

# Creative Districts

Economic Measurements for  
Tracking Growth





# CREATIVE DISTRICTS

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Creative districts are often designed to drive economic growth. In order to measure the degree to which they achieve such growth, economic indicators of success need to be established, benchmarked and tracked over time. This process can often present a significant challenge for creative districts because many of them are small, and the available units of measure through which data are available are not congruent with them. This guide is designed to support districts facing this challenge. Before engaging in the design of data collection with a goal toward measuring change, the researcher needs to understand some core economic dynamics of creative districts.



### **One Measure Does Not Fit All:**

Because creative districts are often quite different in their makeup, taking a measuring schema from one district and overlaying it on another may not yield effective results. While such schemas may be instructive--and can sometimes be useful--many are not. For example, rural creative districts especially can have a different vision for development and thus require different methods of measurement than do urban creative districts.



### **Economic Impact Occurs Beyond District Boundaries:**

A successful creative district can support the development of jobs and businesses within the district's boundaries; however, district economic activity also has an impact on the surrounding area. For example, some residents from nearby areas likely work in the district, and others attend district events. Thus, to gain a full picture of the economic impact of a creative district, in addition to analyzing data from the creative district itself, areas outside of the district's geographic boundaries also need to be studied. Thus, a scan and analysis of changes in economic activity in adjacent ZIP Codes, the county in which the district is embedded, and sometimes an entire MSA can be instructive.



### **The Point in Lifecycle Can Impact the Measure:**

The length of time a creative district has been in operation and where it is in its arc of development affect the goals and expectations for the impact a district. For example, emerging districts may have and meet more limited goals than established districts. In addition, once healthy and long-established districts can enter a growth plateau. All districts have an economic lifecycle, and understanding where the one being measured is in its cycle is important in setting goals that are later measured against. Indeed, in some instances, a little growth during a certain period in a district's lifecycle can indicate significant success.



### **Manage Expectations Related to Location:**

Creative districts in rural areas often face very different operational challenges than those in urban areas. For example, districts embedded in urban areas often have the potential to attract tens of thousands of visitors for a weekend event. Meanwhile, a district in a rural area may experience a huge audience success by attracting 500 new people to the community for an event. Although there are examples of small rural communities attracting enormous out-of-town visitors, such situations are rare.

### **Aligning the District Vision with Measures of Success:**

Creative districts are developed with a wide variety of visions. Understanding the vision for a district is critical to properly measuring its success. For example, if the district's vision is to attract more artists to reside in a rural community, then that is the success that needs to be measured. If, however, the vision for the district is one of activating a main street once a month, the measures of success will be very different. Although many districts are created with a goal of fostering economic development, not all districts ascribe to that as their primary goal. Thus, when measuring the success of a district, an array of methods should be considered, and those that best measure progress against the goals that have been set should be selected.

## A TWO-STEP PROCESS

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Data that provide economic measures are already available to administrators of creative districts. Those data are available through the Creative Vitality™ Suite data portal, which provides highly detailed economic data down to the ZIP Code level. However, when a creative district is smaller than a ZIP Code geographic area in size, creative district administrators may wish to develop a means to focus on a much more limited area. To do so, the administrators must first identify which data are collectable and reasonably accurate reflections of economic activity and which are not. This two-step process has the potential to provide accurate and detailed in-depth metrics on economic activity.



## USE AVAILABLE DATA: THE CVSSUITE™

The CVSuite is an interactive tool that allows arts administrators, economic developers, and city planners to explore and report on creative sector economic activity and impact. Districts can use the tool to access data and review trends on such items as the number of jobs, earnings related to jobs, retail sales, and nonprofit revenues. The tool provides data at the state, MSA, county, and ZIP Code levels. Though some districts may be smaller than a ZIP Code, the CVSuite still offers useful data on the creative activity that can help contextualize the district and its economic dynamics. The tool also allows users to create their own definitions of the creative economy. They can adjust their definition of the creative economy within the tool to be congruent with state or local creative economy conversations.



# CVSUITE MEASUREMENTS

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## **Creative Jobs by Industry**

Industries are groups of businesses that produce similar goods and services.

Industries employ both creative and non-creative workers.

## **Creative Jobs by Occupation**

The measure of jobs by occupation offers a more granular perspective of the creative workforce. Creative occupations allow districts to examine the distribution of the creative workforce and the difference between salaried workers, self-employed workers, and sole proprietors.

## **Creative Industry Earnings**

Industry earnings data are an aggregation of the compensation paid for the labor of all workers in a given industry. Earnings are considered a stronger economic indicator because workers traditionally spend their earnings where they work, keeping money within the local economy.

