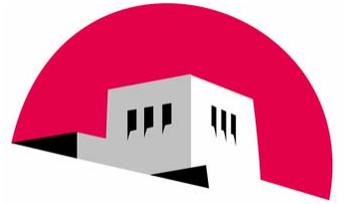


University of New Mexico  
Bureau of Business and Economic Research

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# THE ECONOMIC IMPORTANCE OF THE ARTS & CULTURAL INDUSTRIES IN ALBUQUERQUE AND BERNALILLO COUNTY

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The Arts and Cultural Industries in Albuquerque and Bernalillo County are mainstays of the regional economy:

- Arts and cultural industries generate \$1.2 billion in revenues, \$413 million in wages, and 19,500 jobs, totaling 6% of all employment in the County
- Half of this activity is funded by dollars from outside the region, generating economic growth and opportunity

The Arts and Cultural Industries have depth and diversity:

- For-profit design, architecture, digital, media, spectator sports, tourism, and retail companies that serve both local and national markets
- Thousands of artists and artisans, many of them self-employed
- Non-profit organizations that educate, entertain, and create jobs
- Public institutions engaged in education, training, and economic development
- World-class scientific and technical resources that contribute to the creativity of the community

The Arts and Cultural Industries face challenges:

- To improve the connectivity between people and institutions in order to enhance innovation
- To coordinate public and private support in order to minimize redundancy and create a more competitive focus for the arts and cultural economy
- To strengthen the ties between the study of arts & culture and economic development at both the K-12 levels and in higher education
- To establish a sustainable funding source for arts and cultural organizations, particularly for small and medium sized organizations

Working with community leaders, the City of Albuquerque, Bernalillo County, and the University of New Mexico can:

- Protect and enhance the cultural resources that make our region unique
- Create cultural nodes across the region that stimulate arts participation
- Distinguish artistic and cultural offerings of Albuquerque and Bernalillo County while building a more profitable partnership with Santa Fe
- Establish a lasting niche for cultural tourism and creative industries in a rapidly evolving national and global economy

The BBER report demonstrates the need for an Albuquerque/Bernalillo County Arts and Cultural Industries Action Plan that can play to our strengths, develop unique funding and marketing instruments, and stimulate a vibrant high-visibility arts and cultural sector in the region.

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The following report, *The Economic Importance of the Arts and Cultural Industries in Albuquerque and Bernalillo County*, by the University of New Mexico's Bureau of Business and Economic Research (BBER), is the result of a unique collaboration between the University of New Mexico, the City of Albuquerque and the County of Bernalillo, local non-profit arts and cultural organizations, and members of the business community.

Our starting point was a report on the arts and cultural industries in Santa Fe, completed by BBER in November 2004 with funding from the McCune Charitable Foundation, the Azalea Foundation, and the Burnett Foundation: an equivalent in-depth study had never before been conducted but was clearly needed for Albuquerque and Bernalillo County, the economic and metropolitan center of New Mexico. As Dean of the College of Fine Arts at the University of New Mexico, whose strategic plan includes the objective of helping to shape cultural policy as part of its public responsibility, I contacted Drs. Jeffrey Mitchell and Lee Reynis of BBER to discuss the feasibility and cost of such a second report. Based on their positive response, the next logical step was to identify contractors to the report and form an Advisory Committee to work with BBER on framing the report topics and objectives.

The report was contracted by:

Office of the Mayor, City of Albuquerque  
Department of Economic Development  
Department of Municipal Development, Public Art Program  
The Office of Economic Development and the 1% for Public Art Program,  
Bernalillo County  
The College of Fine Arts and the Office of the Vice President for Research  
and Economic Development, University of New Mexico

Generous grants from the McCune Charitable Foundation and the Albuquerque Community Foundation made it possible for the College of Fine Arts to be one of the report contractors.

The membership of the Advisory Committee was broadly representative of the arts and cultural industries in the community:

Cricket Appel, Executive Director, Arts Alliance  
Sherri Brueggemann, Program Manager, 1% for Public Art Program,  
Bernalillo County  
Regina Chavez, Economic Development Planner, City of Albuquerque  
Andrew Connors, Chair, Department of Visual Arts, Albuquerque Academy  
Jerry Geist, Chairman, Energy and Technology Company, Ltd.  
Catherine Gore, Public Art Program Manager, City of Albuquerque  
Daniel Gutierrez, Economic Development Coordinator, Bernalillo County

Kevin Hagen, former Executive Director, New Mexico Symphony Orchestra  
Webb Johnson, Recruiting Consultant, Lumidigm  
Janet Kahn, Director, Fine Arts Program, Albuquerque Public Schools  
Norton Kalishman, MD, McCune Charitable Foundation  
Elliot Lewitt, Digital Media Group  
Jack McIver, Senior Associate Vice President for Research, and John  
Garcia, Chief Economic Development Officer, Office of the Vice  
President for Research and Economic Development, University of New  
Mexico  
Christopher Mead, Dean, College of Fine Arts, University of New Mexico  
Pamela and Don Michaelis, Publishers, Collector's Guide of New Mexico

Formed in October 2005, this Advisory Committee has now spent nearly two years advising the staff of BBER as they prepared the report that is now being presented to the public. From the start, the committee agreed that its role was to assist BBER in preparing a report that was comprehensive in its scope, objective in its analysis, and balanced in its conclusions. And from the start, the committee saw this report as the necessary first step to a new Arts and Cultural Industries Action Plan that could unite the city, the county, and the university with the local non-profit and business communities around a shared agenda for developing the economic potential of the arts and cultural industries in Albuquerque and Bernalillo County.

The members of the Advisory Committee are to be thanked for their dedication and commitment to this project. In turn, they thank the BBER staff who researched and wrote the report: Dr. Jeffrey Mitchell, Dr. Lee Reynis, Molly Bleecker, Carmen Land, Joshua Akers and Billy Ulibarrí. Both the Advisory Committee and BBER want to thank those individuals who helped them along the way: Paula Holub, Thaddeus Lucero, Owen Lopez, Toni Martorelli, Fred Mondragon, Lucinda Sydow, Alvena Largo, Nick Potter, Mike McDaniel, Glinda Wyndorf, and the staff of the Cultural Service Department of the City of Albuquerque. Don and Pamela Michaelis volunteered their time and experience to produce the printed executive summary of the report. Finally, the Committee and BBER would like to thank the many members of the community who participated in this study.

Christopher Mead  
Chair, BBER Advisory Committee  
Dean, College of Fine Arts, University of New Mexico

# FOREWORD

Arts and culture, once considered luxuries that follow prosperity, are now understood to be conditions of prosperity. Yes, art and culture are big business and among the fastest growing sectors of the economy, but their economic importance extends far beyond the value of their receipts. Today, a vibrant art and cultural sector is crucial in attracting and retaining a talented labor force and creating an environment conducive to innovation. In this sense, the rich and distinctive cultures of cities such as San Francisco, Seattle, Austin, and Boulder are not so much evidence of these cities' economic prosperity as they are factors that give rise to it.

The importance of arts and culture is not news to Albuquerque and Bernalillo County. Our area has always taken great pride in its unique heritage and traditions, and there is a general feeling that the word is getting out about our cultural assets. The arrival of the movie industry, the renown of the city's many festivals, the strength of property values associated with the region's quality of life, and the number of laudatory references in national publications are testimony to the city's growing reputation as a national center for arts and culture.

It would be a mistake, however, to rest upon these achievements. During recent years, cities across the U.S. (and the world) have begun to invest heavily in arts and cultural industries. Every day the competition for talent and cultural capital grows more intense. To offer a single example: in 1978, when the City of Albuquerque established its 1% for the Arts program, there were only three such programs in the country; today, there are nearly five hundred, with many of the newer programs allocating one and a half to two percent. While money is an essential element of cultural-economic policy, the practice is becoming more and more sophisticated. As in other sectors of the economy, the arts and cultural industries have become deeply segmented as cities seek to match their unique resources with the many narrow niches that comprise the market. In this context, effective cultural economic policy necessarily begins with a careful inventory of a community's strengths and weaknesses, including its physical infrastructure, institutions, and most importantly, the capability of its people.

With this in mind, representatives of some of the region's leading cultural and economic institutions contracted with the University of New Mexico's Bureau of Business and Economic Research (BBER) to undertake an ambitious study of Albuquerque-Bernalillo County's arts and cultural industries (A&CIs). The project, conducted over the period 2006-2007, has three parts. The first part measures the economic impact of the region's A&CIs, including detailed analyses of the various sectors of the industry (e.g., education, museums, media, spectator sports and cultural tourism). The second part focuses on the inner workings of the A&CIs in order to identify the region's unique advantages and disadvantages in national markets for the arts and cultural industries. The final part offers policy

recommendations that match Albuquerque's unique conditions with 'best practices' in cultural economic policy nationally.

The policy recommendations that follow from this study fall into three categories. First, the research clearly identifies a need to better coordinate the efforts of the many institutions and individuals that comprise the arts and cultural industries in Albuquerque and Bernalillo County, including both artists and innovators and those that support them. Establishing a geographical center for the creative industries must be part of this strategy. Second, leaders of the local arts and cultural industries should assess the region's advantages and opportunities in the context of a rapidly evolving national and global market, and use this as a basis to strategically position the community in these markets. Finally, the most consistent finding of this study is a need to establish a secure and dedicated mechanism to fund local arts and cultural industries, particularly the small and mid-sized organizations that are so closely tied to innovation and creativity. This is perhaps more important in Albuquerque than in other cities because of the limited development of the area's corporate and philanthropic communities, and the prominent role that the City and County play in funding large cultural institutions that, in other cities, are privately supported.

From its earliest conception, the purpose of this study has been to inform action – to guide the formation of policy that will contribute to an environment of creativity and innovation and establish arts and cultural industries as a key element in the growth of the Albuquerque and Bernalillo County economy. All evidence suggests that the region is ready for this to occur. It now remains for the community's leaders to take the next step – to use the findings of this study to create an action plan that will ensure the development of the region's vital arts and cultural industries.

Dr. Jeffrey Mitchell  
Bureau of Business and Economic Research  
University of New Mexico  
August 29, 2007

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## EXECUTIVE SUMMARY

### Introduction

Albuquerque and Bernalillo County's arts and cultural industries (A&CIs) are full of potential, artistically and commercially. The region has an abundance of talent, energy, and optimism. The social environment is conducive to collaboration and innovation, offering competitive advantages that are both tangible and intangible. However, there remain significant impediments to the realization of this potential. Albuquerque and Bernalillo County's A&CIs are radically decentralized and lack essential structure. The cultural sector does not have a coherent identity, a geographical core, or the institutional framework that is needed to knit together disjointed pieces. Several factors underlie these problems: Albuquerque's Cultural Plan lacks clear strategies for implementation and metrics for evaluation; there is no transparent and sustainable source of financial support, particularly for the small and medium-sized organizations that drive creativity; and perceptions of a substandard public education system undermine efforts to attract cultural capital and build upon the region's rich cultural heritage.

While many of the problems can be fixed, the process will require continued commitment on the part of some of the region's principal institutions to establish clear priorities, work together, and most importantly, rethink the value of the cultural economy. The successes of the past few years, such as the growth of the film industry, the growing vitality of downtown Albuquerque, and the increasing visibility of local performing arts, are suggestive of the possibilities, but timing is essential. The terrain of the cultural economy is being quickly remapped as industries move away from traditional centers, and cities throughout the U.S. and the world invest aggressively in order to attract talent and cultural capital. Within this shifting landscape, Albuquerque and Bernalillo County remain open without rigidity and costs that tend to limit creativity and escalate financial risks. The region has momentum and a sense of possibility that, if lost, would be difficult to re-establish.

This summary reviews the findings of an ambitious two year study by the University of New Mexico's Bureau of Business and Economic Research (BBER) of the Albuquerque-Bernalillo County's A&CIs. The purpose of the study is to document the performance and structure of the sector, to identify its competitive advantages and disadvantages in relation to other cities, and to recommend strategies that may be effective in strengthening the region's A&CIs, both as an engine of economic development and as an element in the local quality of life. Recognizing that arts and cultural production is a fluid and creative process, the study relies equally on quantitative and qualitative research methods, with a particular emphasis on the importance of social networks in fostering innovation and developing markets. The complete report is available online at: [http://www.unm.edu/~bber/pubs/UNM\\_BBER\\_Abq-BernCo\\_A&CIs\\_090507.pdf](http://www.unm.edu/~bber/pubs/UNM_BBER_Abq-BernCo_A&CIs_090507.pdf).

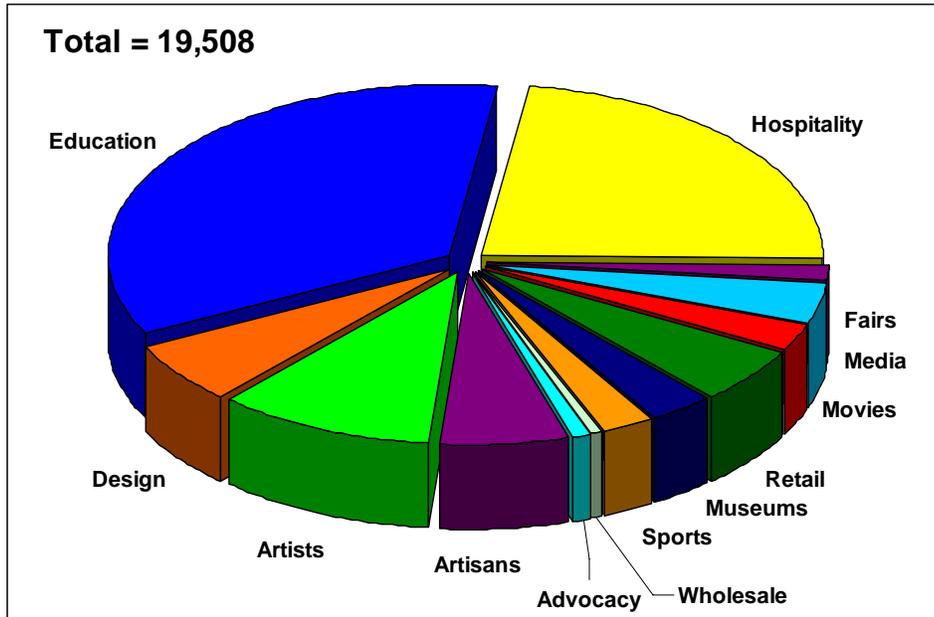
## Quantification of the Economic Impacts of the Arts and Cultural Industries in Albuquerque-Bernalillo County

Albuquerque-Bernalillo County's A&CIs have a major role in the local economy, creating more jobs than either UNM or Intel. Specifically, the economic impacts of Albuquerque-Bernalillo County's A&CIs include the following:

- Albuquerque-Bernalillo County's A&CIs generated receipts of nearly \$1.2 billion, employed more than 19,500, and paid wages and salaries totaling \$413 million. The education and hospitality sectors are the largest employers among A&CIs, followed by artists, artisans, designers and retailers. (See **Figure 1**, below.) Employment and wages in the cultural sector account for 6.1% and 3.8% of the county totals, respectively.
- Just under one-half of arts and cultural activities are supported by revenues that originate from outside the region. Compared to most U.S. cities, this composition is favorable – only the very largest metropolitan centers (e.g. New York, Los Angeles, San Francisco) and major cultural tourist destinations (e.g. Las Vegas, Santa Fe) generate a significantly larger share of A&CI revenues from outside the metropolitan area. The capacity of A&CIs to draw funds into the county is important because these dollars create economic growth on a net basis. Including indirect and induced impacts, outside dollars accounted for a net impact of almost \$1 billion in receipts, more than 14,000 jobs and \$300 million in wages and salaries. These jobs and wages would not exist except for the capacity of the sector to attract outside dollars.
- Hospitality businesses serving cultural tourists, artisan producers (particularly jewelry makers), media, and artists, performers, and writers registered the greatest impacts in terms of drawing outside dollars to the county. Including indirect and induced impacts, outside revenues to these subsectors contributed an estimated \$357 million, \$187 million, \$125 million and \$98 million, respectively, to the local economy.
- Education accounts for just over one half of A&CI activities that are funded by local dollars. Albuquerque Public Schools (APS) is by far the largest employer in the sector, with the equivalent of about 4,700 employees engaged in arts and cultural activities. These jobs – just over one-third of APS total employment – include humanities, language arts and foreign languages as well as music and arts education. The estimate is based on APS master schedules, State standards and interviews with teachers and school administrators. On a net basis, it is assumed that APS is funded entirely by local dollars, since State of New Mexico funding, on average, returns dollars to communities in proportion to their tax payments.

