



THE ECONOMIC  
IMPORTANCE OF  
LOUISIANA'S CULTURAL  
ECONOMY:  
AN UPDATE

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MARCH 17, 2010

# THE ECONOMIC IMPORTANCE OF LOUISIANA'S CULTURAL ECONOMY: AN UPDATE

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## INTRODUCTION

In 2005, just days before Hurricane Katrina devastated Louisiana, the Department of Culture, Recreation and Tourism presented the report, *Louisiana: Where Culture Means Business*. This report uncovered the deep and rich cultural assets of Louisiana and found that when looked at as a whole, the cultural industries accounted for about 144,000 jobs, or 7.6 percent of the employment in the state.

In many ways, the 2005 report served as a benchmark for where the state's cultural economy was prior to hurricanes Katrina and Rita. Moreover, the report laid out a set of strategies that became a critical part of the rebuilding process. Over the last four years, as Louisiana rebuilt, there was a new appreciation of the importance of its cultural economy. Many parts of the state have now defined some component of the cultural economy as a key economic cluster in their region.

This report provides an update of the data in the original report. Its purpose is to better understand how the cultural economy is faring.

The methodology used for this update has two components:

1. The report starts with an update that replicates the methodology and data sources that were used in the 2005 report. The 2005 report was based upon the most recent dataset at that time that had detailed information on employment at the level of enterprises. This data set was the 2002 U.S. Department of Commerce's *County Business Patterns*. This data was supplemented with information from the U.S. Department of Commerce's *Nonemployer* data, which provides information on the number of individuals who operate a sole proprietorship or other form of enterprise with no wage employees. Finally, given the limitations of this data, other data sources were used to estimate some components of the cultural industries that are not accurately reflected in secondary data. For example, based upon interviews with numerous experts in the real estate industry, a conservative estimate was developed that 15 percent of employment in the residential and commercial construction industries in the state was associated with preservation activities. Employment for eating and drinking places was also reduced on the assumption that a proportion of full-service restaurants were out-of-state-owned chains and a proportion of drinking places did not serve as a venue for musicians.

For this update, *2007 County Business Patterns* and the *Nonemployer* data (the most recent year available) were also used. In addition, the assumptions used in the 2005 report were replicated.

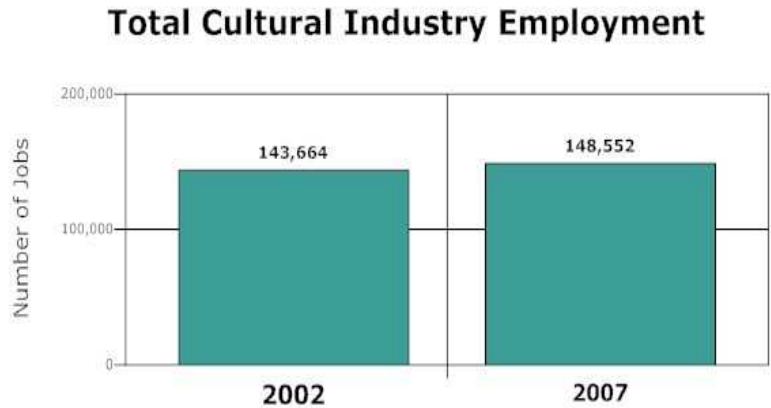
- Given the significant changes in the economy since 2007, more recent employment data were used to provide a snapshot of the regional distribution of the cultural economy in Louisiana as well as employment trends between 2007 and 2009. The data were from Economic Modeling Specialists, Inc., a firm that provides integrated regional economic and labor market data.

