The economic impact of the creative arts industries: New York and Los Angeles

Data from the BLS Quarterly Census of Employment and Wages provide a fresh perspective on the impact and value of the creative arts to the economies of New York and Los Angeles; one of every 4 creative arts industry jobs in the Nation operated out of either of those locales in 2006

Michael L. Dolfman, Richard J. Holden, Solidelle Fortier Wasser

Michael L. Dolfman is Regional Commissioner, and Solidelle Fortier Wasser is a senior economist, New York regional office, Bureau of Labor Statistics; Richard J. Holden is Regional Commissioner, San Francisco regional office, Bureau of Labor Statistics. E-mail: dolfman.michael@bls. gov; holden.richard@ bls.gov; wasser. solidelle@bls.gov

wo U.S. counties—New York and Los Angeles¹—have become image-producing, critical forces that provide high visibility and a global reach for American cultural values. By clustering arts, entertainment, and cultural organizations, these two regions have developed into major strategic sites that consolidate vast concentrations of creative resources. The result is an infrastructure that has secured for them—and, by extension, the United States—a dominant place on the global cultural scene. These arts, entertainment, and cultural organizations form the core of three sectors whose interrelationships with each other magnify their impacts. Awareness of these synergies has led many to associate New York and Los Angeles "with a distinctive aura and mystique in the form of certain impressions, personae, memories, styles, [and] trends."2 Although each of the two counties is located within its own distinct geographic boundaries, the reach of the cultural output of both New York and Los Angeles has global implications. National and international views of American cultural patterns are often formed on the basis of individual impressions of New York or Los Angeles as *places*, through the presentation of those impressions in artistic, entertainment, and cultural venues.3

This article presents a critical examination of the arts, entertainment, and cultural industries as *industries* within the economies of both New York and Los Angeles. It does not address the much-debated artistic merit of these industries, nor does it focus on the field of "cultural economics." Instead, it examines the labor market scope (that is, employment and wages) of these creative arts industries, demonstrating that they are rooted in the same production processes that characterize all American industry. However, it is also important to note that these cultural industries, besides generating goods and services, produce creative intellectual content that may not be as readily quantified or measured. Cultural products can directly articulate attitudes, opinions, ideas, values, and creativity—essential inputs into the creative industries, although they cannot be transformed into commerce without the aid of other inputs that respond to ordinary economic incentives.5

The article uses the lens of employment and wage data for the years 1990 and 2006,6 drawn from the Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW) program database, to analyze the economic impact of these cultural products as industries within New York and

Los Angeles, and as basic export industries beyond their geographic borders.

Some 27 detailed industry classifications have been selected as meeting the criteria for cultural output industries inspired by the creative arts. Their significance to the economies of New York and Los Angeles is supported by the fact that their aggregate first-quarter, 2006, location quotients were 6.34 for New York and 4.92 for Los Angeles, with a combined value of 5.4.7 (See table 1; location quotients are useful statistical measures that compare the proportion of a region's workforce employed in a specific industry with that industry's employment concentration nationwide. Location quotients greater than 1.0 demonstrate a greater concentration of workers than would be required to meet local needs.)

There are important differences between the two counties. On the one hand, the dominance of the motion picture industry in Los Angeles relates to the history of the cinema. The industry was established there in the 1920s as a mass production industry not unrelated to other ones of that era. On the other hand, New York inherits its cultural orientation from its traditional role as a leading global financial services metropolis. New York's cultural industries are thus more evenly distributed across the 27 industries selected for examination.

The creative arts industries: a definition

On what basis were the 27 industries selected? The classification of industries within the North American Industrial Classification System (NAICS) provides insights into their productive functions, but does not offer an overarching definition of what constitutes an arts industry, an entertainment industry, or a creative industry. Compounding the problem is that the term "arts, entertainment, and creativity" has been used broadly to describe not only industries, but also occupations and products.

In attempting to answer this definitional question, a

Industry	Los Angeles	New York	Combined
Total	4.92	6.34	5.40
Agents and managers for public figures	8.99	11.12	9.71
Art dealers	1.48	5.83	2.95
Cable and other subscription programming	2.23	4.16	2.88
Dance companies	.36	15.80	5.58
ine arts schools	1.36	3.44	2.06
ndependent managers for public figures	7.13	2.85	5.69
ntegrated record production and distribution	9.36	16.68	11.85
nternet publishing and broadcasting	2.05	4.64	2.92
Notion picture and video distribution	7.38	5.40	6.72
Notion picture and video production	18.08	5.83	13.95
/luseums	1.61	3.92	2.39
Nusic publishers	3.67	9.05	5.50
Ausical groups and artists	2.71	2.68	2.70
News syndicates	.79	15.79	5.86
Other motion picture and video industries	12.81	8.03	11.21
Other sound recording industries	5.82	3.87	5.17
Other specialized design services	3.18	10.37	5.61
Periodical publishers	1.25	11.95	4.86
Promoters with facilities	.52	8.58	3.24
Promoters without facilities	1.77	2.51	2.02
Radio networks	2.20	2.11	2.17
Radio stations	.63	1.59	.95
Record production	2.65	15.01	6.86
Sound recording studios	4.95	6.28	5.41
eleproduction and other postproduction services	14.52	7.68	12.22
elevision broadcasting	2.13	7.26	3.86
Theater companies and dinner theaters	.79	9.00	3.56

Creative Industries Task Force established in the United Kingdom in 2001 defined creative industries as "activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through generation and exploitation of intellectual property."8 Central to this definition is an emphasis on commercial achievement or its potential and on the overall strategic importance of the role of creative industries to a nation's exports and international branding. The analysis that follows builds on this definitional base to bring out the importance of an industry's "global, or export, profile," as demonstrated by high location quotients. Table 1 lists the 27 industries chosen for analysis, together with their location quotients for New York, Los Angeles, and the two counties combined.