- In addition to education, artists, designers (architects, creative and graphic designers), movie theaters, artisans, retail and museums (including the BioPark) are supported by local markets.

**Direct Employment in the Arts and Cultural Industries, by Sector, 2004.**



- Employment in most subsectors of the A&CIs is geographically concentrated in the core areas of downtown, on or near the UNM campus, in the North Valley and along I-25 north of the I-40 exchange, and in the near eastside of Albuquerque. A&CIs have much less of a presence in other areas, especially in the South Valley and on the Westside.

## Qualitative Analysis of the Arts and Cultural Industries in Albuquerque-Bernalillo County

During the period November 2006 – May 2007, BBER conducted 89 interviews with individuals and institutional representatives from five sectors within the A&CIs: creative, commercial, support, technology, and development/tourism. The focus of the interviews was the perceived advantages and disadvantages of working in Albuquerque and Bernalillo County, with specific consideration of sources of creativity and support, perceptions of place, and access to markets. In addition, BBER collected information on the professional and social networks of the participants in order to map the industry's institutional structure and understand the local dynamics of creativity, support, and market access.

In general, this research shows that Albuquerque-Bernalillo County's A&CIs have many characteristics conducive to creativity and innovation. However, the capacity to capitalize on this potential to create jobs and wealth is constrained by an overly decentralized and under funded institutional framework. More specifically, the findings of the qualitative study include:

### Assets and Advantages

- *Talent and diversity:* The region has a great breadth and depth of talent in artistic, cultural, and technical arenas; many of these individuals have access to national and global markets, while others work in local markets or are yet to be 'discovered.' Talent is found in many artistic and creative fields, often flowing from traditions that are local, unique and not easily replicated.
- *Openness:* Despite Albuquerque's 300 year history rich in traditions of arts and culture, there is a distinct sense of openness in the region's A&CIs. Many of those interviewed speak of a 'freedom of artistic expression' and experimentation. Perhaps because of the relatively small scale of the industry, many feel that they can have an impact and affect change. Everyone can participate. Overall, these factors contribute to a fertile environment of creativity and collaboration.
- *Mutual support:* In all sectors of the A&CIs, there is a strong sense of mutual support among individuals working in the creative sector, despite intense competition for access to local markets. This mutual support distinguishes Albuquerque from other communities and further contributes to creativity and collaboration.
- *Quality of life:* According to interviewees, Albuquerque and Bernalillo County are affordable (compared to more established cultural centers such as Los Angeles), has easy access to a beautiful rural environment, and is culturally diverse. These factors attract talented people and are reported to be a source of inspiration.
- *Location:* Albuquerque's proximity to California is a competitive advantage compared to more distant locations, particularly in film and technology. Proximity to Santa Fe also offers opportunities for some artists to market their work and serves as a draw for tourists.
- *Technology:* The area's concentration of scientists, technologists, and technical infrastructure is widely recognized to be an asset in the development of A&CIs. Integration of art and technology, specifically, is seen as a potential market niche – technology contributes to the environment of creativity, is a source of material, and provides new tools for creative expression. Yet, except in very specific areas, few feel that the potential of integration has been realized.

Liabilities and Disadvantages

- *Lack of financial support:* By far the most widely referenced disadvantage of working in Albuquerque and Bernalillo County is the lack of financial support. Small arts and cultural institutions and individual artists are most affected by the shortage of funding; the problem is greatest in terms of operational support. The funding deficit is partly due to limited development of the corporate and philanthropic communities and the excessive focus of the public sector on the largest ‘cornerstone’ institutions. Further, the distribution of arts and cultural funding has no clear guidelines, is poorly coordinated and is subject to individualistic and often political motivations.
- *Public education:* Albuquerque Public Schools (APS) is the subject of the sharpest criticism by interviewees. The arguments are threefold – the perceived weakness of the public school system deters businesses that may employ creative workers and support the arts; the system fails to cultivate an appreciation and respect for culture and the arts; and the system is not training the next generation of artists. Some look beyond local limitations and identify the problem as the excessive rigidity of federal ‘No Child Left Behind’ policies. Indeed, in the broader context of federal policy, New Mexico’s ‘Fine Arts Education Act’ (FAEA) and the growth of APS’s investment in arts education are notable.
- *Market development:* With the exception of those with access to external markets, interviewees frequently commented that Albuquerque and Bernalillo County’s A&CIs exist in the shadow of Santa Fe. Interviewees also argue that local media fail to provide capable and balanced coverage of local arts and culture. Yet, the art market in the Albuquerque Metropolitan Area is quite strong by comparative measures and the ‘failure’ of Albuquerque to establish a stronger market presence may reveal a reluctance of the community to either differentiate itself or perhaps form a more fruitful relationship with Santa Fe.
- *Decentralized geography:* The decentralized spatial structure of Albuquerque and Bernalillo County is a decided disadvantage in the development of local A&CIs, a fact recognized by interviewees in several sectors. The disadvantage has several aspects – creative workers lack a central location that facilitates collaboration and innovation; the failure to cluster commercial and performance venues makes it difficult to generate sales; the absence of a core arts and cultural district is contrary to the interests of city boosters to create a ‘sense of place’ in national markets; and the geographical and institutional decentralization and replication of facilities is costly and inefficient.
- *Underdeveloped business and physical infrastructure:* Perhaps the factor most commonly identified by persons in the creative (and to a lesser degree, technology) sectors is the scarcity of affordable workspace. Other deficiencies include services, such as effective media and advertising

outlets; arts business management support and training; equipment rentals; and arts and graphical suppliers. In some instances, these deficiencies can be explained by the fact that the region is in the early stage of development of local A&CIs.

### Institutional Structure and Social Networks

Social network analysis corroborates many of the insights gathered from the interviews and qualitative analysis, particularly in regard to the institutional structure of the region's A&CIs. In general, Albuquerque and Bernalillo County's A&CIs are overly decentralized – the individuals and institutions that constitute the region's A&CIs tend to be connected in both large and small clusters; but as a whole, the individual clusters are poorly integrated.

**Figure 2, below**, is a map of the relationships among the largest institutions in the A&CIs. The circles represent individuals and institutions; their color indicates their sector; their size reflects their relative centrality within the network; and the lines represent connections among institutions.

- The network produced in this research is comprised of 849 nodes (individuals and institutions) and 1,568 ties (connections between nodes) in five sectors. At the heart of the network is the support sector, whose role is to form connections throughout the community. The institutions with the greatest centrality in this sample are the University of New Mexico, the National Hispanic Cultural Center, Albuquerque Visitor's and Convention Bureau, Albuquerque Museum, the New Mexico Symphony Orchestra, and Sandia National Laboratories.
- *The support sector*, by itself, is more vertically than horizontally integrated – i.e., connections are stronger from top to bottom than among peers. Specifically, frontline organizations that work directly with the creative sector derive their support from institutions isolated from the overall network and/or from highly individualized relationships with larger institutions. In general, support institutions that function either in the community or within the core of the network have weak connections with peer organizations, resulting in redundancy, inefficiency, and a lack of strategic focus.
- *The creative and commercial sectors* each form thin and spiny networks with a small centralized core, weakly linked sub-networks, and a significant number of isolated islands. Yet, notably, when examined together, the two sectors are highly interconnected, revealing a high degree of interdependence.
- *The technology sector* forms a fairly well connected network built around Sandia National Labs, the UNM ARTS Lab and a small game development cluster. However, when combined with the creative sector or within the entire network, the technology sector is highly isolated. Indeed,



## **Policy Recommendations for the Development of Arts and Cultural Industries in Albuquerque-Bernalillo County**

Community leaders have a unique opportunity to confront the constraints limiting the development of local A&CIs. This would enable individuals, businesses and institutions in the sector to draw upon its many advantages to expand beyond its current internal orientation to establish a greater presence in national and global markets. Based on the research conducted in this study, it is recommended that policies be developed and implemented to address the following:

### Creating more centralized structures:

Institutionally, creatively and geographically, the region's A&CIs are overly decentralized. In Albuquerque and Bernalillo County there is a need for better coordination – of programs and facilities, public and private initiatives, cultural services and economic development, and the various geographical centers of activity.

New York and Chicago offer useful models for the coordination of activities with the city government; Austin has led initiatives to join cultural services and economic development; and Charlotte has supported the coordination of private initiatives with those of all levels of government. The University of Texas at Austin has taken a strong role in bringing together technology and creative arts, and Portland is well known for efforts to establish informal arts networks to promote collaboration. Many models for geographical centralization exist, in most cases forming arts and cultural districts; but in Albuquerque it is recommended that incentives be created to provide spaces that combine housing, work, performance and commerce.

### Strategic planning

The expansion of Albuquerque and Bernalillo County's A&CIs into national markets will require strategic planning in at least two areas. First, the region must work to establish an identity more fully independent of Santa Fe, possibly drawing upon our neighbor's reputation as a principal market for the arts while also sharpening our distinction as a more eclectic and accessible community. Second, leaders of Albuquerque and Bernalillo County's A&CIs should think strategically about the changing structure of national and global markets for cultural products, anticipating the needs for diversity and flexibility in the context of increasing fragmentation and a continuing drive for innovation to manage costs.

Funding A&CIs

Sustainable funding for the small and medium sized organizations that drive innovation, incubate business, and develop talent and leadership is the single most pressing constraint facing local A&CIs. Because the funding of the region's A&CIs is structurally distinct from that of most other cities (e.g., public ownership of museums and other cultural institutions) and because of the overall weakness of local private sector institutions, Albuquerque and Bernalillo County should look beyond models used in other areas. Local funding should emphasize unique models of public-private partnership to support small and medium sized arts and cultural organizations.

**PART 1. QUANTIFICATION OF THE  
ECONOMIC IMPACTS OF THE ARTS  
& CULTURAL INDUSTRIES IN  
ALBUQUERQUE-BERNALILLO  
COUNTY**

## 1.1. INTRODUCTION

During recent years policymakers and planners have begun to recognize the crucial role of art and cultural activities in economic development. Increasingly, economic development specialists acknowledge the role of art and culture: in attracting and retaining talented people who drive high productivity industries; in contributing to the complex processes of innovation; as draws for tourism, the largest industry in the U.S. and the world; and, underlying all of these, in the preservation of a vital sense of place during this unprecedented period of social and economic globalization. Fundamentally, art and culture are the last line of defense against what has been described, dismally, as the ‘geography of nowhere’.<sup>1</sup>

This report presents the findings of the first of a three part study of the role of arts and cultural industries (A&CIs) on the economy of Bernalillo County, including the city of Albuquerque. This three part study is modeled after a similar project conducted by the UNM Bureau of Business and Economic Research (BBER) during 2003-2004 on the A&CIs in Santa Fe County, but includes changes in the focus to better capture the much larger and more diverse economy of New Mexico’s most populous county.

The overarching purpose of this research is to provide information that will enable policymakers, planners and the community to strengthen Bernalillo County’s A&CIs and to better leverage these industries to create new economic opportunities in the region. The first phase of the project, reported here, provides the initial groundwork with a measurement of the economic impact of arts and cultural activities. The analysis is highly disaggregated, allowing for an evaluation of 14 distinct categories of activities, including arts, design, education, spectator sports, cultural tourism and others. Further, this report provides several measurements of arts & cultural activities, from direct tabulations of these activities, to a broader accounting of the impact of these activities as they generate expenditures in the local economy, to a more specific measurement of the role of A&CIs in drawing outside dollars to the county. In addition, this report analyzes the impact of A&CIs on public finances with a detailed examination of revenues and expenditures associated with arts and culture to various public entities.

Following this introduction, this report contains four parts and appendices. Part 2 is a brief discussion of salient conceptual and methodological issues. A more

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<sup>1</sup> James Howard Kunstler. *Geography of Nowhere: The Rise and Decline of America's Man-Made Landscape* (New York: Free Press, 1994).

complete discussion of the methodology used in this study is provided in Appendix B. Part 3 presents principal findings of the study in three subsections. The first subsection surveys the direct contributions of the arts and cultural activities to the economy of Bernalillo County. The second subsection is an analysis of the indirect and induced effects of the A&CIs in generating economic activity in other sectors of the economy. The third subsection is a study of the industries' impact on city, county and state public revenues and expenditures. Part 4 of the report provides context for interpreting the findings by comparing the performance of Bernalillo County's A&CIs to similar industries in other regions and to other industries in New Mexico. The report concludes with a brief summary and discussion of the findings.

## 1.2. METHODOLOGICAL CONSIDERATIONS<sup>2</sup>

This study estimates the economic impact of arts and cultural activities in Bernalillo County. This subject raises two core methodological issues – the definition of arts and cultural activities and the measurement of economic impacts.

### 1.2.1. Defining Art and Cultural Activities

For the purposes of this study, cultural activities are defined as creative artistic and cultural work and supporting activities that distinguish Bernalillo County and the city of Albuquerque, creating a unique sense of place. These activities build upon the cultural heritage of the Middle Rio Grande region, but also constitute a process by which the region grows and changes.

In developing a definition of cultural activities, BBER sought to balance consideration of the unique character of Bernalillo County with an interest in maintaining consistency with standards used in other cultural studies. To this end, BBER solicited the input of an Advisory Council comprised of key members and policymakers from Bernalillo County's cultural community<sup>3</sup>. These insights were balanced by a review of applied and academic studies relevant to cultural policy<sup>4</sup>.

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<sup>2</sup> See Appendix C for a detailed description of data sources and methods used in this study.

<sup>3</sup> Members of the UNM-BBER/Bernalillo County Cultural Policy Advisory Committee are listed in Appendix A of this report.

<sup>4</sup> Americans for the Arts. *Arts & Economic Prosperity*. (Washington D.C. Americans for the Arts, 2003). Ann Markusen and David King. *The Artistic Dividend: The Art's Hidden Contributions to Regional Development*. (Minneapolis: Humphrey Institute of Public Affairs, 2003). New England Council. *The Creative Economy Initiative: A Blueprint for Investment for Investment in New England's Cultural Economy*. (Boston: The New England Council, 2001). Pew Charitable Trusts. *Optimizing America's Cultural Resources*. (Philadelphia: Pew Charitable Trusts, 2001). Cultural Initiatives Silicon Valley. *Creative Community Index*. (San Jose: Cultural Initiatives Silicon Valley, 2003). Bill Bulick with Carol Coletta, Colin Jackson, Andrew Taylor, and Steven Wolff. *Cultural*

**Table 1.1** summarizes the economic activities included in this study; activities are organized according to category and industrial subsector<sup>5</sup>. The categories grew out of discussions with members of the Advisory Council and reflect an effort to summarize a broad scope of cultural activities according to commonly used definitions. The subsectors are designations established within the North American Industry Classification System (NAICS). Linking categories with NAICS-defined subsectors allowed BBER to move from a broad conceptual understanding of art and cultural activities to a specific and standardized classification system useful in measuring economic activities.

The main source of information used in this study is the Covered Employment database for the year 2004. This database is maintained by the New Mexico Department of Labor (NMDOL) and is known as ES-202. The collection of the data is legislated by the federal government under the National Labor Market Information Program for use in the administration of the unemployment insurance program. An essential feature of the ES-202 database is that industrial classification and employment and wage data is available for specific employers on an establishment by establishment basis. This level of disaggregation enabled BBER to move beyond even the most detailed six digit classification established under NAICS to measure specific activities of businesses included in the broader universe described in **Table 1.1**.

Data submitted by employers under the ES-202 program is supplemented by 2003 Census Bureau Nonemployer Statistics. Nonemployers are businesses with no employees with taxable receipts of \$1,000 or more for a given year. These businesses are typically self-employed workers, and tend to be strongly represented within certain segments of the A&CIs, most notably artists, writers and performers. It is a limitation of the analysis that such individuals are included only to the extent self-identification for tax purposes places them within the A&CIs. Workers whose cultural activities are of a secondary nature are commonly omitted. Further, the Census Bureau's Nonemployer Statistics do not include individuals who work in a nonprofit capacity.

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*Development of Creative Communities.* (Washington D.C.: Americans for the Arts, 2003). Mark J. Schuster. *Informing Cultural Policy.* (New Brunswick: CUPR, 2002). Allen J. Scott. *Cultural Economy of Cities.* (Thousand Oaks: Sage Publications, 2000).

