



NATIONAL  
ENDOWMENT  
FOR THE ARTS



## PRESS RELEASE

**Immediate Release**

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### **Governors Association Recognizes the Arts as Major Economic Development Tool**

Washington--The \$37 billion nonprofit arts industry is a potent force in economic development nationwide, according to an issue brief released by the National Governors Association (NGA). Blending summaries of economic impact studies, federal and state statistics and best practices, the policy brief details how governors and other state leaders can use the arts to unite communities, create economic opportunity and improve the quality of life. This report on the arts was prepared by the NGA's Center for Best Practices, whose role is to provide governors with innovative ideas and examples of excellence in state government.

"The arts not only add an important and unique dimension to our lives, but we have found that the arts are a concrete economic development asset, as well, enhancing states' abilities to attract knowledge-workers, building livable communities and giving states a competitive edge in the new economy," said Michigan Governor John Engler. "Our studies indicate that every dollar we invest in the state's Council for Arts and Cultural Affairs, results in \$10 of in-state direct spending."

The arts and cultural life of a region are often taken into consideration by companies and workers when deciding where to relocate, according to the NGA brief. They also contribute to a region's "innovation habitat" by nurturing new jobs, new forms of knowledge and vibrant public spaces.

The policy brief documents the sizable revenues that governments reap from arts activities --\$790 million at the local level, \$1.2 billion at the state level and \$3.4 billion at the federal level. It suggests these numbers are in part the result of the broad popularity of culture, citing figures that performing arts attendance alone has grown 16 percent between 1993 and 1998 and that spending on these events is greater than on sports or movies.

The brief includes examples of how both rural and urban communities have succeeded in turning their cultural resources into capital assets that have sparked their revival. For instance, the National Endowment for the Arts (NEA) awarded a modest grant to a group of Western folklorists to hold a gathering in Elko, Nevada in 1985 to showcase cowboy poets and their work. The idea took off and the annual event now adds over \$6 million a year to the local economy.

"We have seen again and again how a small investment in an arts organization can pay big dividends for communities," said Bill Ivey, NEA Chairman. "They not only reap financial awards, but communities can also use the arts to create tourism, revitalize their downtown districts, and to celebrate aspects of cultural heritage unique to the region."

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“Governors are making the arts part of their overall economic development strategy for many reasons. The arts can provide them with tools and solutions for issues and areas that more traditional policy instruments cannot adequately address. From catalyzing urban redevelopment to nurturing indigenous industries in rural areas, the nonprofit arts make a significant contribution to quality of life and sustainable growth, ”says Jonathan Katz, NASAA CEO.

The policy brief is the first in a series on best practices that integrate the arts with economic development being developed through a cooperative agreement between the National Governors Association and the National Endowment for the Arts with assistance from the National Assembly of State Arts Agencies.

The National Assembly of State Arts Agencies is the membership organization of the nation’s state and jurisdictional arts agencies. NASAA’s mission is to advance and promote a meaningful role for the arts in the lives of individuals, families and communities throughout the United States. To learn more about the role of state arts agencies and their programs, go to NASAA’s Web site at [www.nasaa-arts.org](http://www.nasaa-arts.org)

The work of NASAA and the state arts agencies is strengthened in many ways through partnership with the National Endowment for the Arts ~~the~~ federal grantmaking agency created by Congress in 1965 to benefit all Americans. It serves the public good by nurturing human creativity, supporting community spirit and fostering an appreciation of the excellence and diversity of our nation’s artistic accomplishments. For more information about the National Endowment for the Arts, visit the agency’s Web site at [www.arts.gov](http://www.arts.gov).

The National Governors Association, founded in 1908, is the instrument through which the nation’s governors collectively influence the development and implementation of national policy and apply creative leadership to state issues. Its members are the governors of the 50 states, three territories and two commonwealths.

**A copy of the issue brief can found at <http://www.nasaa-arts.org/new/nasaa/nasaanews/nga.shtml>.**