Methodology

This study first assesses the extent of the clustering or geographic concentration of the 27 creative arts industries in New York and Los Angeles. Clustering provides economic advantages to business by increasing access to experienced labor pools, improving transfers of technology, and customizing support services, among a host of other benefits. Of interest is whether clustering increased or decreased over the 17-year study period from 1990 to 2006. Next, the analysis examines the economic importance of these creative arts industries to both New York and Los Angeles. A key question is, In terms of employment and wage generation, how influential are these industries to the overall economic health of each region? Moreover, over the 17-year period, did their importance increase or decrease? The article concludes with substantive, if probative, answers to these questions.

Clustering of the creative arts industries

Over the past quarter century, the clustering of certain kinds of economic activity in certain geographic regions has become a notable feature of the global economy. With regard to the creative arts industries, to what extent has this clustering occurred in New York and Los Angeles Counties? A starting point in seeking an answer to this question is an assessment of the overall influence of these creative arts industries in the American economy.

The creative arts industries nationwide

During the first quarter of 2006, about 1.2 million private-sector jobs (1.1 percent of total employment) in the Nation were associated with creative arts industries, a decrease of about 50,000 jobs (4.0 percent) since 1990. (See table 2.) During the same timeframe, total private-sector employment increased by 21.2 percent, or approximately 24 million jobs. Within each of the individual sectors that comprise the 27 creative arts industries, there were notable differences in employment patterns. Nationally, in the creative arts industries in 2006, about 1 out of every 2 jobs (46.0 percent) was associated with one of the following four sectors: motion picture and video production (16.2 percent), periodical publishers (12.0 percent), television broadcasting (10.6 percent), and radio stations (7.2 percent). In 1990, the same four sectors accounted for approximately 1 of every 3 jobs (36.8 percent) in those industries.

A different pattern emerged for wages. For the Nation as a whole, the average weekly wage in the private sector during the first quarter of 2006 was \$774, an increase of 75.1 percent over the 1990 figure of \$442. (See table 3.)

In the 27 creative arts industries, the average weekly wage in 2006 was \$1,044, an amount 34.9 percent higher than the comparable national private-sector wage. Over the 17-year period examined, average weekly wages in the creative arts industries increased by 108.0 percent from the 1990 wage of \$502. (Note that the average wage in the creative arts industries was influenced by the relatively high wages associated with the motion picture and video industries.) Variations in average weekly wages were recorded in the 27 industries. Interestingly, the highest paying sector—record production, with an average weekly wage of \$1,972 in 2006—had the least employment, with only 2,595 jobs in the entire Nation.

Other high-paying sectors included integrated record production and distribution (\$1,880), news syndicates (\$1,612), Internet publishing and broadcasting (\$1,458), teleproduction and other postproduction services (\$1,453), independent managers for public figures (\$1,443), and agents and managers for public figures (\$1,424).

Clustering in New York and Los Angeles

During the first quarter of 2006, 1 out of every 4 jobs (25.8 percent) associated with the creative arts industries in the country was located in either New York or Los Angeles. New York accounted for 10.2 percent of these jobs, while 15.6 percent were based in Los Angeles. (See table 4.) These percentages represent a marked increase over 1990 levels, when 1 out of every 5 jobs (20.4 percent) was located in either New York or Los Angeles. (See table 5.) At that time, 8.7 percent were linked with New

Table 2. Employment in creative arts industries, United States, first quarter, 1990, and first quarter, 2006 1990 2006 Industry **Average** Arts **Average** Arts monthly monthly industry industry employment employment share share 106,906,249 134,505,148 Total, all industries 88,984,929 113,016,365 Total private 1,239,845 100.0 1,189,837 100.0 Total arts Agents and managers for public figures..... 12,519 17,628 1.0 1.5 Art dealers..... 23,360 29,371 2.4 2.0 Cable and other subscription programming 52,124 4.2 89,669 7.5 8,523 6,829 .6 Dance companies Fine arts schools..... 32,479 2.6 63,615 5.3 Independent managers for public figures..... 26,538 2.1 47,530 4.0 Integrated record production and distribution..... 4,886 3,715 .3 Internet publishing and broadcasting 16,857 1.4 34,075 2.9 8,899 .7 .7 Motion picture and video distribution..... 8,506 Motion picture and video production 109,786 8.9 192,849 16.2 72,804 Museums..... 42,358 3.4 6.1 .7 Music publishers 8,195 4,221 Musical groups and artists 40,518 3.3 39,299 3.3 11,166 .7 .9 News syndicates 8,412 Other motion picture and video industries..... 18,217 1.5 3,774 .3 3,392 .3 Other sound recording industries..... 4.905 .4 Other specialized design services..... 7,638 .6 12,284 1.0 Periodical publishers..... 140,396 11.3 142,711 12.0 Promoters with facilities 37,091 5.0 3.0 59,419 1.0 20,995 1.8 Promoters without facilities 12,526 2.0 Radio networks 25.371 25,302 2.1 Radio stations 92,447 7.5 85,963 7.2 Record production..... 813 .1 2,595 .2 Sound recording studios 14.364 1.2 7,161 .6 Teleproduction and other postproduction services....... 11,212 .9 15,820 1.3 Television broadcasting..... 112,411 9 1 125,556 10.6 Theater companies and dinner theaters 362,681 29.3 62,369

York and another 11.7 percent with Los Angeles. During the 17-year period studied, this increase in clustering was compatible with findings which emphasized that, besides providing a competitive edge, the clustering of industries in specific geographic locations markedly increased those industries' access to knowledge, innovation, and expertise.

In both New York and Los Angeles, the extent of clustering among individual creative arts industries demonstrated considerable variability. For example, in 2006, almost 1 out of 5 (19.6 percent, or 27,910 jobs) national jobs in periodical publishing was located in New York. In contrast, approximately 6 of every 10 (58.7 percent, or 113,173 jobs) national jobs in motion picture and video production were located in Los Angeles.