<sup>5</sup> The following activities are specifically *excluded* from this study: religious and Native American-based enterprises because reliable information is not available; pornography and other adult-only businesses because of questions regarding their cultural contribution; restaurants and fine dining, except as they relate to cultural tourism; and participatory sports because of the voluntary nature of these activities, the lack of reliable information and the difficulty in estimating their economic value.

Art and cultural activities are common in many parts of the economy, not only in the select businesses and institutions that are dedicated to this purpose. A central challenge of this research is to identify these activities in their many forms. To this end, BBER conducted nearly 400 interviews and email surveys of individuals and businesses in Bernalillo County in an effort to precisely measure the extent of the artistic and cultural activities performed. The interview and survey subjects were selected from the ES-202 database by stratified random sample techniques, according to economic sector and the size of the establishment. Based on the interview and survey results, businesses and other institutions were assigned values from 0 to 100% to indicate the share of the enterprise's activities that are relevant to this study. The establishment's total employment was multiplied by this coefficient, indicating the number of employees (full time equivalents) specifically engaged in art and cultural activities.

**TABLE 1.1: ARTS AND CULTURAL ACTIVITIES INCLUDED IN THIS STUDY, ACCORDING TO CATEGORY AND INDUSTRIAL SUBSECTOR (NAICS)**

<u>CATEGORY</u>	<u>SUBSECTORS</u>	<u>NAICS</u>
Advocacy	Grantmakers	813211
	Business Associations	813910
	Civic and Social Organizations	813410
	Professional Organizations	813920
Artisans		All 31, 32 & 33
Artists	Independent Artists, Writers, and Performers	71151
	Musical Groups & Artists	71113
	Promoters of Performing Arts, Sports, & Similar Events with Facilities	71131
	Promoters of Performing Arts, Sports, & Similar Events without Facilities	71132
	Theater Companies & Dinner Theaters	71111
Design	Advertising and Related Services	All 5418
	Architectural Services	54131
	Graphic Design Services	54143
	Interior Design Services	541410
	Other Specialized Design Services	54149, 541490
Education	Colleges, Universities, & Professional Schools	611310
	Fine Arts Schools	611610
	Language Schools	611630
	Libraries & Archives	519120
	Other Technical & Trade Schools	611519
Fairs	Fairs & Festivals	
	Farmers Markets	
	NM State Fair	
	Promoters of Performing Arts, Sports, & Similar Events with Facilities	711310
Media	All Other Publishers	511199
	Book Publishers	511130
	Cable & Other Subscription Programming	515210
	Motion Picture & Video Distribution	512120
	Newspaper Publishers	511110
	Other Motion Picture & Video Industries	512199
	Other Sound Recording Industries	512290
	Periodical Publishers	511120
	Radio Broadcasting	515111
	Radio Stations	515112
	Sound Recording Studios	512240
	Television Broadcasting	515120
	Movies	Motion Picture Theaters (except Drive-Ins)
Museums	Museums <sup>1</sup>	All 712110
	Zoo & Botanical Gardens <sup>2</sup>	71213

<sup>1</sup>Albuquerque Museum, National Hispanic Cultural Center, Indian Pueblo Cultural Center, Balloon Museum, Science Museums, Explora, and Natural History Museum.

<sup>2</sup>Includes Biopark (Rio Grande Zoo, Rio Grande Botanical Gardens, and Albuquerque Aquarium).

TABLE 1.1 CONTINUED

<u>CATEGORY</u>	<u>SUBSECTORS</u>	<u>NAICS</u>
Retail Trade		All 44 & 45
	All Other Home Furnishing Stores	442299
	Art Dealers	453920
	Book Stores	451211
	Hobby, Toy, & Game Stores	451120
	Jewelry Stores	448310
	News Dealers & News Stands	451212
	Prerecorded Tape, Compact Disc, & Record Stores	451220
	Used Merchandise Stores	453310
Sports	Newspapers Publishers (sports content)	511110
	Spectator Sports	7112
Tourism	Full Service Restaurants	722110
	Hotels (except Casino Hotels) & Motels	721110
	Travel Arrangement & Reservation Services	5615
Wholesale	Jewelry, Watch, Precious Stone, & Precious Metal Merchant Wholesalers	423940
	Other Miscellaneous Durable Goods Merchant Wholesalers	423990
	Piece Goods, Notions, & Other Dry Goods Merchant Wholesalers	424310

UNM-Bureau of Business and Economic Research, 2006.

### 1.2.2. Measuring Economic Impacts

The second methodological issue regards the measurement of the economic impacts of arts and cultural activities. There are two aspects of this issue. First, according to economic principles, economic impact is a function of the capacity of a business or industry to draw funds from outside the region into the local economy. Logically, economic activities that depend exclusively on local consumers for their market only serve to recycle and redistribute funds already present in the economy; funds that are not spent on one activity will be spent on another. Thus, nothing is gained on a net basis from the expenditure of local funds. By contrast, activities that draw money into the local economy from outside make a net positive impact by creating jobs, raising incomes and producing additional tax revenues that would otherwise not exist<sup>6</sup>.

To measure the flow of revenues from outside Bernalillo County to businesses and institutions in the county, BBER included in the interviews and surveys described in the previous section questions regarding the geographical source of revenues and funding. As noted, subjects for interviews and surveys were selected by a stratified random sample, according to industry and establishment

<sup>6</sup> A corollary to this principle is that economic activities that capture local funds that otherwise would be spent outside the region have a comparable benefit.

size as indicated by the ES-202 database. Where appropriate, representatives of businesses and institutions were asked to quantify the share of total receipts that originate in Bernalillo County, in other parts of New Mexico, and from outside the state. Again, arts and cultural employment for each establishment was multiplied by the appropriate coefficient to indicate the number of relevant jobs funded by dollars that originate from outside the county.

The second methodological issue relevant to impact analysis regards the estimation of the indirect and induced impacts of Bernalillo County's A&CIs. According to standard definitions, indirect effects are the result of spending within the local economy by vendors to the A&CIs. Induced effects result from the expenditure of wages within the local economy, including those of individuals employed directly by the A&CIs as well as those employed by vendors to the A&CIs. A full accounting of the economic contribution of the region's A&CIs requires that analysis extend beyond the direct contributions of the industries to include indirect and induced impacts, thus capturing the 'ripple effect' that multiplies the economic impact of cultural activities.

To calculate indirect and induced effects and the impact of financial inflows, BBER used Implan Pro 2.0<sup>7</sup>. Implan Pro is a widely used regional economic modeling application that utilizes data that are specific to Bernalillo County. Implan Pro provides for an analysis of indirect and induced contributions and the impact of external sources of capital by tracing expenditures through local industries and quantifying leakages that occur when expenditures are made outside the regional economy. BBER has validated the estimates generated by Implan Pro 2.0 for New Mexico by comparing results with those produced by BBER's FOR-UNM model.

## 1.3. ECONOMIC IMPACT OF ARTS & CULTURAL INDUSTRIES ON BERNALILLO COUNTY

### 1.3.1. Direct Contributions of Arts & Cultural Industries

**Table 1.2** summarizes employment, wages and output (receipts) of the various subsectors of the A&CIs in Bernalillo County. As the table indicates, A&CIs generate nearly \$1.1 billion in output. A&CIs directly employ 19,508 workers, 6.1% of the county total; and pay \$413 million in wages, about 3.8% of the county total.

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<sup>7</sup> Minnesota IMPLAN Group, Inc., IMPLAN System (data and software), 1725 Tower Drive West, Suite 140, Stillwater, MN 55082 [www.implan.com](http://www.implan.com)

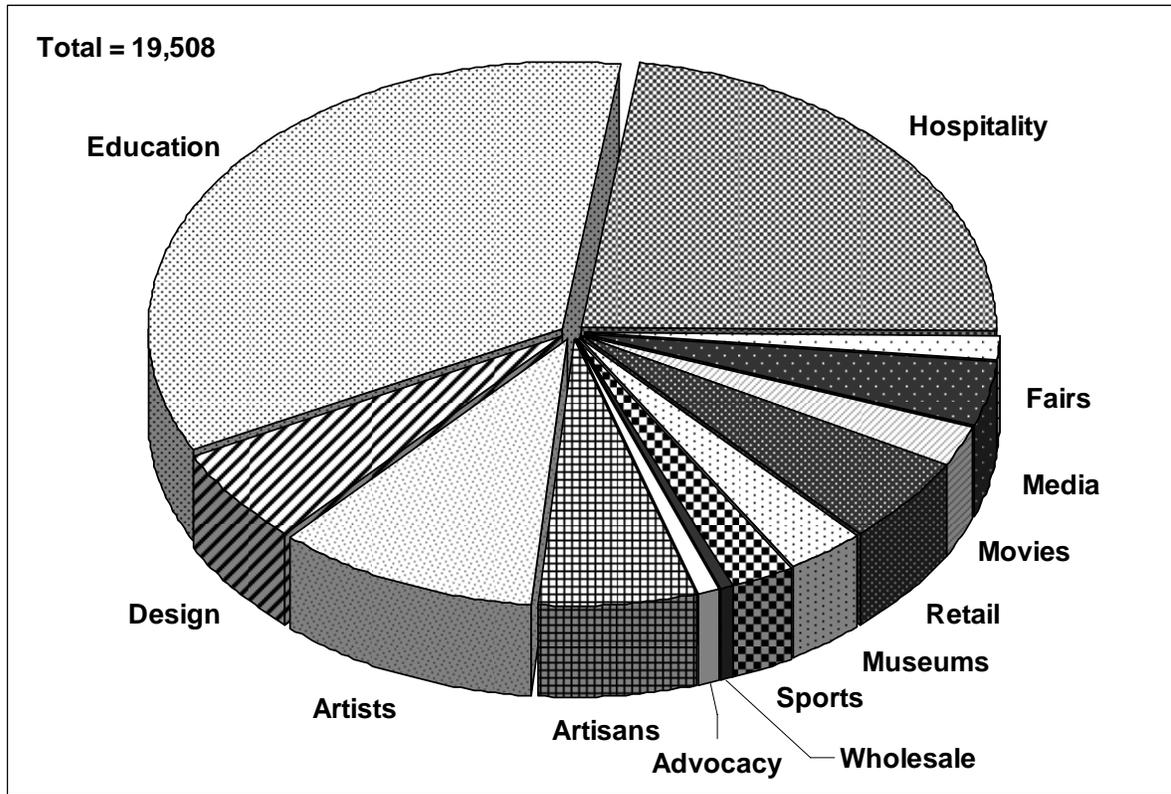
**TABLE 1.2: ARTS AND CULTURAL OUTPUT, EMPLOYMENT AND WAGES IN ALBUQUERQUE-BERNALILLO COUNTY, 2004**

	EMPLOYMENT	WAGES (\$000)	OUTPUT (\$000)
Advocacy	169	1,688	4,767
Artisans	1,190	26,387	161,317
Artists	1,982	10,761	121,941
Design	1,154	37,891	88,908
Education	6,790	183,071	293,585
Fairs	296	1,418	6,711
Media	761	32,363	120,681
Movies	457	7,187	42,922
Retail	1,046	15,131	45,845
Museums	583	13,684	43,755
Sports	476	2,186	6,886
Hospitality	4,474	74,995	217,864
Wholesale	129	6,224	17,166
<b>TOTAL</b>	<b>19,508</b>	<b>412,987</b>	<b>1,172,348</b>

UNM-Bureau of Business and Economic Research, 2006.

**Figure 1.1** shows the composition of employment within Bernalillo County's arts and cultural economy. Among A&CIs, education is the largest subsector, accounting for nearly 35% of all employment and 44.3% of all wages in the county's A&CIs. Albuquerque Public Schools is by far the largest institution in the county's arts and cultural sector, accounting for the equivalent of 4,701 jobs and \$142.2 million in wages in the areas considered in this report. By itself, APS contributes more to Bernalillo County's arts and cultural economy than the total of any other subsector. Cultural tourism, principally restaurants and accommodations serving visitors engaged in cultural activities, follows education as the second largest subsector, with 22.9% of all employment. Artists is the third largest category in terms of employment, accounting for 10.4% of arts and culture-related jobs, but this sector lags well behind several others in terms of the total income that is generated. It is notable that of the 1,982 persons employed as artists as defined in this study, 1,536 or 77%, are not covered by unemployment insurance; i.e., they are self-employed. Beyond these three principal sectors, artisans, retail and media also have a significant presence among Bernalillo County's A&CIs.

**FIGURE 1.1: EMPLOYMENT IN THE ARTS AND CULTURAL INDUSTRIES IN ALBUQUERQUE-BERNALILLO COUNTY BY SUBSECTOR, 2004**



**Table 1.3** is a summary of employment, wages and output of Bernalillo County’s A&CIs that are funded with *dollars that originate outside the county*; the bottom half of the table is the percentage of all arts and cultural activities that are funded with ‘outside dollars’. These figures best indicate the impact of A&CIs in terms of their capacity to contribute to the growth of the local economy by drawing new sources of revenues into the county.

**TABLE 1.3: ARTS AND CULTURAL RECEIPTS, EMPLOYMENT AND WAGES IN ALBUQUERQUE-BERNALILLO COUNTY SUPPORTED BY OUTSIDE DOLLARS (EXPORTS), 2004**

	EMPLOYMENT	WAGES (\$000)	OUTPUT (\$000)
Advocacy	31	319	900
Artisans	900	20,112	124,156
Artists	861	4,856	57,549
Design	377	13,404	29,793
Education	1,031	33,439	53,617
Fairs	174	831	3,944
Media	420	18,640	71,426
Movies	46	719	4,292
Retail	300	4,475	13,658
Museums	206	4,160	14,344
Sports	101	464	1,461
Hospitality	4,419	73,288	213,331
Wholesale	98	4,705	12,976
<b>TOTAL</b>	<b>8,964</b>	<b>179,411</b>	<b>601,447</b>

**Shares of Art & Cultural Activities Funded by  
Outside Dollars (%)**

	EMPLOYMENT	WAGES	OUTPUT
Advocacy	18%	19%	19%
Artisans	76%	76%	77%
Artists	43%	45%	47%
Design	33%	35%	34%
Education	15%	18%	18%
Fairs	59%	59%	59%
Media	55%	58%	59%
Movies	10%	10%	10%
Retail	29%	30%	30%
Museums	35%	30%	33%
Sports	21%	21%	21%
Hospitality	99%	98%	98%
Wholesale	76%	76%	76%
<b>TOTAL</b>	<b>46%</b>	<b>43%</b>	<b>51%</b>

UNM-Bureau of Business and Economic Research, 2006.

Outside dollars account for just over \$600 million in economic output. These dollars are equal to about one-half of all receipts to A&CIs in Bernalillo County, and fund slightly less than one-half of arts and cultural employment and incomes.

Cultural tourism (hospitality), which by definition depends on outside revenues, registered an estimated \$213.3 million in outside receipts in 2004, by far the most of the 14 sectors included in this study. Artisan industries, predominantly jewelry manufacturers, received an additional \$124.2 million from sales outside the county in 2004. These sales accounted for more than three-quarters of the total receipts of artisan industries. Other subsectors that draw significant revenues into the county are media industries, including newspapers and television and radio stations that carry advertisements for national businesses; artists, including the performing arts; and education, primarily UNM, which receives research and educational funding from state and federal governments, and tuition payments from students from outside the county. APS has only a marginal role in drawing funds to the county for arts and cultural activities because state funding for public education is, on a net basis, offset by state taxes paid by Bernalillo County residents and businesses.

### **1.3.2. Indirect and Induced Effects of Arts & Cultural Industries**

As defined earlier, indirect effects are the result of spending within the local economy by vendors to the A&CIs. Induced effects are the product of the expenditure of wages in Bernalillo County by persons employed by the A&CIs or employed by vendors to the A&CIs. The economic multiplier is an aggregate measure of the activity associated with direct, indirect and induced effects; as shorthand, the multiplier can be understood as the number of times outside revenues cycle within the local economy. In general, industries that pay high wages and that purchase goods and services produced locally are characterized by high multipliers, sometimes reaching or exceeding a value of 2.0.

