

Building on the Past

Facing the Future

Renewing the Creative Economy of New Mexico



INTERNATIONAL ART MARKET





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University of New Mexico Bureau of Business & Economic Research

Building on the Past Facing the Future

Renewing the Creative Economy of New Mexico

Jeffrey Mitchell and Gillian Joyce With Steven Hill and Ashley M. Hooper 2014

The **arts and cultural** industries are among the main drivers of New Mexico's economy. Arts and culture in New Mexico enjoy a **national reputation** far beyond the state's size or economic standing. With a more robust level of support, the arts and cultural industries could be leveraged to help power the New Mexico economy as it emerges from the economic recession.



Executive Summary

To appreciate the **importance of arts and culture** to New Mexico's economy, consider that these industries are the **primary source of employment for 43,031 New Mexicans**—roughly equal to the state's construction industry and **50% larger** than the manufacturing industry. The arts and cultural industries account for about **1 of every 18 jobs** in the state (5.5%). These industries pay **\$1.37 billion in wages and salaries**, roughly equal to the total paid by the state's mining industry, and more than the total paid by hotels and restaurants.

These figures are based on a narrow definition of the arts and culture industries. If we include persons employed by cultural tourism, arts and cultural education and industries linked to the unique culture and heritage of the state (e.g. making crafts, salsa, and adobe), the arts and cultural industries employ 76,780 persons—equal to about one in ten jobs (9.8%) in the state. That is more than the construction and manufacturing industries combined.

Arts and cultural industries generate \$137.1 million in revenues for state and local governments in New Mexico. Approximately two-thirds of the total is received by the state government as gross

receipts taxes, income taxes paid by cultural workers, federal transfers and various fees and private grants. The total cost of cultural services to public agencies in New Mexico is \$168.0 million. Most of these costs are borne by local (and especially municipal) governments, with the largest share of the funds allocated to libraries as well as museums and cultural services and events. These figures do not include revenues or spending on public education.



New markets are emerging, aesthetics are changing, consumption habits are evolving and emerging technologies are providing entirely new ways to deliver and experience art and culture.

Comparisons with other states. New Mexico's arts and cultural industries are similar to other states in terms of the total share of employment. However, the specific subsectors and occupations that employ artists and cultural workers in New Mexico differ substantially from national patterns. New Mexicans are, to a much greater extent than residents of other states, employed professionally as artists and artisans in galleries and museums, and in other activities and industries most closely associated with the creative aspects of arts and culture. Moreover, there are specific regions within New Mexico where the association with specific activities is truly extraordinary, such as galleries in Santa Fe and artisanship among the Native Communities. Yet, New Mexicans are also far less likely to be employed in more rapidly growing and higher paying applied fields such as media, advertising and software publishing.

Changes in arts and cultural industries. This study includes detailed surveys of the assets, impacts and challenges of a number of key sectors of New Mexico's arts and cultural economy. These include: fine arts, museums, libraries, galleries, performance venues, monuments and parks, fairs, festivals, farmers' markets, historic preservation, heritage and craft industries, cultural tourism, and funders of arts and cultural activities and

institutions. Challenges facing New Mexico's cultural economy are numerous. Arts and cultural institutions, as well as individual artists, have been hit hard by the recent recession, but they are also facing more general and ongoing challenges. Globalization has made arts and cultural markets more competitive. New markets are emerging, aesthetics are changing, consumption habits are evolving and emerging technologies are providing entirely new ways to deliver and experience art and culture. In important ways, the new technologies and consumer patterns are driving the arts and cultural markets in directions that are difficult to predict.

In response to these pressures, cultural institutions nationwide, including those in New Mexico, are experimenting with new strategies to engage audiences. Artists and organizations recognize that they no longer can wait for their audiences to approach them, nor can they expect their audiences to be content with a passive one-directional experience of culture. Instead, organizations are increasingly reaching out with social media, mobile exhibits and experiential programming to engage their audiences. Organizations are making new efforts to collaborate and to attract and engage new audiences, especially youth. Some organizations

are establishing multi-function facilities that are flexible, accommodate multiple niches and foster a sense of community and participation. These strategies require new skills, can be initially expensive, and work better in some contexts than others. Some artists and organizations have flourished while many continue to struggle.

Creative professionals in New Mexico: advantages and disadvantages of working in a 'small pond.'

Bureau of Business & Economic Research (BBER) conducted 200 interviews, including 125 in-depth surveys, with creative professionals in New Mexico. In these interviews, creative professionals commonly described the state's arts and cultural industries as a 'small pond', noting both advantages and disadvantages. According to these varied accounts, the small pond offers intimacy, social access, natural beauty, a high quality of life and allowance for experimentation. But it can also mean a scarcity of material support, limited market opportunity, and isolation from the rapid currents that drive innovation.

A greater number of those who participated in the study reported that location in New Mexico was, on balance, more of an advantage than a disadvantage in their professional lives. Interestingly, there was



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no discernible pattern, in terms of ethnicity, age, gender, location, type of work, time spent in the state, or even one's account of their professional success, among those who counted more advantages than disadvantages. Also, participants were more likely to express a commitment to remaining in the state than a willingness to relocate under the right circumstances. Yet, here, the differences among respondents were sharp. For those committed to remaining in the state, their decision was almost entirely a matter of personal history and identity; their professional lives were an extension of their identity and could not be thought of separately. But for those willing to relocate, it was largely a matter of professional opportunity and development; many have an affinity for life in New Mexico but it was a secondary consideration.

The difference among creative professionals in terms of their willingness to stay or leave the state suggests that perhaps, rather than a small pond, New Mexico's creative industries are divided among many still smaller ponds with little flow or interaction among them. This account questions the narrative of 'tri-culturalism' that

has been influential in the development of the state's cultural industries and suggests instead that amidst the global changes described above, there is an increasingly intense competition for access, influence and identity among creative professionals in the state.

Recommendations to revitalize New Mexico's creative industries. Cities, states and nations across the world are embracing arts and culture, and creative industries generally, as a foundation for the development of a 21st century economy. The findings of this study suggest that New Mexico is well-positioned to succeed in this regard, by leveraging its genuinely unique history, creatively engaged population, and strong national and global reputation for the development of a 21st century creative economy. To be effective however, the state must implement cultural policies that foster the capacity necessary for the growth of creative enterprises, renew and integrate its diverse communities, promote education and engagement, and update its national brand to emphasize accessibility, opportunity and quality.

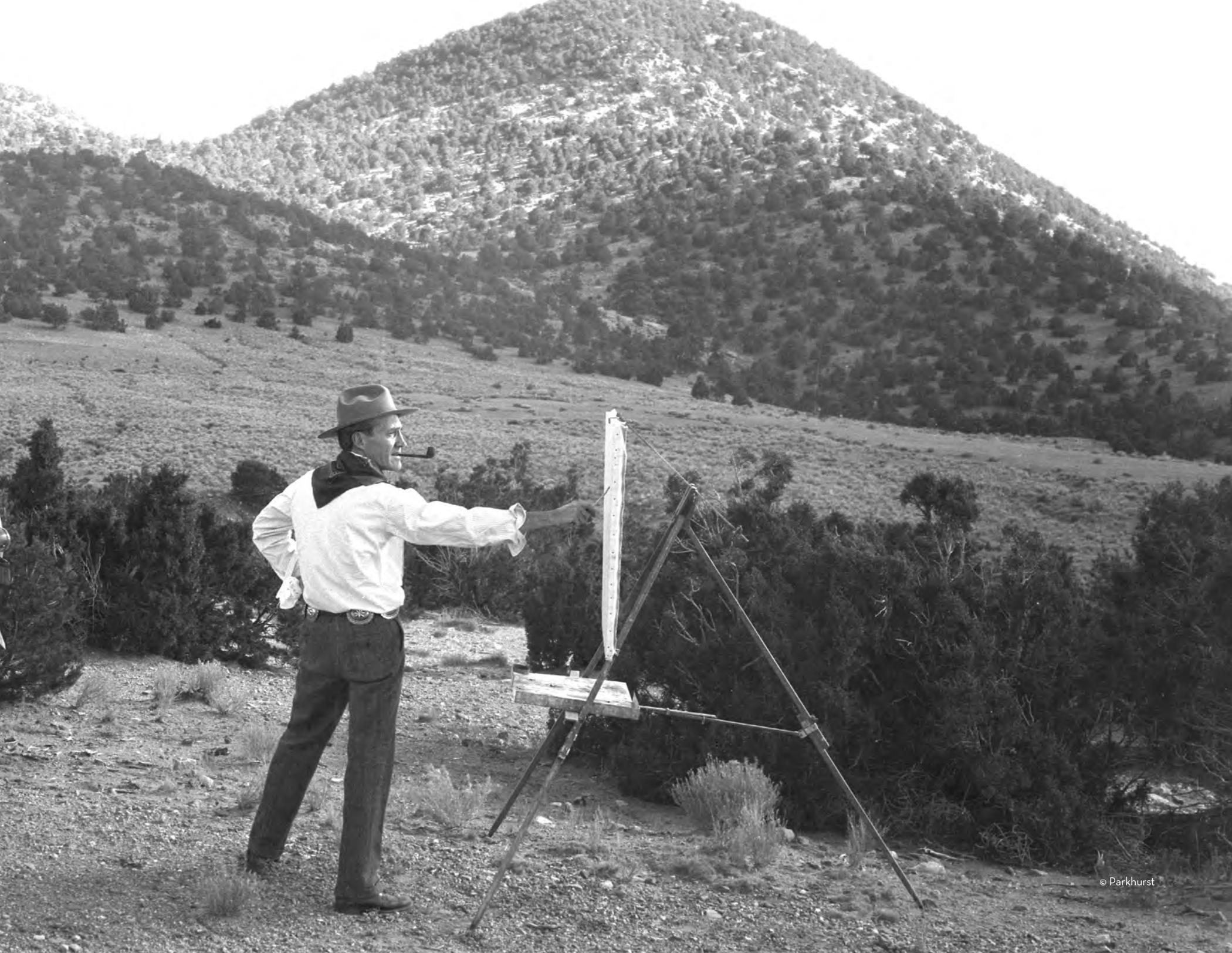




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- 1** Introduction
- 3** Part 1: Economic Impact of Arts & Culture in New Mexico
- 16** Part 2: New Mexico's Arts and Cultural Economy: A Summary of the Review of Major Sectors
- 17** Part 3: A Summary of Opportunities and Challenges for Creative Enterprises in New Mexico
- 20** Part 4: Positioning New Mexico's Creative Economy for the 21st Century: Findings and Policy Recommendations
- 35** Acknowledgements







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Introduction

“Building on the Past, Facing the Future: Renewing the Creative Economy of New Mexico” is the report based on a comprehensive study of the arts and cultural industries in New Mexico which was commissioned by the New Mexico Department of Cultural Affairs (DCA) in 2012, under the leadership of Cabinet Secretary Veronica Gonzales. The research was conducted and the report was issued by the University of New Mexico’s BBER under the leadership of Dr. Jeffrey Mitchell.

The New Mexico Department of Cultural Affairs and the Bureau for Business and Economic Research released the full report in August 2014. This companion publication, “Building on the Past, Facing the Future: Report Highlights,” presents key findings and content in an effort to further inform and engage the arts and cultural communities across New Mexico. The NMDCA also hopes to include the wider community in continuous discussions about opportunities to strengthen New Mexico’s economy by building

on and leveraging the potential of the arts and cultural industries. The overarching goal of the study is to better understand and provide policy recommendations that more effectively leverage New Mexico’s art and cultural assets and industries in support of the state’s economic and social development.

Arts and cultural industries in New Mexico enjoy a national reputation that is far beyond the state’s size or economic standing. Narrowly defined, these industries employ 43,031 persons in New Mexico, equal to 1 of every 18 jobs in the state (5.5%). More broadly defined, including persons employed in cultural tourism, art and cultural education, and industries linked to the unique culture and heritage of the state, the arts and cultural industries employ 76,780 persons, equal to nearly one in ten jobs (9.8%) in the state. That is more than the state’s construction and manufacturing industries combined. New Mexicans are, to a much greater extent than residents of other states, employed professionally



Arts & culture can no longer simply be seen as a reward for prosperity. Rather, arts & culture have become a prerequisite for innovation, entrepreneurship, and the development and retention of a skilled workforce that drive economic growth in the first place.