That an additional 4.0 percent (5,756 jobs) of all national jobs in periodical publishing were located in Los Angeles, while an additional 9.6 percent (18,572 jobs) of all national jobs in motion picture and video production were located in New York, indicates that the clustering of these two sectors in New York and Los Angeles was even greater.

In 1990,¹⁰ motion picture and video production was not as important in Los Angeles, and was about as important in New York, as it was in 2006. In 1990, 48.8 percent (53,567 jobs) of all national jobs associated with motion picture and video production were located in Los Angeles, while an additional 16.7 percent (18,296 jobs) were based in New York. (See table 5.) During this timeframe, employment in the motion picture and video production sector grew by 111.3 percent in Los Angeles and remained static in New York.

Given the dominance of motion picture and video pro-

	Average weekly wage		
Industry	1990	2006	
Total, all industries	\$448	\$784	
Total private	442	774	
Total arts	502	1,044	
Agents and managers for public figures	688	1,424	
Art dealers	374	620	
Cable and other subscription programming	581	1.171	
Dance companies	497	657	
Fine arts schools	203	311	
ndependent managers for public figures	1,107	1,443	
ntegrated record production and distribution	1,271	1,880	
nternet publishing and broadcasting	536	1,458	
Notion picture and video distribution	764	1,335	
Motion picture and video production	955	1,355	
Museums	318	551	
Nusic publishers	544	1,279	
Musical groups and artists	356	734	
News syndicates	789	1,612	
Other motion picture and video industries	637	1,357	
Other sound recording industries	754	945	
Other specialized design services	410	940	
Periodical publishers	680	1,275	
Promoters with facilities	412	621	
Promoters without facilities	472	667	
Radio networks	485	1,072	
Radio stations	389	869	
Record production	825	1,972	
Sound recording studios	501	795	
eleproduction and other postproduction services	755	1,453	
elevision broadcasting	920	1,281	
Theater companies and dinner theaters	176	525	

duction in Los Angeles, clustering theory predicts that affiliated industries will also locate in that region. In fact, that has been the case: in 2006, 24.4 percent (2,074 jobs) of all national jobs in motion picture and video distribution, 46.1 percent (7,297 jobs) of all national jobs in teleproduction and other postproduction services, and 41.2 percent (1,555 jobs) of all national jobs in other motion picture and postproduction services were based in Los Angeles.

Associated with the movie and video industries are agents and managers, so it is no surprise that Los Angeles was also the base for 27.7 percent (4,890 jobs) of agents and managers for public figures and 21.4 percent (10,170 jobs) of independent managers for public figures in 2006.

The influence of New York and Los Angeles is apparent as well in the recording and music industries. For example, in 2006, in the integrated record production and distribution industry, 27.3 percent (1,015 jobs) of all national jobs were located in New York and another 30.2 percent (1,120 jobs) were based in Los Angeles. In music publishing, 14.7 percent (620 jobs) of all national jobs were based in New York and another 11.8 percent (497 jobs) were based in Los Angeles.

Of note is the fact that New York was home to 26.0 percent (2,907 jobs) of all national jobs in news syndicates and 26.8 percent (2,287 jobs) in dance companies in 2006.

Changes over time

As noted previously, national employment in the creative arts industries declined slightly, by 50,008 jobs, or 4.0 percent, between 1990 and 2006. However, in New York and Los Angeles, the results were different: in New York, employment grew from 107,760 in 1990 to 121,433 in 2006, a 12.7-percent increase, or a gain of 13,673 jobs; in Los

Table 4. Employment in creative arts industries, New York and Los Angeles, first quarter, 2006 **New York** Los Angeles Average Industry Percent of Average Percent of monthly United monthly United employment **States** employment States Total, all industries 2,259,545 4,145,142 1.7 3.1 Total private 1,813,045 1.6 3,565,411 3.2 10.2 185,183 121,433 156 Total arts 4,890 Agents and managers for public figures..... 3 073 17 4 27 7 Art dealers..... 2,148 9.2 1,074 4.6 Cable and other subscription programming 6.8 7.2 6.089 6,415 Dance companies 2,287 26.8 104 1.2 2,865 3,690 5.8 4.5 Fine arts schools..... 214 Independent managers for public figures..... 2.132 4.5 10 170 27.3 30.2 Integrated record production and distribution..... 1,015 1,120 2,491 7.3 2,194 64 Internet publishing and broadcasting Motion picture and video distribution..... 771 9 1 2,074 24.4 18,572 9.6 113,173 58.7 Motion picture and video production Museums..... 4.438 6 1 3,588 49 11.8 Music publishers 620 147 497 Musical groups and artists 40 3,219 1 585 8 2 News syndicates 2,907 26.0 286 2.6 496 13.1 1.555 41.2 Other motion picture and video industries..... Other sound recording industries..... 212 6.3 618 18.2 Other specialized design services..... 2,002 16.3 1,210 99 4.0 27 910 196 5.756 Periodical publishers Promoters with facilities 8,325 14.0 985 1.7 Promoters without facilities 715 34 1.036 49 Radio networks 869 3.4 1,783 7.0 Radio stations 2,250 2.6 1,752 2.0 24.0 8.3 Record production..... 622 216 Sound recording studios 728 10.2 1,124 15.7 1 962 124 7,297 46 1 Teleproduction and other postproduction services....... Television broadcasting..... 15,021 12.0 8,665 6.9 Theater companies and dinner theaters 8,475 13.6 1,466 2.4

Angeles, the increase was even greater—27.9 percent—as employment rose from 144,736 in 1990 to 185,183 in 2006, a gain of 40,447 jobs. (See table 6.)