## **Creative Industry Sales**

Industry sales data represent the estimated amount of money that companies in a given industry receive during a specific period. This estimate is adjusted for discounts and deductions for returned merchandise.

## **Arts-Nonprofit Revenues**

Arts-nonprofit revenue is the total income generated from arts-nonprofit organizations within a region. Revenue includes income from programming, contributions and gifts, investments and special events. Industries employ both creative and non-creative workers.

## **Location Quotient by Creative Occupations**

Location quotient values compare the per-capita density of creative jobs in a region to the national average. Users can discover creative occupations and industries that are highly concentrated for their area.

## **Creative Vitality Index (CVI)**

The Creative Vitality Index is CVSuite's comparative index that measures the creative activity. The index uses three major indicators - 40% occupation jobs, 40% industry sales, and 20% arts nonprofit.

# CONTEXTUALIZING CVSUIE FOR SMALL REGIONS

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Evaluating the creative activity in and around your district is an important component in understanding the ecosystem that drives economic growth.



Creative districts in rural areas and/or remote towns are often isolated from competing outside economic activity. When a creative district is in a rural area and/or remote town, the CVSuite's ZIP Code data can often approximate the impact of the creative district.



A creative district in a more densely populated region, such as an urban center, will find that CVSuite's ZIP Codes are more useful in describing the larger economic environment. Resort towns and cities that have a commuting workforce should also consider looking at regions beyond the district boundaries.



## USE AVAILABLE DISTRICT DATA OR COLLECT NEW DATA

The CVSuite tool contains a wide array of data that are national in scope and available down to the ZIP Code level. However, many districts are smaller in geographic area and/or are not readily defined within a ZIP Code or a cluster of ZIP Codes. As a result, those analyzing the impact of creative districts may need to acquire more specific and more highly localized data. Below are examples of supplemental metrics that can be accessed and used to describe the economic activity occurring at the district level when it cannot be readily measured through analysis at the level of ZIP Codes.

# SALES TAX

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<b>Claim:</b>	The creative district has stimulated an increase in sales within the district.
<b>Measure:</b>	Sales taxes are collected on local goods sold within the region. Some regions may also have special taxes such as a percent-for-art or lodging tax.
<b>Where to find:</b>	Sales-tax records are public records and are available from city and state sources. However, the records are only available as aggregated amounts and will not report individual businesses. These records are usually available online from state and city governments.
<b>Unit of measure:</b>	Dollars of sales tax
<b>Limitations:</b>	Confidentiality is enforced on sales-tax reporting to avoid the sharing of information with competitors. Often, sales tax can only be broken down to county or city levels.

# REAL ESTATE SALES

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<b>Claim:</b>	The creative district makes nearby neighborhoods attractive places to live.
<b>Measure:</b>	Residential and commercial sales within or near the district
<b>Where to find:</b>	Residential real estate sales are publicly available through the city and county assessor's office and on real estate sites such as Zillow and Trulia. Partnerships with local real estate agents can provide valuable insights on trends within the real estate market.
<b>Unit of measure:</b>	Dollars in real estate sold as well as the number of properties sold
<b>Limitations:</b>	Small districts may not have enough real estate sales to measure economic changes. Districts may need to measure neighboring areas outside of the district boundary.

# PROPERTY VALUATION

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<b>Claim:</b>	The creative district has stimulated an increase in property values in the district.
<b>Measure:</b>	Local property-assessment and property-tax records for every property in the district
<b>Where to find:</b>	Property tax records are public records and are usually available online on a per-property basis. City or county assessor offices or commercial vendors supply these data.
<b>Unit of measure:</b>	Property-tax data is available on an address-by-address basis, making it easy to collect data for creative districts of virtually any size and configuration.
<b>Limitations:</b>	Property valuation is known to be a contributing factor in the economy; however, a growth in housing prices does not always result in a growth in economy. High housing prices can stagnate the workforce because workers can no longer afford to live within a region.

# BUSINESS ENTITIES

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**Claim:** The creative district makes it attractive for business creation, which brings more workers to the area.

**Measure:** The names and locations of local businesses within the district

**Where to find:** Available from the Secretary of State's business-division website.

**Unit of measure:** The number of businesses within the district

**Limitations:** The data may lag behind the current calendar year and may not have all current businesses within the district. Determining the industry and/or type of business can be difficult. A survey or additional data may be needed to supplement the business-entity data.



# DISTRICT SURVEY

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Each creative district is different, although most have similar but not entirely congruent goals. To supplement CVSuite data and locally available data, a survey can be designed that captures highly localized quantitative and qualitative data. Examples of questions that the survey may contain are:

- Are you aware of artists moving into the district? If so, please provide the number of artists and their art forms.
- Do you think the creative district has made an impact on the community? If so, describe the impact.
- How many full- and part-time workers are employed at your business?
- Do you have a story to tell about how the creative economy has impacted your work in the district?

