

MEASURING MONMOUTH COUNTY'S CREATIVE ECONOMY

*A Data Insight Report of the Economic
Contributions of Creative Industries
in Monmouth County, New Jersey*



Prepared by the Monmouth County Division of Planning
November 2015

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MEASURING MONMOUTH COUNTY'S CREATIVE ECONOMY

INTRODUCTION

Creativity and culture are essential to a thriving economy. A 2013 report put out by the United Nations Development Program (UNDP) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) stated that "culture is a driver of development, led by the growth of the creative economy in general and the creative and cultural industries in particular, recognized not only for their economic value, but also increasingly for the role in producing new creative ideas or technologies, and their non-monetized social benefits."

A number of cities, states, researchers, and organizations have already recognized creative industries as a very important piece of their regional economies. These places include California, Chicago, Boston, North Carolina, and Colorado. Additionally, the United States as a whole is also becoming increasingly interested about the economic contribution of creative industries. In 2015, the Bureau of Economic Analysis (BEA), with assistance from the National Endowment of the Arts (NEA), released the first ever satellite account of Arts and Cultural Production, which sought to measure the economic value of creative industries, and track its growth over time.

In following with the national trend, Monmouth County has conducted this study of its own creative economy. The study's purpose is to evaluate and analyze the creative and cultural industries and employees within Monmouth County, and to determine the level of economic contributions that Monmouth County's cultural and creative industries provide.

DEFINING A CREATIVE INDUSTRY

The formal origin of the creative industry can be traced back to 1997 when Tony Blair, the British Labour Governor at the time, established a Creative Industries Task Force as part of the Department of Culture, Media, and Sport (DCMS) (Flew, 2012). A year later this task force published a series of thirteen economic analysis documents titled "Creative Industries Mapping Document," with each document covering a different creative sector. Creative industries were defined as, "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property" (DCM, 1998).

Since then, the idea of a creative economy has become increasingly popular when discussing regional economies. However, its definition remains dynamic, with a number of organizations and authors having developed their own meanings based upon specific policy agendas (Markusen et. al., 2008). Organizations that have defined creative industries range from government organizations, to nonprofit organizations, to individual authors. Some notable organizations are the U.S. Bureau of Economic Development Analysis (BEA); the United Nations Educational, Scientific and Cultural Organization; Americans for the Arts; National Endowment of the Arts (NEA); and author Richard Florida.

Each organization's definition shares a basic tenant; industries have occupations with some basis in creativity. It is typical the product of that occupation that defines whether or not it is a creative industry. Most of these definitions fall into two categories: those of which the product required any creativity and those of which the product is cultural. The former is usually a more expansive definition that includes the latter, and the latter is sometimes referred to as cultural rather than creative industries. Though the term is sometimes used interchangeably, there have been some attempts to define it. Cultural industries have been defined as industries which "are directly involved in the production of social meaning in the form of texts and symbols" (Markusen et. al., 2008). Creative industries in contrast are those industries which require creativity regardless of the product. For example, software developers would be considered creative industry workers rather than cultural industry workers.

The definition of creative industry has an enormous impact on the measured portion of the economy that is labeled as creative. A study published in the Economic Development Quarterly Journal titled "Defining the Creative Economy: Industry and Occupational Approaches" looked into the range of creative industry definitions that are used by organizations with various political agendas. Those definitions were then used to measure the creative economy in the Boston Metro Area. Findings detail that various definitions resulted in the creative economy in Boston ranging from 1% of its workforce to 49%. However, the majority of the definitions resulted in the creative economy encompassing 1% to 4% of the workforce (Markusen et. al., 2008).

This study looks to analyze the more artistic and cultural industries within Monmouth County. Thus, software developers and engineers are not included. The Americans for the Arts definition of creative industries is used as a model. Americans for the Arts defines creative industries as, "arts-centric businesses that range from nonprofit museums, symphonies, and theaters to for-profit film, architecture, and advertising companies...[and] have guarded against overstatement of the sector by excluding industries such as computer programming and scientific research—both creative, but

not focused on the art” (Americans for the Arts, 2015). Americans for the Arts has six categories of creative industries:

1. Arts Schools and Services
2. Design and Publishing
3. Film, Radio, and TV
4. Museums and Collections
5. Performing Arts
6. Visual Arts/Photography

The Americans for the Arts provides a list of 644 Standard Industrial Classification (SIC) Codes that they use for analysis. However, all of the public data sources in this study use North American Industry Classification System (NAICS) Codes instead of SIC. Therefore, the SIC Codes were converted to NAICS as best as possible. The Appendix lists the NAICS Codes used in this study. NAICS Codes have different levels, with two digit (higher level) codes being very general and 5 digit (lower level) codes being very specific.



Count Basie Theater
Red Bank, NJ



Brookdale Community College
Middletown Township, NJ



Monmouth University Center for the Arts
West Long Branch, NJ

ANALYSIS METHODS

Location Quotients (LQ) are a common and useful method for analyzing industry clusters within a region compared to a larger geography unit or nation as a whole. They can help reveal what makes a regional economy unique. LQ's are calculated by taking the share of an industry relative to the whole economy divided by the industry share of the larger geographical unit. The following equation is used for this study:

$$\left(\frac{\text{County Creative Industry Employment}}{\text{All County Industry Employment}} \right) \div \left(\frac{\text{National Creative Industry Employment}}{\text{All National Industry Employment}} \right)$$

The share can be calculated by using any economic statistic including employment, earnings, and number of establishments. This report uses employment to calculate LQ.

The LQ can be interpreted as the relative concentration of an industry. An LQ of 1 means that the industry share of employment is the same for the regional economy as it is for the nation. For example, if “Manufacturing in Monmouth County” made up 10% of total county employment, and “Manufacturing in the Nation” also made up 10% of total national employment, then the “LQ of Manufacturing” would be 1.

An LQ greater than 1 means an industrial concentration higher than that of the region. For example, if “Manufacturing in Monmouth County” made up 6% of total county employment, but “Manufacturing in the Nation” made up only 3% of national employment, the LQ would be 1.5. LQ of 1.5 can also be interpreted as “Manufacturing in Monmouth County” is one and a half times more concentrated compared to the nation.

This study also calculates the level of Economic Contribution (EC) provided by creative industries. EC is the total amount of economic activity that is associated with an industry. In this study, the EC is the gross sales volume of all creative industries. Unlike Economic Impact (EI), it does not take into account the effect the industry has on economic activity or employment in other sectors.

DATA SOURCES

Data for this study was taken from a variety of sources: Reference USA, Quarterly Census of Employment and Wages, Nonemployer Statistics, and 990 Forms.

Reference USA

Reference USA is a privately owned data company that provides information on establishments for business and consumer research. As a private company it can publish information on a business establishment level. For each business, data regarding its location, employee size, estimated sales volume, and expenses are all available. Reference USA does not provide specific methodology on how it collects this information. Therefore, it is difficult to determine just how accurate items like sales volume and number of employees actually are. Additionally, nonprofit organizations, such as Monmouth Arts, are listed as having sales volumes despite not actually selling any product. They do have various sources of revenue however it represents less than half of what is reported by Reference USA. It is likely that the numbers listed are over estimates of the true value.

Reference USA is more frequently updated and comprehensive than public data sources. However, due to restrictions on how the data can be extracted, it is difficult to extract data on the state and national level. This prevents a comparative analysis of creative industries in Monmouth County relative to other regions. Therefore, public Census and Bureau of Labor Statistics datasets are used for this type of analysis.

Quarterly Census of Employment and Wages Published by the Bureau of Labor Statistics

The Bureau of Labor Statistics (BLS) describes the Quarterly Census of Employment and Wages Program (QCEW) as, “a cooperative program involving the BLS of the U.S. Department of Labor and the State Employment Security Agencies (SESAs). The QCEW program produces a comprehensive tabulation of employment and wage information for workers covered by State Unemployment Insurance (UI) laws and federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. Publicly available files include data on the number of establishments, monthly employment, and quarterly wages by NAICS industry, county, and ownership sector for

the entire United States. This dataset is aggregated to annual levels, higher industry levels (NAICS industry groups, sectors, and supersectors), and higher geographic levels (national, state, and Metropolitan Statistical Area (MSA)).”

