

North Shore Creative Economy Market Analysis and Action Plan: Executive Summary

FINAL REPORT

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EXECUTIVE SUMMARY

This report presents a market analysis and action plan to support the growth of the creative economy of the North Shore communities of Essex County. This study of the creative economy was commissioned by the Enterprise Center at Salem State College, the Salem Partnership and the Creative Economy Association of the North Shore—these three organizations will be the lead partners in what is, hereafter, collectively referred to as the Creative Economy Initiative.

The Creative Economy consists of those industries that have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation of ideas, products and/or services.

Creative economy industries include: architecture, advertising, consulting, education, performing arts, artists, museums and other cultural industries, design including electronic design, engineering and research and development, software development, film, games (including computer games), historic preservation, music, new media, publishing, radio and television, and tourism.

Key Research Findings

The North Shore has a large and diverse creative economy that represents a significant share of the region's economy. The creative economy sector provides a strong foundation for the North Shore in a critical part of the Boston metropolitan economy and is a critical asset for future economic development and regional competitiveness. This study was conducted between December 2007 and March 2008 and reflects data available during this period.

- ◆ **Over 2,200 creative economy enterprises are located on the North Shore.** The region has a strong presence in both the innovative and cultural segments of the creative economy, encompassing both for-profit businesses and non-profit organizations.
- ◆ **Between 17,000 and 20,000 people work in the North Shore creative economy.** This employment estimate encompasses a diverse mix of full-time and part-time employees, contract workers, and sole proprietorships.
- ◆ **The creative economy represents 10% to 12% of the North Shore's total private sector (non-government) employment – which is larger than the share of biotech and manufacturing industries within the Boston metro economy at 2% and 7%, respectively.**
- ◆ **North Shore creative economy enterprises conservatively contribute over \$3 billion in annual sales.**
- ◆ **Five creative clusters account for over 50 percent of all of the North Shore creative economy enterprises.** Based on their size, key creative industries are diverse and include:
 - Design (including computer systems and software design),

- Business and Management Consulting,
- Engineering/Research and Development.
- Artists
- Advertising

Museums and the region's rich history are also key assets that distinguish the North Shore from other creative economy centers.

- ◆ **Ten cities and towns account for 73 percent of all of the North Shore creative economy enterprises.** In addition to the concentration in these ten communities, creative economy enterprises are spread throughout the region in every city and town, including historic urban centers, newer suburban edge cities and residential communities. This geographic diversity is a regional asset.
- ◆ **A survey of over 200 creative economy enterprises revealed that, on average, almost half of their customers are located outside of the North Shore.** Moreover, almost a quarter of customers of creative enterprises are located outside of Massachusetts, indicating that the creative economy is part of the Commonwealth's export economy.
- ◆ **Sixty-five percent of creative economy enterprises surveyed use contract or consultant resources.**

Rationale for Action

The North Shore creative economy is an important driver of the region's future economic development. Due to its size and market reach, the creative economy drives regional job growth and creation and wealth creation. Moreover, the creative economy positions the North Shore as a desirable place to live and to work, both in core creative enterprises that are exporting their products and services and in supportive creative enterprises that generate arts, cultural and other creative opportunities locally and regionally.

The region's diverse mix of creative economy enterprises positions it to capitalize on future growth of the creative economy. North Shore creative enterprises are diverse in their size, from single owner-employee establishments to large businesses and non-profit organizations, and in their focus, from computer programming to performing arts. As an indicator of a healthy economy, this diversity is an asset, yet challenges creative enterprises to connect with one another to foster collaboration and develop new ideas, creative enterprises and possibilities.

An economic development strategy focusing on growing the region's creative economy also promises to benefit communities throughout the North Shore, as a sizeable base of creative economy enterprises exists in most North Shore cities and towns. Marketing and branding initiatives could capitalize on the region's strong mix of innovative and artistic creative enterprises by promoting the North Shore as a place where innovation and art meet.

Action Plan Objectives and Strategy Overview

The action plan is based on baseline research, focus group discussions, a web survey of over 200 North Shore enterprises, and best practice data from around the world. The action plan outlined in this report has three overarching objectives:

1. Grow the creative economy on the North Shore as a source of new businesses, jobs and wealth;
2. Strengthen the North Shore as a recognized and unique center of the creative economy activity and innovation; and,
3. Build a collaborative and coordinated regional approach to development of the North Shore creative economy.

Four broad strategies are recommended to advance the objectives of the action plan:

A. **Regionalization Strategy** – The regionalization strategy solidifies the creative economy as a significant economic initiative through leadership, collaboration and resources. The Creative Economy Initiative will encourage and cultivate partnerships with local governments, economic development intermediaries and other regional stakeholders.

B. **Convergence Strategy** – Creative activity reaches its full economic potential when it is linked to other creative enterprises and activity, markets and to urban life and communities. The convergence strategy focuses on bringing enterprises and individuals together in virtual or physical environments to foster creative collaboration. This capitalizes on the diversity on the North Shore to foster “collisions” of talent and enterprises.

These collaborations will help to generate business and job growth and brand the North Shore as a center of creative activity. The strategy begins by identifying existing places where creative enterprises can converge, with the long-term goal of developing a new convergence center that includes incubator space, long-term space and shared space for collaboration.

C. **Support and Development Strategy** – The support and development strategy focuses on expanding the region’s capacity to nurture the growth of creative economy entities, both for-profit and non-profit, through investing in and expanding access to the knowledge, management skills, workforce and capital needed to start and grow a successful enterprise.

D. **Marketing Strategy** – The marketing strategy is focused on developing recognition of the North Shore as a unique and competitive center of creative economic activity within the North Shore and greater Boston region.

Immediate Action Plan Steps

Based on availability of funding, action plan steps to be taken immediately for this initiative between May 2008 and June 2009 are:

1. Present North Shore creative economy research and action plan to key stakeholders, specifically local governments, key institutions, chambers and other organizations.
2. Meet with leaders of top ten creative economy communities to:
 - Determine how to help community grow creative economy.
 - Identify current and potential convergence spaces in those communities.
 - Provide guidance on events that attract creative economy to convergence spaces.
 - Identify and provide ideas for a “toolkit” that local officials can use to promote their communities as great places for creative organizations to thrive. Ideas to explore include a “by community” analysis of critical creative industry clusters, templates for creative economy events, model zoning, a guide of current and possible funding sources for creative entities and/or to accelerate the use of convergence spaces.
 - It is proposed that each community designate a creative economy point person to act as liaison for the initiative.
3. Interview entities in largest creative economy clusters to identify their needs and how to meet them.
4. Convene the North Shore Workforce Investment Board (WIB) and the area colleges to understand the creative economy workforce needs and develop appropriate training and curriculum plans.
5. Develop a next generation creative economy website that reflects the creativity on the North Shore and acts as an on-line convergence center.
6. Hire a program director to coordinate action plan activities
7. Develop and hold a signature creative economy event.
8. Identify opportunities in the region to establish a creative economy convergence center that includes incubator space.