

Introduction

Culture Counts is a report of the project “A Cultural Blueprint for New York City.” The Blueprint Project is an independent, non-partisan, citywide, multi-sector initiative of cultural and civic leaders concerned with supporting and sustaining the vital cultural life of New York City in the 21st century. The substance of this report is based on a year of research which generated the findings and strategies that follow (see p. 20). The principal goals of this report are to give elected officials, the media, and the public a renewed appreciation of the role that arts and culture play in the life of today’s New York City, and to serve as a catalyst for immediate action and a spur to long-term commitments by City leaders and policy-makers.

The City’s cultural policy was last examined in 1974 when then-mayor Abraham Beame appointed a committee chaired by Martin Segal. In 1976, as a direct consequence of *The Report of the Mayor’s Committee on Cultural Policy*, the Department of Cultural Affairs was created as an independent mayoral agency. Its mandate was to coordinate a variety of cultural functions formerly administered by several other City agencies. This consolidation was intended to increase the cultural sector’s political leverage, to bolster financial and administrative support for the arts and culture sector, and, most important, to implement a comprehensive cultural policy.

In the three decades since that report was issued, both New York and its cultural sector have undergone tremendous change, and in that same period, City support for culture has been unpredictable (see chart, p. 22). New Yorkers are now more racially diverse, speaking over 100 different languages, and identifying with even more numerous traditions and birthplaces in the United States and abroad, as the two maps of data from the 1980 and 2000 censuses of the borough of Queens demonstrate (see maps, p. 13). And, since the Mayor’s Committee on Cultural Policy first met in 1974, some of New York’s most vital cultural organizations have been created, including the American Museum of the Moving Image, the Association of Hispanic Arts, and Danspace Project. This report chronicles those changes in New York

“The City is unique because of its diversity [and its] embrace of constant change.... Arts and culture are a mediating factor in learning about one another and in holding people together.”

— Corporate Executive



Participant at Brooklyn Town Hall Meeting at Long Island University, Brooklyn Campus. Photo by Jaime Permeth.



Source: NYC Department of City Planning



Source: US Census 2000 Redistricting File; NYC Department of City Planning

and the cultural community and outlines strategies for creating a more vibrant cultural life for all of the City's citizens.

Culture Counts is a resource for decision-makers, within both City government and the private sector, to catalyze their determinations. It is based on a conviction that to reach their full potential, the arts and cultural community needs cohesive cultural policies, increased resources, forceful advocacy, and innovative and pragmatic planning. The report's findings can and should be combined with other ideas to define sensible support for culture, now and in the future. The research conducted and sponsored by the Blueprint Project provides new and updated information on this vital sector and puts historical data in context. It is both a "primer" on the sector and a set of strategies to inform future policy, planning, and funding.

The message *from New Yorkers* is that culture counts. It counts as a defining trait of our City — what makes New York New York.

Culture counts because it is an economic engine:

Four landmark studies — two joint studies by the Alliance for the Arts and the Port Authority in 1983 and 1993 and one each by the Alliance for the Arts and McKinsey & Company in 1997 —

firmly document the importance of the cultural industry as a force for the City's economic growth.¹

- According to the Alliance for the Arts report, *The Economic Impact of the Arts on New York City and New York State*, the total economic impact of the arts on New York City in fiscal year 1995 was \$11.1 billion — or \$12.3 billion in inflation-adjusted dollars.
- Visitor spending alone generated \$2.5 billion (nearly \$2.8 billion in inflation-adjusted dollars).
- In 1995, New York City invested \$91 million (just over \$100 million in inflation-adjusted dollars) in the arts. The arts generated over 130,000 jobs, and returned \$221 million in taxes to the City (or \$245 million in inflation-adjusted dollars) — a return on investment of approximately 240%. This astounding rate of return meant only a minimal investment risk to the City.

Culture counts because New Yorkers say it does:

The Fordham Institute Profile, commissioned by the Blueprint Project (see p. 37), found that almost half of all New Yorkers went to musical performances (49%), as well as art exhibitions and museums (43%), and more than a third went to the theater (36%) in the period April 2000 – April 2001. New Yorkers see significant benefits to engagement with the arts, including thinking more imaginatively (76%), and seeing things from other people's perspectives (75%). Most (80%) wish they had engaged in arts and culture even more in their earlier years.

Culture as a Magnet for Business and High-Quality Workforce

Studies show that culture motivates new workers in other industries to relocate to the City, and culture gives New York's businesses a competitive advantage when seeking and retaining the best and brightest employees. The intersections between artists and cultural organizations, and allied industries such as commercial theater, television, film, design, fashion, advertising, media and technology, are especially rich and synergistic.