There are some limitations to this data source. First, as a public data source, it is forbidden by federal law from providing data that can be linked to any specific employers. Therefore, for some industries data is suppressed entirely. Second, since the data only counts employees covered under unemployment, it misses self-employed workers who make up a large portion of creative industries. According to the NEA, the rate of self-employment for creative workers is significantly higher compared to the entire U.S. labor force. Using data from the Current Population Survey, the NEA found that 35% of workers who were artists were self-employed, a rate three times higher than the 10% self-employment rate of all workers (NEA 2014).

Using this data source 60 industries were identified as creative. In 2014, Monmouth County had employees in 42 of the 60 industries. In 2004, Monmouth County had employees in 44 of the industries. This does not necessarily reflect a loss of two industries, but rather a difference in the way the data was altered to protect the privacy of businesses. In addition, there are industries that have data in 2014, but not in 2004. Again, this does not necessarily reflect the emergence of an industry. The data for both years is provided in its raw form in the Appendix.

Nonemployer Statistics

Published by the U.S. Census Bureau

In order to capture this self-employed sector, this study utilized the Nonemployer Statistics available through the U.S. Census Bureau. The Nonemployer Statistics are an annual dataset that provides data on business that have no paid employees, have sales receipts of \$1,000 or more, and are subject to federal income tax. The data is made up mostly of self-employed individuals operating unincorporated businesses. These unincorporated businesses may or may not be the owner’s primary source of income. Since these businesses have no paid employees they are not included in the County Business Patterns and other Census Bureau business statistics datasets.

There are some limitations to this data. As a public data source, it is forbidden by federal law from providing data that can be linked to any specific employers. Privacy is protected in two ways. The first is suppression of employment and payroll data for any industries that have only a few establishments in the given area. Rather than provide an exact number, a range of values is given. The second method for protecting privacy is through “noise infusion.” The U.S. Census Bureau defines noise infusion as “a method of disclosure avoidance in which values for each firm are perturbed prior to table creation by applying a random noise multiplier to the receipts data for each business.” Therefore, the total number of employees and total payroll numbers that are listed in this paper are not exact values. However, this does not mean the data is unreliable. According to the U.S. Census Bureau, “Noise would be added in an unbiased, controlled way so as to preserve the statistical properties of the data while having a negligible effect on non-sensitive estimates.” The total number of establishments is not affected by noise infusion.

990 Forms

Collected by the Internal Revenue Service (IRS)

Published by National Center for Charitable Statistics (NCCS)

A number of arts organization located in Monmouth County have nonprofit organization status. This means they are granted an exemption from paying income tax under section 501(c)(3) of the Federal tax code. As part of the exemption process, nonprofit organizations are required to file a

990 Form on an annual basis. These forms are publically available and include information about revenue sources, expenditures, assets, and employees. The National Center for Charitable Statistics (NCCS) provides a searchable database of these forms for all organizations. Because the revenue data is filled out by the organization itself, it is likely to be more reliable than revenue information gathered through Reference USA.

FINDINGS

TOTAL ECONOMIC CONTRIBUTIONS

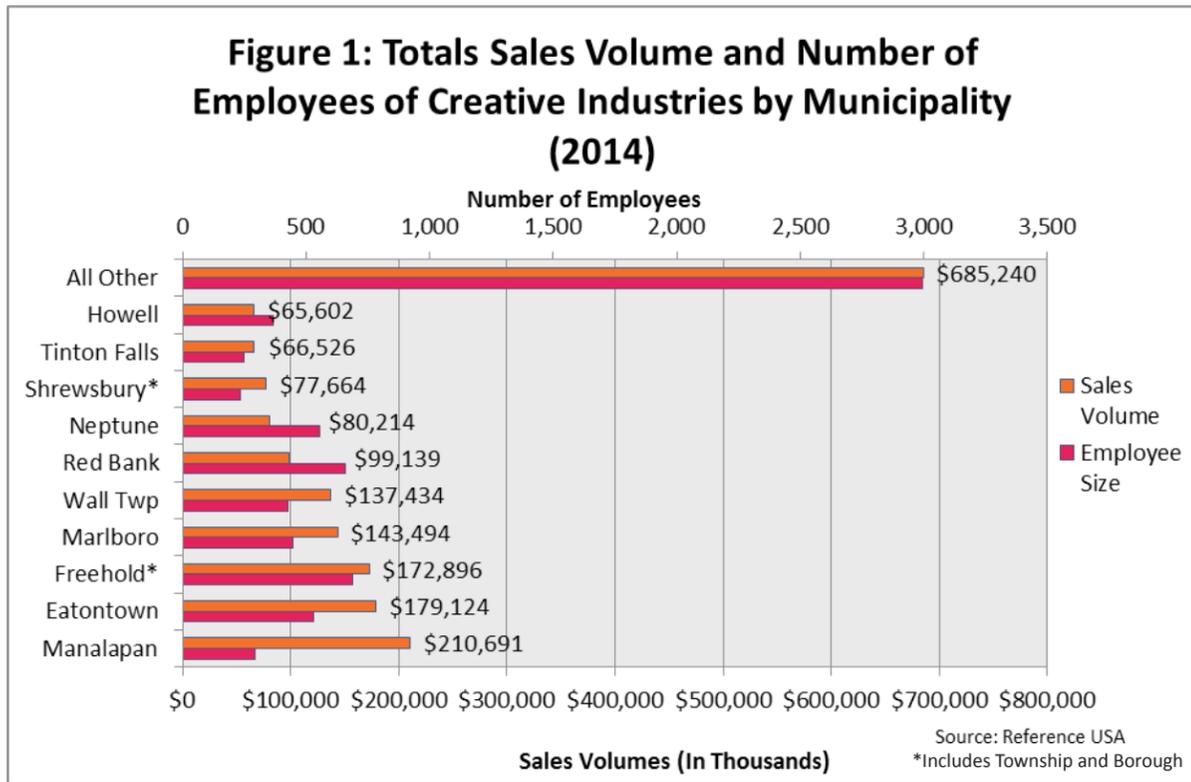
Using the Reference USA database, creative industries were extracted using SIC Codes that were identical to that of the Americans for the Arts study. As the data shows, the largest sector in Monmouth County was the Design and Publishing category, with approximately \$1.15 billion in sales volume. This sector also had the largest amount of establishments and employees, containing 41.6% of all creative industry employees.

The Arts Schools and Services, and Museums and Collections categories’ income data is underrepresented in this data source. As Table 1 shows, only 61.7% of Arts Schools and Services establishments and 28.9% of Museums and Collections Establishments had any sales data. Establishments that were identified as Museums and Collections originally had no data regarding sales volumes in the Reference USA database. To supplement this data gap, the 990 forms were used for 11 of the 38 establishments in this category. Based on an analysis of the estimated total sales volume of all industries located within Monmouth County and total wages for the creative economy employees, it is likely the numbers in Table 1 are an overestimate.

Table 1: Number of Employees and Sales Volume for Creative Industries by Category

Category	# of Establishments	Employee Size	Sales Volume	% Have Income Information
Art Schools and Services	133	488	\$19,275,000	61.7%
Design and Publishing	584	3,099	\$1,152,923,000	99.7%
Film, Radio, and TV	117	978	\$258,708,000	99.1%
Museums and Collections	38	223	\$2,270,475	28.9%
Performing Arts	248	1,035	\$131,243,000	100.0%
Visual Arts/ Photography	328	1,618	\$355,875,000	97.0%
Total	1,448	7,441	\$1,918,024,000	93.0%

The Reference USA data shows that 50 municipalities in Monmouth County have at least one creative industry business, with most having an average of 29 establishments. However, it is possible that all municipalities have creative industry establishments. Reference USA groups together Freehold Township and Borough, Spring Lake and Spring Lake Heights, and Shrewsbury Township and Borough, so there is no way to determine the exact municipality for these geographies. Figure 1 shows the total sales volume and number of employees for the top 10 municipalities in the County.