## THE CULTURAL ECONOMY IN 2007

### Overview of Cultural Economy

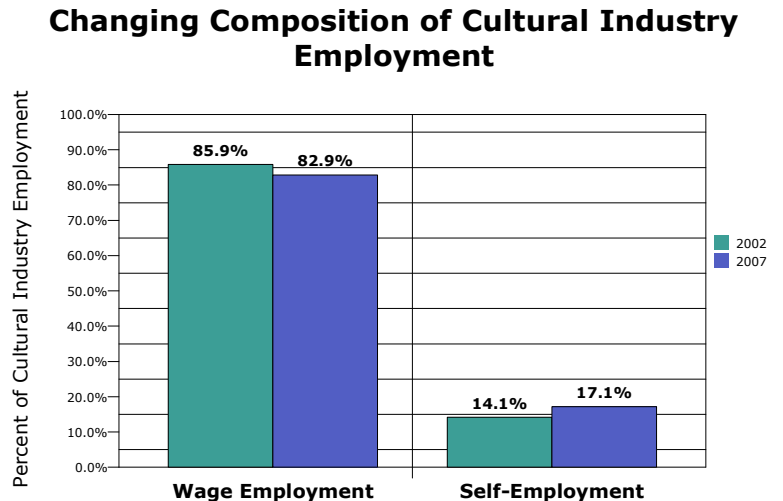
The updated analysis of secondary data finds that the cultural industries remain a significant component of Louisiana’s economy.

- In 2007, close to 148,442 jobs in the state were associated with enterprises in the cultural industries, up slightly from the 143,664 jobs in 2002. These jobs account for approximately 7.6 percent of the state’s employment base, about the same as was the case in 2002.



- Direct employment in the cultural industries provides about \$3.8 billion in wages and income for Louisiana residents and accounts for close to 5 percent of the total wages and income in the state.

- Self-employment comprised a greater proportion of the cultural economy jobs in 2007 than was the case in 2002. In 2007, about 17 percent of the employment in the cultural industries was related to sole proprietors and the self-employed as compared to only 14 percent in 2002.

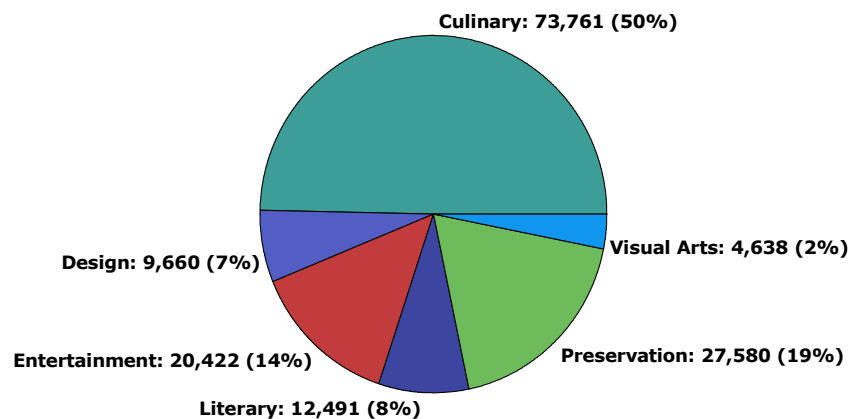


## The Cultural Segments

*Louisiana: Where Culture Means Business* grouped the state's cultural economy into six key cultural segments:

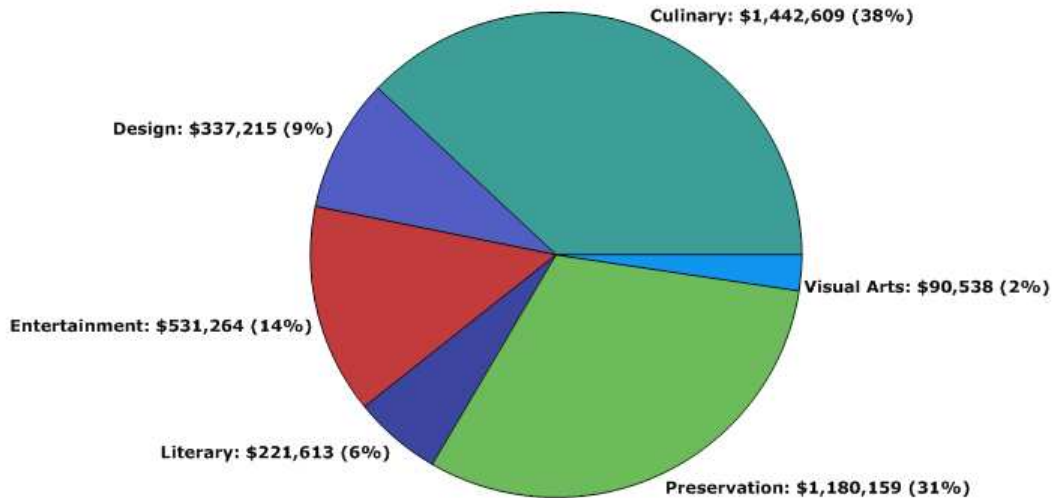
1. Culinary Arts: The state's food-related cultural products including food processing, specialty food products and locally-owned, full service restaurants.
  2. Design: Individual designers and firms involved in the communication arts such as graphic design, printing, and advertising.
  3. Entertainment: The performing arts (music, theater, and dance), individual performers, and the film and media industries.
  4. Literary Arts and Humanities: Individual writers and editors and book, periodical, and newspaper publishing.
  5. Preservation: Economic activities focused on the restoration and redevelopment of the built environment including architecture, landscape architecture and a percentage of construction activity focused on preservation and renovation.
  6. Visual Arts and crafts: Individual artists and craftspeople and the galleries and museums that present cultural products.
- Employment in the culinary arts still comprises a significant component of the cultural jobs in the state, accounting for almost half of all cultural industry jobs.
  - Preservation arts and entertainment are the other two significant segments within the cultural sector.