Dr. Jeffrey Mitchell, Director of UNM's Bureau of Business and Economic Research

as artists and artisans, in galleries and museums, and in other activities and industries most closely associated with the creative aspects of arts and culture. New Mexicans are far less likely to be employed in rapidly growing and higher paying applied fields such as media, advertising, and software publishing.

Creative professionals working in New Mexico perceive new opportunities as well as new challenges. In some regards, circumstances are similar to those in all parts of the world. Globalization means the development of new markets but also leads to greater competition. Emerging technologies both allows for, and demands, the development of new ways of delivering art and culture, no matter the location. In New Mexico and elsewhere, creative professionals and organizations are experimenting with new strategies to develop and engage audiences, with a greater focus on participation, collaboration, and the creation of community.

However, some of the circumstances facing creative professionals in New Mexico are unique. In more than 200 in-depth interviews conducted by BBER for this project, creative professionals in New Mexico commonly described the state's arts and cultural industries as a 'small pond,' with both advantages and disadvantages. According to these varied accounts, the small pond offers intimacy, social access, natural beauty, quality of life and allowance for experimentation. But the small pond can also mean a scarcity of material support, limited market opportunity, and isolation from the rapid currents that drive innovation. For some, the small pond is a welcoming space with a long history of shared experience, but for others it is a place of intense struggle for access, influence and identity.

Cities, states, and nations across the world are embracing arts and culture, and creative industries generally as a foundation for the development of a 21st century economy. With a genuinely unique history, a creatively engaged population and a

strong national and global reputation, New Mexico is well positioned to succeed in the development of its own creative economy. A successful long-term strategy must involve a balance of policies that preserve and renew the state's unique social and cultural environment with initiatives that avail its creative professionals with the energy and opportunities that globalization and emerging technologies offer. *Specifically, policymakers and advocates of the state's creative economy should undertake and integrate work in four broad areas: capacity building in support of creative enterprises; cultural programming that furthers community development; promotion of arts and cultural education and engagement; and branding initiatives that give greater emphasis to diversity, accessibility, innovation, and quality.*

The full report is 225 pages and is available for free at www.nmculture.org and bber.unm.edu.

Part 1: The Economic Impacts of Arts and Culture in New Mexico

Definitions:

The definition of the cultural economy is the subject of ongoing and wide ranging debate, with substantial implications for economic and policy analysis (Hesmondhalgh, 2002; Scott, 2008; Markusen, DeNatale, Wassall, & Cohen, 2008; Pratt & Hutton, 2013). For instance, studies of the cultural economy in specific states, using very different definitions of what constitutes “culture” and “art,” have generated employment estimates that range from less than one percent to nearly fifty percent of a given state’s total workforce (Markusen et al., 2008). In this context, it is clear that the way in which the cultural economy is defined goes a long way to determining the results of economic analysis.

This study is based on a ‘tiered’ definition of the cultural economy. At the center is a relatively conservative account established by the New England Foundation for the Arts (NEFA) (DeNatale & Wassall, 2007). NEFA¹ defines the cultural economy from two complementary perspectives – first, as cultural enterprises and second, as occupations in a cultural workforce. The first perspective (enterprise) considers the demand for the goods and services that are produced; that is, from an industry perspective. From this vantage point, all workers within an enterprise or industry that is defined as cultural are included. For instance, an accountant working for a museum (an industry, in this case) is included because the job derives from the demand for the museum. A detailed list of NEFA’s arts and cultural

industries is in Appendix A of the full report. All industry level data for the BBER analysis is from the Census Bureau’s Economic Census.

The second perspective (workforce) takes the opposite approach, considering the creative economy in terms of the work that is performed; that is, from an occupational perspective. In this light, all workers in a specific occupation are included without regard to industry. For instance, a graphic designer employed by a manufacturing firm is included (and the museum accountant is not), based on the occupation and the type of work they perform. The 46 NEFA occupations, the corresponding Census codes, and the category assignments are listed in Appendix B of the full report. Data for this aspect of BBER’s analysis are from the Census Bureau’s American Community Survey (ACS) Public Use Micro Statistics (PUMS).

There are three advantages to the NEFA methodology. The first advantage is that NEFA’s definitions are based on a theoretically rigorous and defensible conceptualization of the cultural economy, based in part on the work of David Hesmondhalgh (2002; Hesmondhalgh & Pratt, 2005, pp. 1-14) and, in turn, Raymond Williams (Williams, 1981). In essence, the definition attempts to balance an understanding of culture that is historically consistent and meaningful with an acknowledgment that cultural industries and occupations have undergone and will continue to undergo profound transformations. The second advantage is that, in light of the contentious nature of any definition of the cultural economy,

NEFA provides a high degree of transparency by using standard systems of classification based on the widely accepted North American Industrial Classification System (also known as NAICS). The third advantage is that the NEFA methodology facilitates statistically valid comparisons because it uses a standard dataset that is available for the country as a whole and for each individual state.

NEFA’s definitions are based on a theoretically rigorous and defensible conceptualization of the cultural economy...In essence, the definition attempts to balance an understanding of culture that is historically consistent and meaningful with an acknowledgment that cultural industries and occupations have undergone and will continue to undergo profound transformations.

In addition to the NEFA-defined industries and occupations, this report also provides analyses of a number of other activities and industries that are important to New Mexico, but are not included in NEFA’s classification. These activities and industries include education and cultural tourism, as well as heritage and craft industries that are important to New Mexico and its sense of place. Heritage and craft industries considered in this report range from traditional acequia agriculture, to adobe building, to small scale processing of foods such as salsa and tortillas. The definitions of these activities are specific to this study and do not allow for direct comparisons².

1. NEFA is one of six not-for-profit regional arts organizations funded by the National Endowment for the Arts (NEA) that, among its other activities, sponsors arts and culture-related research.

2. For a detailed discussion of how BBER defined and calculated the size of the education sector, cultural tourism sector, and the heritage industries sector, see section 2.2, pages 19-24 of the full report.

To clearly understand the data, it is useful to introduce a key metric or a standard of measurement used throughout this analysis—the ‘location quotient’ (or LQ). A location quotient is a measure of the importance of an industry or occupation in a local economy compared to some standard or ‘base economy.’ In cases where the analysis involves a comparison of New Mexico to other states, the standard or base economy is the US as a whole. In cases where the analysis involves a comparison of regions within the state, the standard is the New Mexico economy. A location quotient value of 100% indicates that an industry or occupation is in equal proportion to that found in the base economy; a value greater than 100% indicates that it is relatively more common than the base economy; and a value less than 100% indicates that it is relatively less common. Thus, a location quotient of 200% for professional artists in New Mexico would indicate that professional artists are twice as common in New Mexico’s economy, as a share of total employment, as in the US economy; a location quotient of 50% would indicate that professional artists are only half the share of the work force in New Mexico as in the US.

The Industry Perspective: Employment, Wages and Output in Cultural Industries in New Mexico

By NEFA’s narrow definition of cultural industries, 43,031 persons are employed in New Mexico’s creative economy accounting for 5.5% of the state’s total employment. When we add cultural tourism, humanities education and New Mexico’s heritage industries, 76,756 persons are employed in New Mexico’s cultural economy, which is equal to 9.8% of total employment in the state. The single largest sector of the state’s cultural economy is in education, where the employment

of 14,578 persons is attributable to arts and humanities education. Arts and culture related retail and wholesale trade is the second largest sector, with employment of 13,318 persons. The third largest sector is cultural tourism, with 11,077 persons employed in accommodations, restaurants and related services. The total contribution of the cultural sector to the state’s economy is \$5.6 billion per year. A total of \$2.2 billion in wages and salaries is paid to cultural workers. The table below shows employment, wages and output for New Mexico’s cultural economy, by sector.

Employment, Wages and Output in Cultural Industries in New Mexico

(Wages and Output in ‘000s)³

Arts and Cultural Industries	Employment	Wages	Output
Independent Arts	8,171	\$170,977	\$234,826
Arts and Culture Goods Manufacturing	3,552	107,460	312,799
Advertising & Public Relations	1,769	78,546	279,839
Architecture & Design	4,826	236,016	409,988
Arts Funding & Promotion	1,485	72,875	137,830
Heritage and Craft Industries	1,377	40,996	102,882
Libraries, Museums, Historical Sites & Parks	4,673	108,121	211,289
Photography, Motion Picture & Sound	2,772	74,003	200,286
Publishing & Broadcasting	9,158	362,343	869,799
Retail & Wholesale Trade	13,318	261,209	1,168,629
Cultural Tourism	11,077	155,126	561,457
Education	14,578	545,575	1,102,366
Total	76,756	\$2,213,248	\$5,559,991

3. See section 2.1 in the full report for detailed description of sources for this table.

A total of **76,756 persons** are employed in New Mexico's art and cultural economy, which is equal to **9.8%** of total employment in the state.

The largest employment sectors of New Mexico's arts and cultural economy are:

Arts and humanities education
14,578 persons

Arts and Culture Retail
and wholesale trade
13,318 persons

Cultural tourism
11,077 persons

Publishing & Broadcasting
9,158 persons

Independent Artists
8,171 persons

\$2.2 billion in wages and salaries is paid to cultural workers annually. The arts and cultural sector contributes **\$5.6 billion per year** to New Mexico's economy.



Comparing New Mexico's Cultural Economy to the U.S.

To compare employment in the cultural industries with that of other states we consider only NEFA-defined industries with comparable data. Within this category, employment in cultural industries in New Mexico is 91% as large as the equivalent share of employment in the national (US) cultural economy (location quotient=91%). This places New Mexico toward the middle among states – 21st of 39 states with sufficient data for comparison. However, this result may be skewed by the limited availability of data for New Mexico, since data for New Mexico is available for only 41 of 91 NEFA-defined cultural industries. According to the second NEFA perspective using its classifications for occupations, for which more complete data is available, employment in cultural occupations in New Mexico slightly exceeds that of the national share (location quotient=103%). These patterns are considered in greater detail below. The table below shows employment, wages and output for New Mexico's cultural economy, by industry sector.

Industry Perspective:

Compared to the United States, New Mexico has a high concentration of Art and Cultural (A&C) businesses (LQ=113%), the seventh highest of 48 states with sufficient data. But the average concentration of arts and culture jobs is somewhat lower than in the US as a whole (LQ=91%; 21st of 39 states with data). This implies that arts and culture businesses tend to be quite a bit smaller in New Mexico than the national average, only 55% of the national average (6.2 employees per arts and culture business in New Mexico versus 11.3

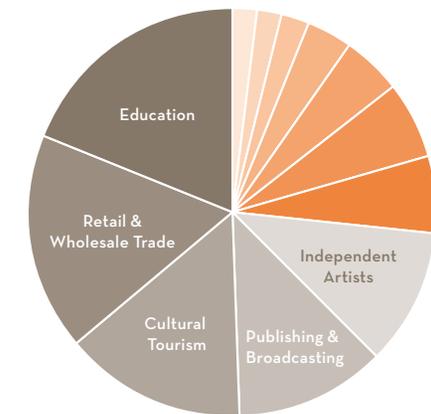
nationally). Second, arts and culture workers in New Mexico are poorly paid, earning an average annual salary of \$29,349 compared to a national average of \$48,860. This places New Mexico 40th of 51 states in terms of average earnings. These patterns can be broken down through a closer examination of the three subsectors that by NEFA definitions comprise the core arts and culture economy:

- Cultural goods production (such as jewelry and musical instrument manufacturing, lithographic printing, book printing and more)
- Cultural goods distribution (museums, art dealers, bookstores, jewelry stores and more)
- Intellectual property production and distribution (artists, graphic designers, publishers, media, film production, internet publishing and more).

Nationally, cultural goods production accounts for 9% (420,500 workers), with average pay of \$38,419; cultural distribution employs about twice as many workers (12% or 568,200 jobs), but pay is very low (\$25,957); finally, intellectual property production and distribution is the largest subsector (80% or 2.45 million jobs) and also pays much higher salaries (\$52,843). Nationally, 80% of arts and culture wages and salaries are paid to workers in the intellectual property production and distribution subsector.

Compared to national patterns, New Mexico has a high concentration of workers engaged in cultural goods production (highest of the 39 states with comparable data); a high concentration of workers in the low-paying cultural goods distribution subsector (second of the 39 states); but few jobs in the high paying Intellectual property production and distribution subsector (25th of 39).