In Los Angeles, the job growth was focused largely in motion picture and video production, which registered an increase of 59,606 jobs, or 111.3 percent. Associated with this job growth were increases in allied industries: teleproduction and other postproduction services (2,584 jobs, or 54.8 percent), agents and managers for public figures (2,635 jobs, or 116.9 percent), and independent managers for public figures (2,651 jobs, or 35.3 percent). Jobs in museums grew by 1,373, or 62.0 percent, over the 17-year period examined. However, decreases in employment were noted in television broadcasting (673 jobs, or 7.2 percent) and in radio stations (949 jobs, or 35.1 percent).

In New York, although the increase in total jobs in the creative arts industries was less than that recorded for Los

Angeles, it was spread over multiple sectors. Over the 17year period studied, employment increases were registered in periodical publishers (986 jobs, or 3.7 percent), radio stations (1,197 jobs, or 113.7 percent), news syndicates (1,093 jobs, or 60.3 percent), promoters with facilities (4,218 jobs, or 102.7 percent), museums (1,816 jobs, or 69.3 percent), and fine arts schools (1,707 jobs, or 86.1 percent). Job decreases occurred in television broadcasting (745 jobs, or 4.7 percent), theater companies and dinner theaters (516 jobs, or 5.7 percent), and dance companies (372 jobs, or 14.0 percent).

Distribution of creative arts industries

In the Nation during 2006, the largest share of all creative arts jobs was in motion picture and video production, which accounted for 16.2 percent (192,849 jobs) of

Table 5. Employment in creative arts industries, New York and Los Angeles, first quarter, 1990 **New York** Los Angeles Industry **Average** Percent of **Average** Percent of monthly United monthly United employment **States** employment **States** Total, all industries 2,354,316 2.2 4,271,547 4.0 Total private 1.866.028 2.1 3,734,576 4.2 107.760 8.7 144.736 11 7 2.557 204 2.255 Agents and managers for public figures..... 18.0 Art dealers..... 1,484 5.1 2,181 7.4 Cable and other subscription programming 7.2 5.9 3 736 3 094 Dance companies 2,659 38.9 139 2.0 2,248 Fine arts schools..... 1,983 6.1 6.9 127 7 5 1 9 28.3 Independent managers for public figures..... 3.371 1,429 Integrated record production and distribution..... 29.2 1,685 34.5 4.0 Internet publishing and broadcasting 676 133 8 2,264 25.4 Motion picture and video distribution..... 1,228 13.8 Motion picture and video production 18,296 16.7 53,567 48.8 Museums..... 2.622 62 2.215 5.2 6.6 1.016 12.4 Music publishers 543 4,862 3 078 76 12.0 Musical groups and artists News syndicates 1,814 21.6 253 3.0 845 4.6 15.844 87.0 Other motion picture and video industries..... Other sound recording industries..... 196 40 304 6.2 Other specialized design services..... 1,078 14 1 803 10.5 26 924 192 7,105 5.1 Periodical publishers Promoters with facilities 4,107 11.1 533 1.4 373 3.0 3.382 27.0 Promoters without facilities Radio networks 1,013 4.0 905 3.6 2.9 Radio stations 1,053 1.1 2,701 Record production..... 84 104 79 97 Sound recording studios 645 4.5 1,558 10.8 1.208 10.8 Teleproduction and other postproduction services....... 4 713 42 0 Television broadcasting..... 15,766 14.0 9,338 8.3

8,991

Source: BLS Quarterly Census of Employment and Wages.

Theater companies and dinner theaters

all national jobs. (See table 2.) This industry was followed by periodical publishers (12.0 percent, or 142,711 jobs) and television broadcasting (10.6 percent, or 125,556 jobs). These three sectors combined represented almost 4 of every 10 jobs (38.8 percent) associated with the creative arts industries.

The 2006 distribution was markedly different from that of 1990, when 29.3 percent (362,681 jobs) of all national jobs in the creative arts were linked to theater companies and dinner theaters, with an additional 11.3 percent (140,396 jobs) related to periodical publishing. Thus, these 2 sectors combined accounted for 4 out of every 10 jobs (40.6 percent) in the creative arts at that time.

Over the 17-year period examined, there has been a notable shift in creative arts employment in the Nation. The importance of periodical publishers has remained

constant; however, the role of theater companies and dinner theaters has decreased considerably, with the industry having lost 300,312 jobs, or 82.8 percent of its employment base, between 1990 and 2006. From its first-place position as an employer in 1990, the theater company and dinner theater industry has shrunk to providing just 5.2 percent of all creative arts jobs in 2006.

14,042

39

Over the 17-year study period, employment in the cable and other subscription programming industry has risen substantially. In 1990, the industry accounted for 4.2 percent (52,124 jobs) of all creative arts employment in the country. By 2006, the figure had grown to 7.5 percent of such jobs (89,669).

Museums also recorded an increase in employment: in 1990, the industry accounted for 3.4 percent (42,358) jobs) of all national creative arts jobs; by 2006, museums'

Table 6. Employment in creative arts industries, New York and Los Angeles, first quarter, 1990, and first quarter,

