



Arts Data Profile: Rural Arts, Design, and Innovation

Research Brief #4: Local Arts and Entertainment as a Draw for Businesses and Their Workers

The Rural Establishment Innovation Survey (REIS) was conducted in 2014 by the U.S. Department of Agriculture’s Economic Research Service. Among other benefits, the collection gives a unique perspective on community features that business establishments consider attractive for the hiring and retaining of workers.

According to the REIS, two out of three establishments report that arts and entertainment are either “somewhat” or “very” important as a community feature in attracting workers. (One in five establishments claimed it was a very important feature indeed.) This share is rather greater among businesses in the information and professional services sectors—as well as for those in the arts and entertainment industry itself. Among manufacturers and among establishments in warehousing/transportation and in wholesale trade, the share of establishments reporting this belief is lower.

In contrast to establishments that do not place an importance on arts and entertainment, businesses that value the arts as a means of drawing workers are more likely to claim an expanding market for their products and services. Establishments that value the arts are also more innovative, more invested in using design, and they employ, on average, larger numbers of managers and professionals.

It may be that establishments employing relatively large numbers of professional workers view access to the arts as an attractive amenity for those staff. Public data about arts participation shows, separately, that workers in management and professional jobs are disproportionately represented at many kinds of arts events, relative to their share of the general population.

Top-Ranking Community Features for Workers

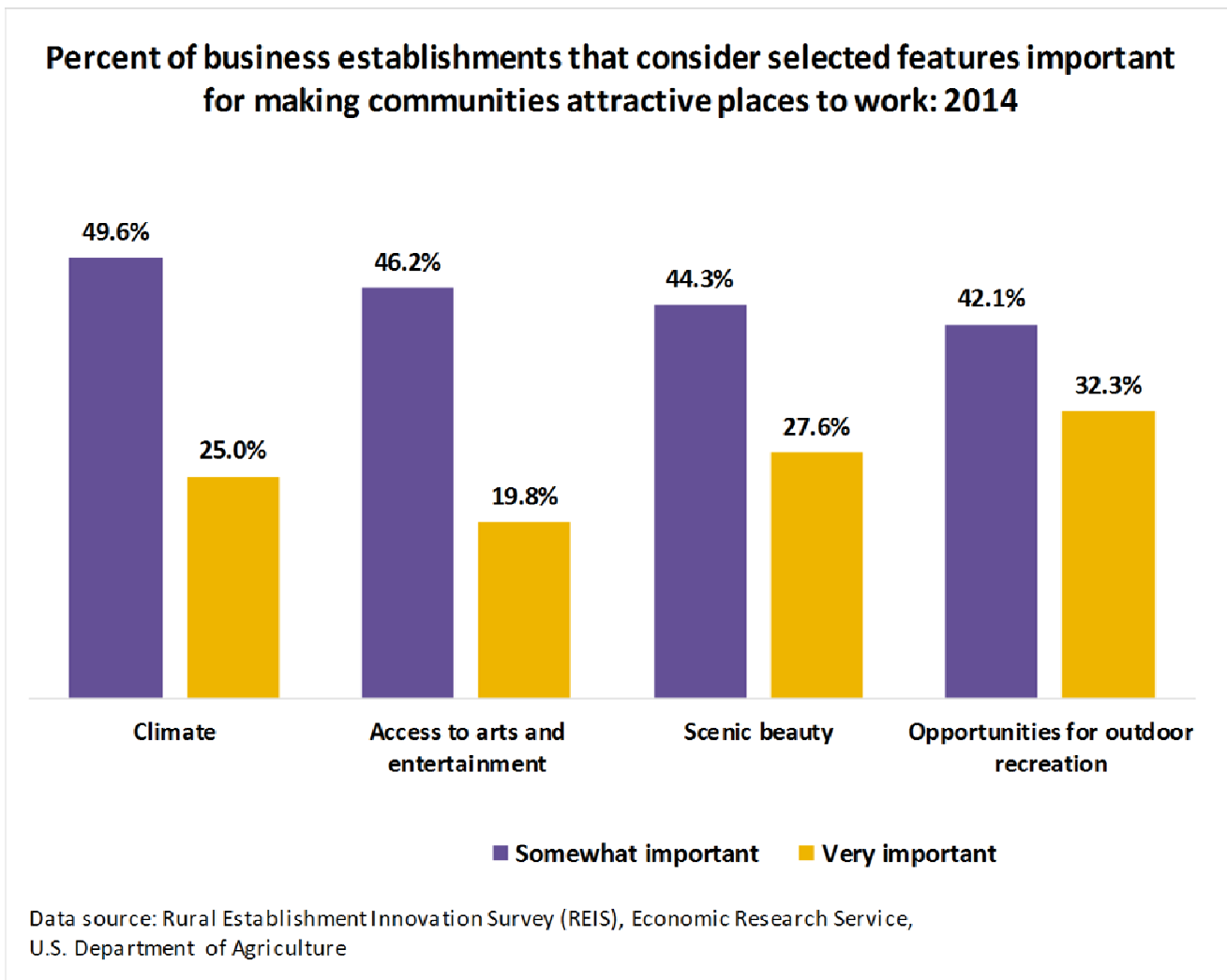
The REIS surveyed business establishments about the importance placed on various features that may make communities attractive places to work.