Employment in the Cultural Economy in New Mexico, by Sector⁴



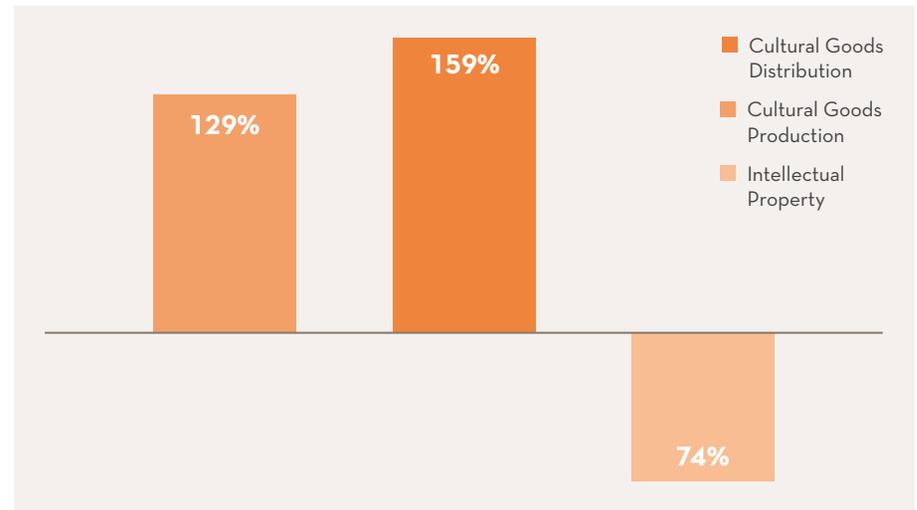
- Architecture & Design
- Libraries, Museums, Historical Sites & Parks
- Arts and Cultural Goods Manufacturing
- Photography, Motion Picture & Sound
- Advertising & Public Relations
- Arts Funding & Promotion
- Heritage & Craft Industries

"Intellectual property" jobs are associated with an average income of \$59,277, compared with jobs in cultural production that have an average income of \$38,351, and jobs in cultural goods distribution have an average income of \$23,781.

4. See text in section 2.1 of the full report for various sources.



Location Quotients for New Mexico Cultural Industries, by NEFA Industry Groups (2007)⁵



Employment and Sales for Artists, Writers and Performers in New Mexico (2007) (Sales in '000s)⁵

	New Mexico	Albuquerque MSA	Santa Fe MSA	Rest of State
Employment (#)	5,999	2,452	1,665	1,882
Employment (Rank)	28 (of 51)	51 (of 342)	67 (of 342)	68 (of 342)
Employment (LQ)	148%	128%	484%	584%
Employment (LQ Rank)	4 (of 51)	39 (of 342)	1 (of 342)	2 (of 342)
Sales	\$105,062	\$36,237	\$42,549	\$26,276
Sales (Rank)	19 (of 51)	57 (of 69)	12 (of 69)	13 (of 69)

The very kernel of the arts and cultural industry is 'independent artists, writers and performers'.... In New Mexico, 6,000 persons are employed professionally and primarily as independent artists, writers and performers. This number, as a share of the total workforce, is nearly 50% greater than the national average, giving New Mexico the 4th greatest concentration in this important category.

⁵ Source: 2007 Economic Census

Notwithstanding the skew in the distribution of arts and culture workers in New Mexico toward lower paying industries, their role should not be underestimated. Here we focus on the inner core of arts and cultural industries to find the specific strengths of New Mexico's creative economy.

The very kernel of the arts and cultural industries are 'independent artists, writers and performers,' most of whom are self-employed. The table on the left shows employment and sales for this group.

Of the more than 2,000 industries included in the NAICS classification, this single category is probably the one most closely associated with the arts. In New Mexico, 6,000 persons are employed professionally and primarily as independent artists, writers and performers. This number, as a share of the total workforce, is nearly 50% greater than the national average (LQ=148%), giving New Mexico the 4th greatest concentration in this important category. Most of these artists reside in the Albuquerque-Santa Fe axis. Albuquerque is home to nearly 2,500 professional artists (LQ=128%), the 39th highest concentration of 342 metropolitan areas for which there is data. Santa Fe is home to the greatest concentration of professional artists in the entire country. Fully 2.6% of all workers in Santa Fe (1,665 persons) identify themselves as primarily employed in this field (LQ=484%), a higher percent than art world meccas such as New York City, Los Angeles or Miami that are many times Santa Fe's size.

'Art dealing' is proportionately the largest arts and culture industry in New Mexico. The 2007 Economic Census counts 215 incorporated art dealers in the state, with total employment of 768.

Despite the relatively small size (ranked 36th by population with approximately 2.1 million people), New Mexico has the 7th greatest number of art dealers and the 6th largest number of related employees in the country. In relative terms, New Mexico has the greatest share of its workforce employed by art dealers of the 51 states and Washington DC, and more than six times the national rate (LQ=624%). To be sure, New Mexico's wealth of arts dealers is heavily concentrated in Santa Fe, where 128 businesses were counted in 2007, placing the city 7th in the nation in the number (not just percentage) of art dealers, in the company of metropolitan areas with populations more than 30 times as large. Thus, the location quotient for art dealers in Santa Fe is shockingly high (LQ=4,915%). And the wealth of art dealers is not limited to Santa Fe. According to the 2007 Economic Census, employment with art dealers in Albuquerque was 26th of the 131 metropolitan areas for which data is available (LQ=252%).

In summary, New Mexico has more than its share of arts and culture businesses and a bit less than its share of arts and culture jobs. The Land of Enchantment boasts a disproportionately large number of persons employed in 'cultural production' and especially in those areas that one may consider most essentially artistic. New Mexico's share of workers employed in 'cultural distribution' is even greater, though these jobs generally are low paying. However, the concentration of employment in these first two groups are more than offset by the relatively low number of jobs in the much larger and higher paying 'intellectual property production and distribution' subsector.



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Occupational Perspective

In the previous section the analysis focused on arts and cultural industries, where all workers are counted without regard to their specific occupation (e.g. an accountant working in a museum is included as an employee of a cultural industry). In this section the analysis assumes a different but complementary occupational perspective (e.g. a graphic artist employed by a manufacturing firm is included but the museum accountant is not). This perspective provides additional detail and serves as a cross-check of the preceding analysis.

According to Census ACS PUMS data, 30,367 persons are employed primarily in arts and cultural occupations in New Mexico⁶, equal to 3.5% of the state's workforce. This proportion is slightly higher than for the national economy, where the arts and culture workforce comprises 3.4% of total employment; thus, the location quotient is 103%. In New Mexico, the occupational group with the largest employment level is 'visual artists' (7,217 jobs), which slightly exceeds the national employment share (LQ=103%). This group is comprised of three individual occupations. **Designers** are by far the largest occupation identified by NEFA, accounting for 16.5% of all arts and culture jobs nationally. Designers are less prominent in New Mexico (3,536 jobs, or 11.6% of state arts and culture occupations; LQ=73%). On the other hand, the **'artists and related workers'** occupational category is proportionately very large in New Mexico, more than double the national average (LQ=220%). The third visual arts occupation, **photographers**, is somewhat more common in

the New Mexico than in other parts of the US (LQ=109%). 'Art, information, and cultural support'⁷ is the second largest arts and culture occupational group in New Mexico (7,126 jobs), though this number is below the national share (LQ=96%). The composition of this group offers an interesting contrast between New Mexico and the arts and culture economy in the country as a whole. Nationally, this occupation group is dominated by advertising and public relations jobs but in New Mexico these activities are much less common, with location quotients around 60%. Instead in New Mexico, librarians, editors, camera operators, and broadcast engineers and technicians are relatively more common with location quotients of 120% and higher.

The third largest arts and culture occupational category in New Mexico is 'applied artists' (3,492 jobs), which is somewhat larger than the national equivalent (LQ=107%). Architects is the largest occupation within the core of the 'applied artists' group, with a concentration similarly greater than the national share (LQ=107%). New Mexico also has more than its share of technical writers (LQ=146%), though editors are more scarce (LQ=84%). 'Chefs and head cooks' are in the periphery of this occupation group. Nationally, chefs are the second largest arts and culture occupation—over 300,000 chefs and head cooks, coast to coast—but in New Mexico their profile is far more modest (LQ=61%). 'Artisans' are the fourth largest occupational group in New Mexico (3,192 jobs). 'Artisans' is by far the most disproportionately large occupational

group in the state (LQ=365%). The size of the artisan group owes primarily to the extraordinarily large number of 'jewelers and precious stone and metal workers' (LQ=1022%), molders and casters (LQ=344%), and 'etchers and engravers' (LQ=260%). With 2,751 jobs, 'jewelers and precious stone and metal workers' is the second largest arts and culture related occupation in the entire state. The two smallest arts and culture occupational groups in New Mexico are 'performing artists' and 'applied artists.' Performing artists (1,788 jobs) have a smaller presence in the state economy than in the national economy (LQ=80%), likely due to the relatively small population and audience found here. Finally, 'creative artists' is the smallest arts and culture occupational category in New Mexico, both in terms of the number of jobs (1,007) and in comparison to the nation (LQ=71%). This may be surprising to some in New Mexico, as this group includes writers and authors (LQ=76%).

The occupational patterns described here have important similarities with the industrial patterns described above and serve to underline the most important findings of this analysis. First, from both the industry and occupation perspectives, the size of New Mexico's arts and culture sector is close to the national average – a bit below average by industry (LQ=91%) and a bit above average by occupation (LQ=103%). The consistency is more notable in the details that are discussed below. Second, both industry and occupational data indicate that New Mexico is very well represented in the innermost circle of the cultural

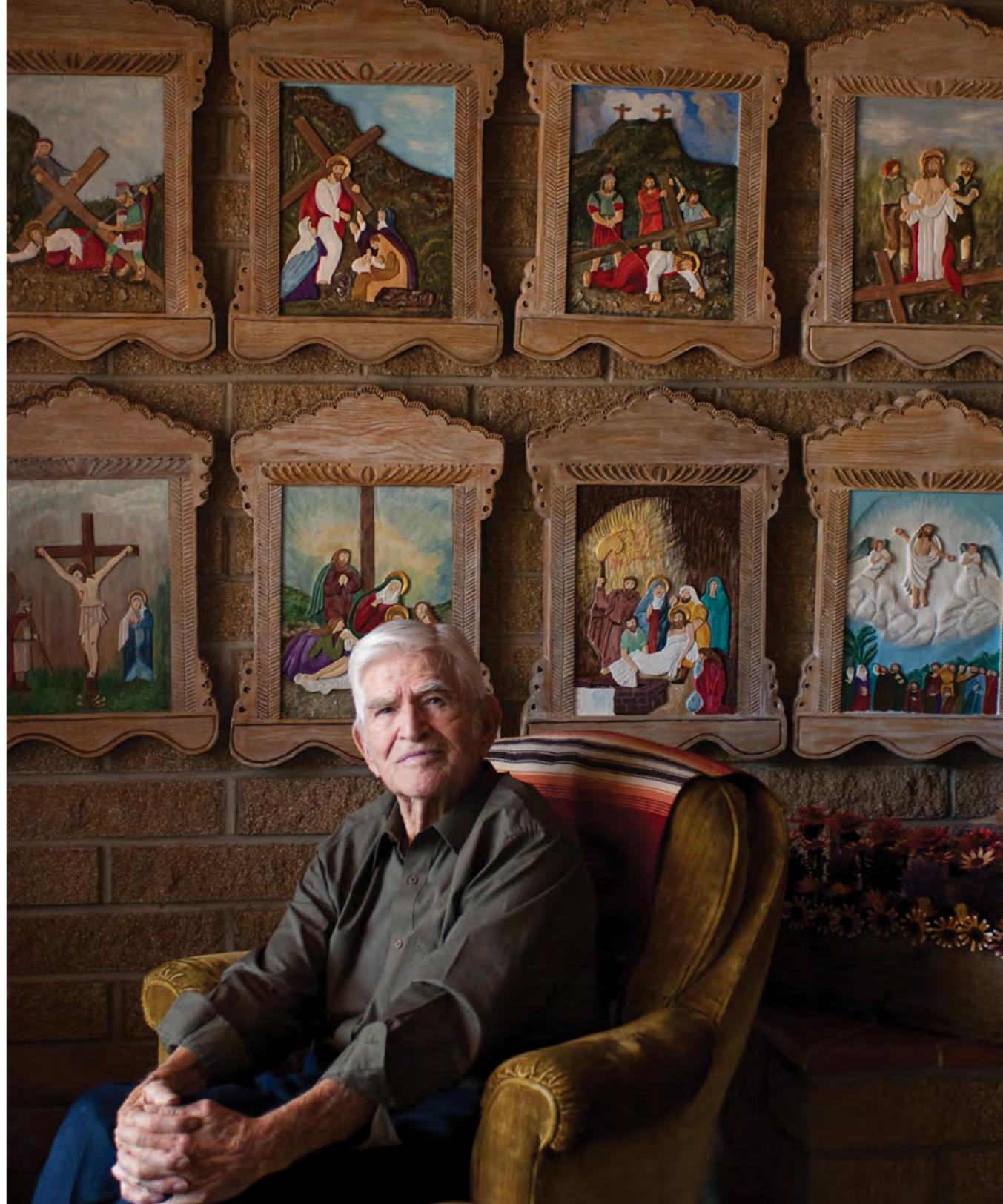
6. A participant in the ACS surveys is allowed to identify only one occupation. Thus, if an individual is employed both as an artist and as a server in a restaurant, s/he self-identifies the single primary occupation – meaning that the data used for this analysis fails to capture those employed secondarily in arts and culture occupations. 7. Art, information and cultural support, as defined by NEFA, is somewhat of a catch-all category, including occupations as varied as advertising and public relations managers to librarians to a diverse collection of media and broadcast workers. See Appendix.