**Table 1.4** is a summary of the direct, indirect and induced economic impacts of A&CIs supported by outside dollars. The data in this table indicate that, in addition to the \$600 million in receipts of outside dollars that accrued directly to the county's A&CIs, the expenditure and circulation of these dollars by businesses and their employees generated an additional \$393 million in economic activity in 2004. Similarly, the circulation of these revenues created 5,198 additional jobs and \$122.6 million in wage and salary payments. Overall, the multiplicative impact of outside revenues generated by the county's A&CIs was 1.58, 1.68 and 1.65 for employment, labor income and total output, respectively. This compares favorably to most industries in Albuquerque and New Mexico, indicating a propensity of A&CIs, their suppliers and their employees to spend locally.

**TABLE 1.4: DIRECT, INDIRECT AND INDUCED IMPACTS OF ARTS AND CULTURAL INDUSTRIES IN ALBUQUERQUE-BERNALILLO COUNTY SUPPORTED BY OUTSIDE DOLLARS (EXPORTS), 2004**

<b>EMPLOYMENT</b>	<b>Indirect &amp;</b>		<b>Total</b>	<b>Multiplier</b>
	<b>Direct</b>	<b>Induced</b>		
	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	
Advocacy	31	10	41	1.32
Artisans	900	654	1,553	1.73
Artists	861	811	1,672	1.94
Design	377	219	596	1.58
Education	1,031	496	1,526	1.48
Fairs	174	37	211	1.21
Media	420	811	1,231	2.93
Movies	46	42	88	1.92
Retail	300	117	417	1.39
Museums	206	177	382	1.86
Sports	101	17	118	1.17
Hospitality	4,419	1,725	6,145	1.39
Wholesale	98	82	180	1.84
<b>TOTAL</b>	<b>8,964</b>	<b>5,198</b>	<b>14,162</b>	<b>1.58</b>

<b>WAGES</b>	<b>Indirect &amp;</b>		<b>Total</b>	<b>Multiplier</b>
	<b>Direct</b>	<b>Induced</b>		
	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	
Advocacy	319	255	574	1.80
Artisans	20,112	20,174	40,285	2.00
Artists	4,856	11,176	16,032	3.30
Design	13,404	5,718	19,121	1.43
Education	33,439	12,188	45,627	1.36
Fairs	831	689	1,520	1.83
Media	18,640	15,281	33,920	1.82
Movies	719	963	1,681	2.34
Retail	4,475	3,198	7,673	1.71
Museums	4,160	4,643	8,802	2.12
Sports	464	312	776	1.67
Hospitality	73,288	45,727	119,015	1.62
Wholesale	4,705	2,234	6,939	1.47
<b>TOTAL</b>	<b>179,411</b>	<b>122,556</b>	<b>301,967</b>	<b>1.68</b>

TABLE 1.4 CONTINUED

OUTPUT	Indirect &		Total (\$000)	Multiplier
	Direct (\$000)	Induced (\$000)		
Advocacy	900	727	1,627	1.81
Artisans	124,156	62,399	186,555	1.50
Artists	57,549	40,346	97,894	1.70
Design	29,793	17,116	46,909	1.57
Education	53,617	39,256	92,874	1.73
Fairs	3,944	2,459	6,404	1.62
Media	71,426	53,280	124,706	1.75
Movies	4,292	3,616	7,908	1.84
Retail	13,658	9,610	23,269	1.70
Museums	14,344	12,910	27,255	1.90
Sports	1,461	1,019	2,480	1.70
Hospitality	213,331	143,888	357,219	1.67
Wholesale	12,976	6,696	19,672	1.52
<b>TOTAL</b>	<b>601,447</b>	<b>393,322</b>	<b>994,769</b>	<b>1.65</b>

UNM-Bureau of Business and Economic Research, 2006.

### 1.3.3. Geography of Arts & Cultural Industries in Bernalillo County

Figures 1.2, 1.3 and 1.4, and Table 1.5 provide information on the geography of employment in A&CIs in Bernalillo County in 2004. Figure 1.2 shows the location of 1,929 art and cultural businesses and institutions included in this study<sup>8</sup>; each dot represents one arts and cultural employer. Figure 1.3 shows the distribution of employment by A&CIs among 27 zip code areas in Bernalillo County in 2004.

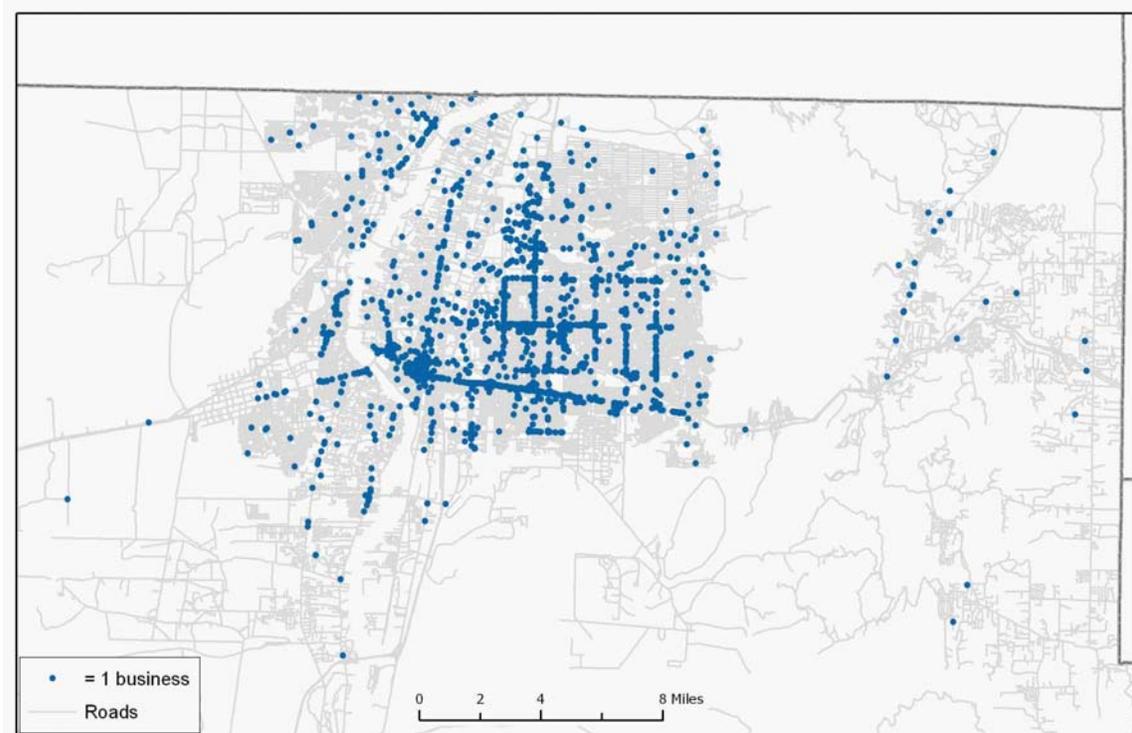
The first two maps indicate that employment is most heavily concentrated downtown (87102), in North I-25 (87109), the mid-Heights (87110) and at UNM (87131). Because education comprises such a large share of Bernalillo County's cultural economy and because APS is by its constitution present in all parts of the region, no geographical area is without representation<sup>9</sup>. However, excluding education, several areas, including the South Valley (87105), the West Side along Coors Boulevard (87120) and the West Mesa, including newly developing southwestern Albuquerque (87121), lack a significant representation of A&CIs.

<sup>8</sup> The remaining 68 businesses lacked a serviceable address.

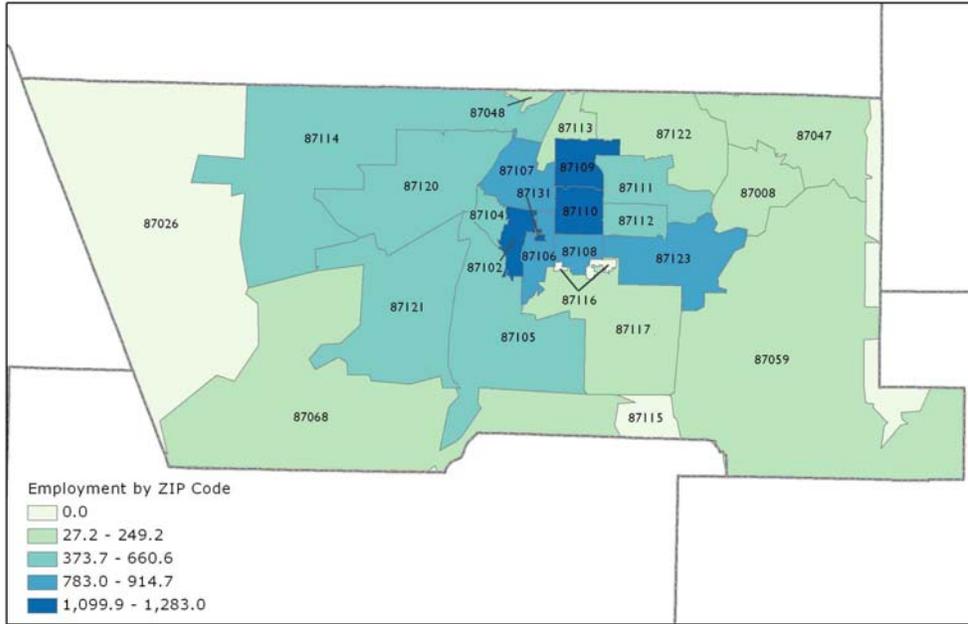
<sup>9</sup> The exceptions, zip code areas 87115 and 87116, are, respectively, on Isleta lands not included in this study and an unoccupied zone controlled by Kirkland Air Force Base.

The geographical distribution of arts and cultural employment in part reflects the overall pattern of employment distribution in Bernalillo County. **Figure 1.4** shows A&CIs employment as a percentage of total employment for the 27 zip codes, thus standardizing the A&CIs employment for the overall distribution of employment. This figure indicates that A&CIs are indeed significant to the employment structure of Downtown and UNM, as well as north Albuquerque (87122). This figure further indicates that the high levels of A&CI employment in the North Valley, North I-25 and the mid-Heights are more of a function of overall high levels of employment in these areas than any specific concentration of A&CI activities and, similarly, that the low levels of A&CI employment in the South Valley and the West Side are fundamentally a reflection of the small number of jobs in these areas.

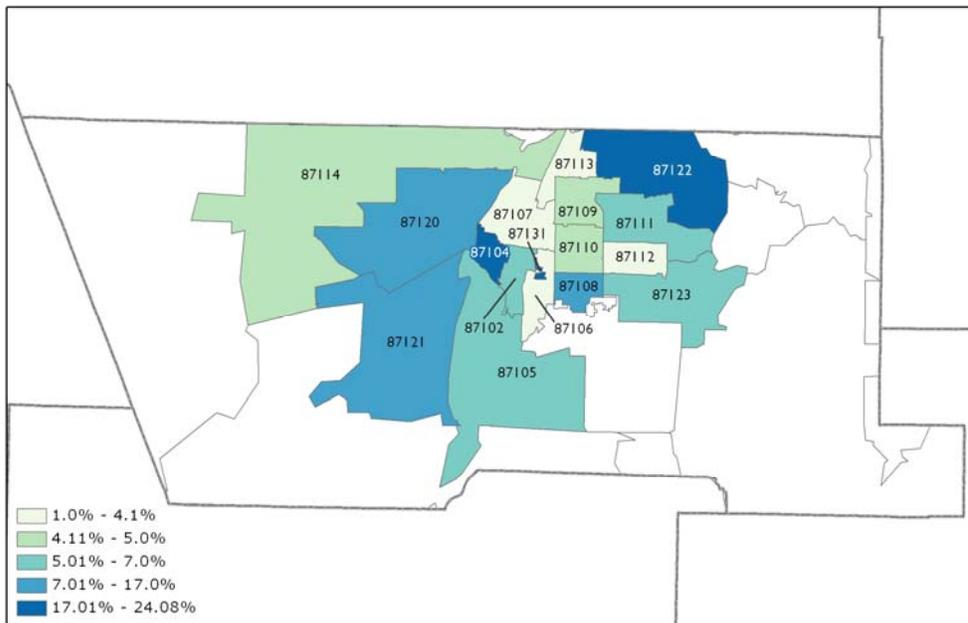
**FIGURE 1.2: LOCATION OF ARTS AND CULTURAL BUSINESSES AND INSTITUTIONS IN ALBUQUERQUE-BERNALILLO COUNTY, 2004**



**FIGURE 1.3: THE GEOGRAPHICAL DISTRIBUTION OF ARTS AND CULTURAL EMPLOYMENT IN ALBUQUERQUE-BERNALILLO COUNTY BY ZIP CODE AREA, 2004**



**FIGURE 1.4: ARTS AND CULTURAL EMPLOYMENT AS A PROPORTION OF TOTAL EMPLOYMENT BY ZIP CODE AREA IN ALBUQUERQUE-BERNALILLO COUNTY, 2004**



ARTS & CULTURAL INDUSTRIES IN ALBUQUERQUE – BERNALILLO COUNTY

**Table 1.5** provides detail of the geographical location of A&CIs employment by subsector. An examination of this data reveals the relative concentration of specific subsectors. Museums, including the BioPark, are very highly concentrated downtown (87102); artisans, dominated by relatively large jewelry makers, are found predominantly downtown and in the Four Hills area in Southeastern Albuquerque (87123); employment with wholesalers is concentrated in the North Valley (87107) and in the mid-Heights on the east side (87110); and media employment is found both downtown and along I-25 in North Albuquerque (87109). No one area dominates cultural tourism employment, though the largest concentration is in the downtown-Old Town (87104) area.

**TABLE 1.5: ARTS AND CULTURAL EMPLOYMENT IN ALBUQUERQUE-BERNALILLO COUNTY, BY CATEGORY AND ZIP CODE, 2004**

		Advocacy	Artisans	Artists	Design	Education	Fairs	Media
87102	Downtown	19	308	9	189	198		130
87104	Rio Grande/Old Town	65	37	11	56	134		144
87105	South Valley		9	2	0	517		
87106	Nob Hill	9	24	6	78	602		1
87107	North Valley	10	130	114	27	300		71
87108	Near Heights	14	54	19	26	256	280	19
87109	North I-25	11	109		106	529		156
87110	Mid Heights	12	178	80	177	318		112
87111	Northeast Heights	1	12	3	23	449		2
87112	East Heights		6		57	323		3
87113	Alameda		33		14	125	17	24
87114	Paradise Hills		2		10	254		1
87120	Coors Blvd	1			3	442		0
87121	West Mesa		19		4	381		2
87122	North Albuquerque			2	5	114		
87123	Four Hills	2	261	1	35	279		9
87131	UNM			18		811		80
NA /Other		25	40	1,688	343	757		7
<b>TOTAL</b>		<b>169</b>	<b>1,219</b>	<b>1,952</b>	<b>1,154</b>	<b>6,790</b>	<b>296</b>	<b>761</b>

TABLE 1.5 CONTINUED

	Movies	Museums	Retail	Sports	Tourism	Wholesale	TOTAL
87102 Downtown		329	43		979		2,204
87104 Rio Grande/Old Town		87	102		489	15	1,140
87105 South Valley			15		58		601
87106 Nob Hill			80	94	396	1	1,290
87107 North Valley			76		197	38	963
87108 Near Heights			78		115	2	863
87109 North I-25	241		53	28	567	16	1,815
87110 Mid Heights		61	142		581	31	1,692
87111 Northeast Heights			50		135	3	679
87112 East Heights			139		89		617
87113 Alameda			25		74	5	317
87114 Paradise Hills	21		59		164		510
87120 Coors Blvd			10		72	4	532
87121 West Mesa			7		81	3	497
87122 North Albuquerque			13		122		256
87123 Four Hills	196		15		210	11	1,019
87131 UNM		24	22	144	2		1,102
NA /Other		82	117	231	120	0	3,410
<b>TOTAL</b>	<b>457</b>	<b>583</b>	<b>1,046</b>	<b>497</b>	<b>4,453</b>	<b>129</b>	<b>19,508</b>

UNM-Bureau of Business and Economic Research, 2006.

### 1.3.4. Government Revenues and Expenditures

Table 1.6 summarizes the tax payments generated by the A&CIs to various public entities in Bernalillo County and New Mexico.<sup>10</sup> These figures include revenues generated by both direct and indirect/induced activities, but are limited to activities supported by outside dollars. As above, these figures represent contributions otherwise unavailable except for the capacity of the area's A&CIs to attract outside funds.