Distribution of Employment by Segment: 2007



- When looked at in terms of contributions to wages, a very different picture emerges. Given the high average wages in the construction industry, the preservation segment accounts for a very high proportion of wages in the cultural sector — about 31 percent. On the other hand, the culinary segment is only 38 percent of wages as compared to 50 percent of employment because of the relatively low wages in that segment.

### Distribution of Wages by Segment: 2007



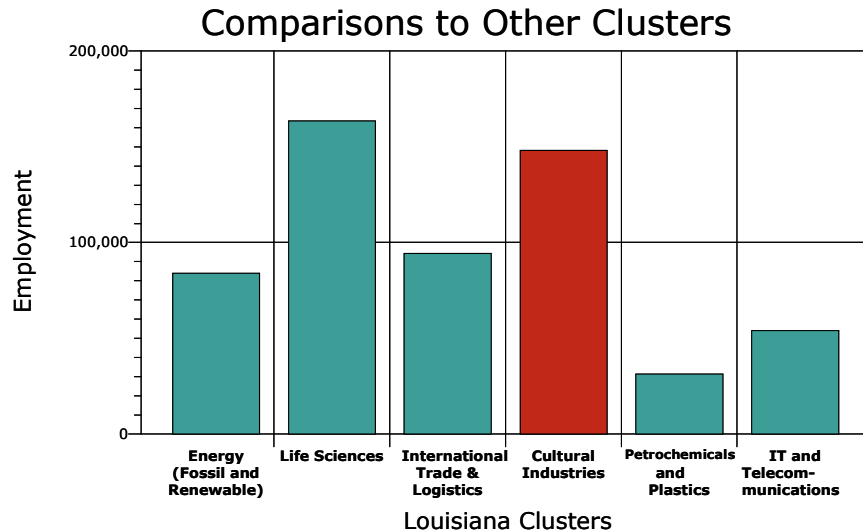
- Louisiana has a relatively high concentration of employment in a few cultural industries:<sup>1</sup>
  - independent musicians
  - specialty food stores and special food services;
  - full-service restaurants;
  - other specialized design services;
  - television broadcasting; and
  - specialty construction trades and nonresidential construction.
- On a statewide basis, cultural industries with a relatively low concentration were primarily in design and publishing. In addition, sound recording and film production had relatively low concentrations. While employment in the film industry is stronger than it has been, the high levels of employment in the nation’s film centers (New York and California) mean that relative concentration outside of those states is low.

<sup>1</sup> A common tool for analyzing the economic strengths of an economy is to compare the percentage of employment in an industry in the state to the relative concentration in the U.S. as a whole. A ratio of greater than 1 (known as a “location quotient”) indicates that there is higher relative concentration in the state, an indication of an industry with comparative strength.

## Comparison to Other Sectors

While these numbers make clear that cultural employment is an important part of the Louisiana economy, how does its size compare to other clusters/industries in the state?

- In comparison with other economic clusters viewed as important to the state’s economic future, the cultural industries is actually one of the largest. The cultural industries were compared with other clusters based upon cluster definitions used by The New Orleans Regional Planning Commission and Economic Modeling Specialists, Inc. Looked at broadly to include ambulatory services, hospitals, and biotechnology-related companies, the state’s life sciences is the largest cluster in the state. The other important industries include energy (oil, gas, and renewable), petrochemical and plastic manufacturing, and international trade and logistics. As the chart indicates, the cultural industries, when grouped together, remain one of the largest components of the state’s economy.