economy, among ‘artists and related workers.’ Third, both data sets indicate that New Mexico has a disproportionately large number of jobs in categories that are low paying. In terms of industries, New Mexico has a large number of employees in cultural products distribution; in terms of occupations the best example is the large number of poorly paid jewelry makers, etchers and engravers, and molders and casters. Fourth, both data sets show New Mexico is under-represented in categories that in the national economy are large and well-paying. Intellectual property production and distribution was the best example in terms of industries. In terms of occupations, the gap between New Mexico’s cultural economy and the national cultural economy is greatest among designers and advertising and public relations occupations.



...the ‘artists and related workers’ occupational category is proportionately very large in New Mexico, more than double the national average

Woodcarver Ramón Montes with some of his work
© Genevieve Russell

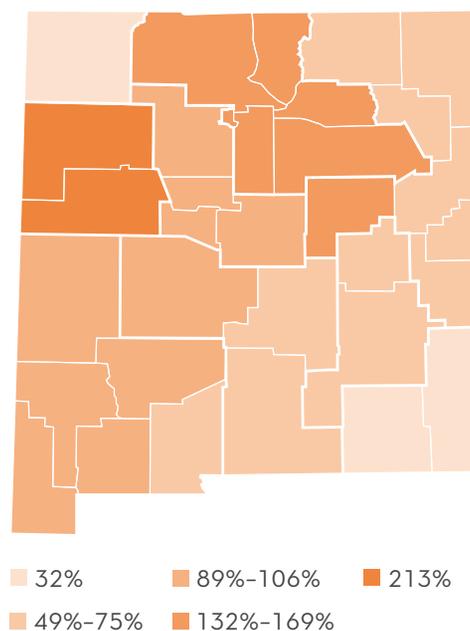


The Geography of Arts and Cultural Occupations in New Mexico

The ACS PUMS data provides geographical detail for New Mexico, allowing us to examine regional patterns of arts and culture-related employment. Specifically, the data used in this section is organized according to 15 regions across the state and the 'base economy' for the location quotient will be the state⁸ of New Mexico as a whole (not the United States). So a value of 100% means that an industry or occupation is in equal proportion to that found in New Mexico's base economy; a value greater than 100% indicates that it is relatively more common than in New Mexico as a whole, and a value less than 100% indicates that it is relatively less common.

In urban New Mexico, about 3.8% (LQ=109%) of the workforce is employed in arts and culture occupations, whereas about 3.1% (LQ=89%) of rural workers are employed in these occupations. Among occupation groups, applied artists (LQ=136%), and especially architects (LQ=151%), are most strongly concentrated in urban counties, with relatively few located in rural counties. The much smaller creative artist and performing artist groups are also more strongly concentrated in urban rather than rural New Mexico. The large art, information, and cultural support category shows only a small bias in favor of urban New Mexico (LQ=104%), likely because libraries (whose workers are included in this category) provide employment even in the most rural communities. Finally, New Mexico's large artisan occupational group is primarily rural (LQ=113%), with a very strong cluster of jewelry makers in McKinley and Cibola counties

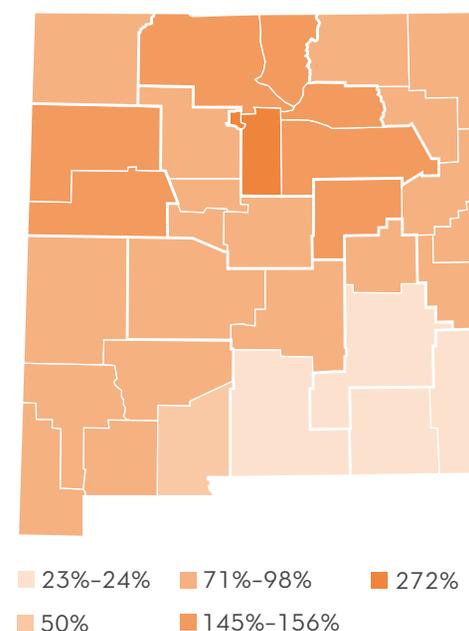
Location Quotients for Cultural Occupations in New Mexico, by Region, 2007-2011⁸



(presumably a high proportion of the jewelry makers in these two counties are Native American, but the data set has no specific information along these lines).

PUMS data allows us to more closely examine cultural employment in individual regions. The region that includes McKinley-Cibola counties has the largest concentration of cultural workers, with 7.4% of the workforce (LQ=213%) engaged in the creative sector (presumably a high percentage of cultural workers in these two counties is Native American). (Refer to map on the right.) The large presence of the cultural sector in this

Location Quotients for Creative Artists in New Mexico, by Region (2007-2011)⁹



region is due largely to the strong jewelry cluster as well as the large number of visual artists who live in the area. However, the size of these two occupational sectors is partially offset by the weakly developed art, information, and cultural support cluster (LQ=63%), both among library and communications workers.

The region that includes McKinley-Cibola counties has the largest concentration of cultural workers, with 7.4% of the workforce (LQ=213%) engaged in the creative sector

8. The 15 regions, known as Public Use Microdata Areas or PUMAs, are drawn to provide fairly equal populations, on average about 135 thousands per PUMA. Thus several rural counties in New Mexico are grouped within single PUMAs while Bernalillo County is broken into five distinct PUMAs. 9. The 15 regions, known as Public Use Microdata Areas or PUMAs, are drawn to provide fairly equal populations, on average about 135 thousands per PUMA. Thus several rural counties in New Mexico are grouped within single PUMAs while Bernalillo County is broken into five distinct PUMAs.



Location Quotients for Cultural Occupations in New Mexico, by Region (2007-2011)

Region	Performing Artists	Visual Artists	Creative Artists	Applied Artists	Information & Support	Artisans	Total
San Juan County	96%	48%	60%	17%	85%	21%	49%
Northcentral Counties*	91	99	64	129	151	165	132
Eastern Counties**	91	123	42	57	93	23	75
Santa Fe & Los Alamos Counties	177	221	264	238	135	99	169
Sandoval & Valencia Counties	75	110	144	90	84	111	99
Bernalillo County	128	92	110	130	106	100	106
Cibola & McKinley Counties	–	142	27	29	63	619	213
Southwestern Counties***	122	91	62	27	131	78	89
Doña Ana Counties	60	78	74	54	63	39	59
Otero & Chaves Counties	44	59	–	38	110	44	63
Eddy & Lea Counties	31	17	44	49	51	16	32
Urban	125%	112%	131%	136%	104%	89%	109%
Rural	71	86	64	58	96	113	89
New Mexico	80	103	71	90	96	145	103

Source: US Census Bureau, American Community Survey, 2006-2011 5 year estimates. Public Use Micro Statistics. Calculations by BBER.

Location Quotients for NM Artists, by Occupation, by Region (2007-2011)

Region	Artists and Related Workers	Performing Artists	Producers and Directors	Writers and Authors	Artist Total
San Juan County	69%	91%	109%	69%	78%
Northcentral Counties*	204	114	21	73	145
Eastern Counties**	65	105	48	49	71
Santa Fe & Los Alamos Counties	325	70	501	304	272
Sandoval & Valencia Counties	43	99	–	151	71
Bernalillo County	78	134	112	97	98
Cibola & McKinley Counties	310	–	–	–	156
Southwestern Counties***	64	114	65	28	78
Doña Ana Counties	32	80	–	85	50
Otero & Chaves Counties	16	58	–	–	23
Eddy & Lea Counties	10	42	–	51	24
Urban	84%	85%	29%	63%	76%
Rural	114	113	161	132	120
New Mexico	256	100	57	90	96

*Guadalupe, Mora, Rio Arriba, San Miguel and Taos Counties
 **Colfax, Curry, De Baca, Harding, Lincoln, Quay, Roosevelt and Union Counties
 ***Catron, Grant, Hidalgo, Luna, Sierra, Socorro and Torrance Counties

Within New Mexico, the northern and central regions of the state have the strongest arts and culture economies. This is partly due to the higher level of urbanization, as occupations that are tied closely to markets and audiences or that are more technical in nature tend to be clustered in the state's urban centers, especially around Albuquerque and Santa Fe. Another likely factor is the remaining impact of art colonies in Taos and Santa Fe, extending back to the early 20th century.

Regions across New Mexico have unique clusters of artistic and cultural employment, from artisan work in Indian country (especially McKinley County), to artisan crafts and visual artists in north central New Mexico, fine artists in Santa Fe, performing artists in Albuquerque, photographers in Chaves and Otero counties, and outdoor and recreation occupations in southwestern New Mexico. Undergirding these specific occupational clusters is a relative consistency in art, information, and cultural support occupations, most importantly libraries, but also commercial communications. As a general pattern, the regions with the very smallest arts and culture workforce in New Mexico are those with the smallest art, information, and cultural support occupational cluster, which results in a weak cultural infrastructure. The McKinley-Cibola region of Native Americans is an exception, where the very strong artisan and visual artistic occupational groups more than offsets the deficit.



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Other Sectors of New Mexico's Cultural Economy

Arts and cultural activities are woven into nearly every sector of New Mexico's economy, beyond the discrete set of industries and occupations included in NEFA's definitions. In some cases, the activities are similar to those that may be found in any other state, though they may be in economic sector areas that are not traditionally considered to be part of the cultural economy. In other cases, the activities are unique to or of particular importance to New Mexico and are not considered in studies of the cultural economies of other areas. In this section, we consider some of these activities and extend the standardized account of the arts and culture economy described above. In particular, we estimate the number of jobs associated with arts and cultural activities in education, tourism, traditional agriculture and a number of craft industries.

Education¹⁰

The formal education system, from kindergarten to post-graduate studies, is one of the most important venues for learning and creating culture, yet educational institutions are typically omitted from analyses of the cultural economy. One problem is that it is difficult to delineate the subjects that should be included. For the purposes of this work, NMDCA staff and BBER agreed on definitions that would include: arts, literature, foreign languages and religious studies; we also include a share of history and social studies.

According to BBER's estimates, New Mexico employs a total workforce of 13,867 persons in support of arts and cultural education: nearly a quarter (23.6%) of all employees at these educational institutions. In total, educational institutions account for about one-quarter of the state's arts and cultural workforce. Within education, higher education accounts for the largest number of jobs (5,476 jobs, or 41% of the education total); public secondary schools employ 3,846; primary schools employ 3,145; and private K-12 and BIE schools employ 896 and 503 persons, respectively, in support of arts and cultural education.