The annual creative district survey can include many highly localized features. For example, it could include in-depth data collection on businesses and/or visitors within the district. In designing such a survey, there are several things to consider, including the method of collecting data and sampling participants in a manner that will produce reliable answers while minimizing bias. Perhaps the most important consideration is that the survey be administered annually by trained individuals.

## BEYOND THE GUIDE

Creative districts offer the public rich cultural experiences that drive economic growth from the local level up. Every creative district is unique, with particular values reflective of the community it represents. The districts measure growth and success specific to those values and goals. The Creative Vitality Suite provides a reliable foundation to contextualize a creative district's economic activity. More detailed and local data are available to assist district leaders with measuring direct change within district boundaries. In addition to the measurements outlined in this toolkit, districts also may consider the following indicators to measure success:

- Number of workforce-development programs
- Regional sales tax, such as percent-for-art tax or lodging tax
- Quality-of-life amenities such as parks, transportation, and public art
- Vacancy rates
- Job boards
- Number of public amenities
- Population
- Rental-to-ownership ratios
- Amount of positive media coverage and publications
- Attendance at events and cultural institutions
- Crime rates
- Affordable housing programs
- Number of projects and programs supported within the district
- Demographics
- Access to education and schools

For more information on local data sources in your area, contact the CVSuite team. We are available to consult and help leaders collect local data in efficient and cost-effective ways.



# CREATIVE DISTRICT CHECKLIST

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The checklist provided summarizes the economic indicators discussed in this guide. We have compiled a list of measurements that can be used to track growth and trends. When developing an analytical plan, consider what data are appropriate for the district that you are measuring. The checklist can be used as a guide to gathering your benchmark economic data.

# CREATIVE DISTRICT CHECKLIST

District Name \_\_\_\_\_ Year \_\_\_\_\_

ZIP Code \_\_\_\_\_ County \_\_\_\_\_ CVSuite Version# \_\_\_\_\_

## Preliminary Evaluation

- ☐ Define district boundary
- ☐ Describe your district (emerging/established)
- ☐ Define location features and qualities that make the district unique
- ☐ Develop a vision/mission for the district
- ☐ Is the district located in a remote town or rural area? (yes/no)
- ☐ Does the district represent the primary population center for the ZIP Code? (yes/no)

## Gather CVSuite Data for the District ZIP Code

- ☐ Set industry codes, occupation codes, and employment types.  
(Ask your state arts agency for its definition of creative economy codes)

Total industry jobs	Total occupation jobs
Total industry earnings	Total industry sales
Total nonprofit revenues	Number of arts nonprofit orgs

## Gather CVSuite Data for the District County

- Set industry codes, occupation codes, and employment types.  
(Ask your state arts agency for its definition of creative economy codes)

Total industry jobs	Total occupation jobs
Total industry earnings	Total industry sales
Total nonprofit revenues	Number of arts nonprofit organizations

### Gather Sales Tax Data

- ☐ Find a contact for your county's financial or treasury department.
- ☐ Send the contact a request for sales-tax data within the creative district.

### Gather Real Estate Sales Data

- ☐ Find a contact for your county's assessor's office.
- ☐ Send the contact a request for real estate sales within the creative district.
- ☐ Data can also be found on Zillow: <https://www.zillow.com/research/data/>.
  - ☐ Under the section "Home Listings and Sales," download the median sales price data for county or city.

### Gather Property Values Data

- ☐ Find a contact for your county's assessor's office.
- ☐ Send the contact a request for property values within the creative district.
- ☐ Data can also be found on Zillow <https://www.zillow.com/research/data/>
  - ☐ Under the section "Home Listings and Sales," download the median listing price data for county or city.

### Gather Business Entities Data

- ☐ Find a contact for your state's Secretary of State's business-division.
- ☐ Send the contact a request for business entities within the creative district.

### Data Request Template

*Use this template to send a data request to your county or state office*

I represent the [creative district name] creative district, and I am looking for data sets that allow me to measure the economic change within my district. I would like to request [sales tax] data within my district. The creative district is within [county name], and the ZIP Code is [zip code]. The boundaries of the district are defined by:

[list cross streets of district boundaries]

Please let me know what data attributes are available, such as the frequency with which the data are available (yearly or monthly) and the smallest geographic level you have (county, ZIP Code, address). If your department does not provide such data, could you please direct me to the department that would have this information?

Thank you in advance for your assistance.





## CONTACT US

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