These figures show that the A&CIs generated an estimated \$59 million in government tax revenues in 2004. Thirty-six percent of the estimated total results from gross receipts taxes directly associated with cultural activities; 36% derives from gross receipts taxes on expenditures by cultural workers and by those whose employment is indirectly supported by the A&CIs; 15% is generated by personal income taxes and property taxes paid by cultural workers and those supported indirectly by the A&CIs; 3% is a conservative estimate of the property taxes paid by the cultural industries, and the remaining 9% are lodgers taxes paid by cultural visitors to the city of Albuquerque.

<sup>10</sup> The figures in the table reflect only those estimated tax revenues that would have been distributed to entities providing arts and cultural programming. Not included is UNM Hospital, which had a 6.5 mil levy in place for 2004. Also excluded are property tax distributions to both the Middle Rio Grande Conservancy District and the Albuquerque Metropolitan Flood Control Authority.

**TABLE 1.6: TOTAL TAX REVENUES DIRECTLY AND INDIRECTLY ASSOCIATED WITH ALBUQUERQUE-BERNALILLO COUNTY A&CIS AND SUPPORTED BY INFLOWS FROM OUTSIDE BERNALILLO COUNTY, 2004**

Figures in \$1,000's	City	County	Schools	TVI CC	State	Total
<b>Gross Receipts Tax</b>						
Arts, Culture, Spectator Sports	7,693	2,331			11,336	21,361
<b>Gross Receipts &amp; Excise Taxes on Goods and Services Purchased</b>						
by Workers in Arts, Culture, Sports	4,742	788			7,153	12,683
by Other Workers Supported	3,238	538			4,885	8,662
<b>Personal Income Taxes</b>						
Earnings in Arts, Culture, Sports					2,691	2,691
Earnings in Other Industries Supported					1,838	1,838
<b>Property Taxes</b>						
Arts, Culture, Spectator Sports <sup>1</sup>	530	510	410	160	60	1,670
Workers in Arts, Culture, Sports	718	662	714	403	99	2,596
Workers in Other Industries Supported	490	452	488	275	67	1,773
<b>Lodgers Tax</b>	<b>5,390</b>					<b>5,390</b>
<b>Total Tax Revenue</b>	<b>22,802</b>	<b>5,282</b>	<b>1,612</b>	<b>838</b>	<b>28,130</b>	<b>58,664</b>

<sup>1</sup> Primarily property taxes owed by major hotels.

Totals may not sum due to rounding. Bernalillo Co property taxes here include only operating and debt service levies.

UNM Bureau of Business and Economic Research, 2006. Gross Receipts Taxes on A&S industries estimated by BBER based on data collected through interviews with employers and data reported on taxable and total receipts by industry by the NM Taxation and Revenue Department. Calculations for taxes paid by workers based on tax burden estimates from the Institute for Taxation and Economic Policy, 2003, data compiled by the NM Taxation and Revenue department in Property Tax Facts, 2004, and property tax and gross receipts tax rates in effect for calendar 2004.

Detail on the gross receipts tax contributions by category both for the A&CIs and for spectator sports may be found in Appendix D. Table **D.7** provides estimates for the total taxes paid to each of the taxing jurisdictions by businesses in each of the categories as well as estimates of the direct revenues supported by dollars coming in from outside Bernalillo County. **Table D.8** provides the estimates of gross receipts tax revenues on the spending of Bernalillo County cultural workers. The table includes estimates of the total taxes paid by jurisdiction and also those supported by receipts from outside the county. **Table D.9** expands this analysis to cover workers directly and indirectly supported by Bernalillo County cultural industries, again reporting total revenues and also those supported by dollars coming into the county. In all cases, the tables separately report A&CIs and spectator sports.

**Tables 1.7** and **1.8** provide detail on revenues and expenditures of the city of Albuquerque and Bernalillo County that are associated with Bernalillo County's cultural industries.

**Table 1.7** shows that the arts and cultural activities generated \$35.3 million for the city of Albuquerque in 2004 – \$30.5 million for the operating budget and \$4.8 million for the capital program. However, the city of Albuquerque owns and runs the major arts and cultural facilities of the Albuquerque Museum and the BioPark as well as important venues like the KiMo Theater and the South Broadway Cultural Center. The city has a long-standing 1% for the Arts program. It owns a system of libraries throughout Albuquerque and manages a regional library system that covers Bernalillo County and Rio Rancho. It sponsors various cultural events throughout the year, including the well-attended Summerfest on Saturday nights during the summer. The city owns the Albuquerque Stadium where the Isotopes play and it runs an extensive sports and recreation program. The city uses a portion of its lodger's tax receipts to support the tourism promotion activities of the Albuquerque Convention and Visitors Center and the Hispano Chamber. Part of that budget is included here as the arts and cultural offerings of the Albuquerque metro area figure heavily in promotion efforts.

The city's extensive offerings of arts and cultural as well as sports and recreation programs had an estimated operating budget impact of \$35 million in 2004. In addition, the city spent \$19 million on capital outlay for the expansion of the Albuquerque Museum and various projects at the BioPark and for the library system. The total includes about \$1 million from 1% for the Arts.

**Table 1.8** provides similar information for Bernalillo County. In 2004, the dollars brought into the county by arts and cultural activities generated almost \$5.5 million in revenues for Bernalillo County<sup>11</sup>. The county spent at least \$3.3 million on operating its libraries in the areas outside the city limits, on sports and recreation programs, and on 1% for the Arts, and \$0.8 million on capital outlay for arts and cultural programs and on recreation and sports.

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<sup>11</sup> Property taxes estimates included in Table 8 include only revenues raised from the operating and debt service levies.

**TABLE 1.7: CITY OF ALBUQUERQUE REVENUES AND EXPENDITURES DIRECTLY AND INDIRECTLY ASSOCIATED WITH ALBUQUERQUE-BERNALILLO COUNTY A&CIS AND SUPPORTED BY INFLOWS FROM OUTSIDE BERNALILLO COUNTY, 2004**

	Arts & Culture	Sports	Total
<b>OPERATING BUDGET</b>			
<b>Revenues:</b>			
From Arts, Culture, Sports			
Gross receipts tax	7,533	160	7,693
Property Tax	146	18	164
Lodgers Tax	4,963	427	5,390
From Workers Supported Directly & Indirectly:			
Gross receipts tax	7,648	332	7,980
Property Tax	318	14	332
Intergovernmental	1,080	461	1,541
Fees and charges for Services	3,071	1,852	4,923
Other Sources	2,445	-	2,445
<b>Total</b>	<b>27,204</b>	<b>3,264</b>	<b>30,468</b>
<b>Expenditures:</b>			
Libraries	9,615		9,615
Museums (Art, History, Culture)	3,528		3,528
BioPark, Science Museums	11,262		11,262
Perform Venues, Spec Events <sup>1</sup>	1,694	149	1,843
Cultural Services Admin	1,028		1,028
Recreation programs		3,654	3,654
Baseball Stadium		513	513
Park Design	330	330	659
Film Program in OED	71		71
Tourism Promotion (ACVB, HCC, City)	2,452	97	2,549
1% for the Arts	240		240
Urban Enhancement Trust Fund	225		225
<b>Total</b>	<b>30,443</b>	<b>4,742</b>	<b>35,185</b>
<b>CAPITAL OUTLAY</b>			
<b>Revenues:</b>			
Property Tax Debt Service Levy	1,224	36	1,261
State	2,243		2,243
Miscellaneous	1,291		1,291
	4,758	36	4,795
<b>Expenditures:</b>			
Libraries	3,274		3,274
Museums (Art, History, Culture)	13,107		13,107
BioPark, Science Museums	1,892		1,892
Perform Venues, Spec Events	-		
1% for the Arts	960		960
	19,233	-	19,233

1. Includes proportionate share of debt service on Convention Center

Source: UNM BBER estimates. Data on actual FY04 and FY05 revenues and expenditures for City of Albuquerque from the Approved Budget 2006 and Proposed Budget 2007 as well as the audited financial statements for 2004 and 2005.

**TABLE 1.8: BERNALILLO COUNTY REVENUES AND EXPENDITURES DIRECTLY AND INDIRECTLY ASSOCIATED WITH ALBUQUERQUE-BERNALILLO COUNTY A&CIS AND SUPPORTED BY INFLOWS FROM OUTSIDE BERNALILLO COUNTY, 2004**

	Arts & Culture	Sports	Total
<b>OPERATING BUDGET</b>			
<b>Revenues:</b>			
<b>From Arts, Culture, Sports</b>			
Gross receipts tax	1,200	24	1,224
Property Tax	446	18	463
<b>From Workers Supported Directly &amp; Indirectly:</b>			
Gross receipts tax	1,271	55	1,326
Property Tax	926	40	966
<b>Intergovernmental</b>			
Fees and charges for Services	0	320	320
Other Sources	815		815
<b>Total</b>	<b>4,657</b>	<b>457</b>	<b>5,114</b>
<b>Expenditures:</b>			
Libraries	1,018		1,018
Museums (Art, History, Culture)			-
Perform Venues, Special Events	(1)		-
Recreation programs		2,247	2,247
1% for the Arts	50		50
<b>Total</b>	<b>1,067</b>	<b>2,247</b>	<b>3,315</b>
<b>CAPITAL OUTLAY</b>			
<b>Revenues:</b>			
Property Tax Debt Service Levy	175	6	181
State	230		230
	405	6	411
<b>Expenditures:</b>			
Museums (Art, History, Culture) <sup>1</sup>	230		230
Perform Venues, Spec Events			
Recreation programs		475	475
1% for the Arts	66		66
	296	475	771

1. Data provided on rental receipts but none on operating costs.

Property taxes in this table only include operating and debt service levies.

Totals may not sum due to rounding.

Source: UNM BBER estimates culled from databases and documents provided by Bernalillo County.

**Table 1.9** provides similar information for the state, detailing the fiscal impacts of the Bernalillo County A&CIs on state revenues and the resource commitments of the state of New Mexico, including its financial support for arts and cultural programs at the University of New Mexico and at Albuquerque Technical and Vocational Institute (TVI), now known as Central New Mexico Community College. The state's Department of Cultural Affairs (DCA) owns and runs two

major facilities, the National Hispanic Cultural Center and the Museum of Natural History, and they also provided some \$280 thousand in grants to arts organizations located in Bernalillo County. New Mexico is almost unique among the states in the extent of operating support provided to the public school system. BBER investigated arts and cultural programming at Albuquerque Public Schools (APS) and identified \$171 million in programs supported primarily by the State Equalization Formula. However, as Bernalillo County businesses and households are the source of a significant proportion of the state's general fund tax revenues, it was decided to treat the state's net contribution to APS operating funds as a wash. APS has its own property tax mill levies, which primarily support their capital program, but neither operating nor capital expenses for APS arts and cultural programs are included in **Table 1.9**. Altogether, excluding APS, BBER estimated that the state of New Mexico spent \$231 million in operational support for Bernalillo County A&CIs in 2004.

The state also spent \$31 million on capital outlay for arts and cultural facilities and programs in Bernalillo County: \$5.0 million on projects at the two DCA facilities and \$6.4 million on other arts and cultural facilities, including the Explora Science Center, the Wheel Museum, and the Unser Children's Discovery Center and Racing Museum, \$5 million on capital projects at the State Fairgrounds, \$4.6 million for various recreation and sports facilities around Bernalillo County, \$2.2 million on city of Albuquerque facilities, and \$4.6 million on recreation and sports facilities at UNM (versus less than \$100 thousand on readily identifiable arts and cultural projects).

State revenues associated with Bernalillo County A&CIs and supported by dollar inflows from outside the county are estimated to have been at least \$181.5 million in 2004. State expenditures, both operating and capital in support of A&CIs in Bernalillo County, are estimated to have totaled some \$270 million. Not included are monies that may be spent by the state Tourism Department in advertising A&CIs in Bernalillo County. The state has also made a substantial commitment to the film industry, including tax rebates and loans, as described in **Figure 1.5**, below.

Based on data provided by the New Mexico Economic Development Department Film Office, since inception, the state has loaned \$47.5 million for productions filmed in Bernalillo County.<sup>12</sup> BBER was unable to obtain figures on the amount of foregone taxes, but estimates the total for Bernalillo County projected expenses at \$550 thousand.

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<sup>12</sup> Bernalillo County's share, based on estimates of the percent filmed within the county.

**TABLE 1.9: STATE GOVERNMENT REVENUES AND EXPENDITURES DIRECTLY AND INDIRECTLY ASSOCIATED WITH ALBUQUERQUE-BERNALILLO COUNTY A&CIS AND SUPPORTED BY INFLOWS FROM OUTSIDE BERNALILLO COUNTY, 2004**

	Arts & Culture	Sports	Total
<b>Revenues:</b>			
<b>On Cultural Industries/Tourism Businesses:</b>			
Gross Receipts Tax	11,113	223	11,336
Property Tax (State GO,TVI)	220		220
<b>On Workers Supported Directly &amp; Indirectly:</b>			
Gross Receipts Tax	16,073	812	16,885
Property Tax (State GO,TVI)	811	33	844
Income Taxes	4,312	218	4,530
Federal Non-Recurring Operations	45		45
UNM & TVI Tuition and Other	96,121	50,563	146,684
Fees and Charges for Services	956		956
	<b>129,651</b>	<b>51,849</b>	<b>181,500</b>
<b>Operating Expenditures (State GF):</b>			
<b>Department of Cultural Affairs</b>			
Hispanic Cultural Center	2,659		2,659
Natural History Museum	2,997		2,997
Grants to ABQ Co. Arts organizations	280		280
<b>Tourism Department</b>			
<b>Economic Development Film Office</b>			
University of New Mexico	134,336	76,289	210,625
TVI Community College	14,869		14,869
Albuquerque Public Schools <sup>1</sup>			-
<b>Total Operating Budget</b>	<b>155,139</b>	<b>76,289</b>	<b>231,429</b>
<b>Capital Outlay from FY 03 &amp; FY 04 Appropriations <sup>2</sup></b>			
City of Albuquerque ACC Facilities	2,243		2,243
Bernalillo County ACC Facilities	230		230
State Fairgrounds	5,204		5,204
Department of Cultural Affairs Facilities	4,954		4,954
UNM ACC Facilities	84		84
Other ACC Facilities	6,379		6,379
UNM Recreation/Sports		7,344	7,344
Recreation/Sports Facilities & Equipment		4,562	4,562
<b>Total Capital Outlays</b>	<b>19,093</b>	<b>11,906</b>	<b>30,999</b>

1. Assumes that Bernalillo County tax revenues to the State generally offset Public School distribution to APS under equalization formula. ACC total spending for APS is estimated at \$171 million.

2. Spending on FY 03 and FY 04 State capital outlay from General Fund and Severance Tax Bonds. Detail provide by Capital Projects Office of the NM Department of Finance & Administration

Totals may not sum due to rounding.

Source: UNM BBER estimates based on actual revenues and expenditures as reported by the Legislative Finance Committee in their annual Appropriation Recommendations to the Legislature; also as reflected in Budget documents for the University of New Mexico,

**FIGURE 1.5: NEW MEXICO'S FILM INCENTIVES**

**25% FILM PRODUCTION TAX REBATE**

New Mexico offers a 25% tax rebate on all production expenditures (including labor) that are subject to taxation by the state of New Mexico. This is a refund, not a credit.

**FILM INVESTMENT LOAN PROGRAM**

New Mexico offers a 0% loan for up to \$15 million per project, (which can represent 100% of the budget) for qualifying feature films or television projects. Terms are negotiated and budget must be at least \$1 million.

**NO STATE SALES TAX**

Not to be used in conjunction with the 25% tax rebate. Type 16 Nontaxable Transaction Certificates (NTTCs) work much like grocery store coupons. A certificate is presented at the point of sale and no gross receipts tax (sales tax) is charged. (Used primarily for commercials & PSAs)

Source: New Mexico Economic Development Department Film Office.

The Albuquerque area is surrounded by a number of Indian Pueblos and many visitors to Bernalillo County make trips to Acoma's Sky City and to other pueblos, perhaps enjoying the festivities of Feast Days. Within the city limits, the All Indian Pueblo Council owns and operates the Indian Pueblo Cultural Center. BBER requested but was unable to obtain figures on tribal funding for this important arts and cultural resource. Spending from state appropriations for capital projects at the Indian Pueblo Cultural Center was \$217 thousand.

