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The Arts as Commodity

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Introduction

The arts in the twilight of the 20th Century are different than in the dawning of the millennium. Today they have come to be commodities accessible to a world audience. The

Tarts at the beginning of the century, were dependent on the live artist, performing group or print to transmit the art form to the audience.

Before World War II music, for the most part, was not a widely distributed commodity. It was only through the advent of the radio and the development and sophistication of the recording industry in the 1920s and 30s that music became a commodity that could be distributed to a larger audience. After World War II the recording industry growth has been dramatic with the introduction of the audio cassette, the walkman tape recorder, the audio disc, and now surround sound home music systems.

The music industry is now a major part of the U. S. economy and its products are a major export. A similar trend line developed in the visual arts starting with television and a short time later the computer generated electronic image. The television industry offered many opportunities for the arts to become mass marketed commodities, and became a vehicle for artists to develop new art forms such as the music video and video art. MTV has become one of products of this segment of the market and the music video has become a major commodities in the arts industries. Another part of the arts market which uses interactive CDs is using electronic images, text, and sound, It is one of the fastest growing segments of the computer software market.

The Arts as an Economic Force in the United States in the 20th Century

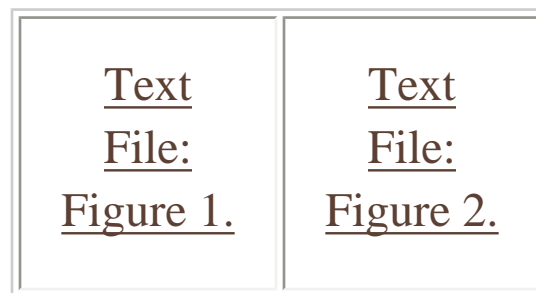
The result of the dramatic growth in arts since 1945 is that arts commodities are a significant factor in the U.S. Gross National Product (GNP). A number of economic impact studies have been conducted during this period which describe the impact of the arts industry. These were summarized by the National Endowment for the Arts in a comprehensive report submitted to the U.S. Congress and the president in 1992. The report was divided into the following segments: industrial output of goods and services, consumer spending, the employment of artists, and growth of the work force in arts-related industries.

In the area of industrial output, the reported output statistics for the literary, media, performing, and visual arts in the 1989 GNP was an estimated total dollar value of \$314 billion, or about 6 percent of the GNP. It breaks down to the literary arts accounting for \$145.6 billion, media arts \$147.2 billion, the performing arts \$14.3 billion and the visual arts \$7.4 billion of the total. These figures are based on a 1989 Gross National Product of \$5,234 trillion.

The report compared industrial output for the arts with several other industries, for example, the output from the arts industries in 1989 was greater than the construction industry, which constituted 4.8 percent of the GNP, and was almost equal to that of

wholesale trade which was 6.9 percent of the GNP. At 6 percent of the GNP, the creative arts industry has one-third the output of the finance, insurance, and real estate industries' output of 17.2 percent. In the area of consumer spending on the creative arts, the report indicated that consumer spending as a percentage of after-tax income in the performing arts increased from 7 percent in 1970 to 12 percent in 1990. This is compared to spectator sports, which was 16 percent in 1970 and decreased to 11 percent in 1990. The performing arts attracted more people in the 1980s than spectator sports. Although the data is seven years old one may speculate an even larger percentage in 1997 knowing the growth in our economy in that period. [1]

More recently, studies were conducted in Illinois by the Illinois Arts Alliance Foundation in 1995 during my tenure as Chair of the Board of Directors. The studies, entitled *Geographic and Political Distribution of Arts-Related Jobs in Illinois and Economic Impact of Not for Profit Art Industry in Illinois*, illustrate how the arts contribute to the state's economy [2]



"Arts-Related Jobs in Illinois" identified 105,165 arts related jobs, a work force equal to the agriculture industry. Another part of the study identified over 16,000 arts businesses in the state. Of the 63 categories of arts related business 41 were centered in the visual arts. The second study of "Not for Profit Arts Industries" shows spending from approximately 2,000 arts groups in the state amounted to one billion dollars and supported 21,000 jobs.

Another example is the Chicago Art Institute's recent Monet exhibition which produced 393 million in economic impact, 975,000 visitors, two-thirds of them from outside of Chicago. In addition tourists spent 120 million in shops, restaurants and hotels. These figures demonstrate that the arts as cultural enrichment and entertainment exceed sports as an industry in Chicago. The data was also used for arts advocacy with the legislature and the job data is broken down by house and senate districts. Thus when meeting with the representative from Peoria we have the information as to the number of arts related jobs and industries that are in his or her district.

