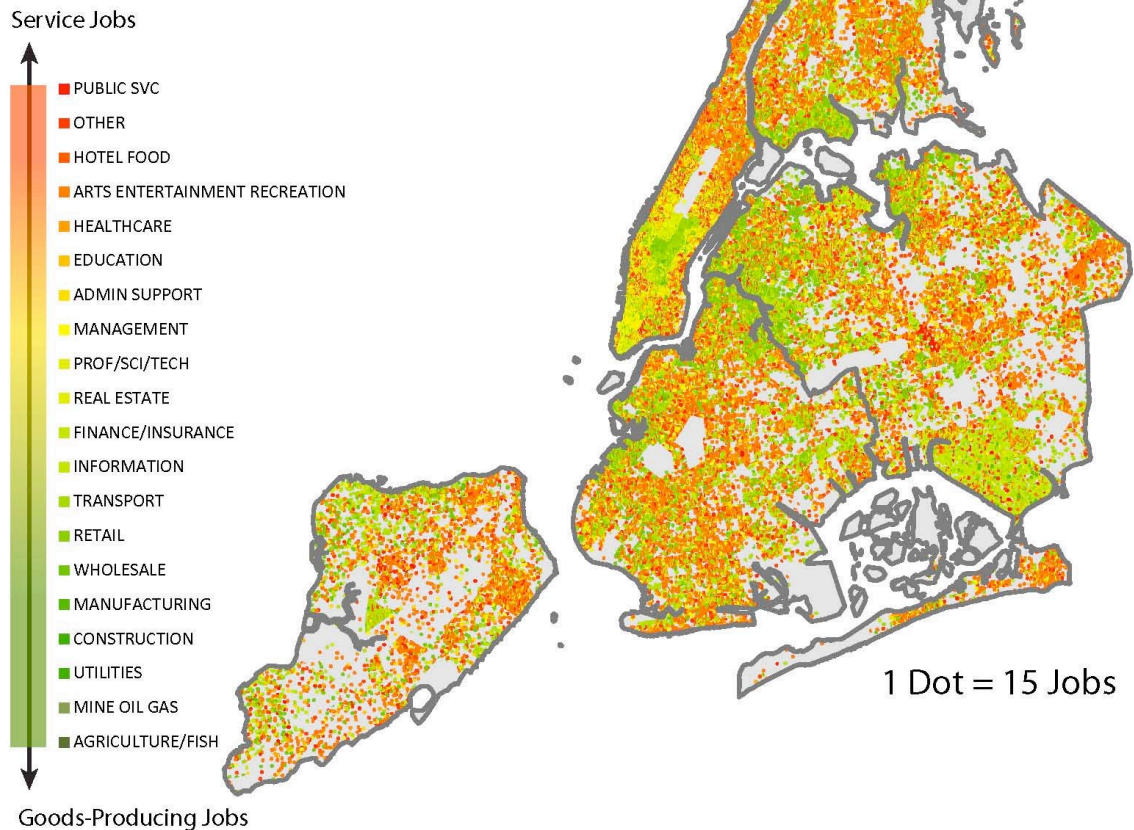


Table 23 presents the direct economic impact of the regional arts spending based upon the source. This spending will have a direct demand inducing effect on the regional economy due to the payment of wages and capital payments that will be made using these funds in the region and the economy as a whole. The impact of this spending on the regional and local economy based upon this spending is directly related to the local consumption of goods and services as well as income distributed to local residents. In the case of New York City, the cultural institutions push out in the range of 2.6 billion dollars in spending on an annual basis into the New York City economy.

The multiplier effect varies by industry and national region. Based upon recent work by the National Endowment for the Arts, the current estimates for the multiplier effect of arts spending is 1.2-1.4 times the direct effect of any regional spending as a macroeconomic effect. Given the spending specified in Table 23, the authors estimated the macroeconomic stimulative effect of this spending on the regional economy. The NEA found that the New York Region was in the middle of the pack in terms of the macro stimulation that occurs from arts spending. This may be due in part to the high levels of spending already in place and as such, additional spending would have more moderate impacts on economic activity. In the case of New York City, some of that impact may be different by borough – given the high level of variation in per capita spending on the arts.

Table 24 provides results that reflect the overall New York City GDP impact of arts spending based upon a multiplier of spending of 1.4 times the initial arts spending. This effect includes the direct effect of the arts spending, any indirect demand caused in suppliers and the final induced impact on household activity in the region caused by the additional spending.

