



House of Representatives
COMMONWEALTH OF PENNSYLVANIA

HOUSE DEMOCRATIC POLICY COMMITTEE HEARING

Topic: Economic Impact of the Arts
Steel River Playhouse – Pottstown, PA
September 12, 2019

AGENDA

- 10:00 a.m. Welcome and Opening Remarks
- 10:10 a.m. Panel One:
- Jenny Hershour, Managing Director, Citizens for the Arts in Pennsylvania
 - Jessica Willingham, Director of Government & Cultural Affairs, Valley Forge Tourism & Convention Board
 - Kelley Gibson, President, Cultural Alliance of York County
- 10:30 a.m. *Questions & Answers*
- 10:50 a.m. Panel Two:
- Jeff Parks, Chair, Pennsylvania Council on the Arts
 - Joanna Davis, Public Art Manager, Lancaster City Office of Public Art
 - Laurie Zierer, Executive Director, Pennsylvania Humanities Council
- 11:10 a.m. *Questions & Answers*
- 11:30 a.m. Panel Three:
- Crystal Brewé, Senior Vice President of Strategic Marketing and Communications, Kimmel Center for the Performing Arts
 - Rita Pederson, Development Director, Steel River Playhouse
 - Charles Croce, Former Executive Director & CEO, Philadelphia History Museum
- 11:50 a.m. *Questions & Answers*
- 12:10 p.m. Closing Remarks

**Testimony of
Laurie Zierer
Executive Director of the Pennsylvania Humanities Council
and
Ulysses Slaughter
Project Manager for Chester Made
For the Pennsylvania House Democratic Policy Committee
Public Hearing on the Economic Impact Of The Arts
Thursday, September 12, 2019**

Good morning, I'm Laurie Zierer, executive director of the Pennsylvania Humanities Council. With me today is Ulysses Slaughter, filmmaker, activist, and project manager for our successful Chester Made program. I want to thank this committee for holding a public hearing on a subject so important to our state.

Pennsylvania Humanities Council is the official state partner of the National Endowment for the Humanities. We are an independent nonprofit; we are not a state agency or a line item in the state budget. We are a national leader among 56 humanities councils located in all U.S. states and jurisdictions. PHC and our partners produced 469 programs and events that reached 105,469 people in 2018. We are also tireless advocates for the humanities -- a voice for the thousands of nonprofit arts & cultural organizations across Pennsylvania generating a \$3.4 billion impact on the state's economy, including a \$1.9 billion impact in the Greater Philadelphia area.

Our mission is to put the humanities in action to create positive change -- and I'm proud to say we do that every day statewide through our support of teen reading clubs, veteran enrichment programs, and civic engagement initiatives like Chester Made and Community Heart & Soul that use the arts and humanities as a force for revitalization.

The humanities are often defined as a list of academic subjects -- like literature, art, history, and philosophy. We take those books off the shelf and apply them in ways that spur community and economic development in towns across Pennsylvania. How do we do it? It all starts with letting every day people tell their stories. Storytelling is the spark that ignites the process of reclaiming ownership of a community and its future.

In the 7 years since we started Chester Made, our arts-based revitalization program in the city of Chester, we've done over 170 programs that directly reached over 20,000 people so far. We heard from the stories of the people of Chester that they want real change. They want art and culture -- and to rediscover what they value most about the place they call home. They want action. They are eager to be part of the solution but first they want to know they're being heard. And now they are finally being heard and change is happening.

We've also discovered this through our Community Heart & Soul program, currently operating in towns like Meadville, Carlisle, and a handful of other communities across the state. Our Heart & Soul communities have directly engaged more than 17,000 residents and collected over 3,100 stories to date. These stories don't sit on a shelf somewhere, the community comes together to turn them into an action plan -- a road map for working together to revitalize their community. Then everyone rolls up their sleeves and works together to get things done.

Both Chester Made and Community Heart & Soul are putting the humanities into action to create positive change by encouraging new businesses, fostering local development, building community and service organizations, forging lasting partnerships, creating transformative arts and humanities projects, re-discovering lost history, and helping everyday people reclaim their stories.

We've discovered that the stories are a powerful, powerful force for change.