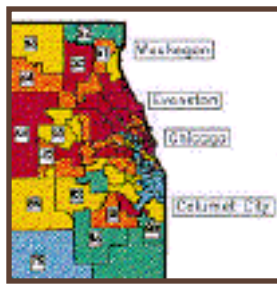


Figure 3.



Figure 4.

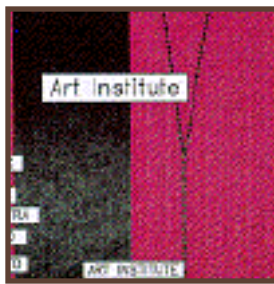


Figure 5.



Figure 6.

The Illinois studies have altered existing public perceptions about the arts as marginal to the state's economy and emphasize their role as employers and generators of marketable goods. By expanding the definition of art to include work done by and for artists in the commercial as well the fine art sectors, the study discovered a great number of people trained in and producing art in businesses that range from advertising to architecture, photography and video tape production, film making, and museums. The jobs study also suggests the kind of symbiotic interplay between nonprofit and commercial sectors that brings about a clustering of arts businesses in locations throughout the state. The Illinois Arts Alliance Foundation believed that the arts are essential to a thriving and competitive society, responsible for new products and process.

These statistics show how the arts have become an integral part of the American economy. They describe the type of economic activity which is having an impact on international trade and our balance of payments. Commodities that are arts related, such as films, books, records, television programs, clothing, furniture, and computer programs, are all major players in international markets, and have become a positive component in our balance of payment problem. In summary, the arts represent a very important part of the economy. They account for between 5 and 10 percent of Gross National Product. Related industries such as electronic imaging and advertising are major support industries for many of our corporations.^[3] ^[4]

The Arts as a Commodity in World Trade

The arts have become a major part of our own economy in the United States and are now an important part of international trade. The makeup of the commodities that are being exported in the arts industry are quite different than those that existed before World War II. It is not simply a matter of finding markets for steel or wheat or manufactured products, but it is finding a commodities group that relates to the newer developments in technology. In fact much of the success of the arts industry can be related to the development of world communication systems since World War II. The fact that electronic images can be transmitted through satellite systems, and/or wire networks in both conventional or fiber optic systems provides an audience for moving and still images and sound that were previously nonexistent. Also, the development of an imaging technology which is applicable to practically every industry has become an arts-related product. This is

exemplified in the popularity of Edward Tufte's writings on the visual presentation of data and information as described in his book *The Visual Display of Quantitative Information*.

The recording industry, particularly of music, is still centered within the United States and together with the performance arts industry they are both a commodity and a persona-based industry. [5] [6]

The potential for the art market of the next century is enormous if the communication giants of today create the proposed networks, which will seek to bring images, sound, and text into every home in the globe. The individuals who are able to create and orchestrate the images, write the texts, and create the sound or music are valuable human commodities and will control the knowledge base. Consequently, this is a factor in world trade that will be increasingly important to all nations in the next century, and the foundation for dissemination and ownership of the products.

The dramatic change in economic positioning of the arts in world trade, and their emergence as a major commodity in world markets were keystones in the recent round of trade talks and emphasize how important they have become to the U.S. economy. For example, the American films industry produces the second largest trade surplus, after airplane sales, of any American industry. However, the trade issues related to art products that were under discussion in the GATT talks were not altruistic. The arts, because of the value and impact of the products, have become an economic battleground in which the issues go beyond economic concerns into the cultural domain. The French were very adamant about the necessity to preserve French culture at any cost. A free media market in the European Union Nations would open more markets and audiences for media products from the United States. This would threaten guidelines set up in France and other European Union Nations which stipulates that 50 percent of programming on television must originate in that country. This increases the necessity for communication and information exchange, but calls for a structure and process in which all can share the wealth without one part of the world exploiting the other.

So the message is somewhat muddled for the future, but it does say that the arts have entered, through the communication media, a new economic positioning in the world markets as commodities. The arts are now a very large part of our economy and the economy of other countries and should be viewed not only as part of our cultural vision for the 21st Century but as a major contributor to our economic growth in the next millennium. The new art commodities are service oriented with different needs than the product oriented economy of the 1940s.[7] (8.0).

What Are the Ultimate Benefits of the Arts Being Viewed as a Commodity?