Cultural Tourism¹¹

Apart from education, cultural tourism employs the greatest number of persons in New Mexico's cultural economy. According to BBER's estimates, 24.5% of tourism activity in New Mexico is related to arts and culture. For the hotels and accommodations industry alone, cultural tourism accounts for 3,328 jobs. Additionally, 61 jobs in travel and visitor services can be attributed to cultural activities. Given the complexity of the issue and absence of reliable data, we make no attempt to estimate the impact of cultural tourism on the restaurant industry, though more than 30,000 persons are employed in full service restaurants in New Mexico.

Heritage Industries¹²

In addition to NEFA-defined industries and occupations, arts and cultural education, and cultural tourism, BBER worked with the staff of the NMDCA to identify a limited number of economic activities that are perceived to be of particular importance to the state for inclusion in this analysis. The criteria for inclusion are that the activities be of unique cultural relevance to New Mexico and that production methods are small in scale and based on artisan skills. The industries included in this category are: traditional acequia-based agriculture; craft food processing (including salsas and canned chiles, chile powder and tortillas); craft wineries and breweries; artisan sheep/wool and textile industries; other craft manufacturing; automobile modification ('low-riders'); and adobe block manufacturing.

Reflecting the selection criteria, with an emphasis on traditional and small scale production methods, the economic footprint of these activities is modest, accounting for 1,377 jobs and over \$40.9 million in wages.

10. For discussion on BBER's methods for determining the size of the arts and cultural education sector and more detailed discussion of the size of the sector, refer to the full report, pages 19-22.

11. To learn about BBER's methodology for developing these estimates and for further discussion, see the full report, pages 22-23. **12.** For further reading on the size of heritage industries, refer to pages 23-24 of the full report.

Fiscal Impacts

In this section we detail arts and culture-related revenues and expenditures of state and local governments in New Mexico, but we do not consider the impact on the federal government. The analysis is for calendar year 2010, but for consistency the data is reported in 2012 dollar values. The analysis covers the full sweep of cultural activities described in the preceding section, with the exception of public education. Public education is assumed to be a necessary investment to develop an informed and literate civil society and a productive labor force. An assessment of the returns on this investment is beyond the scope of this study and is left to experts in educational policy.

Total Government Expenditures and Revenues:

In total, state and local governments in New Mexico spent an estimated \$169.7 million on cultural programming in 2010, while generating \$137.1 million in revenues, with a resulting net deficit of \$32.6 million. Local governments provide the lion's share (70%) of public cultural funding. State government realizes a significant surplus as a result of the many cultural activities across the state because those activities generate significant revenues from the various taxes and fees named above.

State of New Mexico¹³:

On a net basis, the cultural sector generates a positive balance of \$52.0 million for the state government with revenues of \$93.5 million and expenditures of \$41.5 million in 2010. Gross receipt taxes (GRT) on arts and cultural goods and services generated the greatest amount of revenue

(\$47.9 million), and restaurants serving cultural tourists comprised the largest share of the GRT revenues. Taxes paid on income generated from cultural enterprise also generated substantial revenues (\$37.5 million), with employees of cable service providers, architectural firms, newspaper publishers and design firms contributing the largest shares. Transfers from the federal government, including grants to the state's New Mexico Arts, the State Library, and the Historic Preservation of the Department of Cultural Affairs brought another \$3.4 million government. State museums generated an estimated \$1.9 million in user fees, and culturally-oriented state parks earn an additional \$193,000. New Mexico's Art in Public Places program, otherwise known as "1% for the Arts" which mandates that a portion of appropriations for capital expenditures be set aside for the acquisition of works of art for public buildings, generated \$1.6 million from state capital improvement programs in 2010. Finally, state museums, libraries and other cultural institutions received \$986,000 in gifts and grants from private individuals and foundations.

Local Governments

Local governments accounted for more than two-thirds of public funding (\$118.6 million) for art and cultural programs in New Mexico in 2010. The majority of this funding was provided by the 105 municipal governments in the state. This spending was minimally offset by revenues earned by local governments, which totaled \$37.6 million, so local governments are by far the most significant patron of the arts in New Mexico.



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¹³. See full report, pages 25-30 for a more detailed discussion of fiscal impacts.

Part 2: New Mexico's Arts and Cultural Economy: A Summary of the Review of Major Sectors

Part 2 of the complete study includes detailed surveys of the assets, impacts, and challenges of a number of key sectors of New Mexico's arts and cultural economy. These include: fine arts museums, libraries, galleries, performance venues, monuments and parks, fairs and festivals, historic preservation, heritage and craft industries, cultural tourism, and funders of arts and cultural activities and institutions. (For a detailed exploration of the individual sectors, see the full report, or the individual sector analyses, available on DCA's website.)

As mentioned previously, challenges facing New Mexico's cultural economy are numerous. Arts and cultural institutions, as well as individual artists, have been hit hard by the recent recession, but they are also facing more general and ongoing changes. Globalization has made arts and cultural markets more competitive. New markets are emerging, aesthetics are changing, consumption habits are evolving and emerging technologies are providing entirely new ways to deliver and experience art and culture. In important ways,

the new technologies and consumer patterns are driving the arts and cultural markets in directions that are difficult to predict. In response to these pressures, cultural institutions nationwide, including those in New Mexico, are experimenting with new strategies to engage audiences. Artists and organizations recognize that they no longer can wait for their audiences to approach them, nor can they expect their audiences to be content with a passive one-directional experience of culture. Instead, organizations are increasingly reaching out with social media, mobile exhibits and experiential programming to engage their audiences. Organizations are making new efforts to collaborate and to attract and engage new audiences, especially youth. Some organizations are establishing multi-function facilities that are flexible, accommodate multiple niches, and foster a sense of community and participation. These strategies require new skills, can be initially expensive and work better in some contexts than others. Some artists and organizations have flourished while many continue to struggle.



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Part 3: A Summary of Opportunities and Challenges for Creative Enterprises in New Mexico

The overall goal of the third part of the study was to evaluate factors that creative professionals may consider to be advantages and disadvantages to working in New Mexico. BBER conducted 200 interviews, including 123 in-depth surveys, with creative professionals in New Mexico. To structure this work, BBER focused on seven factors: sources of inspiration; opportunities for collaboration, social networking and learning; access to labor, supplies and services, and capital; and access to markets. With a better understanding of these factors from the perspective of creative professionals, BBER hoped to offer practical recommendations to promote the development of successful creative enterprises in New Mexico.

Overall, arts and culture professionals are somewhat more likely to say that being located in New Mexico helps (40%) rather than hinders (31%) their work; another 30% said that it is either a balanced trade-off or irrelevant to their ability to succeed. These numbers rise and fall, however, among different populations and according to the specific factors being analyzed¹⁴.

Regardless of age, ethnicity, region or the type of work that one undertakes, nearly all creative professionals who participated in this study agree on two points. Everyone seems to agree that New Mexico's landscape is beautiful and that its history, culture, and pace and quality of life is unique. Everyone also seems to agree that, in many ways, New Mexico is a small pond for artistic and cultural enterprise. However, there is significant

disagreement as to whether working in the small pond, on balance, is more of an advantage or a disadvantage in their professional development.

For those who emphasize the advantages of working in the small pond, the core argument is that the landscape, history, culture and social networks define New Mexico and New Mexico defines their work. New Mexico is unique and it would be impossible to conduct their work elsewhere. Further, changes that are transforming New Mexico alter the milieu in which their work is embedded; there should be a renewed emphasis on cultural conservation and heritage. Those who emphasize the disadvantages of working in the small pond also acknowledge and value New Mexico's landscape, history, and culture and may even see these qualities as integral to their creative work. However, the small pond is confining and lacks dynamism. These individuals see globalization not as a threat but as part of the process of renewal and change.

The debate described here is by no means unique to New Mexico. It is a global phenomenon as people and places everywhere contend with new technologies, the expansion and integration of markets and the globalization of culture and aesthetics. Nor is the debate as black and white as many suggest. In theory and practice, globalization is the integration of experiences that are necessarily local and yet no locality is immune from the influences of globalization.

Any debate that is structured by rigid adherence to one or the other perspective promises to be counterproductive. The interviews conducted for this study suggest that each of the two perspectives are represented in equal measure. Efforts of one cohort to "win" over the other would likely result in a lose-lose proposition. Similarly, the interviews suggest that rather than contributing to either the preservation or renewal of the state's arts and cultural industries, the debate seems to be fragmenting the state's industries into ever smaller ponds, each removed from and disconnected from the others. The result is anything but cultural preservation or renewal—unless the culture to be preserved and renewed is one of division and conflict.

Large Challenges

The challenge, as we turn to consider cultural policy in New Mexico, is how to honor and protect the state's unique heritage while acknowledging the importance and inevitability of change associated with the digital age and globalization. The challenge is also one of figuring out how to position both cohorts so that they benefit from the larger macro forces beyond New Mexico's control that are driving change. These are difficult dilemmas, to be sure.

Yet one message from many of those interviewed is that an important step toward addressing this sizable challenge is neither global nor macro in

¹⁴. See full report for numbers.

nature, but instead is more local and micro. It should not begin only with the interactions and relationships developed between New Mexico and the rest of the world; it also must have a vigorous in-state component among and between communities that by many accounts themselves function in isolation of one another as many small ponds – too many small ponds - within the state.

What might a more inter-community mosaic look like? There is no obvious design pattern that New Mexico can rely upon, since few places in the United States have the same richness of diversity. But it surely must begin with the various ponds reaching out beyond their own perimeters. This might mean Native Americans reaching out to other indigenous communities; New Mexican Hispanos reaching out to other Latino communities, both in and out of the state. It might mean Santa Fe, which has so many more resources than many other parts of the state, reaching out and creating more sister city relationships with other places in New Mexico. It might mean Anglo environmentalists reaching out to acequia farmers and adoberos to discover what those traditional cultures have to contribute toward the important goal of sustainability. In short, it means more intermingling between the many cultures within New Mexico, each of them a vibrant thread in the tapestry weaving of the Land of Enchantment.

One other challenge is plainly clear from the interviews, and this one cuts across all ethnicities, occupations and other demographics and so has the potential to become of source of unity, if

addressed correctly. **Art and cultural entrepreneurs essentially are freelance business people, and as freelancers in the United States it is often difficult for them to access the "personal infrastructure" – high-speed Internet access, health care, financial advice, retirement, housing and more – they need in order to work and live.** Since as individuals they are not part of a large consumer pool, which generally is offered better rates for various services than individuals, these creative entrepreneurs live a more economically insecure life. It is rather remarkable that the drift of the overall US macro economy is toward one where more workers will not have lifetime or even long-term employment with a single employer, yet there really hasn't been much thought put into what kind of personal infrastructure will support the types of freelance and journeymen workers that so many people are becoming.

Most arts and culture professionals in New Mexico, regardless of ethnicity, income level or individual background, are facing that reality on a daily basis. The lack of personal infrastructure available for them at affordable rates not only makes their lives less economically secure but it also impacts their business potential. It would be a win-win for New Mexico to help foster the conditions that allow better delivery of this infrastructure to every creative entrepreneur, regardless of location or background. Due to its size and relatively greater amount of resources (compared to other organizations, and especially compared to individuals), governments have the capability to be effective at pulling together resources and organizing private and public sector activities via its power to regulate and create incentives.



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Part 4: Positioning New Mexico's Creative Economy for the 21st Century: Findings and Policy Recommendations

A review of findings:

BBER's investigation of New Mexico's creative economy, combining the three perspectives, yields a series of important and consistent themes and findings.

- New Mexico has a remarkable concentration of talent and history, giving the state important advantages in many of the most essential and purely creative areas of a cultural economy. However, the state has not been effective in leveraging these assets in the broader and more applied fields of a growing and changing creative economy, thus limiting its impact in terms of employment and revenues.
 - New Mexico is very much a 'small pond' in the national and global creative economy. The small size and intimacy of the state's creative economy offer both advantages and disadvantages to individuals and institutions engaged in the state's creative economy. Individuals and institutions perceive and respond to these advantages and disadvantages in very different ways.
 - Communities and individuals everywhere, but especially in New Mexico, face a core challenge in the development of their creative economies: to be responsive to changing technologies and the demands of an increasingly global market for cultural products, while at the same time protecting and cultivating the historical and cultural assets that make the state unique and valuable.
- Interviews conducted for this project suggest that, in New Mexico, the challenges of globalization and technical change have five specific and closely related aspects. These are:
 - 1 Development and consolidation of institutions and infrastructure that support cultural entrepreneurship, facilitate communication, foster social networks and provide strategic guidance.
 - 2 Adoption and application of technologies that are reshaping the creative economy locally and globally, both in the production of cultural products and in the engagement with audiences.
 - 3 Development of a workforce for creative industries, including creation of employment and training opportunities for individuals entering the field and the retention of skilled professionals.
 - 4 Mitigation of geographical and institutional isolation of those engaged in the creative economy, including easier access to markets, social networks, learning opportunities, labor, and other factors that determine the success of creative enterprises.
 - 5 Promotion of dialog across New Mexico's diverse communities, which often seem to be "siloes" from each other, and engagement of youth to maintain and renew the vitality and authenticity of the state's culture.