Data taken from the Nonemployer Statistics provides the value of sales receipts for Monmouth County's self-employed creative industries. In total, Monmouth County has 2,664 self-employed creative establishments. This represents 5.25% of all nonemployer establishments. Additionally, these establishments have receipts worth \$81,455,000, which represent only 2% of the total sales receipts of all businesses. Independent artists make up a majority of the nonemployer creative industries, representing 62% of establishments and 51% sales receipts. Table 2 summarizes the remaining data.

Table 2: Number of Establishments and Sum of Sales Receipts for Nonemployer Industries (2013)

NAICS Description	NAICS Code	Establishments	Receipts
Sewing, needlework, and piece goods stores	45113	19	\$643,000
Art dealers	45392	40	\$2,500,000
Motion picture and video industries	5121	146	\$8,713,000
Sound recording industries	5122	50	\$2,155,000
Architectural services	54131	138	\$8,909,000
Landscape architectural services	54132	59	\$3,424,000
Photographic services	54192	354	\$9,428,000
Performing arts companies	7111	194	\$3,757,000
Independent artists, writers, and performers	71151	1,654	\$41,758,000
Museums, historical sites, and similar institutions	7121	10	\$168,000
Total		2,664	\$81,455,000

All Photos Courtesy of Monmouth Arts



Arts Society of Keyport Mosaic Sculptures
Keyport, NJ (2015)



Monmouth Teen Arts Festival
Brookdale Community College
Middletown Township, NJ (2014)



Zeybrah performing at the Oceans of
Rhythm Festival
Long Branch, NJ (2014)

ECONOMIC CONTRIBUTIONS OF MONMOUTH COUNTY NONPROFIT ART ORGANIZATIONS

Using 990 Forms gathered through the National Center for Charitable Statistics, revenue data was compiled for North and Central New Jersey nonprofit arts organizations. The chart groups organizations based on National Taxonomy of Exempt Entities (NTEE) Codes. A full list of the codes and their definitions can be found at <http://nccs.urban.org/classification/NTEE.cfm>.

Monmouth County has 100 Nonprofit Arts and Cultural Organizations that are currently registered with the Internal Revenue Service (IRS). Table 3 shows the breakdown of these organizations by NTEE group. A more specific sub-group table can be found in the Appendix.

NTEE Group	Number
Arts, Culture, & Humanities: Alliances and Advocacy	5
Arts & Cultural (Includes Multi-disciplinary centers and Arts Education)	27
Media and Communications	4
Visual Arts	1
Museums (Includes art Museums)	7
Performing Arts	39
Humanities	4
Historical Organizations, Societies, and Preservation	13

A total of 32 municipalities in Monmouth County have at least one nonprofit arts or cultural organization located within it. As Figure 2 (page 9) shows, 70% of organizations (70 in total) are located within the MoCo (Monmouth County) Arts Corridor. The MoCo Arts Corridor also contains 66% of the total Monmouth County population according to 2010 Census. Red Bank, located within the MoCo Arts Corridor, has the highest number of organizations at 18. More information on the MoCo Arts Corridor and its economic contribution to Monmouth County is on page 11.

**Figure 2: Number of Nonprofit Organizations by Municipality
Monmouth County, NJ**

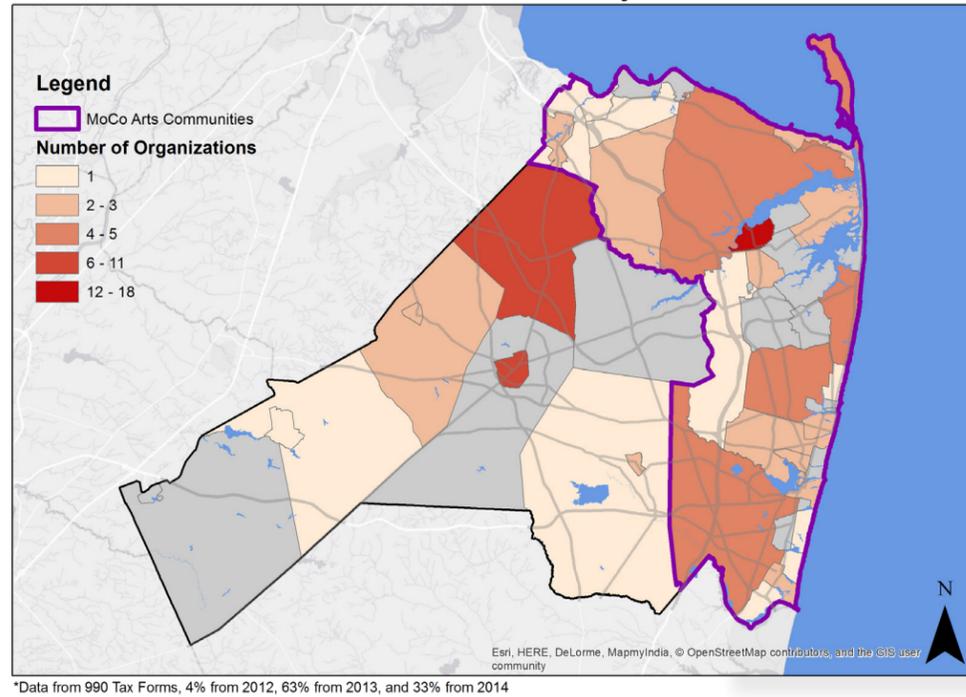


Table 4 (below) and Figures 3 and 4 (right) show the breakdown of nonprofit arts and cultural organizations by total number of organizations and total revenue for North Jersey counties. As the data shows, Monmouth County ranks 4th in northern New Jersey for total number of nonprofit arts organizations and 6th in both total revenue raised and dollar of revenue per capita. For Monmouth County, performing arts companies made up 39% of all organizations and 67% of revenue raised. Theaters make up the largest portion of Monmouth County's nonprofits and revenue raised by nonprofits. Monmouth County is 2nd in total number of theater companies and 3rd in revenue raised for theater companies.

Table 4: Dollar of Revenue Raised by Nonprofit Arts Groups Per Capita for North Jersey Counties

Rank	County	2014 Population Estimate	Sum of Total Revenue	\$ Per Capita
1	Mercer	371,537	\$85,500,717	\$230
2	Essex	795,723	\$124,997,566	\$157
3	Morris	499,727	\$39,502,894	\$79
4	Bergen	933,572	\$65,740,069	\$70
5	Hunterdon	126,067	\$6,395,728	\$51
6	Monmouth	629,279	\$31,701,538	\$50
7	Hudson	669,115	\$32,783,246	\$49
8	Middlesex	836,297	\$33,038,255	\$40
9	Union	552,939	\$18,471,130	\$33
10	Ocean	586,301	\$16,006,313	\$27
11	Somerset	332,568	\$7,061,278	\$21
12	Passaic	508,856	\$7,827,433	\$15
13	Sussex	144,909	\$2,069,029	\$14
14	Warren	106,917	\$739,084	\$7