There are some positive aspects to the changing position of the arts in our economy in this century. There are enhanced employment opportunities for those who are schooled in the arts beyond the traditional roles of artist, musician, actor, writer. Ancillary industries have developed and jobs such as lighting designer for the growing fashion industry, or interior designer/ space planners for retail sales, or electronic imaging designers for the web sites have been created. These are new jobs and industries which did not exist before WW II. Created growth industries are now central to our economic growth. The visualization industry employs designers for information presentations in multimedia formats. These industries touch on education and graphic arts, product design, all major employment groups, elevating the importance of design in the marketplace.

A case in point is the emphasis on the "look" of the automobile and the designing of models which are aesthetically pleasing to targeted groups. Pickup trucks are designed to appeal to a macho male population who want a powerful looking massive vehicle which may not be as "powerful" as it looks. Consider the acceptance of the Ford Taurus sedan which in the last two models has been boundary breaking in their design concepts and changed the style and look of the American auto. In addition it was number one in US sedan sales for the last five years. The role of the artist has changed. In my field, which is metalsmithing, the traditional artist/craftsperson role has become producer/maker/designer/seller of the object: designing, orchestrating the process, producing of multiple well-designed objects, and bridging to the commercial marketplace. There has been a shift from the one-of-a-kind object toward multiples or well designed objects for a larger market.

Another less tangible, but more important point, is that art has a very positive effect on the quality of life for the individual and the community in which he or she resides. The visual arts embody the aesthetic welfare of the community. The cultural life which is represented in the visual arts is important to the aesthetic well-being of each of us. The visual arts create an ambiance which enhances our lives and provides opportunity for a lifelong enjoyment in creative activities.

Art becomes the cultural repository for the population's artistic accomplishments which develops a sense of ownership and pride in the community or nation. In addition, art provides a bridge and a language for bringing cultures together. The visual arts have a way of transcending cultures. Nations have used the arts for centuries as a means of cultural exchange and international understanding because they are easily comprehended and appreciated, even by peoples who may have opposing values or political systems. Consequently the arts play an important role as a common ground bridge to a tranquil and productive multi-cultural community. This concept is important to all of us as our economy shifts to a service oriented people-based world market oriented economy. The artist and arts oriented person become productive and useful components of the global economy.

We are now a society which uses all the sense modality for communication. Arts education plays an important role in preparing the total school body for the multisensory world of work. Industry wants and needs a better educated work force literate in all forms of communication. This means that a liberally educated individual who has marketable work skills is the best prepared individual for the future.

NOTES

1. See "The Arts in America 1992: A Report to President and to Congress. 11 Monograph, National Endowment for the Arts. Washington D.C., V-2-8 (1992) and Chartrand, Harry, Hillman. "The American Arts Industry: Size and Significance." Monograph. Research Division, National Endowment for the Arts, Washington DC, 43 (1992).
2. Lilley, William III and DeFranco, Laurence J., " Geographic and Political Distribution of Arts-Related Jobs in Illinois, " Illinois Arts Alliance Foundation, Chicago, IL (1995).
3. See Kaatz, John, "Economic Impact of Not For Profit Art Industry in Illinois" Illinois Arts Alliance Foundation, Chicago, IL. 1995. Also see an earlier study, Masott, Louis, H. "Economic Impact Analysis of Non-Profit Arts Industry in Illinois." Monograph. Illinois Arts Alliance Foundation, Chicago, IL, 23 (1988).
4. A later and more comprehensive study than the one in Illinois "The Arts as an Industry-- Their Economic Importance to the New York-New Jersey Metropolitan Region." (The Port Authority of New York and New Jersey Alliance for the Arts). New York, New York, 2 (1993).
5. See S. Madeja "The Arts as a Cultural and Economic Factor in World Trade, Northern Illinois University Law Review, Vol. 14, Sp. 1994, No 2, pp. 439-53. Reprinted in *International Intellectual Property Anthology*, edited by D'Amato A. and Long, Doris Estell, Anderson Publishing Co., Cincinnati, OH, 1996, pp70-1.
6. See Tufte, Edward. " Visual Display of Quantitative Information" (1983) and "Visual Explanations" (1997), Graphics Press, Cheshire, CT.
7. Goldsmith, Charles & Fleming, Charles. "Film Industry seeks Wider Audience. 11 Wall Street Journal, Dec. 6, 81 8. Weinraub, Bernard, "Directors Fight for GATT's Final Cut and Print," New York Times, December 12, p. (1993).