These five challenges are inter-related and cannot be understood or effectively addressed in isolation of one another. Some of the most difficult and important challenges cut across all five areas. For example, the expansion of markets for the state's creative industries simultaneously requires the adoption of new technologies, effective coordination and planning, improved access, and protection and revitalization of the state's culture and identity.



Policies and programs that will support the development of a more robust creative economy, preserve and renew the state's unique culture and character, and enhance the quality of life for the state's citizens must address these five specific challenges in an integrated and balanced manner.



Recommendations to promote the vitality of New Mexico's culture and creative economy

To promote the vitality of New Mexico's culture and the continued development of the state's creative economy while preserving and renewing the state's cultural assets and quality of life, the report offers a series of twelve recommendations. These recommendations are directed principally to the state's Department of Cultural Affairs but also could be considered by other state and local governmental agencies, private for-profit and non-profit institutions, and individuals interested in the vitality of New Mexico's cultural life and creative industries

The recommendations offered are based on an extensive review of best practices as described in planning documents, program assessments, academic research, and industry journals. Notably, the recommendations are based on an analysis of cultural planning documents of more than a dozen states, with particular focus on states with similar assets and facing similar challenges, such as Colorado, Kansas, Arkansas, Louisiana, and Alaska, and states with widely touted cultural initiatives, including Vermont and Rhode Island. Additionally, the recommendations draw upon assessments and recommendations of cultural policy conducted by scores of institutions, including the President's Committee on the Arts and the Humanities, the National Governors Association (NGA), the National Endowment for the Arts (NEA), Americans for the Arts (AFA), the American Planning Association (APA), the Arts Education Partnership, the Rand Corporation, the Urban Institute, as well as organizations based in Canada, Europe and other parts of the world. Sources and examples are documented throughout the discussion.

The twelve recommendations are organized into four groups:

- Capacity building and business development in the creative industries
- Authenticity, place making and community development
- Arts and cultural education and engagement
- Integration, markets, and cultural branding

Capacity Building and Business Development in Creative Industries

The first three recommendations begin with a single initiative – the establishment of an entity to support the development of creative industries in New Mexico with the provision of technical and professional services and expertise. The organization would be charged with the development and administration of three core services:

- Business and management consultation services that support workers, entrepreneurs and artists in the state's creative industries;
- Information technology support services and training tailored to the needs of artists and entrepreneurs in the creative industries in New Mexico;
- Communication services to facilitate collaboration and network development among businesses and the workforce engaged in creative industries in the state.

While it is likely that financial constraints would require that the entity be located centrally and in a single site, it is possible that services, workshops and trainings could be scheduled in regional centers across the state. The program should engage in collaborative efforts with other organizations active in the state, including the

New Mexico Economic Development Department, New Mexico Workforce Solutions Department, Small Business Development Centers, economic development corporations, colleges and universities, trade associations, private sector micro-lenders and other business development programs.

Recommendation 1: Business development services for artists and creative enterprises

The first function of this Center would be to serve as a creative business incubator. The incubator would provide direct services and training to artists and creative entrepreneurs in areas, including:

- Career advising and development and retirement planning
- Business plan development
- Fundraising and investment solicitation
- Accounting and financial management and tax consulting
- Human resource development and management
- Marketing

Services and training may involve:

- Provision of direct, low-cost technical services and consultation to individuals and small enterprises
- Scheduled workshops, seminars and trainings
- Facilitation of mentorship and internships

The provision of direct services and consultations should be coupled with trainings so as to develop lasting capacity. Services should also encourage collaborative efforts among small enterprises. The incubator should give particular attention to the needs of minority-owned enterprises and rural communities.

Rationale: The need for business development and management consultation services is documented throughout the report. The economic analysis established convincingly that while New Mexico has an impressive, perhaps unique concentration of creative talent, this wealth of talent has failed to give rise to a diverse and vibrant creative economy capable of creating jobs and generating wealth.

...while New Mexico has an impressive, perhaps unique concentration of creative talent, this wealth of talent has failed to give rise to a diverse and vibrant creative economy capable of creating jobs and generating wealth.

Persons interviewed for the study consistently pointed to a dearth of entrepreneurial and managerial capacity as a principal barrier to business development. These difficulties are not a reflection of a shortcoming of the state's creative professionals. Rather, creative professionals in New Mexico are competing with professionals in other states and other parts of the world who operate within mature, integrated and densely developed ecosystems of creative enterprise, who are supported by well-developed and even well-financed business services and infrastructure. To compete effectively in this environment, New Mexico's creative professionals require better organized and better funded technical support and services.

As we have already addressed in this report, many of those who work in the creative economy are freelancers. As independent entrepreneurs, these arts and culture workers face a number of different challenges. For one, freelancers often have more difficulty acquiring "personal infrastructure" (i.e., capital, health care benefits, housing, office space, retirement benefits, Internet access, etc.) at affordable rates. Considering

the large number of freelancers in the creative economy, it is important that New Mexico aid these entrepreneurs in accessing their important "personal infrastructure" needs.

Recommendation 2: Information Technology services and training for artists and creative enterprises

The second function of the Center would be to provide Information Technology services and training to artists and creative entrepreneurs. Services provided by the Center should include:

- Scheduled digital literacy training specific to the needs of persons working in the state's creative industries;
- Direct, low-cost information technology services and consultation to individuals and small enterprises;
- Website, social media and digital marketing services and training; and
- Application development, particularly in the areas of arts marketing and audience development.

The program should emphasize the development and application of newly-emerging audience engagement technologies. Again, services should address the specific needs of minority-owned enterprises and rural communities.

Rationale: Internet technology continues to change how people engage in arts and culture. Like other arts and cultural institutions, organizations, and businesses across the globe, many arts and culture workers and entrepreneurs interviewed for the report discussed the difficulty of keeping up with changing technology both in terms of audience engagement and in marketing. Navigating how to develop a website, reach out to audience members

or potential customers via social media and digital marketing, and update exhibits or products to be technologically advanced or engaging is a difficult task for many arts and culture organizations, institutions, and entrepreneurs. Given the degree of geographical isolation both among regions within the state and in relation to larger national and global markets, the success of New Mexico's creative economy is perhaps more dependent on the effective use of informational technology than is the case in other areas. It is imperative that New Mexico close this gap if it is to be competitive in the increasingly important and rapidly changing creative industries.



Given the degree of geographical isolation both among regions within the state and in relation to larger national and global markets, the success of New Mexico's creative economy is perhaps more dependent on the effective use of informational technology than is the case in other areas.

Recommendation 3: Website to facilitate intra-industry communication, networking and data collection

The third function of the center would be to develop and administer a website that would serve as a platform for statewide communication and networking among individuals and organizations working in the creative industries in New Mexico, and for the collection and distribution of cultural data generated by arts institutions, creative businesses and funders. Specific functions of the website should include:

- Directory of individuals, organizations and funders engaged in the creative industries in New Mexico, including organizational profiles, descriptions of services and functions, contact information, levels and sources of revenues and funding. Data may be supplemented with IRS 990 data.
- Listing of opportunities for employment, funding, collaboration, education and training, and volunteering.
- Library of program support materials, program assessments, economic impact assessments and research reports.
- Calendar of events for artists and creative professionals.
- Cultural data, including audience and attendance data, employment and wage data. This module may serve as the platform for New Mexico's Pew-funded Cultural Data Project (<http://www.culturaldata.org>).

It is remarkable the frequency with which artists and representatives of cultural organizations report that they find themselves isolated in silos, divided according to specific areas of expertise, by region and geography, by social and ethnic groupings and by other factors. It is essential that more effective networks be established to link and begin to break down these silos.

Rationale: Although many described New Mexico's creative economy as a 'small pond', it is remarkable the frequency with which artists and representatives of cultural organizations report that they find themselves isolated in silos, divided according to specific areas of expertise, by region and geography, by social and ethnic groupings and by other factors. It is essential that more effective networks be established to link and begin to break down these silos. Stronger networks drive innovation, increase efficiency and lower costs, create larger markets and, just as importantly, lower social barriers and promote a stronger sense of community and place identity. The isolation among artists, organizations and cultural service providers is paralleled by an equal isolation among governmental organizations, cultural policy advocates, and funders. From BBER's many interviews it became clear that in New Mexico these organizations often work in a world where one hand is unaware of what the other is doing. There is a need for greater coordination and strategic planning among these policy makers to ensure that needs are anticipated and met, efforts are not duplicated, and resources are effectively deployed. Local governments, non-profits, for-profits, cultural institutions, educational institutions, etc., can use the network to collaborate and/or share resources. Additionally, having an easily accessible database of the arts and cultural industries in the state can facilitate further

research and make additional policy more targeted to specific regions and needs. The possibilities are numerous and can be expanded upon. Establishing a network could help strengthen the weaker aspects of the state and bolster the stronger characteristics of the New Mexico creative economy. There is, of course, an almost endless number of websites already established by and for those working in the creative industries. Yet, with few exceptions, the websites that are now available tend to mirror and re-enforce the siloed structure of the state's creative economy, each addressing the needs of small audiences that are (again) organized by the type of work, by region and so on. In this environment, there remains a need for a single widely-sourced website with the capacity and reach to integrate the many siloed sites.

Authenticity, place-making and community development

Programs that protect the authenticity of New Mexico's culture and emphasize the role of community in arts and cultural affairs can have broad and sustainable impacts. Beyond the support of a single artist or the production of a single work of art, community-wide investments can enhance the cultural capacity of a community and help foster a sense of pride in place. These enable the preservation and renewal of local culture, create conditions for the development of new generations of artists and entrepreneurs, support the development of a creative workforce, contribute to the vitality of local businesses, and lead to improved public safety.

Place-based development has emerged as a widely-touted strategy for community revitalization and economic development. Its quick popularity has given rise to a dizzying number of formulations and interpretations; from early accounts by



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Richard Florida that emphasized the role of quality of life in workforce recruitment and development; to the National Endowment for the Arts' "Our Town" grants that promote art-based neighborhood development; to the burgeoning field of national, regional and urban 'place branding' that is intended to give value not only to a locale as a destination but to the products and ideas that originate from that locale.

These strategies are not without their critics, but the balance of the criticism seems to suggest that effective place-based development must give equal emphasis to authenticity, local engagement, capacity building, and public awareness and marketing.

To foster greater inter-cultural discourse within New Mexico's arts and cultural industries and greater representation and economic equality for our Hispano and Native populations, we must begin by promoting discourse and equality in our everyday cultural lives. The venues for this discourse must be our main streets, plazas, and our neighborhoods as much as museums and performing arts centers.

Recommendation 4: Protection of Native American arts and crafts against the effects of misrepresentation

Protection of Native American creative professionals against the impacts of misrepresentation requires a two-pronged strategy – enforcement of laws that guard against misrepresentation of Indian arts and crafts, and the development of the capacity of Native American communities and professionals to exercise greater influence in the marketplace for their work.

The DCA and Native arts in partnership with other state, private, and government entities in New Mexico should encourage state and federal government officials to give higher priority to the enforcement of existing laws intended to protect Native American arts and crafts from false representation. The existing 'truth in advertising' laws include the federal Indian Arts & Crafts Act of 1935 (with amendments in 1990, 2000, 2007 and 2010) and New Mexico's Indian Arts and Crafts Sales Act of 1978.