Source: NCCS 990-Form Database and 2014 ACS Population Estimates

Figure 3: Number of Nonprofit Arts Organizations

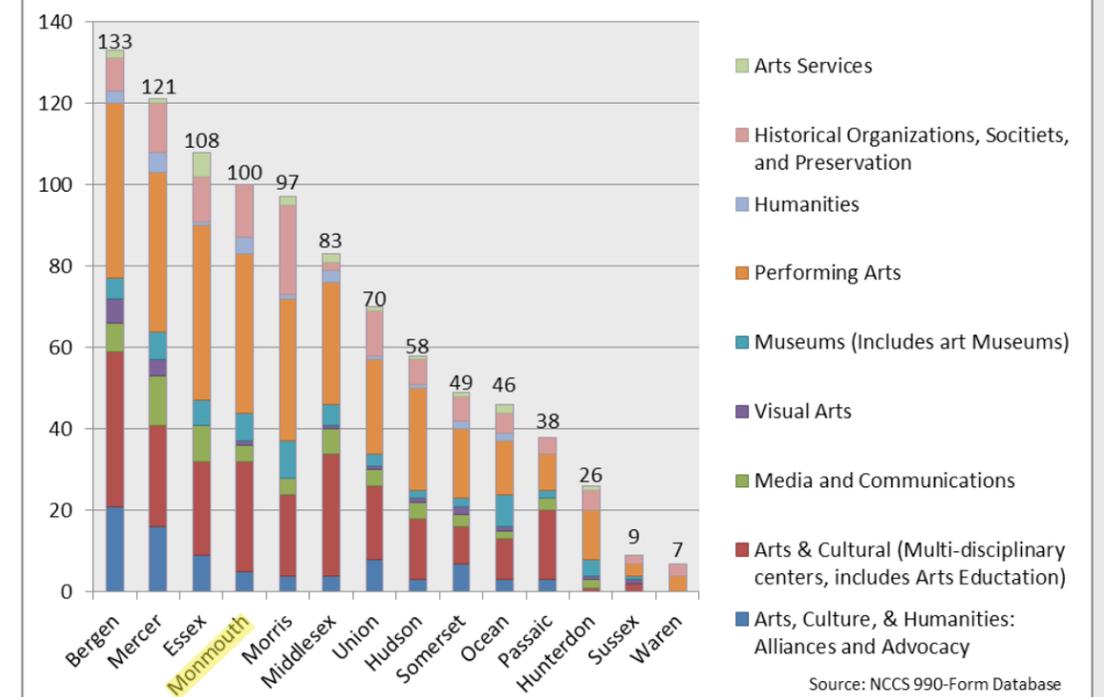
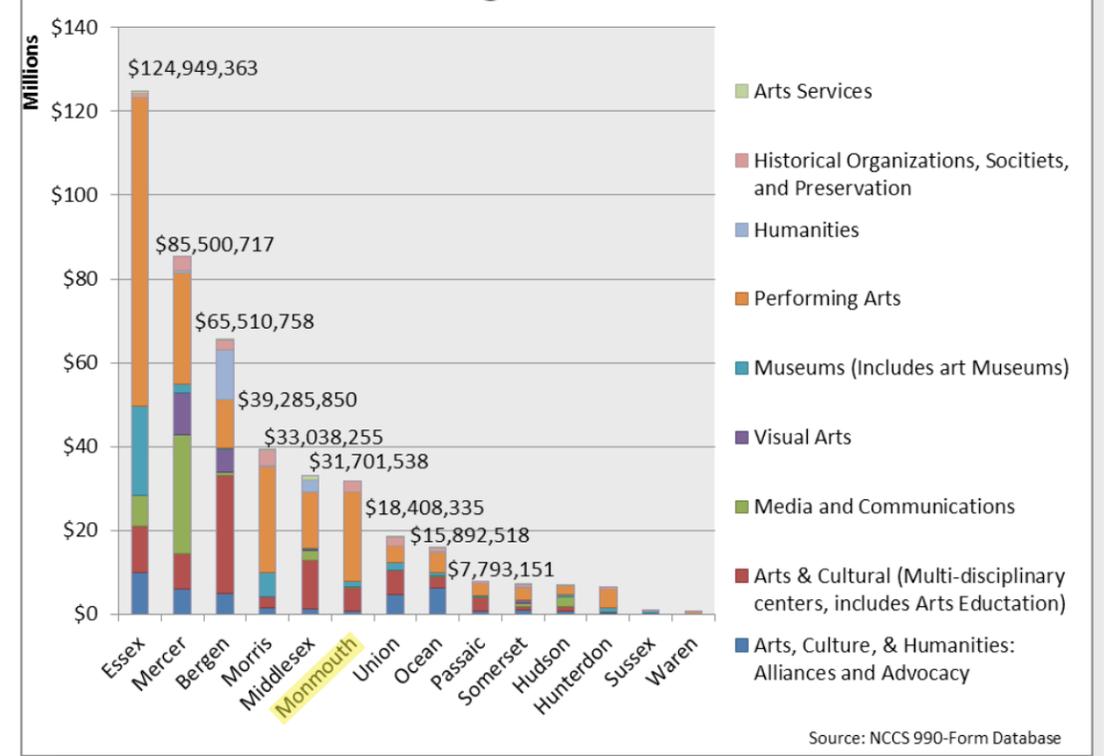


Figure 4: Total Revenue Raised by Nonprofit Arts Organizations



ECONOMIC CONTRIBUTIONS OF MOCO ARTS CORRIDOR NONPROFITS

Cohesively marketing and branding the many municipalities that comprise coastal Monmouth as an art, cultural, and entertainment (ACE) destination within the County was first recommended in the 2010 *Coastal Monmouth Plan*. The *Coastal Monmouth Plan* calls for a unified marketing theme to strengthen the year-round shore economy in the coastal area through cooperative promotional efforts. The cultural hubs of Keyport, Red Bank, Long Branch, Asbury Park, Belmar, and Manasquan are anchor communities located along NJ Transit's North Jersey Coastline, and already attract a large amount of seasonal business activity.

Monmouth County Arts Council (Monmouth Arts), with support from Monmouth County, NJ Transit, artists, local businesses, educational institutions, and numerous tourism and cultural organizations developed a comprehensive marketing plan for the coastal area. This MoCo (Monmouth County) Partnership created the MoCo Arts Corridor as the signature brand for coastal Monmouth. Spanning from Matawan to Manasquan, this Corridor encompasses 41 towns proximate to NJ Transit's North Jersey Coast Line and the Garden State Parkway (see Figure 2 on page 9 for a map).

In 2014, Monmouth Arts and NJ Transit formalized this partnership with an agreement to provide \$120,000 in pro bono marketing to promote performances, exhibitions, and community arts events all along the MoCo Corridor. NJ Transit distributed 41,000 MoCo Arts Corridor rack cards on train seats in North Jersey and New York City, displayed them in major train stations, and featured MoCo on its website, its social media outlets, and on its telephone hold message. Monmouth Arts also received a \$10,000 federal grant from National Endowment for the Arts to support marketing efforts for the MoCo Arts Corridor, only one of 150 nonprofit groups to receive this Challenge America Fast-Track Grant.

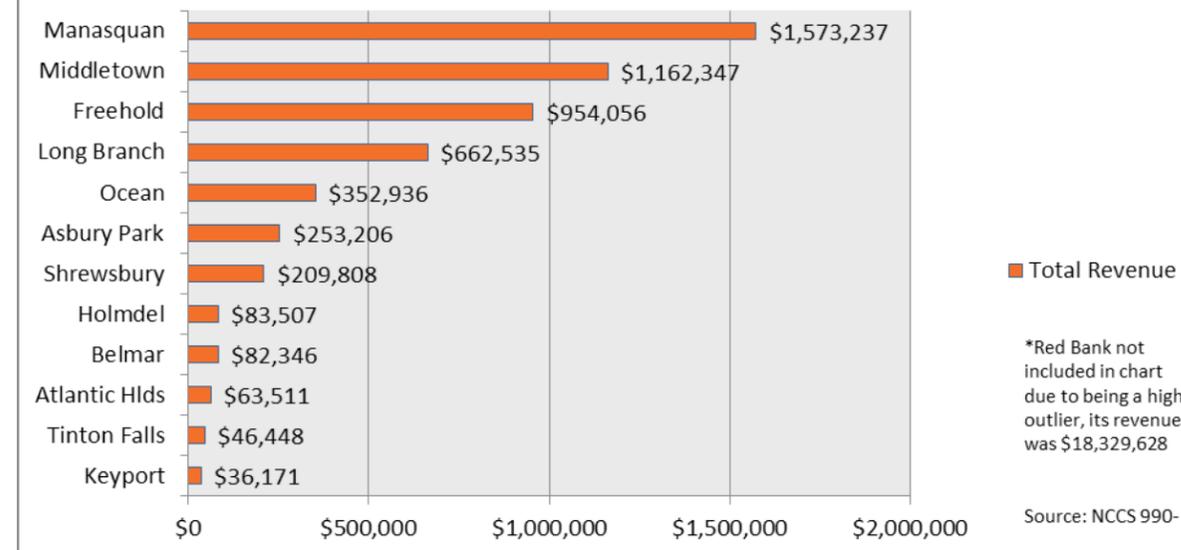
Additionally, many of the individual nonprofits that make up the MoCo Corridor receive funding from grants and donations. Using the 990 nonprofit tax, revenue data was compiled for nonprofit organizations along the MoCo Arts Corridor. Some nonprofits along the Corridor re-grant money to other organizations. Thus it is possible that some of these funds are counted twice. However, the re-granting amount is only \$1,506,887. Due to relatively small amount that is re-granted (only 6% of the total), and the possibility that it does not go to another organization along the MoCo Arts Corridor, this amount was left in the total.