Finally, there are the federal dollars which flow into Bernalillo County in support of A&CIs. In 2004, the Petroglyph National Monument had base funding of \$1.4 million, with additional special project funding of over \$400 thousand. The Atomic Museum is now run by the Atomic Museum Foundation, but it continues to receive \$450 thousand annually in operating funds from Sandia National Laboratory. In addition are various federal contracts and grants. In FY 2003, for example, the Consolidated Federal Funds online database indicates that \$110 thousand flowed to Bernalillo County from the National Endowment for the Arts, \$572 thousand from the National Endowment for the Humanities and \$422 thousand from the Institute of Museum and Library Services.

## 1.4. A COMPARATIVE ANALYSIS OF BERNALILLO COUNTY'S ARTS & CULTURAL INDUSTRIES

### 1.4.1. Comparison of Bernalillo County's Arts & Cultural Industries with Other U.S. Cities

The complexities of definition, measurement and calculation make it difficult to directly compare the economic impact of Bernalillo County's A&CIs to similar industries in other regions. Although comparisons are necessarily partial, the findings suggest that Albuquerque's cultural economy is relatively strong for a city of its size. This section draws upon previous research by BBER on A&CIs in Santa Fe; provides a brief summary of two of the best-known studies comparing the cultural economies of U.S. cities; and offers a more focused comparison of the strength of specific sectors of art and cultural markets<sup>13</sup>.

#### UNM-BBER's Study of Santa Fe's A&CIs

**Table 1.10** compares the direct, indirect and induced impacts of A&CIs, funded by outside dollars, for Bernalillo and Santa Fe Counties<sup>14</sup>. The data in this table show that, in absolute terms, outside dollars generated by A&CIs account for about the same level of receipts in the two areas, although these dollars create substantially more jobs and fund a much larger payroll in Bernalillo County. However, in relative terms, outside dollars play a much greater role in Santa Fe than in Bernalillo County. In Santa Fe, outside dollars account for 78% of all A&CIs receipts, compared to only 51% in Bernalillo County. Indeed, the structure of Bernalillo County's A&CIs differs substantially from that of Santa Fe County. Broadly stated, Santa Fe's A&CIs function as a powerful export engine that draw substantial revenues to the city, creating jobs and providing fiscal revenues that otherwise would not be available. By contrast, Bernalillo County's A&CIs are mainly structured to serve a much larger local population, more than 7 times that of Santa Fe County.

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<sup>13</sup> Phase 3 of this research project will offer a comparative analysis of cultural and economic development policies employed in metropolitan areas in the U.S. and other parts of the world.

<sup>14</sup> The source of information for Santa Fe is Jeffrey Mitchell and Lee A. Reynis. *The Economic Importance of the Arts & Cultural Industries in Santa Fe County: The Quantification of Economic Impacts* (Albuquerque: UNM Bureau of Business and Economic Research, 2004). The report is available at <http://www.unm.edu/~bber/pubs/SFCoArtsPt1.pdf>.

**TABLE 1.10: DIRECT, INDIRECT AND INDUCED IMPACTS OF ARTS AND CULTURAL INDUSTRIES SUPPORTED BY OUTSIDE DOLLARS IN BERNALILLO AND SANTA FE COUNTIES**

<b>Bernalillo County Arts &amp; Cultural Industries, 2004</b>				
	<b>Direct</b>	<b>Indirect &amp; Induced</b>	<b>Total</b>	<b>Multiplier</b>
<b>Employment</b>	<b>8,964</b>	<b>5,198</b>	<b>14,162</b>	<b>1.58</b>
<b>Wages &amp; Salaries (\$000s)</b>	<b>179,411</b>	<b>122,556</b>	<b>301,967</b>	<b>1.68</b>
<b>Output (\$000s)</b>	<b>601,447</b>	<b>393,322</b>	<b>994,769</b>	<b>1.65</b>

<b>Santa Fe County Arts &amp; Cultural Industries, 2001</b>				
	<b>Direct</b>	<b>Indirect &amp; Induced</b>	<b>Total</b>	<b>Multiplier</b>
<b>Employment</b>	<b>9,261</b>	<b>3,692</b>	<b>12,953</b>	<b>1.40</b>
<b>Wages &amp; Salaries (\$000s)</b>	<b>209,642</b>	<b>100,687</b>	<b>310,329</b>	<b>1.48</b>
<b>Output (\$000s)</b>	<b>527,299</b>	<b>255,955</b>	<b>783,254</b>	<b>1.49</b>

UNM-Bureau of Business and Economic Research, 2004, 2006.

**Table 1.11** shows attendance figures for the largest museums and parks in Bernalillo and Santa Fe Counties. These figures illustrate the differences in the structure of the A&CIs in the two counties. In all, of museums and parks included in this table, those in Bernalillo County draw more than three times as many as those in Santa Fe County; indeed, Albuquerque’s BioPark alone draws nearly twice the number of visitors as all Santa Fe museums combined. Yet, Bernalillo County’s attractions, including the BioPark, the Natural History Museum and Explora! are directed primarily to local markets, whereas Santa Fe’s museums, including the O’Keeffe and the Museums of Fine Arts and International Folk Arts are, by comparison, targeted toward visitors.

**TABLE 1.11: ATTENDANCE FOR MUSEUMS IN BERNALILLO AND SANTA FE COUNTIES, 2004 AND 2005.**

MUSEUM	LOCATION	2005	2004
Albuquerque BioPark	Bernalillo County	1,095,476	995,906
NM Museum of Natural History & Science	Bernalillo County	246,705	244,732
EXPLORA Science Museum	Bernalillo County	183,962	286,133
Albuquerque Museum	Bernalillo County	131,829	99,712
Indian Pueblo Cultural Center	Bernalillo County	73,204	157,587
LodeStar Astronomy Center	Bernalillo County	65,262	86,078
National Atomic Museum	Bernalillo County	38,840	42,735
Tinkertown Museum	Bernalillo County	15,560	16,850
Georgia O'Keeffe Museum	Santa Fe County	162,497	172,504
NM Museum of Fine Arts	Santa Fe County	68,871	112,179
NM Museum of International Folk Art	Santa Fe County	87,400	85,733
NM Palace of the Governors	Santa Fe County	60,422	64,688
NM National Hispanic Cultural Center	Santa Fe County	84,460	38,822
NM Museum of Indian Arts & Culture	Santa Fe County	49,561	46,248
El Rancho de las Golondrinas	Santa Fe County	50,244	44,654
<b>TOTAL</b>		<b>2,988,850</b>	<b>3,112,643</b>

Source: Tourism Association of New Mexico, *New Mexico TravelTrends*

**Table 1.12** shows the output of selected subsectors of A&CIs in Bernalillo County and Santa Fe County, and their respective shares in relation to county totals. In Santa Fe, cultural tourism (or hospitality) is the largest subsector of the art and cultural economy, followed by art galleries and museums, performing arts and the production of art. Educational services account for only 7.5% of the output of A&CIs in Santa Fe. In Albuquerque, educational services is by far the largest sector, accounting for 25% of the total output value; APS dominates this category, suggesting the central role of the county's A&CIs in serving the local population. Cultural tourism is also important to Bernalillo County, though less so than in Santa Fe County. The important role of museums, performing arts and artists in Bernalillo County is a surprising finding. The strength of this sector in Albuquerque is driven by the large number of artists living in the county and, equally, to activities associated with Albuquerque's BioPark, which are included in the Museum category. The importance of the BioPark again reflects the role of Bernalillo County's A&CIs in serving the local population.

**TABLE 1.12: OUTPUT OF SELECTED SECTORS OF ARTS AND CULTURAL INDUSTRIES FOR BERNALILLO AND SANTA FE COUNTIES, 2004**

	Bernalillo County		Santa Fe County	
	Output (\$000)	%	Output (\$000)	%
Artisans, Manufacturing	161,317	14%	74,384	7%
Art Dealers (Retail)	38,157	3%	225,620	22%
Museums, Perf Arts, Artists	165,696	14%	124,781	12%
Educational Services	293,585	25%	78,090	7%
Hospitality	217,864	19%	327,986	31%

UNM-Bureau of Business and Economic Research, 2004, 2006.

### Americans for the Arts: Economic Impact of the Arts

*Economic Impact of the Arts in Albuquerque*, published by Americans for the Arts (AFA) in 1998<sup>15</sup>, reports findings of two surveys conducted in Albuquerque in 1997: one survey measured the economic impact of Albuquerque's nonprofit arts organizations, and the second measured the economic impact of Albuquerque's arts audiences. The AFA study utilized a methodology repeated in scores of cities across the U.S., allowing for direct comparisons among communities.

The AFA study found that, in 1997, Albuquerque's nonprofit and for-profit arts organizations and their audiences supported 3,218 full-time equivalent local jobs, had total expenditures of \$112.3 million, and generated \$11.2 million in local and state government revenues. According to AFA comparisons, Albuquerque ranked high among its peer cities for full-time equivalent jobs created; the city had an average rank in terms of the generation of incomes and state government revenues; the generation of local government revenues was below the norm.

The scope and methods of the AFA study differ significantly from those of the present study. The AFA study focused on nonprofit arts organizations while this study evaluated the pertinent activities of business and organizations, including both those operating for-profit and not for-profit. Further, the AFA study included only the city of Albuquerque whereas the geographical scope of this study is the entire county of Bernalillo. Finally, the two studies were conducted nearly ten years apart. For these reasons, direct comparison of the findings of the two studies is not supportable.

<sup>15</sup> Americans for the Arts. *Economic Impact of the Arts in Albuquerque*. (Washington, D.C. Americans for the Arts, 1998).

### **Richard Florida: The Rise of the Creative Class**

A second, widely referenced study was conducted by Professor Richard Florida, author of *The Rise of the Creative Class*<sup>16</sup>. Rather than directly comparing the economic impact of cultural industries in U.S. cities, Florida uses four indicators to measure the potential for creative economic activity among cities. Florida argues that his indicators correlate strongly with other measures of cultural activity.

**Table 1.13** shows rankings of the top two dozen cities according to Florida's four variables. The 2002 study ranks Albuquerque first among 32 medium size metropolitan areas (with populations 500,000 to 1 million), and eighth among all U.S. metropolitan areas. Among medium sized cities, Albuquerque metropolitan area ranked first in the high-tech and diversity indices, second in creative workers as a share of total employment, and seventh according to innovation. Among all metropolitan areas, Albuquerque ranks eighth, with a total creativity index value of 965, just ahead of Washington, New York, Dallas and Minneapolis. San Francisco ranks first according to Florida's measures, with an overall creativity index value of 1057.

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<sup>16</sup> Richard L. Florida. *The Rise of the Creative Class: and How it's Transforming Work, Leisure, Community and Everyday Life* (New York: Basic Books, 2004).

**TABLE 1.13: CREATIVITY INDICES FOR LEADING U.S. METROPOLITAN AREAS**

	Overall Rank	Creativiity Index	Creative Class	High Tech	Inno- vation	Diversity
San Francisco, CA	1	1057	12	1	5	1
Austin, TX	2	1028	7	13	6	23
San Diego, CA	3	1015	30	14	13	4
Boston, MA	3	1015	6	2	12	41
Seattle, WA	5	1008	20	3	34	11
Raleigh--Durham, NC	6	996	5	16	8	52
Houston, TX	7	980	22	19	39	16
<b>Albuquerque, NM</b>	<b>8</b>	<b>965</b>	<b>26</b>	<b>9</b>	<b>62</b>	<b>18</b>
Washington--Baltimore	9	964	4	5	85	18
New York City, NY	10	962	25	15	54	20
Dallas, TX	11	960	55	6	40	15
Minneapolis, NM	11	960	14	28	11	60
Los Angeles, CA	13	942	46	4	79	5
Atlanta, GA	14	940	32	7	87	10
Denver, CO	14	940	17	65	29	25
Chicago, IL	16	935	29	10	56	46
Albany, NY	17	932	15	68	21	45
Portland, OR	18	929	73	11	32	31
Philadelphia, PA	19	927	27	17	36	70
Madison, WI	20	925	19	82	14	31
Hartford, CT	21	922	16	41	35	61
Phoenix, AZ	22	909	92	8	46	21
Santa Fe, NM	23	907	10	130	26	16
Indianapolis, IN	24	891	68	20	55	42

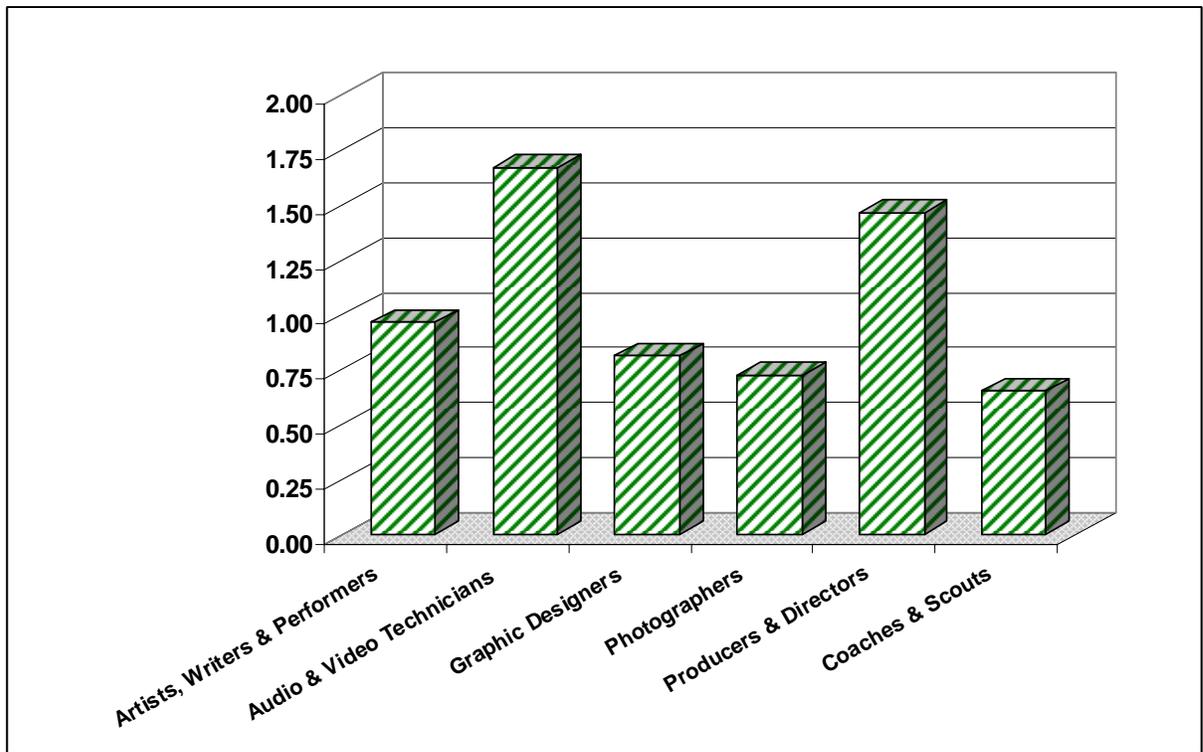
Source: Richard Florida Creative Group, CreativeClass.org  
UNM Bureau of Business and Economic Research, 200.6

### Prevalence of Selected Arts and Cultural Occupations in Bernalillo County

A&CIs in Bernalillo County can be placed in context by comparing the prevalence of key occupations in local markets with the use of location quotients. A location quotient compares the share of a given occupation in a local labor market with the national average for that same occupation. A location coefficient of 1.0 indicates that the number of persons employed in a given occupation in an area is proportionate to the national average; coefficients above 1.0 indicate that the occupation is more strongly represented in the study area.

**Figure 1.6** shows location quotients for selected arts and cultural occupations in Bernalillo County<sup>17</sup>. Prevalence of these occupations varies significantly, but in most cases the location quotient is between 0.75 and 1.50. This suggests that for most art and cultural occupations, employment opportunities in Albuquerque roughly parallel those for the U.S. as a whole. Among specific occupations, audio and visual equipment technicians tend to be well represented locally; artists, writers and performers are close to but slightly below the national average; and athletic coaches and scouts are less well represented.

**FIGURE 1.6: LOCATION QUOTIENTS FOR SELECTED OCCUPATIONS IN THE CULTURAL INDUSTRIES IN ALBUQUERQUE-BERNALILLO COUNTY, 2003**



Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics, 2003; U.S. Census Bureau, Nonemployer Statistics, 2003.