I now want to introduce Ulysses Slaughter, who can tell you about the exciting things happening in Chester, a community that has stepped onto the international stage as an example of effective arts-based economic revitalization and a community reclaiming and owning their story.

Thank you, Ulysses, and thanks to the Committee for giving us the opportunity to speak with you today. If you want to learn more about our approach to humanities-based community economic development, I encourage you to visit our website, pahumanities.org, and take a look at the materials we have produced on Chester Made and Community Heart & Soul to learn more.

THE IMPACT OF ARTS AND CULTURE

AGENDA:

PROSPERITY

THE ECONOMIC IMPACT OF ARTS & CULTURE IN MONTGOMERY COUNTY

	DIRECT	INDIRECT + INDUCED	TOTAL
ORGANIZATIONAL SPENDING	\$16.1 M	\$16.2 M	\$32.3 M
AUDIENCE SPENDING	\$34.8 M	\$46.2 M	\$81.0 M
TOTAL IMPACT	\$50.9 M	\$62.4 M	\$113.3 M
FTE JOBS	718	707	1425
HOUSEHOLD INCOME	\$15.2 M	\$16.9 M	\$32.1 M
TAX REVENUE	\$3.0 M	\$3.3 M	\$6.3 M

ARTS & CULTURE IS A POWERHOUSE OF ECONOMIC IMPACT.

It brings investment and jobs. It is a cornerstone of our tourism industry and of the region's growing reputation as a vibrant, diverse and creative place to live. The cumulative impact of performing arts, historical museums, visual arts, public art and gardens, libraries and other organizations is profound – and that impact is growing.

In the region ...

\$4.1 BILLION IN TOTAL IMPACT

\$1.3 BILLION IN HOUSEHOLD INCOME

\$224 MILLION IN TOTAL TAX REVENUE

In Montgomery County ...

\$113.3 MILLION IN TOTAL IMPACT

\$32.1 MILLION IN HOUSEHOLD INCOME

\$6.3 MILLION IN TOTAL TAX REVENUE



**Data
Arts**

Report on the Arts and Culture Sector Montgomery County

Nonprofit arts and cultural organizations are vital contributors to the region's economic, civic, and educational fabric. They create jobs, stimulate dialogue, and improve quality of life. The report below represents data from Cultural Data Profiles completed as of 01/25/2019 for the most recent fiscal year for each organization.

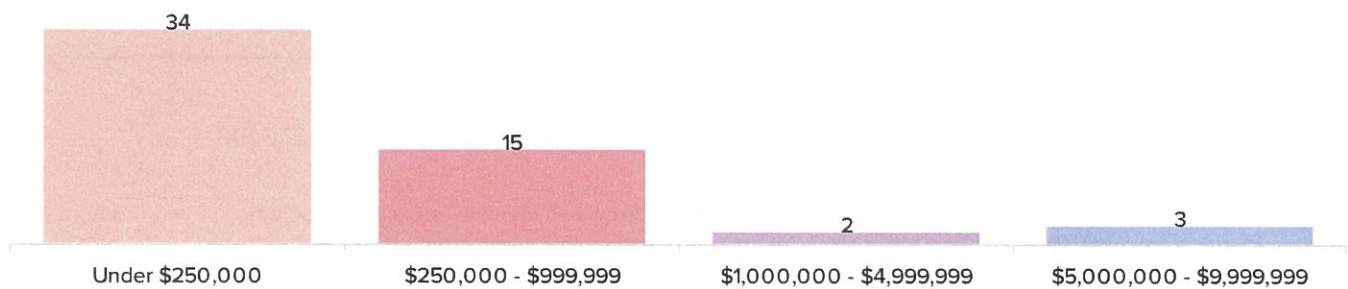
Fiscal Year: Most Recent

Number of Organizations: 54

Participating Organizations

This report represents data from cultural nonprofits that participate in DataArts, a nonprofit organization that collects and disseminates high-quality longitudinal data to support decision-making and to strengthen the performance, vitality and impact of the arts and culture sector.