In total, nonprofits in the MoCo Arts Corridor raised \$23,809,736. By far the highest revenue generating host municipality of the MoCo Arts Corridor is Red Bank, whose 13 nonprofits raised \$18,329,628, or 77% of all MoCo nonprofit revenue. Figure 5 displays the remaining data. Red Bank was not included due to it being a high outlier.



FilmOneFest is Atlantic Highlands' One-Minute International Film Festival. Films (under 2 minutes in length) from local to international film and video makers are projected on a giant screen under the stars on the historic shores of Sandy Hook Bay, NJ. Photo courtesy of Monmouth Arts.

Figure 5: 990 Revenue of MoCo by Municipality (990 Forms either 2013 or 2014)



VALUE OF ARTS NONPROFITS

Nonprofit art organizations, which receive the status from the federal government, are exempt from Federal, state, and local taxes. Despite this status, nonprofit arts organizations are far from a financial drain on municipal budgets and regional economies. Primarily, nonprofit organizations receive this status under the assumption that they will provide a social good to the community. Art organizations found in Monmouth County fulfill this requirement by providing unique entertainment, promoting social interaction and a sense of community, funding public art projects, fostering the understanding and appreciation of arts, and providing educational services to children and adults. The value of these services are not always quantifiable in monetary terms.

Furthermore, many nonprofit arts organizations lack formal headquarters, meaning most do not avoid paying property tax. For example, 11 out of 18 nonprofit art organizations in Red Bank do not have an actual headquarters. Instead, they use fundraising and grant funding to rent out space in existing establishments such as churches, community centers, or schools. This has the ancillary benefits of helping to support such establishments. Other organizations that do have a headquarters pay rent to landowners. Nonprofit organizations whose main function is retail, such as a nonprofit art dealer, are still required to charge sales tax on sold items.

In addition, there is evidence that nonprofit art organizations actually help to promote economic activity in the downtowns that they are located in. A study published by the National Assembly of Local Arts Agencies (NALAA) in 1994 studied arts activity in 33 towns and cities across America, tracking jobs, income, revenues, and expenditures over a three-year period. The study found that nonprofit arts promote economic wellbeing by generating income to individuals along with local, state, and Federal government revenue. There are two reasons for this:

1. Nonprofit art organizations bring in outside money in the form of grants and also generate revenue through fundraising and ticket sales. This money is then spent on local services, such as

advertising, construction, painting, accounting, and other services. MoCo Arts Corridor's nonprofit art organizations have an estimated \$24,074,698 in expenses annually. Using the Americans for the Arts Economic Impact Calculator, those approximate \$24 million in expenditures are estimated to support 801 full time jobs and generate \$978,636 in local government revenue and \$1,295,459 in state government revenue (Americans for the Arts, 2012).

2. Nonprofit art organizations act as anchor establishments, drawing in tourists from neighboring areas who then spend money at restaurants and shops. The Count Basie Theatre in Red Bank for example, attracts approximately 200,000 guests annually. Having these establishments provides a significant boost in revenue for nearby restaurants, hotels, retail, parking, and other stores and services. Americans for the Arts conducts periodic surveys on spending activity of audiences drawn by nonprofit art establishments. The most recent study, "Arts & Economic Prosperity IV" found that a typical attendee of the arts spends an average of \$24.60 per person per event, beyond the cost of admission (Americans for the Arts 2012). Similar average spending amounts were found for the City of Princeton, City of Newark, and Bergen County, with average spending being \$24.03, \$25.59, and \$22.48, respectively. For all locations, meals and refreshments made up the largest spending by attendees, followed by overnight lodging (Americans for the Arts 2010).