Industry	Average monthly employment				
	1990		2006		
	New York	Los Angeles	New York	Los Angeles	
Total alliandada	0.054.040	4.074.547	0.050.545	4.445.440	
Total, all industries Total private	2,354,316 1,866,028	4,271,547 3,734,576	2,259,545 1,813,045	4,145,142 3,565,411	
·					
Total arts	107,760	144,736	121,433	185,183	
gents and managers for public figures	2,557	2,255	3,073	4,890	
t dealers	1,484	2,181	2,148	1,074	
able and other subscription programming	3,736	3,094	6,089	6,415	
ance companies	2,659	139	2,287	104	
ne arts schools	1,983	2,248	3,690	2,865	
dependent managers for public figures	3,371	7,519	2,132	10,170	
tegrated record production and distribution	1,429	1,685	1,015	1,120	
ternet publishing and broadcasting	676	133	2,491	2,194	
otion picture and video distribution	1,228	2,264	771	2,074	
otion picture and video production	18,296	53,567	18,572	113,173	
useums	2,622	2,215	4,438	3,588	
usic publishers	543	1,016	620	497	
usical groups and artists	3,078	4,862	1,585	3,219	
ews syndicates	1,814	253	2,907	286	
ther motion picture and video industries	845	15,844	496	1,555	
ther sound recording industries	196	304	212	618	
ther specialized design services	1,078	803	2,002	1,210	
eriodical publishers	26,924	7,105	27,910	5.756	
romoters with facilities	4.107	533	8.325	985	
romoters without facilities	373	3,382	715	1,036	
adio networks	1,013	905	869	1,783	
adio stations	1,053	2,701	2,250	1,752	
ecord production	84	79	622	216	
ound recording studios	645	1.558	728	1,124	
eleproduction and other postproduction services	1.208	4.713	1.962	7.297	
elevision broadcasting	15,766	9,338	15.021	8,665	
heater companies and dinner theaters	8,991	14,042	8,475	1,466	

employment share had grown to 6.1 percent (72,804 jobs).

New York. In 2006, the distribution of jobs in the creative arts industries in New York mirrored somewhat that recorded for the Nation as a whole. One out of every 2 creative-industry jobs (50.7 percent) was associated with periodical publishers, motion picture and video production, or television broadcasting, with almost half of the jobs (23.0 percent) in periodical publishing. (See table 7.) In 1990, these three industries, in aggregate, accounted for 56.6 percent of all creative-industry jobs.

The decline in employment share from 1990 to 2006 did not necessarily relate to a decline in overall employment: although the employment share held by periodical publishers declined from 25.0 percent to 23.0 percent during the 17-year period examined, actual employment in the industry increased by 3.7 percent. Similarly, in motion picture and video production, the 1990 employment share of 17.0 percent declined to 15.3 percent, whereas actual employment in the industry increased slightly (1.5 percent).

By contrast, television broadcasting registered declines in both employment share and jobs: between 1990 and 2006, the industry's employment share decreased from 14.6 percent to 12.4 percent, while jobs decreased by 5.0 percent.

In 1990, New York employment represented 8.7 percent (107,760 jobs) of all national jobs in the creative arts industries. By 2006, this share had risen to 10.2 percent, or 121,433 jobs, an increase in employment of 12.7 percent over the 17-year study period. Although three industries accounted for about half of the employment in

Table 7. Employment in creative arts industries, New York, first quarter, 1990, and first quarter, 2006 1990 2006 Industry Percent Percent Average Average of monthly monthly **New York New York** employment employment Total, all industries 2 354 316 2.259.545 Total private..... 1,866,028 1,813,045 107,760 100.0 121,433 100.0 Agents and managers for public figures..... 2,557 2.4 3,073 2.5 1,484 14 2.148 1.8 Art dealers..... Cable and other subscription programming 3,736 3.5 6,089 5.0 Dance companies 2,659 2.5 2,287 1.9 Fine arts schools..... 1,983 1.8 3,690 3.0 Independent managers for public figures..... 3,371 3.1 2,132 1.8 Integrated record production and distribution..... 1,429 1.3 .8 1,015 Internet publishing and broadcasting 2.1 676 .6 2,491 Motion picture and video distribution..... 1.228 771 1.1 .6 Motion picture and video production 18,296 17.0 18,572 15.3 Museums..... 2,622 2.4 4,438 3.7 Music publishers 543 620 .5 3,078 2.9 1,585 1.3 Musical groups and artists News syndicates 1,814 1.7 2,907 2.4 Other motion picture and video industries..... 845 496 .2 Other sound recording industries 196 .2 212 Other specialized design services..... 1.078 1.0 2,002 1.6 26,924 27,910 Periodical publishers..... 25.0 23.0 4,107 3.8 8,325 6.9 Promoters with facilities Promoters without facilities 373 715 .7 1,013 .9 869 Radio networks Radio stations 1,053 1.0 2,250 1.9 Record production..... 84 .1 622 .5 Sound recording studios 645 .6 728 .6 Teleproduction and other postproduction services...... 1,208 1.1 1,962 1.6 Television broadcasting..... 15,766 15,021 14.6 12.4 Theater companies and dinner theaters 8,991 8.3 8,475 7.0

the creative arts industries in New York in 2006, no single industry dominated the employment scene. Over the 17year period, many sectors experienced growth.

Los Angeles. In Los Angeles, the motion picture and video production industry accounted for 61.1 percent of all jobs in the creative arts in 2006. (See table 8.) In 1990, the industry's employment share was 37.0 percent. During the 17-year span, employment in the motion picture and video production industry increased by 111.3 percent (59,606 jobs). The share of creative arts jobs based in Los Angeles grew from 11.7 percent in 1990 to 15.6 percent in 2006—an increase of 40,447 jobs, or 27.9 percent—with most of the growth related to the motion picture industry.

As mentioned earlier, employment in theater companies and dinner theaters declined sharply over the 17-year

period examined. In 1990, that industry accounted for 14,042 jobs, or an employment share of 9.7 percent of all creative arts jobs, in Los Angeles. By 2006, employment in the theater company and dinner theater industry had shrunk to 1,466 jobs, and the industry's employment share had fallen to less than 1.0 percent. Although this decline reflected national trends for the industry, its severity was greater in Los Angeles than in the Nation or in New York.