Ranking highest were access to health care and quality local schools. In 2014, more than 80 percent considered these features as either somewhat or very important draws.

Scoring next were “climate” and “opportunities for outdoor recreation”—three-fourths of business establishments placed at least some importance on each of these features.

Moreover, nearly 72 percent of establishments consider scenic beauty an important feature.

Access to arts and entertainment, though ranking lower, is nonetheless a feature considered important by a full 66 percent of business establishments.



Importance Assigned to the Arts and Entertainment by Industry

The share of business establishments that place importance on the arts and entertainment (as a feature that makes communities attractive places to work) varies by sector and industry.

For example, while 66 percent of all establishments attach importance to the arts, almost 90 percent of arts and entertainment businesses (i.e., performing arts companies and museums) do so.

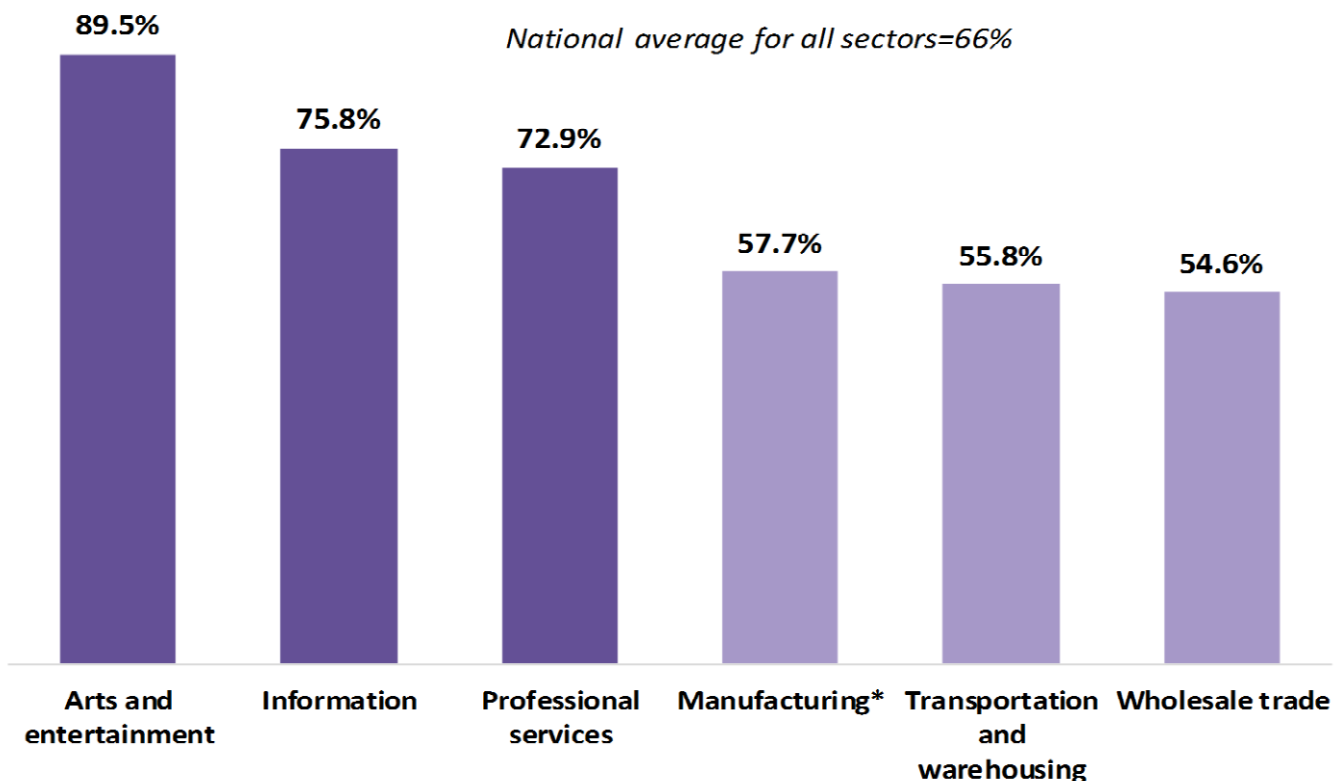
Roughly three-quarters of establishments in the “information” sector (which includes motion picture and sound recording, publishing, and broadcasting) and in the “professional, technical, and scientific services” sector consider the arts an important community feature in drawing workers.