The DCA should seek to collaborate with the Indian Affairs Department, the Economic Development Department, the Attorney General's Office as well as interested tribal governments, law enforcement entities and arts organizations. Specific activities to promote the enforcement of federal and state laws to protect Native American work against misrepresentation should include:

- Commitment of funds to support a full-time, state-level investigator of IACA infractions. As the office responsible for enforcement of state laws, the investigator must be based in the Attorney General's office. Efforts should be made to have this investigator deputized in tribal communities as well.
- Increase collaboration between the Attorney General's office, other law enforcement agencies, and arts and culture professionals, and tribal entities to develop strategies to protect their work from misrepresentation.
- Encourage appropriate elected federal officials to underline the need to enforce the Federal Indian Arts & Crafts Act.

While enforcement efforts may reduce the prevalence of misrepresentation of Indian arts and crafts, additional measures are needed to support the development of the capacity of Native American communities and professionals to exert greater control in commercial markets for their work. Such measures should include:

- The development of Native-owned outlets for Native creative goods in order to encourage a shift in the Native arts retail market toward Native ownership.
- The development of long-term business plans, appropriate pricing strategies and digital and direct marketing strategies among Native arts and culture professionals.

These initiatives may be administered by the business development service incubator described earlier. To the extent possible, it is recommended that business development services for Native communities utilize Native American professionals, possibly employing a ‘train the trainer’ program model.

By protecting and fostering the vitality of the Native arts industry, New Mexico also fosters the viability of our living cultures and the authenticity of New Mexico’s identity.

Rationale: Art and craft production is an invaluable source of income for many Native American households in New Mexico and represents a primary avenue for economic development in tribal communities. However, the economic and cultural value of Native arts production is severely compromised by market suppression through a wide range of counterfeit production. By some estimates, as much as 80 percent of work marketed as Indian arts and crafts are to some degree counterfeit. Counterfeit production

drives down prices and thus results in a loss of income for Native artists and craft producers as well as distributors of authentic work. The importance of the protection of Indian arts and crafts against misrepresentations goes beyond its very real impact on the economic well-being of Native artists and families. Through depression of the native arts market, the economic viability of arts as a profession within tribal communities is compromised. By protecting and fostering the vitality of the Native arts industry, New Mexico also fosters the viability of our living cultures and the authenticity of New Mexico’s identity. The federal Indian Arts & Crafts Act and New Mexico State Indian Arts and Crafts Sales Act together provide a legal framework to protect Native work from false representation. However, it is widely acknowledged that these laws are not being effectively enforced. The explanation for the limited enforcement of the law offered by both tribal representatives and law enforcement specialists is a lack of resources and a failure to prioritize this type of crime.

Recommendation 5: Community-based cultural capacity building

Arts and cultural programming in New Mexico should prioritize community-based cultural capacity building that emphasizes local-over-global narratives, support of community participation over that of individual artists, and grassroots organizational development over sponsorship of large centralized institutions. Initiatives may involve the re-prioritization or redefinition of existing programs and the establishment of new programs. Initiatives may include:

- Provision of funding to allow for more active collaboration of the DCA in the administration of Arts & Culture Districts program. DCA has

a valuable role to play in advocating for historical authenticity and multi-cultural participation in the program.

- A statewide inventory of Living Culture Preservation efforts at local, tribal, and state levels, spearheaded by DCA’s Historical Preservation Division. Living culture preservation involves the support of the historical traditions and contemporary renewal of what are often intangible aspects of culture, including indigenous languages, oral traditions and literature, agricultural practices and local cuisine.
- Broader classification of Historical Cultural Properties and Historic Places to include a greater representation of neighborhoods, 20th century properties, places and culturally diverse communities.
- Support for local redevelopment initiatives that engage the community and particularly youth in construction and infrastructure projects that preserve and renew historical plans and traditional techniques.



A stronger sense of community identity engenders allegiance to place, resulting in greater stability, stronger social networks and willingness to invest oneself and one’s resources.

Rationale: The relationship between economic prosperity and cultural vitality of a place is increasingly recognized to flow in both directions. It has been long acknowledged that economic prosperity can make funds available to support arts and culture. However, it is increasingly understood that cultural vitality can be an important pre-condition for economic development as well. Arts and cultural vitality improves the quality of life in a community, which can serve to attract and retain a talented and productive workforce. As discussed in the Historic Preservation section of the full report (Section 3.9), a culturally vibrant community is more likely to foster creativity and embrace innovation. A stronger sense of community identity engenders allegiance to place, resulting in greater stability, stronger social networks, and willingness to invest oneself and one's resources (Phillips & Stein, 2011; Clarion, 2011). The strategies outlined here are based on an understanding that cultural vitality requires an ongoing practice of cultural preservation and renewal. These strategies are intended to support the cultural vitality of communities directly by providing the members of the community with the capacity to preserve and renew the traditions of place on their own terms. These strategies are designed to be sustainable because they enable communities to mentor and support the work of artists who emerge from and represent local traditions rather than depending on the support and patronage of interests from outside the community. These strategies promote innovation by enabling communities to preserve and renew traditions that are specific to place and unique in regional, national and global markets.

Recommendation 6: Representation of Place

Initiatives to build the cultural capacity of communities should be coupled with programs that present New Mexico's communities to broader and more contemporary regional, national and global markets. Initiatives should invite perspectives from the community that allow for greater representation of diversity, more opportunities for engagement and an emphasis on renewal as well as preservation. Initiatives may include:

- Collaboration with the Tourism Department to extend the Trails program to appeal to the modern cultural tourist (and younger) audience (e.g. engaging cultural experiences, skill-building and educational opportunities, agro-tourism and gastro-tourism, etc.); development of a Trails website that allows the visitor to create their own trail.
- Survey existing programs that build cultural infrastructure and tourism infrastructure in order to evaluate whether there might be additional opportunities and needs. These may include:
 - Engaging communities in surveys and documentation of place and local history and cultural resources to create materials and virtual documents and interactive maps.
 - Building capacity and technical support for developing physical and business capacity for the purposes of cultural tourism. Projects could range from grants for individual arts and culture professionals to develop their own cultural tourism project to community projects for cultural tourism.

- Particular focus should be put on evaluating current efforts and identifying opportunities to develop the capacity and marketing for rural areas and tribal communities.

Rationale: New Mexico enjoyed strong growth in tourism during the 20th century as word of its unique cultural heritage spread with the popularity of its homegrown artistic movements. However, as reported earlier, recent studies by the State's Tourism Department suggest that New Mexico has not responded effectively to changing trends in national and global tourism markets. The studies show that New Mexico is too narrowly associated with its Native culture and its historic sites and architecture, and too dependent on older visitors, lacking a strong appeal to families and younger visitors who are attracted by variety and diversity of opportunities, including recreation, and high quality accommodations and service. New Mexico's Tourism Department has undertaken an ambitious rebranding program, New Mexico True, to address these new challenges. New Mexico True gives greater attention to family activities, recreation, cuisine, contemporary and performing arts. This is an excellent start but must be expanded upon. The importance of broadening and strengthening the base of participation cannot be overstated in the modern tourism market. As globalization is seen to contribute to a homogenization of culture, a counter-trend has developed that places greater emphasis on local, authentic every-day cultural experiences. Just as goods become more customized to meet the modern consumer's increasingly individualized taste, so too has the modern cultural tourism industry. Today, cultural tourists seek to co-create their

experiences, increasing their contact with local culture and people and expressing a greater desire for interactive and learning experiences (Richards, 2011). To meet these new demands, New Mexico must not only update its image but must also engage and empower its diverse communities.

By increasing the capacity of communities and individuals to be more directly involved in the marketing of their cultural amenities, New Mexico will support economic development while also increasing the ability of communities to foster living culture preservation and cultural innovation at the local level. Further, by expanding infrastructure for engaging cultural tourists, we offer both a more diverse and decentralized messaging of the New Mexico brand.



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Arts and Cultural Education and Engagement

Globalization and the introduction of new communication technologies is resulting in an almost overwhelming flow of information, leaving students and audiences of all kinds with a struggle to find meaning in information. A core theme that emerged from the more than 200 interviews conducted by BBER is the critical importance of engagement as a means of helping individuals to find relevance in this information, in sorting out what is important and unimportant. Cultural studies can be invaluable in this regard. To be sure, schools and cultural institutions are being asked to do much more with much less. These recommendations do not ignore these demands but are based on the conviction that schools and institutions can be more effective if they acknowledge the circumstances and challenges faced by their students and audiences and use that knowledge to further their educational goals. The three recommendations offered in this section concern the development of effective strategies for engagement in education and the arts.

Globalization and the introduction of new communication technologies is resulting in an almost overwhelming flow of information, leaving students and audiences of all kinds with a struggle to find meaning in information

Recommendation 7: Support the implementation of the Fine Arts Education Act State officials should implement strategies to ensure the application of the 2003 Fine Arts Education Act (FAEA) in elementary schools. Specifically, the Public Education Department should create a

professional staff with specific responsibility for the administration of the fine arts program. This staff should:

- Ensure that school districts and charter schools that receive FAEA funding demonstrate compliance with the program budgetary guidelines.
- Offer more opportunities, easier access and incentives for engaging in fine arts education training and networking for fine arts educators and administrators, and those involved in the assessment of arts programs.
- Expand FAEA to middle and high school students.

Rationale: Among the more than 200 arts and culture professionals BBER interviewed for the study, arts education investment was the most commonly recommended strategy for the development of stronger arts and cultural industries in New Mexico. **New Mexico's arts and culture professionals worry that without strong arts education programs in our schools, New Mexico's labor force will lack the skills necessary to participate in an increasingly sophisticated and important segment of the state's creative industries. More broadly, there are concerns among those interviewed that the lack of a strong arts education program will limit the state's competitiveness in 21st century economy that rewards creativity and flexibility.** Their concerns are supported by a growing body of research. According to a report by President's Committee on the Arts and Humanities, "an arts education provides critical benefit to the private sector. In order to effectively compete in the global economy, business leaders are increasingly looking

for employees who are creative, collaborative and innovative thinkers. A greater investment in the arts is an effective way to equip today's students with the skills they will need to succeed in the jobs of tomorrow." Supporting this argument, a recent study for the National Endowment for the Arts reported that participation in arts education programs results in statistically significant differences among adults in terms of academic achievement, career goals and civic engagement (Catterall, 11).

Recommendation 8: Develop culturally relevant curriculum and inter-cultural teaching strategies

We recommend that the DCA work with the Public Education Department (PED) and Higher Education Department (HED) to better prepare educators to teach in New Mexico's culturally diverse classrooms. It must be acknowledged that this issue is beyond the scope of the present study and the bounds of DCA's administrative responsibilities. However, this was a reoccurring theme in interviewing artists and cultural workers in New Mexico and should be addressed. Initiatives may include:

- Teacher training programs, including workshops, to develop a better understanding of cultural norms among New Mexico's populations. These workshops may assist teachers in understanding the cultural perceptions that affect student learning.
- Support of teachers in guiding inter-cultural dialog, including the use of cultural narratives that arise in the classroom to facilitate discussion and understanding.



Rationale: The challenges faced in teaching a culturally diverse student population were discussed by nearly every K-12 humanities and arts teacher we spoke to during the course of our study. The teachers interviewed often expressed a sense of unpreparedness in tackling the challenges involved in teaching students from a diversity of backgrounds represented in New Mexico's schools. Teacher training and innovative curriculum not only helps teachers to more effectively communicate content; it can also provide students with opportunities to learn from and share experiences with people from different cultural backgrounds. This is critical to the broader and longer term goal of strengthening cross-cultural dialog in New Mexico.

Recommendation 9: Support the development of audience engagement programming and technologies

The DCA should inventory and assess current projects and efforts to develop technically-advanced audience engagement programming within DCA divisions and among other museums, arts and cultural organizations, and artist-led efforts. Consistent with other recommendations outlined in this report, the initiative should involve a coordinated development of capabilities and technologies, perhaps at the Department level, for dissemination to both State-managed and privately-run cultural institutions in the state. Programming should include:

- Participatory and experiential audience engagement
- Educational and community engagement
- Targeted audience development and outreach
- Creation of flexible and multi-functional production and performance spaces

Initiatives may utilize business development infrastructure outlined above. This may include initiatives to promote technology development in the private-sector, perhaps involving funded competitions; use of cultural-enterprise incubator programs for training, and the dissemination of technologies; collaborative programs bringing together publicly and privately-managed institutions.

- Promotion of community-engagement programs linked to educational curriculum to demonstrate the relevance of academic work and to encourage cultural dialog.
- Development of curriculum based upon local history and culture that are aligned to the Common Core State Standards.