Economic impact of the creative arts

During the first quarter of 2006, the creative arts industries generated about \$16.2 billion dollars in wages nationwide (see table 9)—1.4 percent of all private-sector wages earned in the country. That amount was double the total wages

Table 8. Employment in creative arts industries, Los Angeles, first quarter, 1990, and first quarter, 2006 1990 2006 Industry Percent Average Percent **Average** monthly of of monthly Los Angeles Los Angeles employment employment Total, all industries 4,145,142 4.271.547 Total private 3,734,576 3,565,411 144,736 100.0 185,183 100.0 Total arts Agents and managers for public figures..... 2 255 16 4 890 26 2,181 1,074 Art dealers..... 1.5 3,094 21 6,415 35 Cable and other subscription programming Dance companies 139 104 .1 .1 2,865 Fine arts schools..... 2,248 1.6 1.5 Independent managers for public figures..... 7,519 10 170 5.5 52 1.2 Integrated record production and distribution..... 1,685 1,120 .6 1.2 Internet publishing and broadcasting..... 133 1 2 194 Motion picture and video distribution..... 2,264 1.6 2,074 1.1 Motion picture and video production 53,567 37.0 113,173 61.1 2,215 Museums..... 1.5 3,588 1.9 Music publishers 1 016 7 497 4,862 1.7 Musical groups and artists 3.4 3,219 News syndicates 253 .2 286 .8 15.844 10.9 1.555

304

803

533

905

79

7,105

3.382

2,701

1,558

4 713

9,338

14,042

.2

6

.4

2.3

.6

1.9

1

1.1

33

6.5

49

Source: BLS Quarterly Census of Employment and Wages.

Other motion picture and video industries.....

Other sound recording industries

Other specialized design services.....

Periodical publishers..... Promoters with facilities

Promoters without facilities

Radio networks

Radio stations

Record production.....

Sound recording studios

Teleproduction and other postproduction services....... Television broadcasting.....

Theater companies and dinner theaters

earned (\$8.1 billion) in the first quarter of 1990. Interestingly, over the same 17-year timeframe, employment in these industries decreased by about 4.0 percent. (See table 2.)

As a point of comparison, total private wages in the United States during the same period increased by 122.5 percent, with total employment rising by 27.0 percent. Thus, from a national perspective, in terms of wage generation, the creative arts industries performed similarly to the overall private-sector economy. However, in terms of *job* generation, the patterns differed notably: the importance of New York and Los Angeles as places of employment is underscored by the fact that almost 1 out of every 2 dollars (48.2 percent) generated in wages by the creative arts industries during 2006 was earned in the two counties, 22.0 percent in New York and 26.4 percent in Los Angeles. At the same time, 5.7 percent of all private-sec-

tor wages earned in the Nation were generated in New York while 3.7 percent originated in Los Angeles.

618

1,210

5.756

1.036

1,783

1,752

1,124

7 297

8,665

1,466

216

985

.3

.7

.5

.6

.9 .1

.6 3.9

4.7

1.0

3 1

The dominance of each region is underscored by the fact that during the first quarter of 2006 New York earnings accounted for 42.7 percent of all national wages earned in periodical publishing, 60.0 percent of wages earned in record production, 70.0 percent of wages in integrated record production and distribution, 42.7 percent in news syndicates, 43.5 percent in dance companies, and 33.6 percent in promoters with facilities.

A somewhat different pattern was associated with Los Angeles, one in which the dominance of the motion picture industry in the region was emphasized by the fact that Los Angeles earnings accounted for 72.9 percent of all national wages earned in motion picture and video production, 47.9 percent of all wages in motion picture

Table 9. Total wages in creative arts industries, United States, New York, and Los Angeles, first quarter, 2006

Industry	Total wages			Nava Vanla	Los Angeles
	United States	New York	Los Angeles	New York percent of United States	percent of United States
Total, all industries	1,371,075,231,215	71,196,249,503	50,681,629,045	5.2	3.7
Total private		65,398,688,804	42.800.854.699	5.7	3.8
Total arts	16,150,747,765	3,546,267,144	4,261,611,516	22.0	26.4
Agents and managers for public figures	326,246,357	60,292,001	126,716,309	18.5	38.8
Art dealers	188,175,828	45,515,784	9,789,457	24.2	5.2
Cable and other subscription	100,173,020	45,515,764	3,700,407	27.2	3.2
programming	1,365,613,389	264,135,437	156,757,081	19.3	11.5
Dance companies	72,817,993	31,651,873	503,375	43.5	.7
Fine arts schools	257,332,449	23,218,129	18,133,059	9.0	7.0
Independent managers for public figures.	891,578,057	113,338,338	472,732,567	12.7	53.0
Integrated record production and	001,070,007	110,000,000	472,702,007	12.7	00.0
distribution	90.816.789	63,604,348	27,318,733	70.0	30.1
Internet publishing and broadcasting	645,972,205	65,143,666	46,927,526	10.1	7.3
Motion picture and video distribution	147,599,308	23,171,518	70,709,889	15.7	47.9
Motion picture and video production	3,396,851,065	639,276,514	2,475,194,812	18.8	72.9
Museums	521.887.704	55.165.950	39.899.875	10.6	7.6
Music publishers	70,212,318	20,383,670	11,009,774	29.0	15.7
Musical groups and artists	375,087,650	20,112,305	52,801,966	5.4	14.1
News syndicates	234,026,476	99,889,966	5,035,739	42.7	2.2
Other motion picture and video	201,020,110	00,000,000	0,000,100	12.7	
industries	66.567.429	7,795,733	47.005.004	11.7	70.6
Other sound recording industries	41.670.415	3.826.737	12.046.522	9.2	28.9
Other specialized design services	150,182,348	34,950,972	19,015,070	23.3	12.7
Periodical publishers	2,366,064,322	1,009,614,510	115,713,879	42.7	4.9
Promoters with facilities	479,990,405	161,419,356	15,626,965	33.6	3.3
Promoters without facilities	181,992,065	14,414,183	11,060,909	7.9	6.1
Radio networks	352,470,372	25.690.049	30.933.596	7.3	8.8
Radio stations	970,842,758	61,372,567	31,858,450	6.3	3.3
Record production	101,622,960	60,178,591	11,114,836	60.0	11.0
Sound recording studios	74,003,749	10,715,832	14,008,556	14.5	18.9
Teleproduction and other postproduction	,555,7 10		,555,500		
services	298,840,406	40,121,379	153,143,439	13.4	51.2
Television broadcasting	2,091,486,268	476,708,831	272,628,877	22.8	13.0
Theater companies and dinner theaters	425,869,780	114,558,905	13,925,251	26.9	3.3
	-,,-	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-,,		

and video distribution, 51.2 percent in teleproduction and other postproduction services, and 70.6 percent in other motion picture and video industries. In addition, 38.8 percent of total wages earned by agents and managers for public figures and 53.0 percent of earnings of independent managers for public figures were earned in Los Angeles.