Source: Mt. Auburn estimates, Economic Modeling Specialists Inc,  
Cluster Definitions: EMSI and New Orleans Regional Planning  
Commission

## HOW IS THE CULTURAL ECONOMY PERFORMING?

### Trends 2002-2007

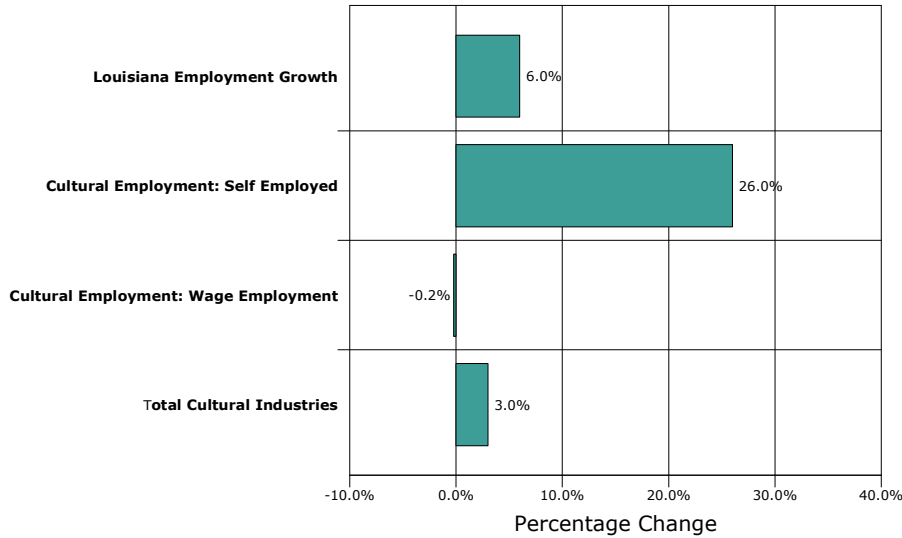
Not only is the cultural economy very large, but it also has been generating new employment opportunities for Louisiana residents.

- While still adding jobs, the data indicate that between 2002 and 2007, the cultural industries grew at a rate slightly slower than the state in general. Total cultural-

related employment grew by 3 percent compared to total statewide employment growth of about 6 percent during this time period.

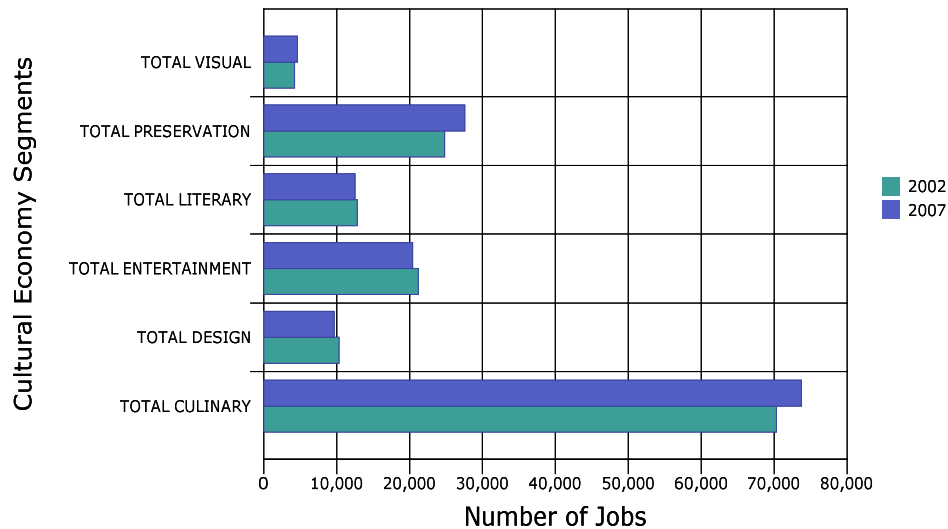
- Most, if not all, of the growth in the cultural sector has been in “nonemployer firms.” This category is not typically captured in economic studies. In Louisiana, the number of nonemployer firms in the cultural industries grew by 26 percent between 2002 and 2007.

### Employment Growth 2002 -2007



- The preservation and culinary segments of the cultural economy experienced some growth during the 2002–2007 period. In particular, the number of jobs in full-service restaurants and specialty trade contractors grew substantially over the five-year period.