The Nonprofit and Commercial Arts: Understanding Future Options

By David B. Pankratz

The future of work by artists and administrators in arts and community settings will be shaped by a significant trend: growing interdependence between the commercial and non-profit arts. Over the years, many have sought to rationalize and perpetuate sharp distinctions between these sectors, in part, by critiquing the impacts of the commercial arts on artists' careers and potential participants in the non-profit arts. But value-laden, socially constructed, hard and fast distinctions between the non-profit and commercial arts are diminishing. Evidence for this conclusion lies in the presence of cross-over interactions between these sectors involving artists and producers, arts and entertainment organizations, professional service organizations, and arts and entertainment decision-makers. For example, borrowing by artists across artistic styles and traditions is widespread. Paul McCartney writes oratorios while symphony orchestras present "cross-over" performances by popular culture stars such as Bobby McFerrin. At the organizational level, large percentages of new plays produced by Broadway's commercial theatres originate in non-profit theatres. Hollywood movie producers regularly draw on scripts first developed in non-profit regional theatres. Non-profit and commercial arts service organizations collaboratively advocate for K-12 music education. Finally, arts and entertainment leaders, in the recent American Assembly report "The Arts and the Public Purpose," recommended that "partnerships among the commercial, not-for-profit, and unincorporated parts of the arts sector should be developed and expanded, to enhance its capacity to achieve public purposes"(1).

While these examples are suggestive, the extent and character of interactions between the commercial and non-profit arts are not known. The same could be said for research on public involvement in the arts-- there are few data on the extent and depth of such involvements across traditional boundaries.

How can artists and administrators play constructive roles in evaluating and fostering nonprofit/commercial arts collaborations? The following is a sequence of five steps which, if implemented, would

- 1) redress current knowledge gaps; and
- 2) lay the foundation to inform the future choices of artists and administrators and those who facilitate their career development.

These steps are: basic research, dialogue, field-test experiments, feasibility research, and further dialogue.

STEP #1 is basic research on current inter-relationships between the non-profit and commercial arts and their impacts in several areas: public involvement in the arts, artists' careers, non-profit/commercial organization interactions, and cross-sector collaborations among service organizations. A) Research on public involvement in the arts would focus on individual and group involvement as arts consumers and producers in commercial, non-profit, and amateur sub-sectors. To understand how people define arts involvement and the extent and nature of such activity, three heretofore neglected components would merit special attention (2)

- 1) Range-- the number of different art forms and genres in which individuals participate,
- 2) Venue-- the location of arts involvement, i.e., at home, via media, locally, or at a greater distance, and
- 3) Intensity-- the time, effort, and money involved in arts participation.

B) Research on artists' careers would first center on descriptive data: the extent to which artists' careers span non-profit and commercial sectors; and how such patterns are shaped by artists' training, re-training, and the arts marketplace. Follow-up qualitative data would be sought on why artists choose to work across arts sub-sectors and what cross-overs have meant for their artistic growth and economic lives.

C) Research on non-profit and commercial arts and entertainment organizations would focus on current cross-over activities in the following areas:

- 1) use of artistic styles and content;
- 2) creation of artistic products;
- 3) utilization of artistic personnel;
- 4) employment of new technologies in the creation and dissemination of artistic work and entertainment products; and
- 5) community outreach and marketing programs.

Qualitative inquiry would explore the artistic and economic impacts of current inter-relationships between non-profit and commercial arts and entertainment organizations and the extent to which such interactions serve or do not serve a range of public purposes.

D) Finally, information would be gathered on current interactions between service organizations for the commercial and non-profit arts and whether and in what ways their interests converge or diverge in the following areas:

- 1) the labor market of artists and designers;
- 2) audience development;
- 3) K-12 arts education/media literacy programs and post-secondary artists' training;
- 4) the social and moral impacts of the arts and entertainment;
- 5) cultural heritage preservation;
- 6) public arts agencies;
- 7) freedom of artistic expression;
- 8) tax, copyright, and intellectual property legislation; and
- 9) accessibility of Internet/telecommunications resources.

STEP #2 entails a series of national, regional, and local dialogues around the results of the basic research on cross-sector inter-relationships cited in Step #1. The dialogues would involve leaders from numerous sectors: artists/producers from non-profit and commercial sectors; public arts agencies and other public agencies; K-12 and higher education sector; media, communications, and new technologies; and philanthropic/service organizations. If Step #1 research is to be policy-relevant, it must be interpreted and assessed by those who would be responsible to lead or implement any initiatives to revise or expand non-profit/commercial arts inter-relationships. Dialogues would also examine the benefits and costs of current cross-sector collaborations and criteria for success of future collaborations.