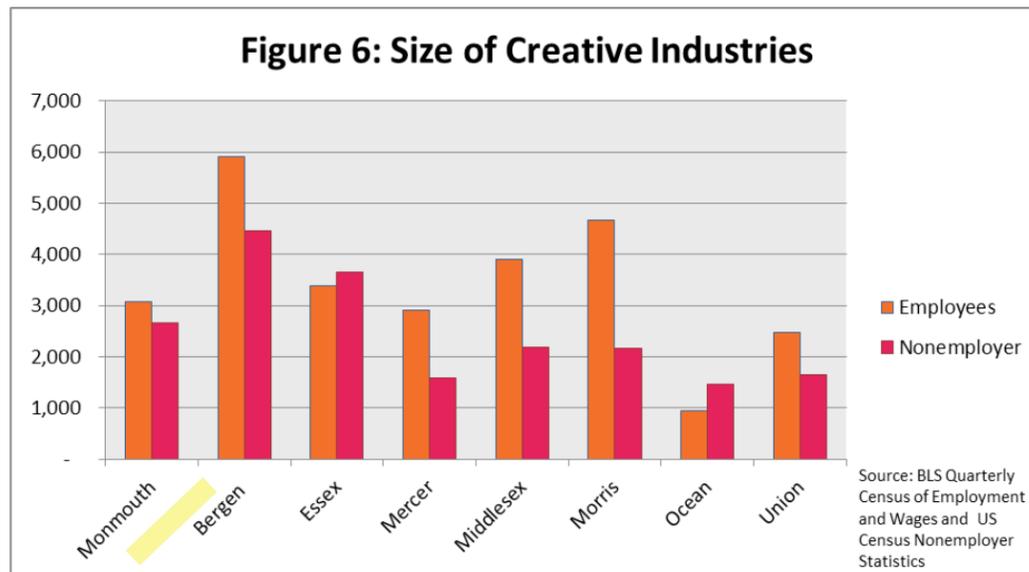


Count Basie Theatre, Red Bank, NJ

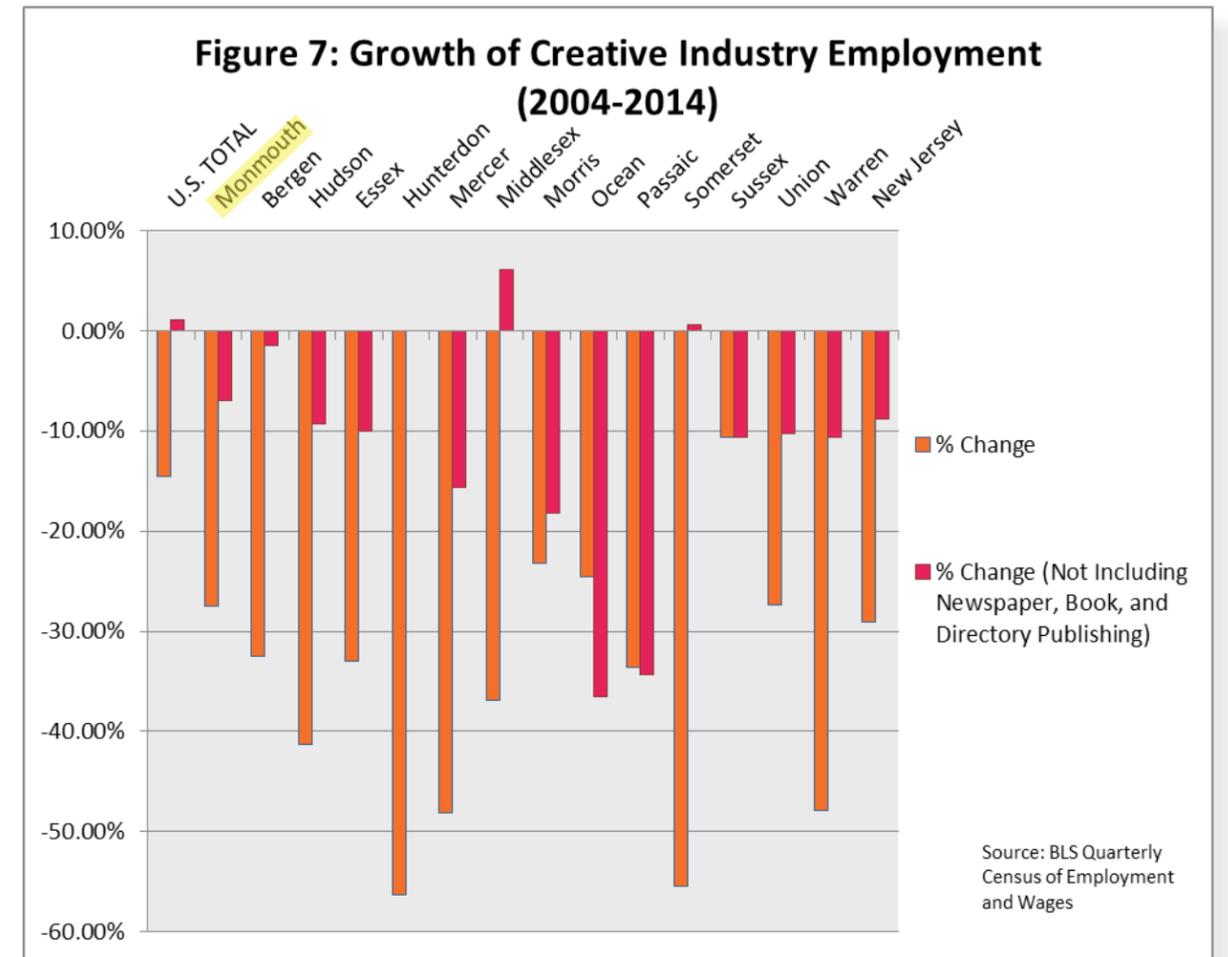
Based on this, it is clear that nonprofit arts organizations provide more than just social good to communities, they are a revenue positive economic generator.

TOTAL EMPLOYMENT AND EMPLOYMENT GROWTH

Using the Bureau of Labor Statistics quarterly census of wages and employment (referred to hereafter as "covered employment") and the Census Bureau's Nonemployer Industries data estimations for total creative industry and growth were estimated. Creative industries were found to employ 3,082 covered employees and 2,664 nonemployer businesses. Figure 6 shows the number of covered employees and nonemployer businesses for Monmouth and other select counties.



As Figure 7 shows, since 2004, creative industries in Monmouth County have seen a decline of 27.55% in covered employment. This is lower than the state creative industry loss of 29.08%, but higher than the 14.57% nation loss. A majority of the covered employment loss has been from the newspaper, book, and directory publishing industry, which saw a loss of 992 (60%) covered employees from 2004 to 2014. Removing this industry, the creative industry loss is a significantly smaller 6.96%. Over the same time period, New Jersey lost 8.82% of non-newspaper publishing creative industries, while the United States saw a 1.07% increase.



A total of 12 of the creative industries that had data in both 2004 and 2014 had some amount of growth. In contrast, 17 industries saw a decline. The more cultural oriented industries, such as those within the Performing Arts Companies categories (with the exception of Musical groups and artists), Independent Artists, Museums, and Fine Art Schools have seen growth. Combined, these industries have grown 62.5% since 2004. The number of independent artists has doubled since 2004.

Table 5 displays the 29 out of 60 industries that have data for both 2004 and 2014. With the exception of "Camera and Photographic Supplies Stores," all the industries excluded were lower level NAICS code industries. This means they were more specific and their employment data would be captured in the higher NAICS still included, thus the total number of creative workers should still be accurate. "Camera and Photographic Supplies Stores" in 2014 was listed as "NC" meaning the data was "Not Calculable, the data does not exist, or it is zero," so it was left in and the number was changed to 0. A complete raw version of the data for both years is located in the Appendix.

Table 5: Growth of Creative Industries by Industry in Monmouth County

Industry	NAICS	2004	2014	% Growth
Camera and photographic supplies stores	'44313'	48	0	100.00%
Sewing, needlework, and piece goods stores	'45113'	108	49	-54.63%
Musical instrument and supplies stores	'45114'	35	64	82.86%
Art dealers	'45392'	26	8	-69.23%
Newspaper, book, and directory publishers	'5111'	1667	675	-59.51%
Periodical publishers	'51112'	148	91	-38.51%
Directory and mailing list publishers	'51114'	54	43	-20.37%
Other publishers	'51119'	29	92	217.24%
Motion picture and sound recording industries	'512'	417	285	-31.65%
Motion picture and video industries	'5121'	406	272	-33.00%
Motion picture and video exhibition	'51213'	336	224	-33.33%
Sound recording industries	'5122'	11	13	18.18%
Libraries and archives	'51912'	39	26	-33.33%
Architectural services	'54131'	277	225	-18.77%
Landscape architectural services	'54132'	74	118	59.46%
Specialized design services	'5414'	490	277	-43.47%
Interior design services	'54141'	101	88	-12.87%
Graphic design services	'54143'	153	174	13.73%
Advertising agencies	'54181'	272	189	-30.51%
Photographic services	'54192'	246	186	-24.39%
Photography studios, portrait	'541921'	230	178	-22.61%
Commercial photography	'541922'	16	8	-50.00%
Fine arts schools	'61161'	244	406	66.39%
Performing arts companies	'7111'	216	318	47.22%
Theater companies and dinner theaters	'71111'	156	226	44.87%
Musical groups and artists	'71113'	60	37	-38.33%
Independent artists, writers, and performers	'7115'	83	169	103.61%
Museums, historical sites, zoos, and parks	'712'	60	87	45.00%
Museums	'71211'	36	37	2.78%
Total, Creative Industries	-	4,254	3,082	-27.55%
Total, all industries	-	210,614	213,679	1.46%