Organizations by Budget Size (Total Expenses)



Organizations by Discipline



Employment

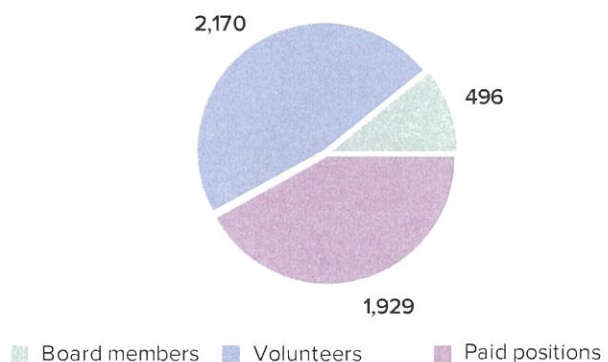
The arts and cultural sector is an important employer in our community, providing jobs for a wide range of professionals – from artists and accountants to zoologists.

Total Paid Positions
(Full time, part time, independent contractors)

1,929

Total FTEs	422.2
Total volunteers	2,170
Total board members	496

Total Arts Workforce



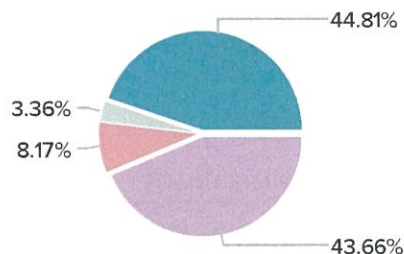
Direct Expenditures

Arts and cultural organizations have significant direct economic impact on our community. In particular, salaries and benefits, which go to local residents, and physical plant costs (repairs, rent, etc.), which typically go to local businesses, are direct expenditures that benefit the local economy.

Total Direct Expenditures

\$37,124,268

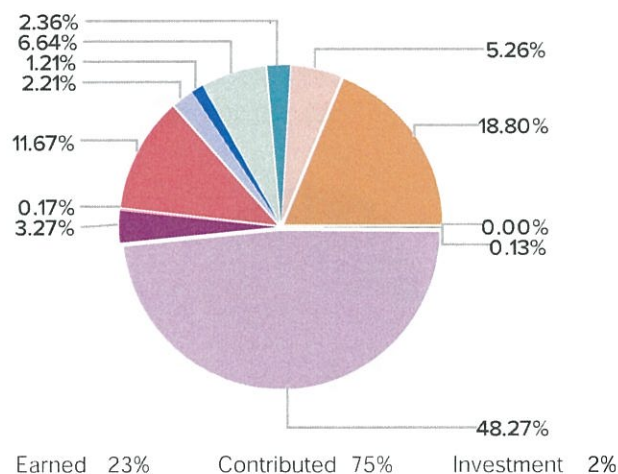
Salary & benefits	\$16,637,086
Payments to non-staff contractors, performers etc.	\$1,245,544
Occupancy expenses	\$3,033,713
All other expenses	\$16,207,925



Revenue

Total unrestricted revenue: \$34,904,633

Total revenue (including funds restricted for future use or otherwise not available for operations): \$77,253,913



Total earned revenue operating - program	\$13,615,137
Total earned revenue operating - non-program	\$3,810,402
Investment income operating	\$1,710,557
Individual	\$4,805,064
Board	\$878,877
Corporate	\$1,601,155
Foundation	\$8,452,744
Government - City	\$123,661
Government - County	\$2,364,390
Government - State	\$34,952,245
Government - Federal	\$95,307
Government - Tribal	\$0

Figures may not add up to 100% due to rounding and reclassification/transfers.

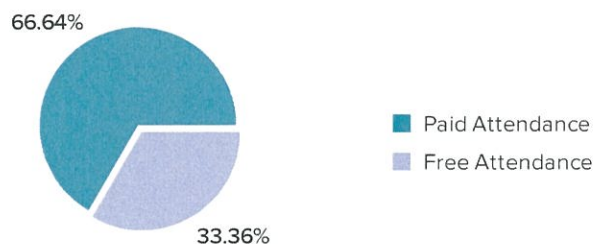
Attendance and Participation

The arts and cultural sector provides high-quality experiences that make the community a better, more enjoyable place in which to live, and a more attractive location for businesses and in-demand workers. Many programs are an essential part of this community's commitment to families, life-long learning and 21st-century education for children and youth. Arts and cultural offerings attract tourists, conferences, and other destination-seekers to the area. A high proportion of admissions are free.