Within these sectors, large majorities of certain industries attach importance to the arts. For example, more than 95 percent of establishments in sound recording and broadcasting, two industries that fall within the information sector, rate the arts and entertainment as either somewhat or very important.

More than 80 percent of advertising and public relations establishments consider arts and entertainment either somewhat important or very important in making communities attractive places to work. Similarly, more than 70 percent of legal services and of architectural and engineering services establishments assign importance to the arts. Each of these industries belongs to the professional, scientific, and technical services sector.

By contrast, relatively fewer establishments in transportation and warehousing, wholesale trade, and manufacturing (notably, Sector 33) consider arts and entertainment an important feature in making areas attractive places to work.¹

Percent of business establishments that consider the arts and entertainment as either somewhat or very important for making communities attractive places to work, by selected sector: 2014



*Sector 33 only.

Data source: Rural Establishment Innovation Survey, Economic Research Service, U.S. Department of Agriculture

Other Characteristics of Establishments that Place an Importance on Arts and Entertainment

The REIS shows that business establishments placing an importance on arts and entertainment are set apart in other ways. For example, larger shares of these businesses perceive growing markets for their goods and services.

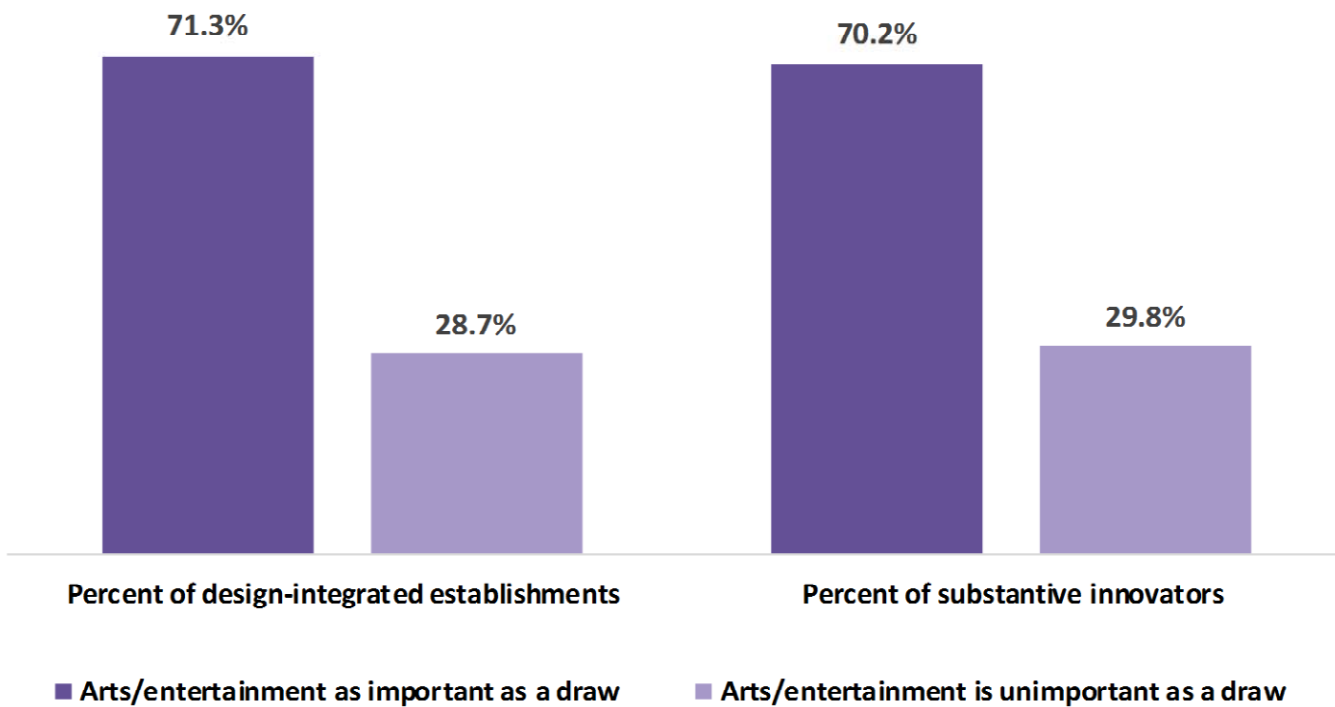
When asked if their markets were growing, stable, declining, or mixed, nearly 45 percent of establishments that place importance on the arts and entertainment indicated growing markets. By contrast, only 38 percent of businesses that assigned no importance to the arts saw their markets as growing.