### Employment Changes 2002 - 2007 By Segment

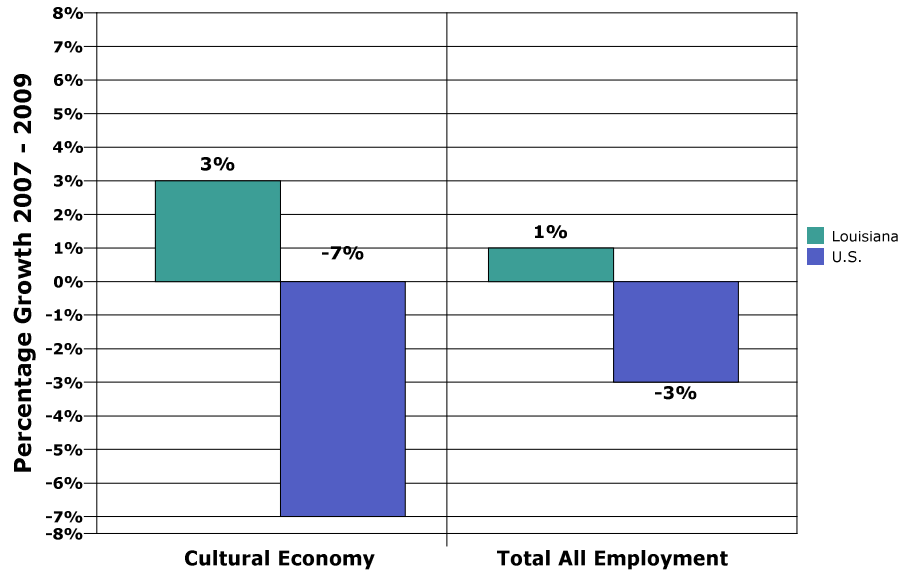


- There was also employment growth within the other segments. For example, there were some employment increases in the motion picture and video industry, the sound recording industry, and the architectural and landscape architecture industry.
- The state experienced some significant job losses in a few cultural industries including: food manufacturing, advertising, theater companies, media (cable, TV and radio), and newspaper publishing.

### More Recent Employment Trends

While secondary data through the U.S. Department of Commerce are only available through 2007, more recent data on the cultural industries were available through Economic Modeling Specialists, a national company that provides specialized economic and demographic data based upon 90 governmental data sources. This data source, while not entirely compatible with the data in the 2005 Louisiana report, does provide some indication of growth trends between 2007 and 2009.

Cultural Economy Employment Trends  
2007 - 2009



- In general, the performance of the cultural economy in Louisiana over the past two years exceeded that of comparable industries in the U.S. as well as the overall rate of employment growth in Louisiana. While overall employment in Louisiana grew by 1 percent during this timeframe, cultural economy employment grew by 3 percent.
- While the cultural economy was growing in Louisiana, overall in the U.S. employment in these industries declined by 7 percent. It is important to note that much of the difference in performance is related to construction activity. As a result of hurricanes Katrina and Rita, there have been significant investments in restoration and preservation-related construction, including work by architects and landscape architects (approximately 250 new jobs between 2007 and 2009). During this same period, the nation has seen large declines in construction activity.
- Employment in full-service restaurants has also been an area of considerable employment growth in the 2007-2009 period.



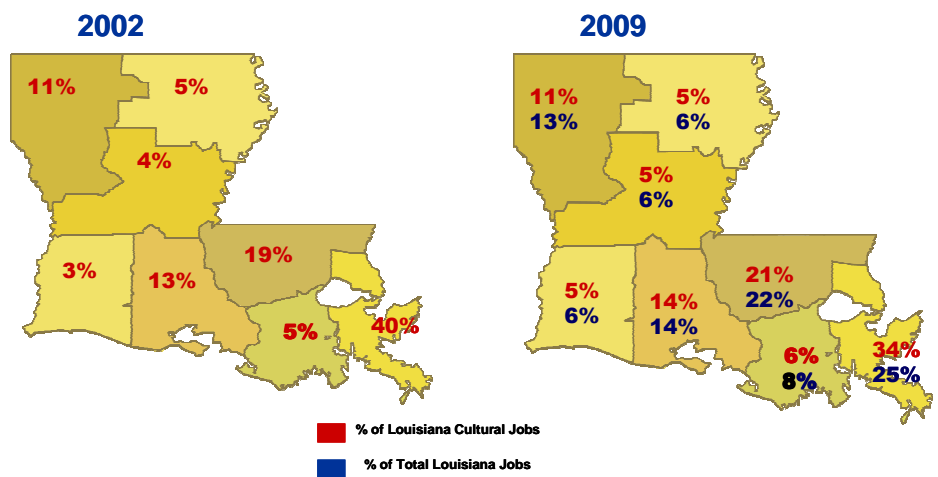
- In addition to the growth in preservation-related construction activity and the culinary arts, there has also been employment growth in a number of other cultural industries. For example:
- Film-related employment grew by about 715 jobs, or 15 percent, during this period;
- the number of independent artists, writers, and performers grew by 251;
- employment in museums increased by about 100 jobs;
- employment related to photography grew by roughly 100 jobs; and
- 65 jobs were added in the graphic design industry.