STEP #3 entails field-test experiments of new collaborations between producers, presenters, and service organizations in the non-profit and commercial arts. These experiments would be informed by criteria of success identified in Step 2 dialogues, funded by public arts agencies, corporations and foundations. These would range in content from audience development and marketing, cross-sector creation of artistic products, and the dissemination of existing and new products, to cultural heritage and advocacy/lobbying projects. The design, implementation, and outcomes of each field-test experiment would be documented and evaluated.

STEP #4 would combine opinion and feasibility research to gauge prospects for new and expanded collaborations between the non-profit and commercial arts. A broad base of data from artists/producers, non-profit and commercial arts and entertainment organizations, service organizations, and funders would be gathered. To assess the advisability and feasibility of potential cross-sector collaborations in areas of audience development, artistic production and dissemination, and advocacy/lobbying/ research, among others, key questions posed would include:

- What barriers exist to new and expanded collaborations between the nonprofit and commercial arts?
- What potential costs and benefits are associated with seeking such collaborations?
- What roles and responsibilities would representatives from diverse sectors have

to assume to foster effective collaborations between the non-profit and commercial arts?

STEP #5 would involve a further set of national, regional, and local dialogues, involving leaders noted in Step 2, to interpret and assess field-test experiments and feasibility studies on new collaborations between the non-profit and commercial arts. Drawing on this expanded knowledge base, dialogue participants will be better able to reflect on and address fundamental questions such as:

- Should more extensive interactions between the non-profit and commercial arts be pursued?
- If so, for what purposes, to what ends, and in what priority order?

Depending on answers to these questions, sessions of leaders from diverse sectors could devise sector-specific strategies to facilitate collaborations between the non-profit and commercial arts.

The sequenced research, experimental, and dialogue process outlined here would help to provide a sound basis to gauge the advisability and feasibility of future inter-relationships between the non-profit and commercial arts. No longer would dialogue be dominated by critics focused solely on unwelcome impacts of one arts sector on another. And artists and administrators would better understand where future options to develop their professional lives may lie.

NOTES

1) "The Arts and the Public Purpose," the report of the Ninety-Second American Assembly held May 29-June 1, 1997 in Harriman, New York, is available by request from The American Assembly, 475 Riverside Drive, Suite 456, New York, NY 10115, (212) 870-3500, or via the World Wide Web at www.columbia.edu/cu/amassembly/arts/index.html.

2) Concepts of arts involvement are discussed at length in: Judith Huggins Balfe and Monnie Peters, "Public Involvement in the Arts" in Joni Maya Cherbo, ed., *The Arts and the Public Purpose: A Briefing Book of Commissioned Essays* (Harriman, NY: The American Assembly, Columbia University, 1997), pp. 1-41. The Assembly expects these essays to be published as a book, which will be edited by Joni Maya Cherbo and Margaret J. Wyszomirski.

The Authors

An artist and scholar, Dr. Stanley Madeja is an active educator, author, designer, and jeweler/metalsmith. He has authored and co-authored numerous books and publications on policy issues in the arts and education. Madeja is also a film maker, producing film series for art instruction, understanding, and appreciation. He has been in arts administration since 1968 and was part of the then United States Office of Education as a research specialist in the visual arts. He has administered non profit corporations outside higher education, and in that context, has worked internationally in the arts. He was on the Board of Directors of the International Council of Fine Arts Deans and has engaged in programs and projects relating to higher education and the arts. He has also been a member of the board of directors of various arts organizations, inside and outside the State of Illinois, including the Illinois Arts Alliance, the arts advocacy group for the state, of which he is currently Past Chair of the Board. Madeja, who holds Ph.D. in Art and Education from the University of Minnesota, is currently Chair, Division Of Art Education and Professor of Art at Northern Illinois University and formerly Dean of the College of Visual and Performing Arts at Northern Illinois University.

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- [July, 1997. Volume 1, No. 2](#): The Arts Management Employment Interview. Deborah Snider
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- February, 1998. Volume 2, No. 1: Art Crimes: Building a Digital Museum/Graffiti Battle Crown.
Susan Farrell
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CultureWork seeks submissions of concise (500-1500 words) critiques and advisories on community arts and the preparation of community arts workers. Graphics that express the spirit of community arts are welcome, to be published with attribution. Manuscripts should be sent in plain text format (i.e., NOT MS Word), via email, on Macintosh or Intel high-density 3.5 inch floppies or zip disks. Send submissions to Richard Bear at mfinison@darkwing.uoregon.edu or via snailmail: care of Arts & Administration Program, School of Architecture and Allied Arts, University of Oregon, Eugene Oregon 97403. If accepted for publication, authors may be asked to make revisions.

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