Rationale: In the 21st century, systems for marketing and experiencing arts and culture are undergoing fundamental changes with changes in consumer expectations and the development of new, more sophisticated technologies. Organizations can no longer assume audiences will approach them, nor that their audience will be content with passive experiences. These innovations open a range of new opportunities, both culturally and commercially, but they require new skills, can be initially expensive, and work better in some contexts than others. If New Mexico is to compete in these emerging markets, it is necessary that development efforts be coordinated and the results be broadly applied. Participation in these markets is simply beyond the individual capacity of most organizations, including many State-managed institutions.

Integration, Markets and Branding

The ideas presented here derive from an emerging literature on competition and regional economic development policy, with specific focus on their application to knowledge-based industries. These ideas generally fall within the rubric of new economic geography (and new geographical economics), introduced by economic geographers critical of early accounts of globalization and later extended and formalized by economists such as Nobel laureate Paul Krugman and Harvard economist Michael Porter.

A main concern of the research is to explain the clustering of economic activities among industries for which traditional locational considerations (e.g. access to natural resources, costs of transportation and proximity to markets) seem to be of little concern. The core argument, as applied to knowledge-based industries, is that the geographical clustering of talented individuals, entrepreneurs, and small firms with complementary capabilities provides fertile ground for innovation and enables quick and flexible responses to new technical challenges. As a corollary, the development of highly innovative and productive regions involves the formation of social and institutional relationships that tie together individuals, entrepreneurs, and businesses working in complementary fields, enhancing their productivity and creating a regional advantage that can be lasting. Silicon Valley is the most commonly referenced example.

Recommendation 10: Regional integration and cluster-based development programming of cultural industries within New Mexico

Cultural and economic policy in support of the development of the state's creative industries in New Mexico should promote more collaborative

relationships among communities across the state; building upon contrasts and complementarities of landscape, history, culture and talent among the communities. Such policies should be enacted on many scales—within individual cities and towns, among towns within regions, and across regions. To illustrate, areas for possible initiatives may include:

- City and county governments and associated economic development organizations should take a more active stance in fostering a creative cluster in the state's economic hub, centered in the Middle Rio Grande region. Economic development initiatives should attempt to identify complementarities among creative enterprises and industries. Also, city and county agencies and representatives of creative businesses should work to establish a geographical center for an emerging creative industry cluster, facilitating greater interaction (or 'churn') among workers and entrepreneurs.
- Arts and cultural programming should promote a greater exchange between Santa Fe, Albuquerque and rural communities across northern New Mexico (including Native communities) to create a broader 'cultural corridor.' Initiatives may include workshops that bring professionals from Santa Fe to Albuquerque and rural areas to discuss changing trends in art markets or new developments in cultural or experiential tourism; and programs that bring traditional artists from rural communities to the larger cities and towns to conduct workshops for artists and cultural tourists.
- Initiatives should be undertaken to better coordinate arts and cultural programming of communities in southern New Mexico.

Initiatives might include annual meetings of leaders of local arts councils, programming such as art exhibits that include representative work from the various communities, and efforts to show work of artists working across the region in local galleries.

- The DCA via NM Arts should take a more active role in facilitating and coordinating the activities of local arts councils and service organizations. This may include the development and administration of a website and social media tools.
- Policymaking initiatives, particularly those that shape New Mexico's brand as it is presented to the nation and the rest of the world, should more actively involve voices from regions outside the Santa Fe-Albuquerque corridor.
- Tourism officials and representatives of communities should find more opportunities to create region-wide programming, capitalizing on shared histories, cultures and landscapes. Individually, small communities in rural New Mexico are severely challenged in establishing themselves as tourism destinations; initiatives that coordinate tourism activities within and between regions in New Mexico are necessary to establish a 'critical mass.'

...many creative professionals working in New Mexico, particularly in rural parts of the state, are limited by their geographical isolation.

Rationale: One of the principal findings of this study is that many creative professionals working in New Mexico, particularly in rural parts of the state, are limited by their geographical isolation. Isolation hinders the development of creative enterprises in a number of ways. It inhibits the

creative process, as creative individuals require social support and sources of new ideas and inspiration. It also constrains the productive process, as creative enterprises so often make light use of a wide array of materials, equipment and infrastructure; working in isolation, individual enterprises are unable to access resources that are more easily aggregated in larger centers. Finally, isolation severely limits market development for individual enterprises. To be sure, technologies such as the internet can help creative individuals and enterprises minimize the impacts of many of the constraints associated with geographical isolation. However, research in geographical economics clearly indicates that the clustering of creative individuals and enterprises offers competitive advantages to some regions. In rural New Mexico, where distances that separate communities can be great, it will not be possible to create the economies of scope that exist in larger metropolitan areas. That said, policies that promote collaboration, the sharing of resources and the aggregation of markets within and across regions of the state are critical to minimizing the disadvantages.

Recommendation 11: Prioritize creative industries in the statewide economic development policy

State support of the film industry and privately-funded initiatives to leverage the work of the national laboratories represent significant efforts to promote the development of creative industries in New Mexico. The state and economic development organizations should conduct careful reviews of these efforts and use the findings to inform new, more broadly-focused initiatives to develop the state's arts, cultural and creative industries. Greater attention should be given to

sectors of the creative economy with the potential to form clusters, whether through supply chains or shared pools of skilled labor. Steps should include:

- An in-depth and systematic review of the state's film program. The review should consider both the linkages between incentives and the growth of related industries (from technology to tourism), and on the effectiveness of the program in creating a competitive advantage for the state that will pay dividends.
- A similar in-depth review of lab-centered technology transfer initiatives. This review should specifically consider the geography of linkages – are initiatives creating jobs in the state and are these giving rise to broader clusters?

- Potential areas for development may include: culinary and agro-tourism and other areas of experiential tourism; applied arts such as jewelry, design and architecture; technology industries, such as optics; and the application of high-speed computing in areas, such as data visualization and graphical rendering.

In any application and as noted, programs to support the development of creative industries in New Mexico should focus on linkages with industries with potential for growth, and the time frame necessary for the maturation of the industry when jobs can be created without direct subsidy.

Rationale: Regional competition for industries that provide well-paying jobs is intense and initiatives to attract these industries are more and more costly. Regions are also learning that



the recruitment of mature industries faces an additional risk that the introduction of new production technologies may result in either consolidation or relocation to lower cost sites. An alternative approach, suggested here, is to make smaller investments in a larger number of opportunities where a region has some initial advantage and where a successful investment can lead over the longer term to the development of linked or clustered industries. The advantages of this strategy are diversified risk; potential for greater growth by becoming involved in earlier stages of an industry's development; and the potential for more lasting impacts as entrepreneurial initiatives tend to remain more closely to the way in which they are established and as a regional builds upon its initial advantage in the development of social infrastructure (e.g. connections among businesses, specifically trained labor pools and so on). Cluster-based economic development, particularly in the creative industries, is far from an exact science; it advances by trial and error as one learns about the often hidden qualities of labor markets, entrepreneurial capacity, coordinating institutions and other facets of the social infrastructure. The state's investments in the film industry and largely privately-funded initiatives to promote the transfer of technologies developed at the national laboratories can serve as invaluable opportunities for learning.

Recommendation 12: Develop a national product and service export marketing campaign that establishes a more modern, quality-first brand

In an effort comparable to state's tourism marketing campaign, New Mexico True, the state should consider the development of a national branding campaign for product and service exports and economic development promotion. The campaign should push beyond ideas such as 'historic' and 'quirky' and emphasize instead 'quality' and 'innovation.' From the outset, cultural and creative industries should be a main focus of this re-branding campaign. Specific steps should include:

- A national survey of New Mexico's reputation in national markets for product exports, investment and labor force recruitment, with particular attention to the needs of the creative economy. The survey should test the suggestion of creative professionals interviewed for this study that outside markets expect discounts because of a perception of lower quality for New Mexico's products and services.
- A similar national survey of creative professionals regarding the perceived opportunities for work in New Mexico, including opportunities for collaboration and innovation.
- A facilitated discussion to identify narratives and images that support the shared interests creative professionals and enterprises in the state. The discussion should include a broad representation of social groups, creative professional and policymakers from around the state. The discussion should be informed by the results of the above recommended surveys.

- Development and execution of a national branding campaign for the state's creative industries. The campaign should support and be promoted by state and local economic development professionals.

New Mexico's brand in markets outside the state is characterized as 'historic', 'quirky' and 'unique', and very definitely not 'modern', 'innovative' or 'cutting-edge'.

Rationale: While place branding is most readily associated with tourism, it is equally important in the development of export markets for products and services, and for economic development promotion. Consumers and industrial buyers commonly (if unconsciously) judge product quality based on a broad and underlying assumptions about the place where it is created. Contrast, for example, the perception of the quality and the price one might be willing to pay for a garment made in Italy with a similar garment made in China. According to many interviewed for the study, particularly those working in applied fields of the creative economy (e.g. architecture, design, technology, communications, media, and so on), New Mexico's brand in markets outside the state is characterized as 'historic', 'quirky' and 'unique', and very definitely not 'modern', 'innovative' or 'cutting-edge.' By extension, many of these individuals report that buyers and collaborators outside the state, and especially outside the region, begin with an assumption that the quality of the work is low and the price must be heavily discounted. It is interesting and notable that few surveyed in this study mentioned any effect that the national laboratories have in creating a 'high tech' image, though some working in very specific

industries such as optics may benefit from an association with the labs . To the extent that this account is accurate, the potential implications are significant.

Applied creative industries are among the fastest growing and highest paying industries in the world. These industries are the economic foundation of some of the most prosperous regions in the U.S (e.g. Bay Area, Boston, Seattle), and indeed the world (e.g. Zurich, Oslo, Singapore). They are built upon reputations of quality, innovation and productivity. To be sure, costs to businesses and households in these regions are high, but New Mexico may find opportunities in offering complementary services at more reasonable costs. Yet, this strategy can only be effective if New Mexico presents to the world an image that connotes innovation and quality.

Any initiative to re-brand New Mexico in the national and global markets would be a significant project, and certainly not one that any single State agency such as the Department of Cultural Affairs could undertake alone. Such an effort must be organized across departments, including Economic Development, Tourism, and Workforce Solutions, and must include private as well as public sector interests. But there is an opportunity for DCA to initiate discussion on behalf of state's cultural industries and workers.

Part 3 of the full report outlines the timeless debate between tradition and change that is occurring among creative professionals in New Mexico. In the earlier discussion we argued that it would be mistake to cast the debate as black or white, to reject all notions of tradition or all notions of change. The fact is that New Mexico

is shaped by its history and traditions. There are many theories on this topic, including a sense that publicly-funded research of any kind is less cutting edge than it once was; that funding is being cut and is less future-oriented; and that work at the national laboratories is conducted in enclaves with little impact on the rest of the economy. It would be a mistake to overlook New Mexico's unique history and traditions in presenting itself to the world. The state's unique history and traditions have value for its communities and for global markets. However, it equally would be a mistake to deny that engagement with the rest of the world will alter and reshape the state's image of itself and by the rest of the world. **By acknowledging these facts, policymakers and creative professionals can play a more active and affirmative role in shaping this narrative.**

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New Mexico Department of Cultural Affairs, www.nmculture.org

Created in 1978 by the New Mexico Legislature, the Department of Cultural Affairs represents New Mexico's dedication to preserving and celebrating the cultural integrity and diversity of our state. The Department oversees a broad range of New Mexico's arts and cultural heritage agencies. Among its primary functions is the management of the largest state sponsored museum system in the country which includes 8 museums and 7 historic sites as well as the New Mexico State Library, New Mexico Arts, the Office of Archaeological Studies, and the Historic Preservation Division.

The Bureau for Business and Economic Research, University of New Mexico, bber.unm.edu

The Bureau of Business and Economic Research (BBER) at the University of New Mexico is committed to contributing to the understanding of economic and demographic issues in New Mexico by collecting and disseminating information, providing technical expertise, and analyzing and conducting applied research for a diverse constituency including community organizations, businesses, labor unions, government officials, academia, students and others. Through these efforts, BBER will further the public service and educational missions of the University of New Mexico and contribute to the economic well-being of New Mexico residents.

The full report is available for download at www.nmculture.org and bber.unm.edu.

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