Total Attendance

1,396,283

Paid Attendance	930,430
Free Attendance	465,853



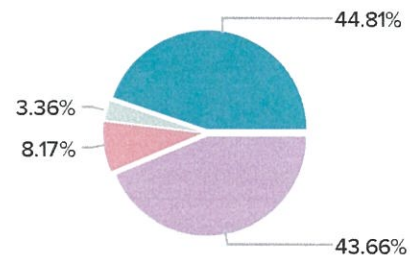
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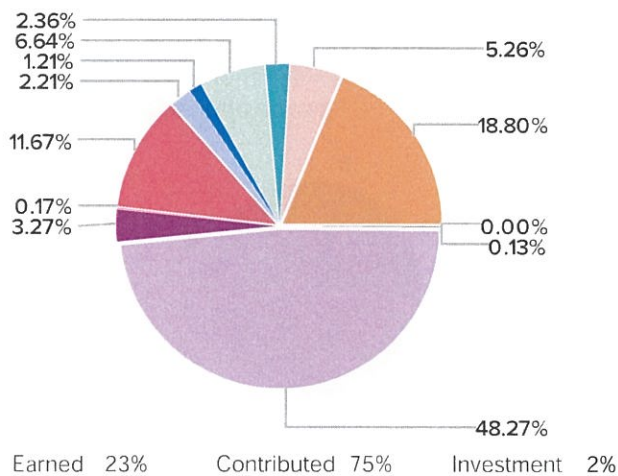
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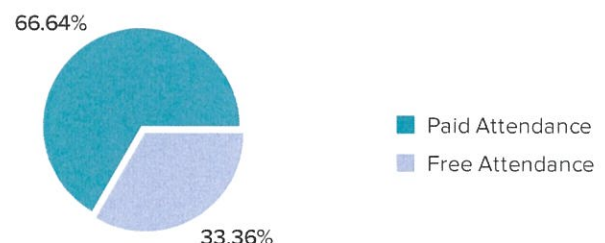
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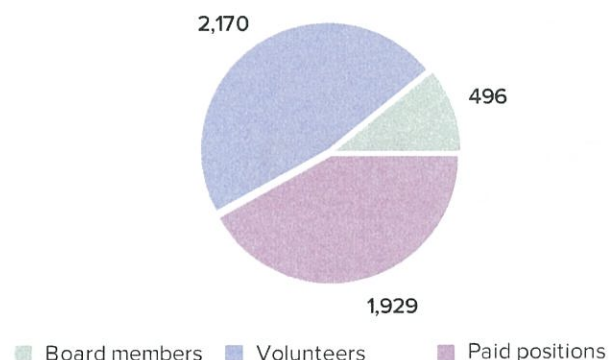
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PA WILDS CENTER
FOR ENTREPRENEURSHIP

Sept. 11, 2019

Rep. Joe Ciresi
125 A East Wing
P.O. Box 202146
Harrisburg, PA 17120-2146

RE: Economic impact of the arts

Dear Rep. Ciresi,

I understand you are holding a hearing about the economic impact of the arts in Pennsylvania. Our nonprofit, the PA Wilds Center for Entrepreneurship (PA Wilds Center), would like to share its experience working with artisans across a quarter of the Commonwealth. We appreciate you taking this testimony via this letter versus in person; it is a 14-hour round trip drive from us to you.

The Pennsylvania Wilds is a special place in America. It is one of PA's 11 official tourism regions and is also a state-designated Conservation Landscape because of its unique natural assets. The region is the size of Massachusetts and highly rural, home to a proud 4 percent of the state's population. We have one city with a population over 15,000, and many smaller towns and villages. Our 13-county landscape is known for its more than two million acres of public land -- the greatest concentration of public lands in the Commonwealth (more than Yellowstone National Park!). We are also home to two National Wild & Scenic Rivers, the largest wild elk herd in the Northeast and some of the darkest skies in the country. We have a rich oil and lumber heritage, and a vibrant maker culture.