Establishments that rate access to the arts and entertainment as an important factor are also more invested in design than are other establishments. Complementary research by the NEA and USDA/ERS suggests that design integration within these firms is, in turn, associated with greater innovation of business practices.²

Of all establishments that the researchers classified as “design-integrated,” 71 percent assigned importance to the arts. The remaining 29 percent of design-integrated establishments placed no degree of importance on the arts for attracting workers.

The outcome is nearly the same when we examine the share of business establishments that are rated as innovative by USDA/ERS researchers. Of all establishments classified as “substantive innovators,” 70 percent regarded arts and entertainment as either a somewhat or very important amenity that makes communities attractive places to work. The remaining 30 percent of substantive innovators did not consider the arts an important draw for workers.³

Percent of design-integrated and/or highly innovative businesses, by whether they rate the arts as important in making communities attractive places to work: 2014



Data source: Rural Establishment Innovation Survey (REIS), Economic Research Service, U.S. Department of Agriculture

Arts and Entertainment as an Amenity to Attract Professional Workers

As discussed above, business establishments that consider the arts and entertainment as a somewhat or very important feature for making communities attractive places to work are concentrated in the information, professional services, and arts and entertainment industries.

Given that these industries employ relatively large numbers of “professional” workers—a term used to describe a broad range of occupations that generally require college training—it is perhaps unsurprising that establishments assigning importance to the arts employ more managers and professionals.

For example, data from the Occupation Employment Survey (OES), conducted by the U.S. Bureau of Labor Statistics, show that 5 percent of all U.S. workers are in management; 1 percent are employed in “arts, design, entertainment, sports, and media occupations,” all of which are “professional” occupations.⁴

However, among workers employed by advertising and public relations establishments (82 percent of businesses in this industry assign value to the arts), 11 percent are managers, and 23 percent work in arts and entertainment jobs, particularly as designers, public relations specialists, and writers and editors.

