

BOOSTING THE CREATIVE ECONOMY

Supporting Artists, Entrepreneurs, and Small Business

ACTION NEEDED

We urge Congress to:

- Support legislation to invest in the country's creative economy and workforce and promote economic inclusion; to recognize artists, entrepreneurs, and nonprofit arts organizations as contributors to the small business community; improve and revitalize rural, remote, and underserved populations; and support the creative economy through federal programs and actions.
- Cosponsor these bills:
 - Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy Act (CREATE Act) HR 6381 / S.3521
 - Promoting Local Arts and Creative Economy Workforce Act (PLACE Act) HR 6569 / S.3560
 - 21st Century Federal Writers Project Act (21CFWP) HR 3054
 - Creative Economy Revitalization Act (CERA) HR 5019 / S. 2858
 - Performing Arts Tax Parity Act (PATPA) HR 4750 / S. 2872
 - Help Independent Tracks Succeed (HITS) Act H.R. 1945/S. 753
 - Saving Transit Arts Resources Act (STAR Act) HR 2380
 - Arts Education for All Act (AEFA) HR 5581

TALKING POINTS

Equity

These bills would strengthen equity in the allocation of federal resources for the creative economy, particularly the creative workforce.

Racial and cultural equity, particularly through expanded support for artists and culture bearers, narratives from marginalized groups, and access to arts education, are central to this legislative agenda. Five of the bills address racial, geographic, economic, and cultural equity.

CERA and 21CFWP include specific calls to commission narratives from marginalized populations, and CERA and AEFA both center funding for arts education for all, including the support of culture bearers who carry traditional knowledge forward. PLACE adjusts policy to ensure Indigenous artisans earn fairer revenue from creative work and protects Native heritage, and CREATE expands access to capital for creative entrepreneurs, particularly in rural settings.

Workers and Training

Workers: The country's 5.1 million creative workers have long been unable to fully access federal opportunities and programs; these bills seek to address this gap. Six of the bills directly impact the livelihoods of creative workers.

PLACE, PATPA, and HITS adjust tax codes that currently disadvantage artists so they can deduct fair value for donated work and/or access tax credits and deductions more appropriately. CERA and 21CFWP authorize direct-to-artist grants for work, while STAR ensures transit money can support creators of public art. AEFA invests in skill-building for creative educators and future workers, and PLACE, through various provisions, improves workforce policy for creative workers and increases access to capital for creative businesses.

Additionally, the possible reauthorization of the Workforce Innovation and Opportunity Act (WIOA) could integrate creative workers and solo creative entrepreneurs more explicitly in its reauthorization process.

Education: The U.S. economy works best when future workers are fully prepared with the creativity and innovation skills that our current economy demands. Three of the bills expand and increase access to education in the arts, creativity, and innovation for all Americans.

AEFA calls for universal arts education and rigorous research to measure and improve impact. CERA provides support to both in-school and community arts education, particularly of marginalized histories and heritages. Additionally, PLACE authorizes Creative Economy Apprenticeship Grants under the Department of Education to help teach future generations of the creative economy workforce and advance creativity as a tool for future innovation, providing a competitive edge.

Businesses

In the U.S., there are over 673,000 creative businesses—9-in-10 of them small or single-employee businesses—that will benefit from modest changes in current federal policy. Three of the bills bolster both creative businesses and entrepreneurs.

CREATE improves access to economic development tools and expands loan programs and capital for creative businesses, creative entrepreneurs, and non-creative businesses who engage creative workers. PLACE increases access to technical assistance, startup and apprenticeship grants, while removing barriers to disaster relief funding for creative businesses, and providing tax incentives. And PATPA corrects tax policy to ensure artists can deduct the cost of unreimbursed business expenses.

These policy shifts would open access to billions in investment in the creative economy, generating positive economic ripple effects in every American community. \$3.5 billion in federal funds would be made more accessible for creative businesses for growth capital, skill building, relief, recovery, and more. That is a sound financial investment, because the annual amount generated by the creative economy to the U.S. GDP is \$876 billion, which could be supercharged with better federal investment.

Research shows that investing in the arts means investing in communities. In fact, 83 cents of every dollar invested in creative entrepreneurs is re-invested locally by that artist, producing a high-return investment that betters every U.S. city and town.

BACKGROUND

These seven bills together map a new, more equitable and impactful policy landscape for creative businesses and workers. Were all these bills to pass into law, they would improve the lives of all Americans by opening billions of dollars in investment opportunities for creative businesses and entrepreneurs, expanding opportunity for current and future workers, and producing economic benefits for adjacent industries that rely on a healthy creative economy including tourism, hospitality and local community development to boost the U.S. economy. In particular:

- The creative economy would be recognized and supported for the economic powerhouse that it is.
- Cultural entrepreneurs and small businesses could access the capital to grow and contribute to local economies.
- Displaced and marginalized creative workers would be taxed and supported appropriately and centered in policy reforms.
- Creative skills development would be taught alongside other professional aptitudes to prepare a next generation workforce.
- The integration of art in public spaces would be codified as a necessary expenditure toward a healthy, vibrant community.

In addition to improving the lives of the U.S.'s creative workers, the policy shifts in these bills would directly affect tens of millions of Americans beyond the creative sector.

Over 5.1 million people in the United States are creative workers, and over a third of those are independent/gig workers or entrepreneurs that collectively fuel over 640,000 businesses. All of them are essential to local economies. Nationally, 55

million people are independent workers, many of them by choice, who are currently not able to equitably access healthcare, retirement savings, unemployment, paid leave, or growth capital—which stifles innovation, negatively impacts the social and economic growth of communities, and decreases the creative offerings available to all Americans.

86% of Americans agree that creative organizations and artists are important to local businesses and the economies, and all 330 million Americans take part in and benefit economically, professionally, and socially by creative work.

Issue brief prepared by the Cultural Advocacy Group, a collaboration of arts and culture stakeholders working collectively to advance federal policy. Updated 2022.