Location quotients for the cultural economy should be interpreted with care. More than in other economic sectors, employment in the cultural economy tends

<sup>17</sup> These data include occupational data, as defined by the Standard Occupational Classification, and nonemployer (self-employed) data. The combination better reflects actual employment shares, as many who work in this sector are self-employed. However, it is important to note that these data include only those who identify an occupation or self-employment within an industrial sector as their primary occupation. These data do not include individuals who work at a particular occupation as secondary employment, which is very common within the arts and cultural sector.

to be highly concentrated geographically, and, as a result, location quotients for cultural occupations in most cities can be surprisingly low. With this in mind, another strategy for interpreting location quotients is to examine the ranking of location quotients for specific occupations among a large number of cities.

**Tables 14 and 15** rank cities according to location quotients for artists, performers and writers, and architects, respectively. Note that while Albuquerque has a location quotient of slightly less than 1.0 for the first group, its ranking among all metropolitan areas is remarkably high – 17<sup>th</sup>. Albuquerque ranks similarly for architects.

**TABLE 1.14: LOCATION QUOTIENTS OF U.S. CITIES FOR ARTISTS, PERFORMERS AND WRITERS, 2003**

	Total Employment	Artists, Performers & Writers	Artists / Employment	Avg Income per Artist (\$)
National	127,980,430	525,921	0.411%	18,169
1 Santa Fe, NM MSA	71,930	1,382	1.921%	23,347
2 Austin-San Marcos, TX MSA	658,400	3,764	0.572%	19,950
3 New York, NY PMSA	4,056,640	49,958	1.232%	24,890
4 Nashville, TN MSA	638,970	6,703	1.049%	38,218
5 San Francisco, CA PMSA	997,320	8,866	0.889%	25,474
6 Santa Barbara, CA MSA	101,640	1,378	1.356%	24,416
7 Boulder-Longmont, CO PMSA	180,980	1,483	0.819%	16,851
8 Asheville, NC MSA	104,540	700	0.670%	13,576
9 Flagstaff, AZ MSA	51,290	340	0.663%	16,044
10 Portsmouth-Rochester, NH-ME PMSA	116,720	734	0.629%	16,064
11 Boston, MA-NH PMSA	1,971,030	11,462	0.582%	17,754
12 Tucson, AZ MSA	327,630	1,830	0.559%	13,848
13 Seattle, WA PMSA	172,150	7,032	4.085%	16,737
14 Minneapolis-St. Paul, MN-WI MSA	1,696,040	8,898	0.525%	13,942
15 Portland, OR PMSA	155,320	4,782	3.079%	14,284
16 San Diego, CA MSA	1,208,050	6,134	0.508%	17,392
<b>17 Albuquerque, NM MSA</b>	<b>339,390</b>	<b>1,651</b>	<b>0.486%</b>	<b>13,354</b>
18 Colorado Springs, CO MSA	234,120	1,153	0.492%	14,827
19 Washington, DCPMSA	2,673,890	12,550	0.469%	18,508
20 Honolulu, HI MSA	392,230	1,724	0.440%	15,982

Source: Bureau of Labor Statistics, OES, 2001; Economic Census, Non-Employed Workers, 2001  
UNM Bureau of Business and Economic Research, 2006.

**TABLE 1.15: LOCATION QUOTIENTS OF U.S. CITIES FOR ARCHITECTS, 2003**

	Total Employment	Architects	Architects/ Employment (%)	Avg Income per Architect (\$)
NATIONAL	127,980,410	132,673	0.104%	59,013
1 Seattle, WA PMSA	1331820	22,783	1.711%	35,088
2 San Francisco, CA PMSA	997320	4,753	0.477%	64,293
3 Boston, MA-NH PMSA	1,971,030	5,798	0.294%	61,964
4 Stamford-Norwalk, CT PSMA	207,750	601	0.289%	75,333
5 New York, NY PMSA	4,056,640	11,391	0.281%	62,103
6 Santa Fe, NM MSA	71,930	172	0.239%	49,810
7 Charlottesville, VA MSA	84,190	199	0.236%	47,576
8 Nassau-Suffolk, NY PMSA	1184580	2,444	0.206%	58,291
9 Anchorage, AK MSA	132,360	269	0.203%	65,904
10 Lawrence, KS MSA	47,090	95	0.202%	43,775
11 Olympia, WA PMSA	83,710	164	0.196%	53,483
12 Madison, WI MSA	271,500	505	0.186%	50,816
13 Fort Myers-Cape Coral, FL MSA	173,540	310	0.179%	60,991
14 Honolulu, HI MSA	392,230	693	0.177%	54,705
15 Columbus, OH MSA	855,230	1,423	0.166%	51,339
<b>16 Albuquerque, NM MSA</b>	<b>339390</b>	<b>560</b>	<b>0.165%</b>	<b>44,162</b>
17 Portland, OR MSA	933600	1,486	0.159%	52,971
18 Denver, CO PMSA	1150070	1,804	0.157%	54,304
19 Santa Rosa, CA PMSA	191,330	300	0.157%	58,864
20 Santa Barbara, CA MSA	162130	246	0.152%	70,467

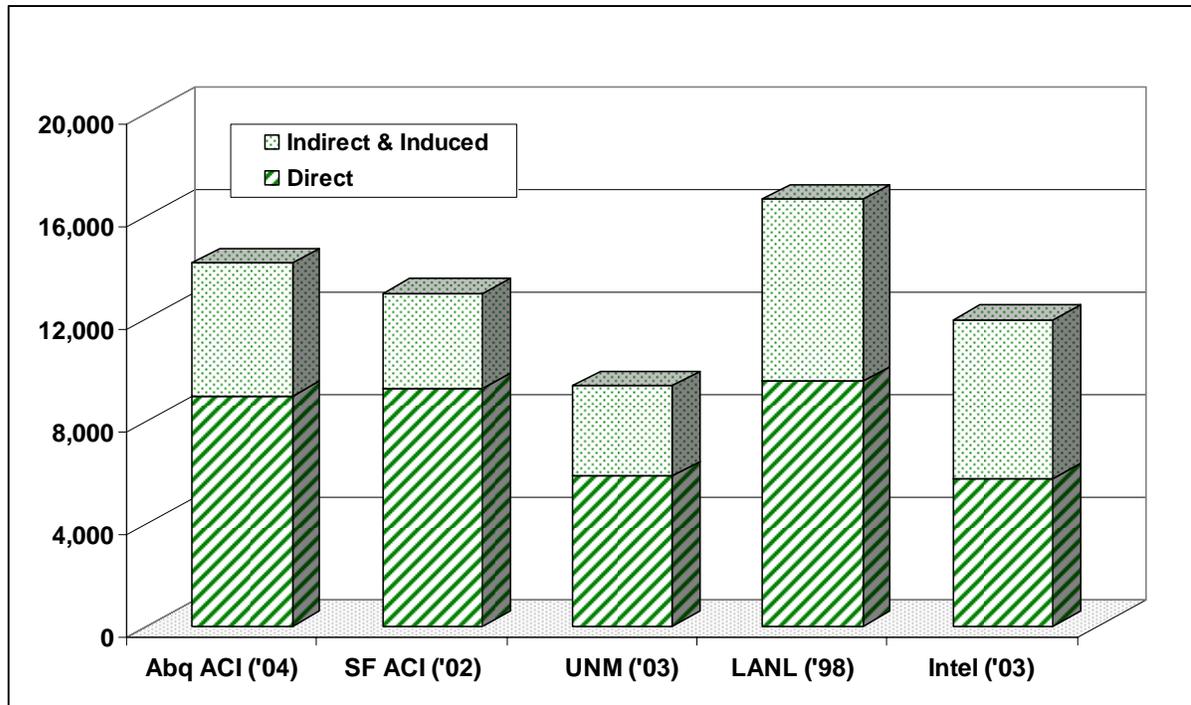
Source: Bureau of Labor Statistics, OES, 2001; Economic Census, Non-Employed Workers, 2001

UNM Bureau of Business and Economic Research, 2004.

### 1.4.2. Comparison of Santa Fe’s Arts & Cultural Industries to Other Leading Industries in New Mexico

How does the economic impact of Santa Fe’s A&CIs compare to other industries in New Mexico, such as the University of New Mexico, Intel’s Sandoval County production facility and federally funded research at Los Alamos National Laboratories? The results, in terms of employment creation, are summarized in Figure 1.7.

**FIGURE 1.7: DIRECT, INDIRECT & INDUCED EMPLOYMENT IMPACTS OF SELECTED NEW MEXICO INDUSTRIES**



#### The University of New Mexico

In 2004, BBER completed an analysis of the economic impact of the University of New Mexico on the state’s economy<sup>18</sup>. The UNM study focuses exclusively on the impact of funds that the university draws from other regions into the state.

<sup>18</sup> Norton Francis. *The Economic Impact of The University of New Mexico on New Mexico* (Albuquerque: UNM Bureau of Business and Economic Research, 2004). The study disaggregates university operations according to the main branch in Albuquerque, the university hospital in Albuquerque, Health Sciences and branch campuses. This analysis includes total university activities.

Total receipts of the university from out-of-state sources are estimated to be \$384.5 million, which, combined with indirect and induced impacts, results in a total impact of \$641.3 million. The impact of Bernalillo County's A&CIs is about 50% greater, with a total impact of about \$994.8 million. In nearly the same proportion, the cultural industries have greater employment impact: 14,162 compared to 9,362. However, because of the relatively high wages paid by the university system, particularly in hospital and health science operations, wages supported by outside activities at the university slightly exceed those of Bernalillo County's A&CIs. It is interesting to note that the multiplier effects of UNM operations – impacts associated with in-state expenditures by vendors and employees – are nearly equal to those of Bernalillo County's A&CIs, adding about \$60 dollars for every 100 outside dollars that flow into respective entities. However, impacts for the university, as tallied in this study, encompass expenditures made anywhere in New Mexico, whereas impacts for Bernalillo County's A&CIs include only those made within the county. If the analysis were conducted on comparable geographical scales, the indirect and induced effects of the A&CIs would be higher although the share of direct effects would correspondingly be lower.

### **Intel Operations in Sandoval County, New Mexico**

According to figures available from Albuquerque Economic Development Corporation, Intel employs 5,770 workers at the Sandoval product production facility. According to State Department of Labor statistics, the average annual income for covered employees of the computer and electronic product manufacturing industry in New Mexico is \$57,888, yielding an estimated \$289.9 million in disposable (after tax) income. The total impact of Intel operations, including indirect and induced effects, can be estimated with multipliers available from Implan Pro. With an employment multiplier of just under 2.1 and a wage and salary multiplier of 1.34, Intel's operations directly and indirectly support 11,945 workers in New Mexico, who receive \$388.8 million in income. By these estimates, Intel supports slightly fewer employees than Bernalillo County's cultural industries but, because of the higher wages paid to their direct employees, contributes about 29 percent more to the state's wage bill.

### **Los Alamos National Laboratories**

In 1998 – the most recent year for which reliable figures are available – LANL directly employed 9,757 workers, and paid \$527 million in wages and salaries. Using multipliers from Implan, it is estimated that LANL generates an additional 7,083 jobs and \$177.1 million in wages through indirect and induced impacts. Thus, in total, LANL is responsible for 16,840 jobs and \$704.1 million in income. Because LANL is funded entirely by federal expenditures, virtually all activity should be considered export related or funded by outside sources. In terms of its sheer size, there is little question but that LANL is the most significant economic engine in central and northern New Mexico.

## 1.5. SUMMARY AND CONCLUSIONS – ECONOMIC IMPACT OF A&CIS

Arts and cultural industries are a large and highly visible sector of Bernalillo County's economy. In 2004, A&CIs generated receipts of nearly \$1.2 billion, employed more than 19,500, and paid wages and salaries equal to \$413 million. The sector provides services and amenities to residents of the county, but also contributes to economic growth by drawing outside dollars to the county. On average, outside dollars funded about one-half of arts and cultural activities in the county. Including indirect and induced impacts, these funds accounted for a net impact of almost \$1 billion in receipts, more than 14,000 jobs and \$300 million in wages and salaries.

Hospitality businesses serving cultural tourists, artisan producers (particularly jewelry makers), and artists, performers and writers registered the greatest impacts in terms of drawing outside dollars to the county. The impact of educational services, ostensibly the largest arts and cultural category, was significantly less because the subsector depends largely on local funds for its activities.

In 2004 A&CIs generated slightly over \$50 million for the city of Albuquerque and Bernalillo County. However, as a major population center, the county's residents are a principal market for the area's A&CIs and thus the source of nearly half of all tax dollars generated by the industry. Other public revenues, including various taxes that the industry draws into the region from outside sources, admission charges, rental fees, and federal and state grants, total just over \$31 million. In 2004, the city of Albuquerque spent an estimated \$35 million in its operating budget on arts and cultural facilities and programs. Thus, maintaining and staffing facilities and running programs required some additional subsidy from general revenues. The arts and cultural facilities and programs of the city, including the BioPark, Explora!, the Natural History and Science Museum, and the Albuquerque Museum, are important amenities that make this city a wonderful place in which to live and do business. They may play a critical role in the vitality of the area's arts and cultural industries, but the city's arts and cultural offerings still require funding from additional local tax dollars.

By most measures, the arts and cultural economy of Albuquerque and Bernalillo County is vibrant. Employment in A&CIs is relatively high for a city of Albuquerque's size; the sector compares favorably with some of the largest employers in the state, including UNM and Intel; and comparative studies suggest that the region has a healthy cultural economy with great promise for further growth.

Beyond these direct and indirect measures of economic performance, the potential for the arts and cultural sector to foster a broader pattern of economic growth in the region remains uncertain. Academic and applied research suggests that the cultural economy plays a key role in creating markets, attracting investment and skilled labor, and fostering a productive and innovative environment for business. Research further suggests that success in fostering such an environment depends largely on the quality of the relationships that link the cultural sector to the community at large. The nature of these relationships is the principal subject of second part of this study

**PART 2. QUALITATIVE ANALYSIS OF  
THE ARTS AND CULTURAL  
INDUSTRIES IN ALBUQUERQUE-  
BERNALILLO COUNTY**

## 2.1. INTRODUCTION

This report presents the findings of the qualitative study of Albuquerque and Bernalillo County's (A&BC) arts and cultural industries (A&CIs<sup>19</sup>). The first part of the study quantified the contribution of the sector to the regional economy, using data for the year 2004. The study revealed the substantial contribution of A&CIs – these industries generate nearly \$1.2 billion in revenues, employ about 19,500 persons, and pay wages and salaries of \$413 million. More generally, the study showed that the region's A&CIs balance the needs of the resident population and the economic prerogatives of export and revenue generation. About one half of the sector's activities are funded by local markets (including public expenditures), and the other half is funded by dollars that originate outside the region. Sectors of the A&CIs most specifically directed to the local needs include education (primarily APS), retail, museums and the BioPark, movie theaters and spectator sports. Sectors of A&CIs that draw mainly from outside sources of revenues include cultural tourism, research and higher education (UNM and CNM), artisanship and craft manufacture. Artists draw upon resources from both within and outside the regional economy. In comparative terms, the study revealed the region's A&CIs to be healthy, at least in relation to the overall level of economic activity, and like many cities of comparable size, they meet a diverse set of needs.

The purpose of this second report is to investigate the internal workings of the region's A&CIs in order to inform policy that will strengthen the sector, capitalizing on its economic potential and enhancing the overall quality of life of the area. Two questions are at the center of this part of the study:

1. What are the most valuable assets and most binding limitations of Albuquerque and Bernalillo County's A&CIs, and in what ways can the region's assets be leveraged to establish a strong and lasting advantage in an increasingly competitive national and global market for innovation and creative enterprise?
2. What is the structure of the social relationships that constitute the region's A&CIs. Where in this community is communication and collaboration giving rise to innovation and the development of cultural products, and where are connections inadequately developed?

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<sup>19</sup> Unless otherwise specified, 'A&CIs' refers to the arts and cultural industries of Albuquerque and Bernalillo County.

Answers to these questions derive from a network of 89 in-depth interviews with persons from all sectors of A&CIs. Interviews included individuals and representatives of institutions 1) directly engaged in the creative process; 2) that provide support to the creative sector; 3) that bring art and cultural products to the market; 4) that develop technologies that both support and incorporate art and cultural products; 5) and that draw upon the ‘sense of place’ that derive from the region’s cultural heritage to promote tourism and development. Interviewees also provided referrals of persons who influence and mentor them, that collaborate with them, and that support and are supported by them, enabling BBER to construct a map of social networks that facilitate creativity and innovation. BBER has also undertaken detailed investigation of specific subjects that appear to be of particular importance to the present and future vitality of the region’s A&CIs, including demographic trends, educational outreach programs and the region’s emerging film and digital industries.