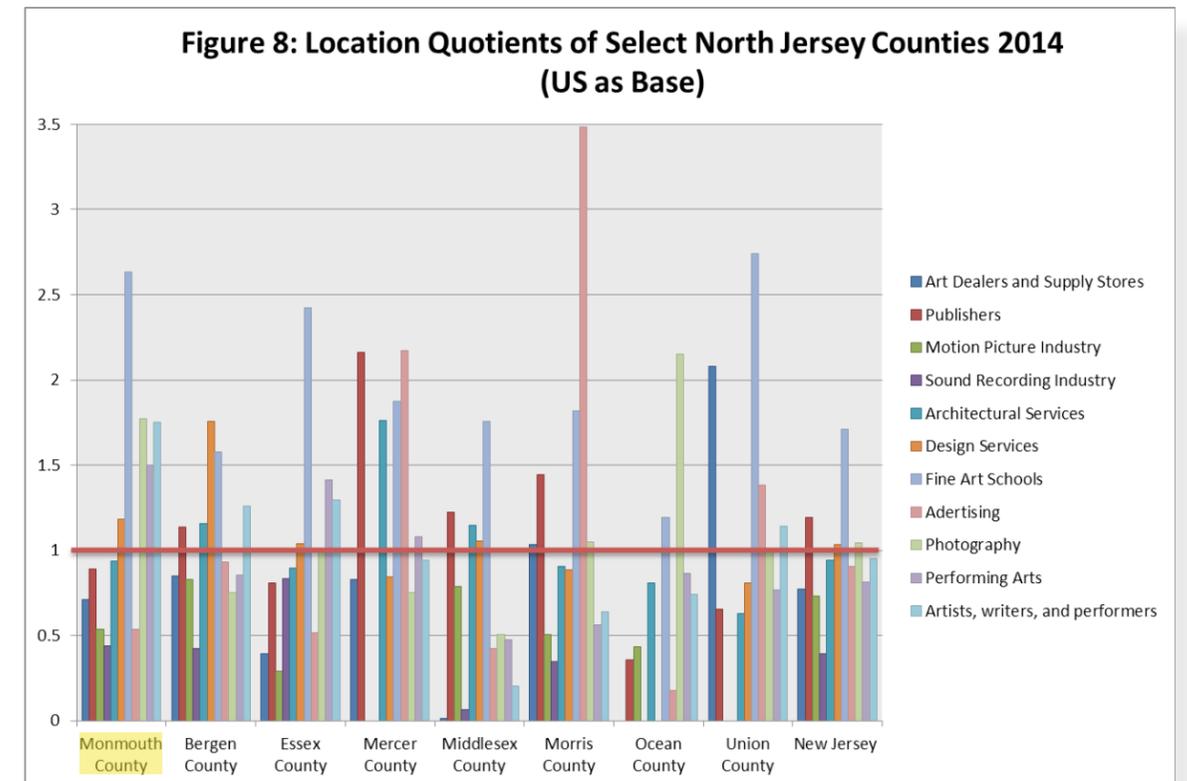
Nonemployer industries are businesses that have no employees. They are typically self-employed individuals. In contrast to employer industries, nonemployer industries have seen steady growth since 2003 according to the U.S. Census Bureau. From 2003 to 2013, nonemployer industries grew from 2,101 to 2,664, a 27% increase. This however is still slower than the NJ growth of 28% and national growth of 42%. Still, nonemployer creative industry's in Monmouth County have grown at around twice the rate of all non-employer industries in Monmouth County. Table 6 summarizes the growth of creative industries from 2003 to 2013 and 2009 to 2013. As Table 6 shows, a majority of growth has been in the Performing Arts sector, followed by the photographic services sector.

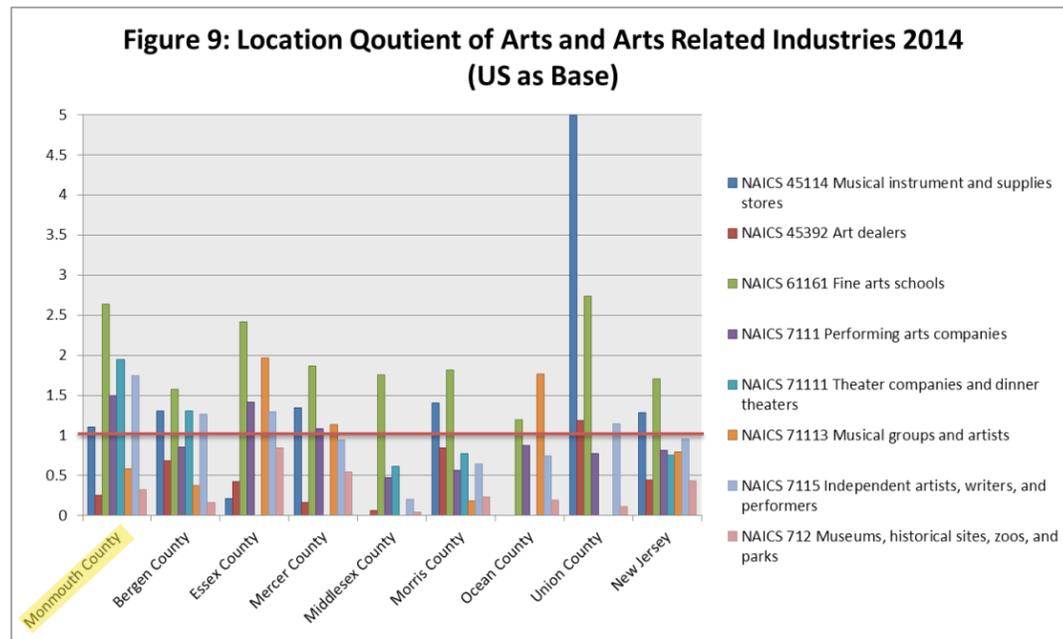
Table 6: Growth of Nonemployer Industries 2003-2013

NAICS Code	NAICS Name	USA	NJ	Monmouth	Monmouth Employer Industries (From BLS)
'7111'	Performing arts companies	187%	135%	134%	47%
'7115'	Independent artists, writers, and performers	34%	21%	19%	104%
'712'	Museums, historical sites, and similar institutions	31%	44%	No data	45%
'45113'	Sewing, needlework, and piece goods stores	13%	-17%	6%	-55%
'45392'	Art dealers	-3%	-22%	-17%	-69%
'5121'	Motion picture and video industries	58%	44%	49%	-33%
'5122'	Sound recording industries	51%	35%	56%	18%
'54131'	Architectural services	3%	4%	-5%	-19%
'54132'	Landscape architectural services	20%	-6%	-24%	59%
'54192'	Photographic services	97%	70%	69%	-24%
All Creative Industries		43%	28%	27%	-6%
All Nonemployer Industries Growth		23%	17%	15%	

LOCATION QUOTIENTS

Figures 8 and 9 shows the location quotients of select North Jersey counties. Counties were selected based upon the size of their creative economies. Figure 8 shows Monmouth County has LQ's of less than 1 for many of the service based, less cultural creative industries, including architecture, supply stores, and movie and sound industry. In contrast, Monmouth County has LQ's higher than 1 for many of its culture and arts industries, such as fine art schools, performing arts, and independent artists. Monmouth County has the second highest LQ in the North Jersey for fine arts schools, performing arts, and independent artists.





IDENTIFYING IMPORTANT INDUSTRIES

The Carnegie-Mellon Center for Economic Development (2002) provides a method for classifying industries into four categories by analyzing both their LQ and growth. The table summarizes these categories:

	Low Employment Growth	High Employment Growth
High Location Quotient	Important Industries that May Require Attention	Important Growth Industries
Low Location Quotient	Industries with Little Promise for Local Economy	Potential Emerging Industries

Source: Carnegie-Mellon Center for Economic Development, 2002
www.smartpolicy.org/pdf/clustercommunity.pdf

Creative industries in Monmouth County were categorized using this method and are listed below. Due to data limitations, some industries could not be categorized.

Important Industries that May Require Attention (Low Employment Growth - High Location Quotient):

- NAICS 5414 Specialized design services
- NAICS 54141 Interior design services
- NAICS 54192 Photographic services
- NAICS 541921 Photography studios, portrait

Important Growth Industries (High Employment Growth – High Location Quotient):

- NAICS 45114 Musical instrument and supplies stores
- NAICS 51119 Other publishers
- NAICS 54132 Landscape architectural services
- NAICS 54143 Graphic design services
- NAICS 61161 Fine arts schools
- NAICS 7111 Performing arts companies
- NAICS 71111 Theater companies and dinner theaters
- NAICS 7115 Independent artists, writers, and performers

Potential Emerging Industries (High Employment Growth – Low Location Quotient):

- NAICS 5122 Sound recording industries
- NAICS 712 Museums, historical sites, zoos, and parks
- NAICS 71211 Museums

Industries with Little Promise for Local Economy (Low Employment Growth – Low Location Quotient):

- NAICS07 44313 Camera and photographic supplies stores
- NAICS 45113 Sewing, needlework, and piece goods stores
- NAICS 45392 Art dealers
- NAICS 5111 Newspaper, book, and directory publishers
- NAICS 51112 Periodical publishers
- NAICS 51114 Directory and mailing list publishers
- NAICS 512 Motion picture and sound recording industries
- NAICS 5121 Motion picture and video industries
- NAICS 51211 Motion picture and video production
- NAICS 51213 Motion picture and video exhibition
- NAICS 51912 Libraries and archives
- NAICS 54131 Architectural services
- NAICS 54181 Advertising agencies
- NAICS 541922 Commercial photography
- NAICS 71113 Musical groups and artists