New York. During the first quarter of 2006, the New York private-sector economy generated approximately \$65.4 billion in private-sector wages. (See table 10.) Within New York, the creative arts industries accounted for 5.4 percent of these wages and 6.7 percent of private employment.

Seventeen years earlier, in 1990, total private-sector

wages generated in New York amounted to \$20.4 billion, or 4.0 percent of all private-sector wages earned in the country. At that time, the creative arts industries represented about 8.0 percent of all New York private-sector wages and 5.8 percent of private employment.

During the 17-year span of the study, total private wages in New York more than tripled. Within the creative industries, the proportion of private wages fell from 8.0 percent to 5.4 percent, but the share of private employment rose from 5.8 percent to 6.7 percent.

Among New York's 27 creative arts industries, the one earning the largest share of wages in 2006 was periodical publishers (28.5 percent), followed by motion picture and

Table 10. Total wages and shares, creative arts industries, New York, first quarter, 1990, and first quarter, 2006

	1990		2006	
Industry	Total wages	Percent of New York	Total wages	Percent of New York
T	04 400 000 050		74 400 040 500	
Total, all industries Total private	24,433,909,958 20,398,312,647	•••	71,196,249,503 65,398,688,804	
Total arts	1,640,186,384	100.0	3,546,267,144	100.0
Agents and managers for public figures	29,397,567	1.8	60,292,001	1.7
Art dealers	19,766,076	1.2	45,515,784	1.3
Cable and other subscription programming	53,151,647	3.2	264,135,437	7.4
Dance companies	26,251,947	1.6	31,651,873	.9
Fine arts schools	8,383,610	.5	23,218,129	.7
Independent managers for public figures	38,613,886	2.4	113,338,338	3.2
Integrated record production and distribution	32,793,392	2.0	63,604,348	1.8
Internet publishing and broadcasting	6,233,628	.4	65,143,666	1.8
Motion picture and video distribution	18,551,886	1.1	23,171,518	.7
Motion picture and video production	295,349,901	18.0	639,276,514	18.0
Museums	18,207,904	1.1	55,165,950	1.6
Music publishers	5,271,132	.3	20,383,670	.6
Musical groups and artists	15,905,146	1.0	20,112,305	.6
News syndicates	23,063,841	1.4	99,889,966	2.8
Other motion picture and video industries	7,638,282	.5	7,795,733	.2
Other sound recording industries	1,668,161	.1	3,826,737	.1
Other specialized design services	11,319,597	.7	34,950,972	1.0
Periodical publishers	420,152,257	25.6	1,009,614,510	28.5
Promoters with facilities	30,198,289	1.8	161,419,356	4.6
Promoters without facilities	3,471,459	.2	14,414,183	.4
Radio networks	12,884,730	.8	25,690,049	.7
Radio stations	12,602,714	.8	61,372,567	1.7
Record production	774.584	.0	60.178.591	1.7
Sound recording studios	5,062,237	.3	10,715,832	.3
Teleproduction and other postproduction services	17,578,849	.5 1.1	40,121,379	1.1
Television broadcasting	466,244,127	28.4	476,708,831	13.4
Theater companies and dinner theaters	59,649,535	3.6	114,558,905	3.2

video production (18.0 percent) and television broadcasting (13.4 percent). These three industries together thus accounted for 59.9 percent of all creative arts wages, and 3.3 percent of all New York wages, at that time.

In 1990, the same three sectors had dominated the creative arts scene in terms of total wages. The three combined represented 72.0 percent of total wages, with television broadcasting making up the largest share, 28.4 percent.

Los Angeles. During the first quarter of 2006, the Los Angeles private-sector economy generated \$42.8 billion in wages (see table 11), about 65 percent of that earned in New York. However, as regards wages earned in the creative arts industries, Los Angeles wages equaled \$4.3 billion, about 10.0 percent of all wages earned in the county, and an amount that was 20.2 percent higher than the total

wages earned in New York's creative sectors.

In 1990, the Los Angeles private economy had generated \$25.2 billion, 123.5 percent of what was earned in New York at that time. With total private wages of \$1.7 billion, the creative arts industries represented 6.7 percent of all wages earned in Los Angeles and 3.9 percent of private employment.

The dominant motion picture and video production industry accounted for about \$2.5 billion in 2006, 72.9 percent of all wages earned in motion picture and video production in the Nation and 58.1 percent of all wages earned in the creative arts industries in Los Angeles. The creative arts industries represented 10.0 percent of all private wages earned in Los Angeles at that time, accounting for 5.2 percent of private employment.