The rugged physical features of this most rural region of Pennsylvania have long been challenges to economic and infrastructure development. Things got tougher for communities in recent decades as globalization, tectonic shifts in technology, and other mega trends worked against rural areas. Communities in the PA Wilds saw decreases in businesses and jobs, high unemployment rates, population loss, public school closures, and young people move away.

To help mitigate these losses, in 2003, the Commonwealth launched a ground-breaking public-private collaborative effort to brand the region as the "Pennsylvania Wilds" and use its public lands to grow nature and heritage tourism to help diversify local economies and revitalize communities. Over the last decade, the PA Wilds effort successfully transitioned from a state-led



PA WILDS CENTER
FOR ENTREPRENEURSHIP

initiative into a locally-led one that collaborates closely with local, state and federal partners from the public and private sectors on shared goals.

In 2014, our nonprofit was established. Today, it houses the effort's local stakeholder structures and programs and resources for communities and businesses. The Center is a [Rural Development Hub](#). The nonprofit's mission is "to integrate conservation and economic development in a way that strengthens and inspires communities in the Pennsylvania Wilds." The Center's work is generational; its publicly-stated long-term goal is: "to make 'Pennsylvania Wilds' a household name, inspire a new generation of stewards, and grow and retain our region's working-age population."

While still young for a landscape effort, the PA Wilds has made incredible strides, boosting visitor spending in the region to \$1.8 billion annually. Major new conservation visitor facilities owned by the PA Department of Conservation and Natural Resources, such as the Elk Country Visitor Center (operated in partnership with the nonprofit Keystone Elk Country Alliance) and Kinzua Bridge State Park visitor center and skywalk, have opened in the region as part of the PA Wilds strategy and visitation at them continues to climb into the hundreds of thousands annually.

Alongside this, the Center is building The Wilds Cooperative of PA (WCO) – one of rural PA's largest network of entrepreneurs, including many arts-related businesses – to help meet new demand for local products and services. We are helping businesses in this value chain get their products to market by also building a commerce platform tied to the region's destination and lifestyle brand that includes physical stores that we operate at busy state parks and the online store [ShopthePAwilds.com](#).

While still young, this commerce platform is outperforming industry benchmarks – moving 90 percent local/regional products from the Wilds Cooperative – boosting local economies and building community pride. It has been featured as a model in two national studies in 2019, "*Strengthening Economic Resilience in Appalachia*" and "*Rural Prosperity Through the Arts & Creative Sector: A Rural Action Guide for Governors and States*."

Arts-related businesses are a huge part of our rural value chain and have been critical to building the PA Wilds as an authentic destination and lifestyle brand. Creative Makers in our network include visual artisans, food artisans, craft artisans and creative industry partners (a directory can be found at [WildsCoPA.org](#)). This year, the Center is tailoring a professional development cohort specifically for creative industries to help these businesses scale alongside our growing commerce platform, further demonstrating how important they are to our value chain. This cohort is made possible through funding from the PA Council on the Arts.



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The WCO started as the 'PA Wilds Artisan Trail' more than a decade ago, but over time it became clear that the program, and the people in it, would have a better chance to thrive if it transitioned into a more diverse value chain. Under the WCO model, arts-related businesses interact with many other types of businesses and organizations – manufacturers, municipalities, hospitality businesses, nonprofits – which opens the door for more B2B sales and collaborations in our highly rural region. Other things that are key to our model include:

- Tying maker products to an established regional/destination/lifestyle/cultural brand
- Identifying, organizing and supporting existing assets (the makers, galleries, etc.)
- Facilitating economic opportunity (building a commerce platform to help get products/service to market)
- User adoption (it is one thing to build something; another to get people to use it).
- Lending/mentoring opportunities for businesses

The results coming back from our model are exciting, but our work is far from complete. Our greatest challenge is securing resources to fully build out the model.

Aside from working directly with artisans through our value chain and commerce platform, the arts are also called out as important differentiator for communities in the *PA Wilds Design Guide for Community Character Stewardship*, an award-winning planning document in use around our region that helps communities protect and enhance their uniqueness as they grow.

Sincerely,

Tataboline Enos, Founder & CEO
PA Wilds Center for Entrepreneurship, Inc.
tenos@pawildscenter.org