Table 24: Macroeconomic Arts Spending Impact by Source

Macro Impact - Total Direct Impact + Indirect Impact + Induced Demand							
	City	State	Federal	Foundation			Total Impact
Borough	Fund + Macro	Fund + Macro	Fund + Macro	Fund + Macro	Fund + Macro	Fund + Macro	Fund + Macro
Bronx	\$ 107,411,497	\$ 13,881,697	\$ 39,442,456	\$ 92,911,743	\$ 212,046,129		\$ 465,693,523
Brooklyn	\$ 66,589,743	\$ 13,783,140	\$ 4,417,064	\$ 48,977,439	\$ 103,354,167		\$ 237,121,553
Manhattan	\$ 306,016,904	\$ 107,889,341	\$ 69,427,855	\$ 731,899,274	\$ 1,651,031,295		\$ 2,866,264,670
Queens	\$ 30,140,624	\$ 4,832,264	\$ 4,417,153	\$ 13,898,356	\$ 26,547,730		\$ 79,836,126
Staten Isl.	\$ 12,046,521	\$ 1,378,378	\$ 74,200	\$ 2,818,620	\$ 7,102,122		\$ 23,419,841
Total NYC	\$ 522,205,289	\$ 141,764,820	\$ 117,778,728	\$ 890,505,433	\$ 2,000,081,443		\$ 3,672,335,713

Finally, the authors estimated the job base impact of the spending and compared that to the existing job base as reported by the Bureau of Labor Statistics (BLS). In our case,

given the macroeconomic spending induced by the art community of 3.67 billion dollars in 2008, and basing the job creation from this spending at roughly \$40,000 per job, we find a total of 91,808 jobs in the region are linked to this macroeconomic spending. This result compares quite favorably the results from the BLS – who found 47,281 jobs are in the creative sectors of performing arts companies, promoters of performing arts, independent artists, writers and performers and museums, historical sites and such. The CDP data – which may have somewhat broader definitions of employment and also industries covered - reported 96,443 workers in cultural jobs in NYC in 2008. It should be noted that a macroeconomic analysis will identify jobs both in the sector as well as jobs created in other related sectors and the economy in general – so we should be mindful of the overall job base comparisons. Given that the macro effect is strongest in the actual sector, we find roughly 55% of the job effects actually occurs in the arts jobs sectors. Table 25 provides the results by borough.

Table 25: Reported Job Base (BLS) and Job Creation Based on Arts Spending

Borough	Arts Jobs	Job Base Impact
Bronx	1,200	11,642
Brooklyn	2,746	5,928
Manhattan	41,891	71,657
Queens	1,125	1,996
Staten Isl.	319	585
Total NYC	47,281	91,808

Given the skew in the major funding sources (government, foundation and earned revenue), the authors find limited jobs effect in the outer boroughs. In particular, in the counties of Queens, Kings and Richmond, we find a net deficit of over 4600 jobs caused by the concentration of spending into Manhattan. Given the varied sources of income, one can argue that earned revenue should not be subject to reallocation and foundation funding should be allocated as desired by the funding groups. However, governmental sources should be evaluated for fairness in spending and appropriate public discourse as to the government funding models. Reallocation of funding from various sources would alter both the core job impacts from arts jobs as well as the induced jobs created in other areas and due to household income.

Table 26 provides the impact of reallocation of funding to boroughs based on home county population. There would be a net reduction in jobs in Manhattan by 54,090 jobs and an increase in all other boroughs for a net job change of zero. Policy makers should be aware that skewing the spending patterns also skews the job outcomes and macroeconomic stimulative impacts of government and foundation funding.

Table 26: Job Creation and Allocation Based on Home Borough Population

Borough	Population by Borough	Jobs Created	Fair Share	Net Gain	Change in
		All Sources - Actual	Jobs	Or Loss	Jobs
Bronx	16.7%	11,642	15,377	3,735	Gain
Brooklyn	30.8%	5,928	28,257	22,329	Gain
Manhattan	19.1%	71,657	17,567	(54,090)	Loss
Queens	27.7%	1,996	25,413	23,418	Gain
Staten Isl.	5.7%	585	5,194	4,609	Gain
	100.0%	91,808	91,808	(0)	Zero Sum

Given the overall Staten Island total labor force in 2012 of 243,552 and a 9.25% unemployment rate (or 22,530 people out of work), providing a fair share allocation of resources to Staten Island cultural institutions would create 4,609 additional new jobs which could lower the Staten Island unemployment by roughly 1.89% to 7.36% for the whole county. This is not an insignificant improvement! As a result of the poor funding levels, Staten Island in general suffers with a much smaller stimulus effects from the arts due to low public and foundation funding.

7. Conclusion

To sum up the findings of the report, the review of financial and operations information from the Cultural Data Project revealed fiscal vulnerabilities among Staten Island cultural institutions. Dependent on Department of Cultural Affairs' grants for operations, Staten Island's institutions do not have fiscal reserves or assets to manage economic downturns easily. Strengthening the cultural institutions fiscally is no easy task, of course. Developing a diversification strategy with regard to revenue may be worth considering. Staten Island institutions raise less revenue through ticket/admission charges than do institutions in the other boroughs, for example. Balancing revenues across categories may be an important long-term goal.

In view of the relative isolation of the borough from most tourist destinations in New York, a stronger, more unified presence on the Internet may be a worthwhile investment. Moving toward virtual presentation may encourage visits to the bricks-and-

mortar places, and offers an alternative to those who cannot visit the borough's cultural institutions in person.