## REGIONAL CHARACTERISTICS OF THE CULTURAL ECONOMY

Cultural enterprises providing jobs and income for Louisiana residents are found throughout the state. Clearly, however, there is some variation in the economic importance of the cultural industries to different regions. Although the level of importance varies, each region of Louisiana has its own particular cultural character and cultural strengths.

- Together, the New Orleans and Baton Rouge areas account for over 50 percent of the cultural economy jobs. While the New Orleans region only accounts for about one-quarter of the employment in Louisiana, it accounts for over one-third of the cultural economy employment.

**Distribution of Cultural Employment in the State:**



Source: Economic Modeling Specialists

- There has been some shifting in the distribution of cultural economy jobs in the state since 2002. Most notably, the New Orleans region now accounts for a smaller proportion of the cultural economy jobs (from 40 percent in 2002 to approximately 34 percent in 2009) and the Baton Rouge region now has a larger proportion of cultural economy jobs. The other change has been the smaller percentage of cultural economy jobs in the Lake Charles region.

## THE CULTURAL WORKFORCE

At the core of Louisiana's cultural economy is its talent pool. It is because of this talent pool that Louisiana has developed its strength in the cultural industries. Louisiana has both grown its own talent and it has historically been a magnet for creative individuals who see the state as one of a handful of places where creative talent is nurtured and allowed to express itself. Maintaining this talent pool is probably the most critical competitive challenge that the state faces.

### Measuring the Cultural Workforce

Quantifying the size of the cultural workforce is more complex than measuring the level of employment in cultural enterprises. The difficulties are the result of a variety of occupational definitions and different secondary data sources that are used to capture the number of individuals in different occupational categories. Since an individual can only report one occupation, and many cultural workers make their living from a variety of jobs, secondary data often seriously undercount the number of individuals in various cultural occupations.

Despite these limitations, the following tables provide some indication of the size, growth trends, and wage levels in many of the cultural occupations:

- The greatest number of jobs in cultural occupations are in culinary arts (head chefs and cooks), photographers, musicians, musical directors and composers, writers, and architects.
- Most of the cultural occupations have been growing at a rate that exceeds the state average. Since 2002, there have been significant increases in the number of occupations related to film and media as well as most design related occupations.