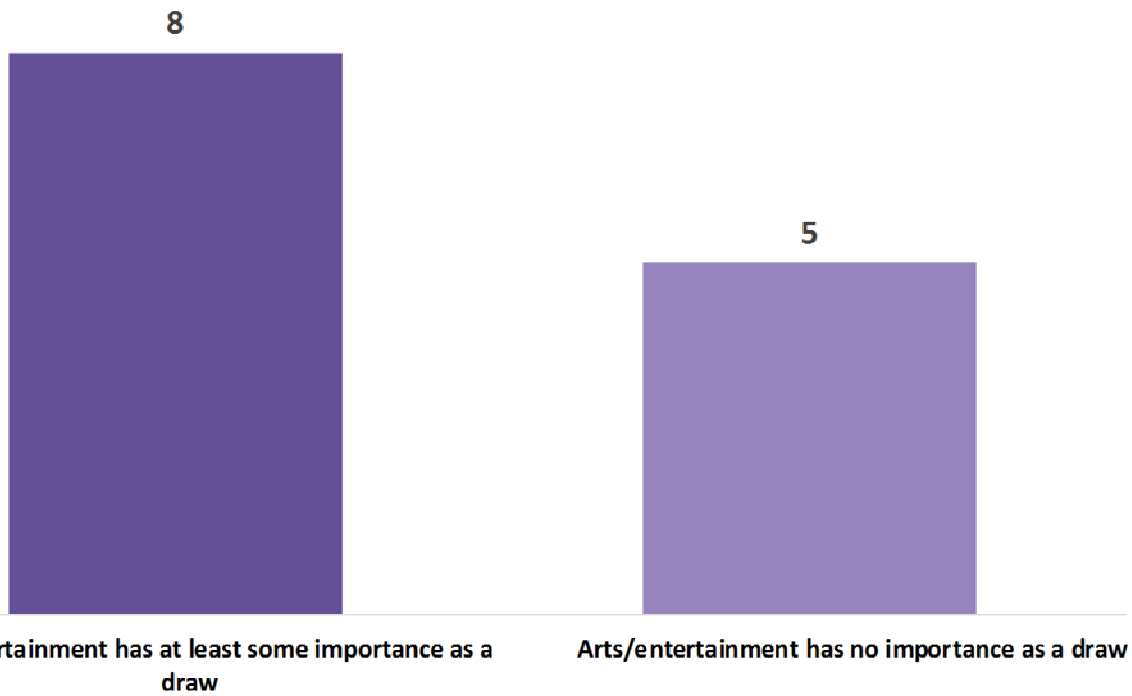
While two-thirds of business establishments consider arts and entertainment an important feature in making communities attractive places to work, 78 percent of legal services establishments (e.g., law firms) take this position.

And although professional workers in legal occupations (including judges, lawyers, and paralegals) are less than 1 percent of all U.S. workers, they naturally compose a much larger share of employment in the legal services industry—56 percent.

It may be that business establishments that consider access to arts and entertainment as important do so because they see the arts as an amenity appealing to the professional workers they need to staff.

Consider, for example, results from the 2015 Annual Arts Basic Survey (AABS), which showed that workers in legal occupations were among performing arts audiences at twice the share of their representation in the U.S. workforce.⁵

Average number of managers/professionals on staff, by whether businesses rate the arts as important in making communities attractive places to work: 2014



Note: Differences are statistically significant at 90 percent confidence.
Data source: Rural Establishment Information Survey (REIS), Economic Research Service,
U.S. Department of Agriculture

Endnotes

¹Manufacturing, Sector 33, includes metal manufacturing, industrial machinery manufacturing, motor vehicle manufacturing, and the manufacturing of jewelry, furniture, and sporting goods. Also, fewer establishments in manufacturing, Sector 32 (e.g., manufacturing of chemicals, plastics, and petroleum products) and Sector 31 (e.g., manufacturing of food and textiles) attached importance to arts and entertainment, 59.3 percent and 62.7 percent, respectively. These shares, however, are not statistically significantly different (with 90 percent confidence) from the overall share of establishments that assign importance to arts and entertainment (66 percent).

²See *Rural Arts, Design, and Innovation in America*.

³“Substantive innovator” was calculated by the ERS using latent class analysis of several innovation-related questions on the REIS. Substantive innovators meet a threshold of having continuous improvement systems, plus an additional threshold of displaying behaviors consistent with far-ranging innovation, particularly having abandoned or incomplete innovation activities in the past three years. Please see Definitions.

⁴2016 National Occupational Employment and Wage Estimates, U.S. Bureau of Labor Statistics. Note: The OES covers wage and salary workers in non-farm industries. The survey does not cover the self-employed, owners and partners in unincorporated firms, household workers, or unpaid family workers.

⁵For more information, see Arts Data Profile #10, Results from the Annual Arts Basic Survey: 2013-2015, Research Brief #5: Job Analysis of Arts Participants.