Industries that Could Not be Categorized Due to Data Limitations:

- NAICS 51111 Newspaper publishers
- NAICS 51113 Book publishers
- NAICS 51212 Motion picture and video distribution
- NAICS 51219 Postproduction and other related industries
- NAICS 512191 Teleproduction and postproduction services
- NAICS 512199 Other motion picture and video industries
- NAICS 51221 Record production
- NAICS 51222 Integrated record production and distribution
- NAICS 51223 Music publishers
- NAICS 51224 Sound recording studios
- NAICS 51229 Other sound recording industries
- NAICS 54142 Industrial design services
- NAICS 54149 Other specialized design services
- NAICS 71112 Dance companies
- NAICS 71119 Other performing arts companies
- NAICS 71212 Historical sites
- NAICS 71213 Zoos and botanical gardens
- NAICS 71219 Nature parks and other similar institutions

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- Department for Culture, Media and Sport (1998). *Creative Industries Mapping Document*.
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- Infogroup, Inc (2015). *Reference U.S. Business Database*.
- Markusen, Ann, Gregory H. Wassall, Douglas DeNatale, and Randy Cohen (2008). *Defining The Creative Economy: Industry And Occupational Approaches*. *Economic Development Quarterly* 22, no. 1: 24-45.
- National Assembly of Local Arts Agencies (NALAA) (1994). *Arts in the Local Economy Final Report*.
- United Nations Development Programme, and United Nations Educational, Scientific and Cultural Organization (2013). *Creative Economy Report 2013 Special Edition: Widening Local Development Pathways*.
- United States Census Bureau (2013). *Nonemployer Statistics*.
- The Urban Institute, GuideStar (2015). *NCCS National Nonprofit Research Database (2015)*

APPENDIX

Appendix 1: Case Studies of Creative Economies

Chicago, Illinois:

<https://culturalpolicy.uchicago.edu/sites/culturalpolicy.uchicago.edu/files/creative-economy.pdf>

Colorado:

http://www.coloradocreativeindustries.org/sites/default/files/media/media/the_state_of_colorados_creative_economy_-_full_study.pdf

North Carolina:

http://www.ncarts.org/Portals/44/NCCreativeIndustryEconomicContributionStudy_FullReport.pdf

California:

http://www.otis.edu/sites/default/files/2015_Otis_Report_on_the_Creative_Economy_CA.pdf

Appendix 2: Americans for the Arts SIC Codes (full list)

http://www.americansforthearts.org/sites/default/files/pdf/information_services/creative_industries/creative_industries_definition_list_2006.pdf

Appendix 3: Raw Data of BLS Quarterly Census of Employment and Wages for Monmouth County

Industry	2004	2014
Base Industry: Total, all industries	210614	213679
NAICS07 44313 Camera and photographic supplies stores	48	NC
NAICS 45113 Sewing, needlework, and piece goods stores	108	49
NAICS 45114 Musical instrument and supplies stores	35	64
NAICS 45392 Art dealers	26	8
NAICS 5111 Newspaper, book, and directory publishers	1667	ND
NAICS 51111 Newspaper publishers	ND	449
NAICS 51112 Periodical publishers	148	91
NAICS 51113 Book publishers	ND	ND
NAICS 51114 Directory and mailing list publishers	54	43
NAICS 51119 Other publishers	29	92
NAICS 512 Motion picture and sound recording industries	417	285
NAICS 5121 Motion picture and video industries	406	272
NAICS 51211 Motion picture and video production	53	ND
NAICS 51212 Motion picture and video distribution	ND	NC
NAICS 51213 Motion picture and video exhibition	336	224
NAICS 51219 Postproduction and other related industries	ND	ND
NAICS 512191 Teleproduction and postproduction services	ND	ND
NAICS 512199 Other motion picture and video industries	ND	NC
NAICS 5122 Sound recording industries	11	13
NAICS 51221 Record production	NC	NC
NAICS 512210 Record production	NC	NC
NAICS 51222 Integrated record production and distribution	NC	NC
NAICS 512220 Integrated record production and distribution	NC	NC
NAICS 51223 Music publishers	ND	ND

Appendix 3:
Raw Data of BLS Quarterly Census of Employment and Wages for Monmouth County (continued)

Industry	2004	2014
NAICS 512230 Music publishers	ND	ND
NAICS 51224 Sound recording studios	ND	ND
NAICS 512240 Sound recording studios	ND	ND
NAICS 51229 Other sound recording industries	ND	NC
NAICS 512290 Other sound recording industries	ND	NC
NAICS 51912 Libraries and archives	39	26
NAICS 519120 Libraries and archives	39	26
NAICS 54131 Architectural services	277	225
NAICS 54132 Landscape architectural services	74	118
NAICS 5414 Specialized design services	490	277
NAICS 54141 Interior design services	101	88
NAICS 54142 Industrial design services	ND	ND
NAICS 54143 Graphic design services	153	174
NAICS 54149 Other specialized design services	ND	ND
NAICS 54181 Advertising agencies	272	189
NAICS 54192 Photographic services	246	186
NAICS 541921 Photography studios, portrait	230	178
NAICS 541922 Commercial photography	16	8
NAICS 61161 Fine arts schools	244	406
NAICS 7111 Performing arts companies	216	318
NAICS 71111 Theater companies and dinner theaters	156	226
NAICS 711110 Theater companies and dinner theaters	156	226
NAICS 71112 Dance companies	NC	ND
NAICS 711120 Dance companies	NC	ND
NAICS 71113 Musical groups and artists	60	37
NAICS 711130 Musical groups and artists	60	37
NAICS 71119 Other performing arts companies	NC	ND
NAICS 711190 Other performing arts companies	NC	ND
NAICS 7115 Independent artists, writers, and performers	83	169
NAICS 71151 Independent artists, writers, and performers	83	169
NAICS 712 Museums, historical sites, zoos, and parks	60	87
NAICS 7121 Museums, historical sites, zoos, and parks	60	87
NAICS 71211 Museums	36	37
NAICS 71212 Historical sites	ND	ND
NAICS 71213 Zoos and botanical gardens	NC	ND
NAICS 71219 Nature parks and other similar institutions	ND	ND

Footnotes:
(NC) Not Calculable, the data does not exist or it is zero
(ND) Not Disclosable

Appendix 4:
Total Revenue Raised and Number of Non-Profit Arts and Cultural Organizations in Monmouth County

NTEE Sub Groups	Total Revenue Raised	Number of Organizations
A03 - Arts, Culture & Humanities: Professional Societies & Associations	\$741,328	2
A11 - Arts, Culture & Humanities: Single Organization Support	\$27,949	1
A12 - Arts, Culture & Humanities: Fund Raising & Fund Distribution	\$48,564	2
A20 - Arts & Culture	\$174,853	2
A23 - Cultural & Ethnic Awareness	\$3,191,827	17
A25 - Arts Education	\$28,300	1
A26 - Arts & Humanities Councils & Agencies	\$1,950,178	7
A31 - Film & Video	\$0	1
A33 - Printing & Publishing	\$301,249	3
A40 - Visual Arts	\$36,122	1
A50 - Museums	\$671,782	4
A54 - History Museums	\$646,555	3
A60 - Performing Arts	\$2,892	1
A61 - Performing Arts Centers	\$10,312,039	3
A62 - Dance	\$527,571	2
A63 - Ballet	\$473,078	2
A65 - Theater	\$8,751,382	14
A68 - Music	\$298,533	5
A69 - Symphony Orchestras	\$88,752	2
A6A - Opera	\$80,856	2
A6B - Singing & Choral Groups	\$104,086	2
A6C - Bands & Ensembles	\$188,776	4
A6E - Performing Arts Schools	\$481,780	2
A70 - Humanities	\$89,819	4
A80 - Historical Organizations	\$2,093,349	6
A82 - Historical Societies & Historic Preservation	\$389,918	7
Total	\$31,701,538	100

Explanation of Groups can be found here: <http://nccs.urban.org/classification/NTEE.cfm>.