Certainly Staten Island is a low-cost alternative for New York City's arts community. Encouragement of additional migration of artists from Brooklyn and Manhattan would fortify Staten Island's cultural institutions. Designation of Greater St. George as a cultural district could be an important move. The encouragement of the arts community would have good results. Most directly, it would spur development of creative core industries, since professionals and firms in the sector are attracted to a vitalized arts scene. More broadly, it would improve cultural amenities, making Staten Island a nicer place to work, live and play. Weaving cultural and economic arguments tightly is an essential piece, and uniting local leaders in both fields is essential work.

Works Cited

¹ The Cultural Data Project allows cultural organizations around the country to benchmark achievement and track trends across a number of different variables such as financial status, operations and other measures. For a recent explanation about how stakeholders are using the information, see: Shawn Martin and Rebecca McElory, "Cultural Data Project: Measuring the Impact of the Arts," *Philadelphia Social Innovations Journal*, May 2012, www.philadelphiasocialinnovations.org. As defined by the CDP web site: "The Cultural Data Project (CDP)'s mission is to strengthen the national nonprofit arts and cultural sector by collecting and disseminating comprehensive, high-quality longitudinal data that supports fact-based decision-making in three key ways: It helps arts and cultural organizations improve their financial management and services to their communities; It enables researchers, advocates and policy makers to better tell the story of the sector's assets, contributions and needs; It helps grant makers more effectively plan for and evaluate their individual and collective grant making activities."

² Robin Keegan, Neil Kleiman, Beth Seigel and Michael Kane, "Creative New York," Center for the Urban Future, December 2005, www.nyc.org [accessed September 2011].

³ *Ibid*, p. 3.

⁴ *Ibid*, p. 6.

⁵ *Ibid*, p. 9.

⁶ *Ibid*, p. 10.

⁷ *Ibid*, p. 11.

⁸ *Ibid*, p. 11.

⁹ *Ibid*, p. 5.

¹⁰ Starting in 1902, Edison forced users to participate in an early licensing process where users had to exclusively agree to use Edison projectors and film. Later he co-founded the Motion Picture Patents Company (MPPC) that essentially controlled motion picture distribution and exhibition through a series of price fixing rules and rental agreements. Edison, through the MPPC created a trust that regulated prices and production through the aggressive enforcement of Edison's and other patents controlled by the MPPC (roughly 16 patents in all). By moving to California, movie producers were under the jurisdiction of

the U.S. 9th Circuit Court of Appeals – a court that was generally disinclined to enforce the patent claims of the MPPC. This legal environment, coupled with the favorable weather in Southern California for filming lead to a long decline in the New York film industry.

¹¹ Edward Glaeser, Review of Richard Florida's *The Rise of the Creative Class*, www.creativeclass.org; Jamie Peck, "Struggling with the Creative Class," *International Journal of Urban and Regional Research* (29.4), December 2005, 740-70.

¹² Jessica Pressler, "Philadelphia Story: The Next Borough," *New York Times*, August 14, 2005.

¹³ "Taking advantage of the real estate downturn to create affordable spaces for NYC's creative sector," *Center for the Urban Future*, October 2010, www.nycfuture.org, p. 4-5.

¹⁴ "Creative New York," p. 22.

¹⁵ Transcript of Creative New York Conference, Center for the Urban Future, April 4, 2006, www.nycfuture.org.

¹⁶ *Ibid*, p. 21.

¹⁷ Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community*, New York: Simon and Schuster, 2000, p. 31.

¹⁸ Michael Woolcock, "Social capital and economic development: Towards a theoretical synthesis and policy framework." *Theory and Society* (27) 1998.

¹⁹ See: Wayne P. Miller, "Economic Multipliers: How Communities Can Use Them for Planning," Publication FSCDD6, University of Arkansas, Division of Agriculture, 2006; Stewart Rosenthal and William Strange, "The Determinants of Agglomeration," *Journal of Urban Economics*, 50 (2) 2001, 191-229. They provide a basic review of how macro-multiplier analysis can provide us with a good estimate of the impact of any particular economic program. For example, in Boston, the "Big Dig" provided about \$14.6 Billion in direct costs due to the construction of the project. These costs are paid to workers and others and are then re-spent in the community, causing positive economic activity. We might assume a factor of around three in terms of a multiplier effect. So, the "Big Dig" would typically have been expected to provide around \$45 Billion in total regional economic activity. These impacts are not realized without other costs such as environmental and traffic delays caused by the construction. In addition, without further analysis, we cannot be sure that this investment has the highest economic benefit for the region as compared to other projects that would provide the same macroeconomic multiplier effect – for example, a renovation of the airport or container port. For details on arts organization multipliers, see: The National Endowment for the Arts Research Note #104: Arts and the GDP: Value Added by Selected Arts Industries (July 2011).