The *cultural sector* provides New York with a high-quality, richly endowed labor pool of artists and cultural workers that enhances the City's ability to attract and retain businesses in for-profit industries. These workers have the creative thinking and communication and teamwork skills needed by businesses to maintain their competitive edge. In remarks at the 1999 Americans for the Arts Conference, Kathleen Dore, President of Bravo Networks, outlined "Five Key Traits for Employment in the Next Millennium," and each can be found in the cultural workforce: 1. ability to articulate a vision; 2. high tolerance for ambiguity; 3. orientation toward results; 4. spirit of collaboration and empathy; and

5. sense of play. The arts and culture offer fresh ideas and supply new talent to the industries critical to the City's economy, such as advertising, architecture, design, fashion, film, television, new media, and technology.

A direct correlation has been found between a city's support for artists and its success in attracting technology industries. According to "Technology and Tolerance: The Importance of Diversity to High-Technology Growth," released by the Center on Urban and Metropolitan Policy in 2001, a concentration of artists is a significant indicator of a metropolitan region's success in high technology business. New York ranked in the top ten of the surveyed cities. Technology firms, as well as other businesses, settle areas with highly educated, flexible workforces, hire from creative populations, and value arts and culture as amenities for their personnel.

Fortune magazine named New York as the best city for business in 2000, and one of the primary factors cited was its ability to attract businesses that depend upon "creative capital."

"The arts help us to understand each other, our history, our heritage, where we come from... and generate respect for one another."

— Business District Leader



The Great Hall at the Metropolitan Museum of Art. Photo courtesy of the Metropolitan Museum of Art.

“We have such an incredible impact on drawing tourists to New York.”

— Theater Leader

In additional conversations, ranging from one-on-one interviews to focus groups and town hall meetings, New Yorkers spoke passionately of the value of a rich cultural community. The quotes from Blueprint participants included throughout *Culture Counts* speak of the ways in which culture creates meaning, builds community, stimulates learning, and generates economic and social capital.

Culture counts because it educates our children, stabilizes neighborhoods, and attracts new businesses and highly skilled employees, residents, and visitors to us. It counts because it speaks across boroughs, generations, races, and ethnic groups, through individual artists, theaters, dance companies, science, history and art museums, performance spaces, historic sites, zoos and botanic gardens, of the unlimited creative spirit. As one business district leader interviewed for the project said, “The arts help us understand each other, our history, our heritage, where we come from ... and generate respect for one another.” Culture counts because it is our shared heritage as New Yorkers and human beings. Its specificity and richness are what unite us.

The Need for Cultural Investment

New York City’s long-term investment in culture is not only laudable but practical. The significant returns include increased education and enjoyment for residents and visitors alike; the generation of jobs and tax revenue; the maintenance and enrichment of collections in the public trust, the nurturing of new artists, and the presentation of established ones.

No other city dominates the world stage of culture like New York. When the London Planning Advisory Committee sought to compare the English capital to world cities, it concluded: “London is a world-class centre of culture only surpassed by New York.”² New York’s commitment to culture exceeds that of all other American municipalities. And rightly: it is the nation’s largest city. The Department of Cultural Affairs (DCA) is the single largest arts funding agency in the country. Its budget surpasses even those of the National Endowments for the Arts and Humanities (see chart, p. 21).

Through DCA, the City provides arts and cultural organizations with funds from its capital and expense budgets. In FY 2000, the City committed \$382 million for capital projects at cultural institutions to improve physical plants and facilities. In addition to this support, in FY 2000, the City channeled over \$116 million in operating and programmatic support for cultural organizations through DCA’s expense budget. The latter funds for operations and programs are crucial to the health and vibrancy of New York’s cultural sector. This report focuses largely on them.

As impressive as this investment is, DCA is receiving a declining share of funds each year as a percentage of the City’s overall spending. Since 1988 this gap has cost DCA nearly \$250 million in inflation-adjusted dollars (see chart, p. 12).³ Organizations awarded City support have steadily lost funds, while today 72% of New York’s cultural groups receive little or no City monies at all.

In sum, our cultural sector — with its remarkable abilities to educate young and old alike, to bring together communities, to engage audiences, and to stimulate the economy — is vulnerable at a time of social change and economic challenge when its assets are more critical than ever. For its arts and its culture — and all of its citizens — New York can do more.