During the 17-year period examined, the importance of the motion picture and video production industry to the

Table 11. Total wages and shares, creative arts industries, Los Angeles, first quarter, 1990, and first quarter, 2006

	1990		2006	
Industry	Total wages	Percent of Los Angeles	Total wages	Percent of Los Angeles
Total, all industries	29,480,327,107		50,681,629,045	
Total private	25,193,657,642		42,800,854,699	
Total arts	1,666,802,049	100.0	4,261,611,516	100.0
Agents and managers for public figures	35,672,721	2.1	126,716,309	3.0
Art dealers	10,902,594	.7	9,789,457	.2
Cable and other subscription programming	21,104,392	1.3	156,757,081	3.7
Dance companies	1,476,658	.1	503,375	.0
Fine arts schools	9,609,207	.6	18,133,059	.4
Independent managers for public figures	209,949,011	12.6	472,732,567	11.1
Integrated record production and distribution	35,012,826	2.1	27,318,733	.6
Internet publishing and broadcasting	1,350,500	.1	46,927,526	1.1
Motion picture and video distribution	33,106,519	2.0	70,709,889	1.7
Motion picture and video production	765,106,673	45.9	2,475,194,812	58.1
Museums	11,547,922	.7	39,899,875	.9
Music publishers	5,805,505	.3	11,009,774	.3
Musical groups and artists	32,030,730	1.9	52,801,966	1.2
News syndicates	2,610,387	.2	5,035,739	.1
Other motion picture and video industries	135,090,831	8.1	47,005,004	1.1
Other sound recording industries	6,762,466	.4	12,046,522	.3
Other specialized design services	3,543,753	.2	19,015,070	.4
Periodical publishers	69,045,830	4.1	115,713,879	2.7
Promoters with facilities	3,703,178	.2	15,626,965	.4
Promoters without facilities	5,830,917	.3	11,060,909	.3
Radio networks	9,229,635	.6	30,933,596	.7
Radio stations	26,244,397	1.6	31,858,450	.7
Record production	2,953,723	.2	11,114,836	.3
Sound recording studios	10,942,246	.7	14,008,556	.3
Teleproduction and other postproduction services	56,509,421	3.4	153,143,439	3.6
Television broadcasting	122,804,502	7.4	272,628,877	6.4
Theater companies and dinner theaters	38,855,505	2.3	13,925,251	.3

overall Los Angeles economy increased. In 1990, the industry accounted for \$765 million in wages, an amount that represented 45.9 percent of all creative arts wages and about 3.0 percent of all wages earned in Los Angeles. Over the 1990-2006 period, the proportion of private creative arts wages earned in Los Angeles increased from 6.7 percent to 10.0 percent. At the same time, the share of private employment rose from 3.9 percent to 5.2 percent. Thus, the Los Angeles creative arts industries' economic pie not only grew in size, but also became richer in terms of average earnings.

THIS ARTICLE HAS EXAMINED THE CREATIVE ARTS industries from the perspective of their economic impact on two geographic regions: New York and Los Angeles. By clustering, or concentrating, their resources in these two locations, the creative arts industries have been able

to magnify their influence.

Of the 1.2 million jobs in the creative arts industries in the Nation in 2006, 1 out of every 4 was located in either New York or Los Angeles. Serving as a focal point for employment, each of these two counties has assumed its own unique character.

Los Angeles, for example, has become synonymous with motion picture and video production and related activities. In that region, this industry dominates the creative arts landscape to such an extent that no other creative arts industry exerts as much economic influence.

In New York, a different picture has emerged. There, periodical publishing (that is, publishers of periodicals), as well as motion picture and video production and television broadcasting, dominates the creative arts landscape. These three industries, however, although influential in

terms of jobs, are much less influential in New York's employment scene, compared with the movie industry in Los Angeles. Unlike Los Angeles, New York has a broad array of creative arts industries, many of which are economically important.

Besides being important employers, the creative arts industries are associated with high-paying wages. For example, in Los Angeles, the average weekly wage in the creative arts industries exceeded the average private-sector wage by more than 90 percent—obviously influenced by the high wages associated with the movie industry.

In New York, the average weekly wage associated with the creative arts industries is approximately 27 percent higher than the comparable wage in Los Angeles, but about 23 percent lower than the average private-sector wage in New York. This difference is partly the influence of the high wages paid in New York's financial services sector.

Between 1990 and 2006, the role of both New York and Los Angeles as focal points of employment in the creative arts industries increased. Although employment in these industries decreased nationwide over the 17-year period, job growth was robust in both locales. In Los Angeles, growth was related to the clustering and dramatic increase in employment associated with the motion picture and video industries. New York's growth was less, but nonetheless was steady and associated with an array of industries.

Finally, vital as the creative arts industries are economically, their overall importance to society transcends economic analysis. The distinguishing aspect of the creative arts industries is the set of talents possessed by their labor force. Organizing those talents into a production process brings out the importance of geographic concentration.

Notes

¹ The smallest geographic units that can be analyzed with the Quarterly Census of Employment and Wages (QCEW) database are counties. Thus, in this article, New York refers to New York County (that is, Manhattan), whereas Los Angeles refers to the county of the same name, which includes the city and surrounding suburbs.

² Alan J. Scott, "The Craft, Fashion, and Cultural-Products Industries of Los Angeles: Competitive Dynamics and Policy Dilemmas in a Multisectoral Image-Producing Complex," Annals of the Association of American Geographers, June 1996, pp. 306–23.

 3 Ibid.

⁴ William J. Baumol and William G. Bowen, Performing Arts, the Economic Dilemma (New York: Twentieth Century Fund, 1966).

⁵ Richard E. Caves, Creative Industries: Contracts between Art and Commerce (Cambridge, MA, Harvard University Press, 2000).

⁶ Hereafter, all references to 1990 and 2006 are to the first quarters of those years. The first quarter of 1990 was selected because it is the first quarter for which NAICS-based data are available. The first quarter of 2006 was selected because it is the latest quarter containing comparable data.

7 QCEW.

8 See Stuart Cunningham, "From Cultural to Creative Industries: Theory, Industry, and Policy Implications," on the Internet at eprints.qut.edu.au/archive/00000588/01/cunningham_from. pdf (visited June 28, 2006).

10 In 1991, the QCEW introduced a Multiple Worksite Report form that resulted in greater precision by detailed industry classification for those employers with multiple establishments.