<b>Cultural Occupations: Growth Trends 2002 - 2009</b>				
<b>SOC Code</b>	<b>Description</b>	<b>2002 Jobs</b>	<b>2009 Jobs</b>	<b>% Growth</b>
27-4032	Film and video editors	146	364	149.3%
27-4031	Camera operators, television, video, and motion picture	164	325	98.2%
27-4011	Audio and video equipment technicians	239	391	63.6%
17-1011	Architects, except landscape and naval	1,513	1,901	25.6%
27-1027	Set and exhibit designers	505	609	20.6%
27-1029	Designers, all other	549	652	18.8%
17-1012	Landscape architects	792	937	18.3%
27-4013	Radio operators	53	62	17.0%
27-3042	Technical writers	270	314	16.3%
27-1022	Fashion designers	483	561	16.1%
27-1014	Multi-media artists and animators	939	1,075	14.5%
27-1026	Merchandise displayers and window trimmers	863	981	13.7%
27-1021	Commercial and industrial designers	627	712	13.6%
27-1019	Artists and related workers, all other	848	960	13.2%
27-4099	Media and communication equipment workers, all other	118	133	12.7%
27-1013	Fine artists, including painters, sculptors, and illustrators	833	937	12.5%
27-1011	Art directors	898	1,006	12.0%
27-3043	Writers and authors	3,029	3,388	11.9%
27-1025	Interior designers	805	887	10.2%
27-1012	Craft artists	863	936	8.5%
27-3031	Public relations specialists	2,285	2,473	8.2%
27-4021	Photographers	8,026	8,615	7.3%
27-2041	Music directors and composers	1,926	2,055	6.7%
27-2012	Producers and directors	1,043	1,111	6.5%
27-3099	Media and communication workers, all other	1,464	1,548	5.7%
35-1011	Chefs and head cooks	2,218	2,343	5.6%
35-2014	Cooks, restaurant	10,603	11,181	5.5%
27-2042	Musicians and singers	2,992	3,093	3.4%
27-2099	Entertainers and performers all other	1,675	1,731	3.3%
27-1024	Graphic designers	2,204	2,269	2.9%
	<b>State of Louisiana Average</b>	<b>2,372,524</b>	<b>2,522,405</b>	<b>2.9%</b>
27-4014	Sound engineering technicians	141	143	1.4%
25-4031	Library technicians	1,681	1,702	1.2%
27-2031	Dancers	260	262	0.8%
27-3021	Broadcast news analysts	258	258	0.0%
25-4012	Curators	181	181	0.0%
51-3011	Bakers	1,916	1,899	-0.9%
25-4021	Librarians	2,543	2,486	-2.2%
25-4013	Museum technicians and conservators	144	140	-2.8%
27-3041	Editors	1,200	1,163	-3.1%
27-2011	Actors	1,130	1,094	-3.2%
27-2032	Choreographers	221	213	-3.6%
27-1023	Floral designers	1,371	1,306	-4.7%
27-4012	Broadcast technicians	485	455	-6.2%
25-9011	Audio-visual collections specialists	136	126	-7.4%
27-3022	Reporters and correspondents	742	651	-12.3%
27-3011	Radio and television announcers	786	683	-13.1%

Source: EMSI Complete Employment - 4th Quarter 2009

- There is a common image that most creative jobs are low paying. Analysis of wage data on the major cultural occupations, however, provides evidence that a number of the cultural occupations have wage rates that exceed the average in the state of Louisiana.

<b>Cultural Occupations: Average Earnings 2009</b>	
<b>Description</b>	<b>Current Pct 90 Hourly Earnings</b>
Landscape architects	\$45.47
Broadcast news analysts	\$44.37
Architects, except landscape and naval	\$44.28
Photographers	\$37.09
Media and communication workers, all other	\$34.24
Fashion designers	\$34.01
Designers, all other	\$33.78
Public relations specialists	\$33.16
Commercial and industrial designers	\$32.70
Interior designers	\$32.44
Media and communication equipment workers, all other	\$32.22
Set and exhibit designers	\$30.51
Reporters and correspondents	\$29.88
Technical writers	\$29.49
Producers and directors	\$28.77
Actors	\$28.28
Librarians	\$27.74
Audio-visual collections specialists	\$27.73
Graphic designers	\$26.46
<b>State of Louisiana Average</b>	<b>\$25.97</b>
Editors	\$25.66
Chefs and head cooks	\$25.41
Radio and television announcers	\$23.83
Audio and video equipment technicians	\$23.63
Merchandise displayers and window trimmers	\$23.40
Camera operators, television, video, and motion picture	\$23.38
Curators	\$23.28
Film and video editors	\$23.06
Entertainers and performers all other	\$21.56
Multi-media artists and animators	\$21.31
Sound engineering technicians	\$20.96
Art directors	\$20.90
Broadcast technicians	\$20.75
Dancers	\$19.93
Choreographers	\$19.85
Writers and authors	\$19.80
Artists and related workers, all other	\$19.47
Floral designers	\$19.39
Musicians and singers	\$19.29
Fine artists, including painters, sculptors, and illustrators	\$19.21
Craft artists	\$18.36
Library technicians	\$17.96
Music directors and composers	\$17.08
Bakers	\$15.81
Museum technicians and conservators	\$15.33
Radio operators	\$14.07
Cooks, restaurant	\$13.64
Source: EMSI Complete Employment - 4th Quarter 2009	