Current Profile of the Department of Cultural Affairs (DCA)

The Department of Cultural Affairs (DCA) is a mayoral agency that funds nonprofit cultural organizations working in the visual, literary, and performing arts, as well as zoos, botanical gardens, and historical and preservation societies. DCA administers funding to this diverse constituency through four major units: 1. the Cultural Institutions Group, 2. Program Services, 3. the Cultural Challenge Program, and 4. Capital Projects.

1. Cultural Institutions Group (CIG)

In 1869, the City formed a historic public-private partnership with the American Museum of Natural History which allowed for the private management and operation of a cultural organization to take place in a City-owned building on City land. Over the years, this relationship has been extended to small, mid-sized, and large art and science museums, theaters, concert halls, zoos, botanical gardens, and historical societies across all five boroughs. The member organizations of the Cultural Institutions Group (CIG) receive annual funds for the upkeep of these municipal facilities, primarily covering security, maintenance, administration, and energy costs. In 1974, there were 15 members of the CIG; today, there are 34. CIG members range in size and discipline from the Metropolitan Museum of Art and the Bronx County Historical Society to the Brooklyn Children's Museum, from the Jamaica Center for Arts and Learning to Carnegie Hall.

2. Program Services

The Program Services unit at DCA makes approximately 525 awards annually through three primary funding mechanisms: (a) City-adopted budget allocations (line items) made through both historical and annual appropriations by City legislators, (b) borough Arts Development Funds (ADF), (c) the Program Development Fund (PDF). Groups supported by this unit of the agency range from the Queens Symphony Orchestra to the Whitney Museum of American Art, from the Pregones Touring Puerto Rican Theater to the Brooklyn Waterfront Artists Coalition and the Council on the Arts and Humanities for Staten Island. Funds are used by the organizations primarily for programs, publications, events, and administration.

a. City-Adopted Budget Allocations

The City's annual adopted budget includes a supplementary roster of over 300 organizations that are allocated funds during the annual budget process by their elected officials. A group of organizations appears in the budget historically as permanent line-items; however, all cultural organizations may request additional support through line item allocations from their elected officials.

b. Arts Development Funds (ADF)

After the City's budget is adopted, borough Arts Development Funds are awarded through grants based on recommendations made to DCA by joint agreement of the Borough President and the City Council delegation of each borough.

c. Program Development Funds (PDF)

Organizations that are not CIGs and do not receive line-item allocations in the City budget or ADF awards are eligible for PDF funds. The PDF is an open competitive grant program and uses an outside peer panel review process.

3. Cultural Challenge Program

A third funding unit is the Cultural Challenge Program, which makes approximately 190 awards annually and is open to all organizations that meet eligibility requirements, regardless of their funding status. This competitive program is designed to encourage private giving to the City's cultural organizations through a publicly funded matching effort. Funding decisions are made following outside peer panel review. Organizations must raise private funds to qualify for this City support.

4. Capital Projects

Through this unit of DCA, the City supports the capital improvement projects of cultural organizations. Funds are allocated to assist nearly 130 organizations with construction, renovation, and equipment purchases for restoration and expansion needs. This unit develops the budget, plans the projects it funds, coordinates them with other City agencies (e.g., Department of Design and Construction), and

monitors design and construction.

DCA also provides services to the cultural community through:

- **Artist Certification**

In accordance with the City's Zoning Resolution, DCA offers certification for qualified professional fine artists so that they can occupy live/work space in the manufacturing districts of SoHo and in other Artists-in-Residence designated buildings

- **Community Arts Development Program (CADF)**

Supported by the U.S. Department of Housing and Urban Development, this program provides small grants for space renovation, the acquisition of professional arts equipment, and the production of one large-scale work of art per funding cycle.

- **Education Services**

DCA works with collaborating partner institutions to maintain and expand arts education opportunities in the City through such activities as supporting programs administered by the Center for Arts Education; distributing arts-in-education information to the field; and administering the Intergenerational program.

- **Materials for the Arts**

In cooperation with the Department of Sanitation and the Board of Education, Materials for the Arts accepts donations of reusable materials from businesses, institutions, and individuals. These valuable materials are offered to nonprofit cultural organizations; social, health, and community service organizations with arts programs; individual artists commissioned for public projects; and public schools.

- **Percent for Art**

City law requires that 1% of the capital budgets for City-funded construction and renovation projects must be used to commission permanent public artworks. DCA determines eligible projects, administers artist selection, and manages the project design and construction. The program also maintains an artist slide registry containing over 4,500 artists' work.