Following this introduction, this report has five sections. Section two offers a theoretical framework for the study of the arts, cultural and the creative economy, and provides an overview of concepts, definitions, and research methods. Section three presents the findings of the qualitative research, including detailed analysis of the interviewee’s perceptions of the strengths and weaknesses of the region’s A&CIs and the comparative advantages and disadvantages that the region faces in developing a creative economy that is competitive in national and global markets. Where appropriate, the perceptions that derive from the interviews are tempered by BBER’s analysis of these markets. The next section documents the structure of social networks that constitute the region’s A&CIs, with consideration of ‘strong ties’ that support ongoing activity and ‘weak ties’ between more disparate groups that have been found to be associated with creativity and innovation. The final section recommends areas for the development of cultural policy in the City of Albuquerque and Bernalillo County. The main purpose of this work is to provide an integrated base of information for dialogue and policy development, enabling those involved to ground initiatives in an understanding of the arts and cultural community from all perspectives and as it exists uniquely in this region of New Mexico. The overarching goal, of course, is to contribute to a cultural policy that fosters growth, innovation and an improved quality of life for residents of Albuquerque and Bernalillo County.

## 2.2. THEORETICAL AND METHODOLOGICAL FOUNDATIONS FOR THE STUDY OF CREATIVE ECONOMIC DEVELOPMENT

### 2.2.1. Theories of Creative Economic Development

There is a large and growing body of research documenting the impact of creativity on economic growth in the U.S. and throughout the world<sup>20</sup>. By one account, creative industries now account for about seven percent of the global GDP and approximately eight percent of GDP in the United States<sup>21</sup>. According to another widely-referenced study by Richard Florida, 38 million Americans work in creative industries with average salaries of nearly \$50,000, almost double the \$28,000 average income of those in other industries<sup>22</sup>. Occupational forecasts issued by the Bureau of Labor Statistics (BLS) project that employment in the creative sectors will continue to outpace that of traditional economic sectors<sup>23</sup>.

Yet, despite the recognition of the importance of creativity to economic growth, our understanding of those conditions and policies that give rise to the growth of the creative sector is woefully inadequate. Thus far, investigation into the question begins with a single and, for some, surprising observation – that the development of the creative sector is geographically uneven. Some places rapidly develop advantages in creativity and innovation, and build on these initial

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<sup>20</sup> Americans For The Arts, a national arts advocacy organization, has an online database that includes dozens of studies of the economic impact of the arts. Their in-house study, *Arts and Economic Prosperity: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences*, now on its third application (2007), is among the most commonly referenced. <http://www.americansforthearts.org/NAPD/modules/resourceManager/publicsearch.aspx>

New Mexico Department of Cultural Affairs publishes occasional updates a study of the contribution of arts and cultural activities for the state, titled *On Fertile Ground* It is available online at: <http://www.nmoca.org/fertileground.pdf>

<sup>21</sup> S. Yusuf and K. Nabeshima. *Urban Development Needs Creativity: How Creative Industries can Affect Urban Areas*. (Washington, D.C.: World Bank Group, 2003).

<sup>22</sup> Richard Florida. *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*. (New York: Basic Books, 2002).

<sup>23</sup>. For instance, BLS projects that the number of engineers employed in the aerospace industry will by more than 17 percent during the period 2004-2014, more than twice the rate of the industry as a whole; number of multimedia artists and animators employed by software publishers will grow by 84.7 percent, compared to 67.7 percent for the industry; multimedia artists and illustrators employed in the motion picture industry increase by 38.1 percent, faster than any other occupation in the industry and twice the rate of growth of employment in industry as a whole; and the number of artists is forecast to grow by nearly 38 percent, faster than any other occupation in the leisure industry, with the exception of gaming supervisors. Bureau of Labor Statistics, 2006-2007 *Career Guides to Industries, Bulletin 2601*

advantages, while others lag behind. Further, some places seem to develop advantages only in certain areas, while others establish advantages in other, sometimes related areas.

From a technological perspective, it wasn't supposed to be like this. The assumption, as recently as twenty years ago, was that the concentration of economic activities – what economists and geographers call 'agglomeration' – was an outdated feature of the industrial age, when the sheer costs of moving materials dictated the geography of industrial development. But in the information age, under globalization, ideas could flow freely and those with talent could locate wherever they please, in a cabin in Montana if they prefer, and remain connected with others working with the same ideas. So, how do we explain Silicon Valley's persistent advantage in the semiconductor industry; Boston's advantages in biotech; or Austin's concentration of talent in the music industry? Perhaps more to the point, what can a community do to identify its niche in the creative sector and to establish the conditions that are necessary for this sector to take root? For communities pursuing economic development the question is ultimately this: In a world where ideas drive economic development and where ideas move so easily, how can a community build a lasting advantage in the rapidly growing creative economy?

This section of the report reviews intellectual approaches to these questions, and serves as a framework in our investigation of the case of A&BC. This survey of intellectual frameworks includes three competing theories – economics of agglomeration, geographies of the creative class and the value of place.

### **Agglomeration in the Creative Sector**

The essential argument of economists and economic geographers is that the similarities between the creative sector and traditional industries are greater than the differences. In both cases, clustering of like activities generates economies of scale (or more correctly, economies of scope<sup>24</sup>), in which the average costs decline and market potential increases for all parties. The differences between the two situations regard the specific needs of the businesses and the nature of their exchanges and shared resources. In the creative economy, the economies of scope derive from the development of a labor pool with shared and complementary skills; availability of institutions that train workers in a particular area; the willingness and capacity of the public sector to accommodate the needs

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<sup>24</sup> Technically, the economies are of 'scope'. Economies of scale refer to benefits associated with an increase in the size of a single operation whereas economies of scope refer to the benefits that result from the clustering of several complementary businesses in an area. Economies of scope are also known as 'agglomerative economies'.

of the business sector; availability of a wide array of business services, and so on<sup>25</sup>.

A second feature of agglomerative economies in the contemporary context is the need for flexibility and specialization. As markets become more specialized and product cycles become shorter, firms must be more flexible, able to quickly gear up for the production of small batches before shifting to other, newly formed markets. Firms meet these demands by externalizing functions and costs – rather than ‘vertical integration’ with all aspects of a project done in-house, work is performed through dense-networks of inter-firm exchanges, each firm specialized to perform very specific tasks. As the work is completed and new projects arise, firms form new networks according to project-specific needs. This model allows firms to minimize risks and avoid high overhead while allowing the regional economy to achieve high levels of flexibility and specialization. The capacity of firms to interact in this manner depends in very specific ways on geographical proximity.

A third feature of agglomeration, particularly important in the creative sector, is the capacity of a region to ‘restructure for innovation’<sup>26</sup>. Innovation turns on the capacity to coordinate the many phases of research and development (R&D), enabling the cross-fertilization of core research, product design and development, process refinement and all other aspects. As with flexible specialization, the R&D process flourishes when the many parts are in close proximity, allowing for continuous exchange and innovation.

Finally and particularly in the arts and cultural sectors of the creative economy, agglomeration allows for market development. In one regard, this underlies all features of agglomerative economics – the clustering of like businesses creates a market that supports specialized business services. But here, the benefits reach the final consumer. In a simple case (economies of scale), Disneyworld works to the extent that it is big enough to function as a sort of monopoly – there is only one Disneyworld, so it’s that or nothing. In an only slightly more complex example, malls succeed according to their capacity to attract customers that would be unwilling to make the trip for a single store. But more interesting and relevant to this study is the development of diverse cultural communities (economies of scope). The myriad art galleries in Santa Fe or casinos in Las

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<sup>25</sup> Anne Saxenian. *Regional Advantage: Cultural and Competition in Silicon Valley and Route 128*. (Cambridge MA: Harvard University Press, 1994). Allen J. Scott. “Multimedia and digital visual effects: an emerging local labor market.” *Monthly Labor Review* 121, 3 (1998): 30-38; Allen J. Scott. “Cultural-products industries and urban economic development: prospects for growth and market contestation in global context.” *Urban Affairs Review* 39, 4 (2004): 461-490. Michael E. Porter. *Clusters and the New Economics of Competition*. (Cambridge, MA., Harvard University Press, 2002).

<sup>26</sup> David P. Angel. *Restructuring for Innovation: The Re-Making of the U.S. Semiconductor Industry*. (New York: Guildford Press, 1994).

Vegas function less as competition than as collaborators that create markets that are greater than the sum of the parts. Other, still more diverse communities create clusters that appeal to multiple audiences, reaching a critical mass where again, individual businesses function more as collaborators than competition. Such cultural centers defy the simple assumption of the entertainment dollar – those living in such communities do not divide their entertainment dollar among a greater number of opportunities, they go out more. And others come too!

### **Geography of the Creative Class**

Proponents of the creative class, most notably Richard Florida of George Mason University, do not dispute the economic logic of agglomeration but are more focused in their analysis. For Florida and others, talent is the driving force of economic development in the contemporary economy<sup>27</sup>. Talent leads to creativity and innovation and, in sharp contrast to established mainstream theories, talent attracts investment (rather than the other way around). The unique value of Florida's account is its singular focus – by directing all attention to the recruitment of talent his framework leads to concrete strategies and identifiable metrics.

By Florida's definition, about 30 percent of the U.S. labor force belongs to the creative class, including highly educated engineers, designers, professors, writers, artists and other professionals that use creative decision making on a regular basis. Because of their abilities, talented individuals have the autonomy to live where they please, independent of the choices of firms. In general, they choose places that are open, tolerant and offer new and exciting experiences. Significantly, strong ties among people, once viewed as fundamental to economic development and stability, have become less advantageous in the creative economy<sup>28</sup>. Both firms and individuals benefit from less rigidity and greater flexibility when working in the creative economy. Places with dense traditional (strong) ties benefit insiders but lock out newcomers; places with more flexible (weak) ties benefit newcomers and welcome talented and motivated people. Firms cluster in regions to take advantage of pools of human capital rather than already established supply and customer networks<sup>29</sup>.

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<sup>27</sup> Richard Florida. *The Rise of the Creative Class and How it's Transforming Work, Leisure, Community and Everyday Life* (New York: Basic Books, 2002); Richard Florida. "The Geography of talent." *Annals of the Association of American Geographers*, 92, 4 (2002) 743-755.

<sup>28</sup> See Mark S. Granovetter. "The Strength of Weak Ties." *The American Journal of Sociology* 78, 6 (1973): 1360-1380 and "The Strength of Weak Ties: A Network Theory Revisited." *Sociological Theory* 1 (1982): 201-233.

In sociological literature, strong ties are among friends and family, and typically relate to many aspects of a person's life; weak ties, by contrast, are more of acquaintances, and tend to be specific to one aspect of a person's life, for instance one's professional life. Early research, framed during the period of American industrialism, underlined the importance of the former; later research, beginning with the early breakup of industrialism, shifted the focus to the later.

<sup>29</sup> Edward L. Glaeser and Albert Saiz. "The Rise of the Skilled City." *Brookings-Wharton Papers on Urban Affairs* 1 (2004): 47-104.

Florida's account views the geography of the creative economy differently than the agglomeration model. According to Scott, the creative economy is dominated by a few large cities in the United States able to amass and accommodate the dense networks that link large and small firms. Los Angeles represents an epicenter of the creative economy. For Florida, smaller cities play a more important role, as quality of life is better valued, occupational structures are more open and the social and political environment is more fluid. As readers will recall from media excitement from 2002, Florida ranked Albuquerque as the number one mid-sized city for the creative class<sup>30</sup>.

### Place and Creative Development

The third approach to creativity-based economic development draws upon the sense of place as value that can be commodified and embedded in image and product. Similar to a designer label, the objective is to create what amounts to a monopoly that cannot be reproduced or replicated, giving it a unique position in the market. The underlying value of place is analyzed in a variety of ways. Some argue that a place has an identity or an essential character – a "spirit of place," "sense of place," or "genius loci" that endures over time and is independent of the individual observer. Others argue that a sense of place can be designed and produced – "re-imagined" – to enhance outside perceptions to attract greater shares of the creative economy and tourism industry. 'Branding' is a central part of the strategy, an iconic association of a place that can be easily identified and communicated<sup>31</sup>. Often the two perspectives become mixed, as a place's long-developed 'authentic' qualities are built upon and ultimately lost. Local qualities that drew residents and visitors in the first place are replaced by conventional tourist architecture, synthetic landscapes and 'pseudo-places' in an attempt to replicate and magnify the qualities locals perceive that those outside value and desire.

Integral to the discussion of place and economic development is the question of authenticity – is "place" something that develops organically or can it be purposely produced?<sup>32</sup> To answer this question, some draw upon a dichotomy between places that are "insider" and "outsider" focused. From this perspective, insider-focused places are authentic, with meaning imbued by locals; outsider-focused places are of synthetic construction, focusing on representation rather than function<sup>33</sup>. Others move away from the strict dichotomy and see the movement from authenticity to branding as part of the 'life cycle' of place, as its

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<sup>30</sup> Anthony DellaFlora, "Art of City Life", *Albuquerque Journal*. October 27, 2002. A-1.

<sup>31</sup> Nicolas Papadopoulos. "Place Branding: evolution, meaning and implications." *Place Branding* 1, 3 (2004): 36-49.

<sup>32</sup> Gunila Jive'n; Peter J. Larkham. "Sense of Place, Authenticity and Character: A Commentary." *Journal of Urban Design* 8, 1 (2003): 67-81.

<sup>33</sup> John Urry. *The Tourist Gaze*, 2<sup>nd</sup> edition. (London: Sage Publications, 2001).

unique value is diluted with over-exposure and imitation<sup>34</sup>. Ultimately, this process can limit creativity and innovation, as the commercial need to conform to the brand becoming binding. In BBER's study of A&CIs in Santa Fe, artists repeatedly expressed this concern.

The overall objective of this project is to identify strategies to strengthen the area's creative economy. The frameworks discussed here offer three distinct options – the development of specialized and flexible economic infrastructure to form dynamic economic clusters; the development of a social environment necessary to attract talented and creative people who can serve as an engine of economic growth; and the identification and branding of the region's unique qualities of place to establish markets for products, tourism and development. The design of the research is to engage participants in the area's A&CIs in an inventory of the region's competitive advantages and disadvantages and a mapping of the social networks that give structure to the sector. With this information, we will weigh the three options to identify a strategy – likely some combination of all three options – that best fits the unique conditions of A&BC.

### **2.2.2. Definitions and Research Methods**

During the period October 2006-March 2007, BBER conducted 89 open-ended interviews with individuals directly and indirectly engaged in Albuquerque and Bernalillo County's A&CIs. The sample selection of the interview subjects used a stratified snowball methodology. Specifically, the 'universe' of A&CIs was first categorized into five sectors and each sector was assigned to a member of the interview team. Working as a group, the research team selected two or three persons from each sector to interview (seeds), thus beginning the process. At the end of each interview, interviewees were asked to identify two or more individuals for the next round of interviews. This process continued for three 'tiers', thus each member of the team conducted a minimum of 14 interviews (two seeds, with each leading to two interviews and, in turn, two more interviews each). To the extent possible, efforts were made to ensure that each reference remained within the same sector as their referees (i.e. artists were asked to reference others in the creative sector), though in some cases based on the content of the interview, decisions were made to re-assign interviews to other sectors.

One of the advantages of the snowball method is that community members – those interviewed – guide the sample selection, ensuring that the research process follows established social networks. A disadvantage to this strategy is that researchers risk the loss of representativeness – interviewees lead

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<sup>34</sup> Richard Butler. "The concept of a tourist area cycle of evolution: Implications for management of resources." *Canadian Geographer* 24 (1980): 5–12.

researchers into narrow social networks and away from the broad center of the community. BBER was specifically concerned that the snowball method would preclude a diverse interview pool, with interviewees referring others from similar racial, ethnic and socioeconomic backgrounds, and those who share specializations and institutional relations. Thus, a decision was made to use two strategies to maintain some level of representativeness in the selection method. One strategy was to request a larger number of referrals in each interview and for the research team to choose among these referrals to augment diversity. The second strategy, employed later in the data collection period, was to expand the size of the interview pool by selecting persons from under represented areas. The result was a remarkably diverse pool, including world-renown artists and novices; officials from city's largest institutions to freelancers working on their own; persons born and raised in the area and others very recently arrived (even one on their way out of town); young adults and seniors; professionally trained and self-taught, and so on.

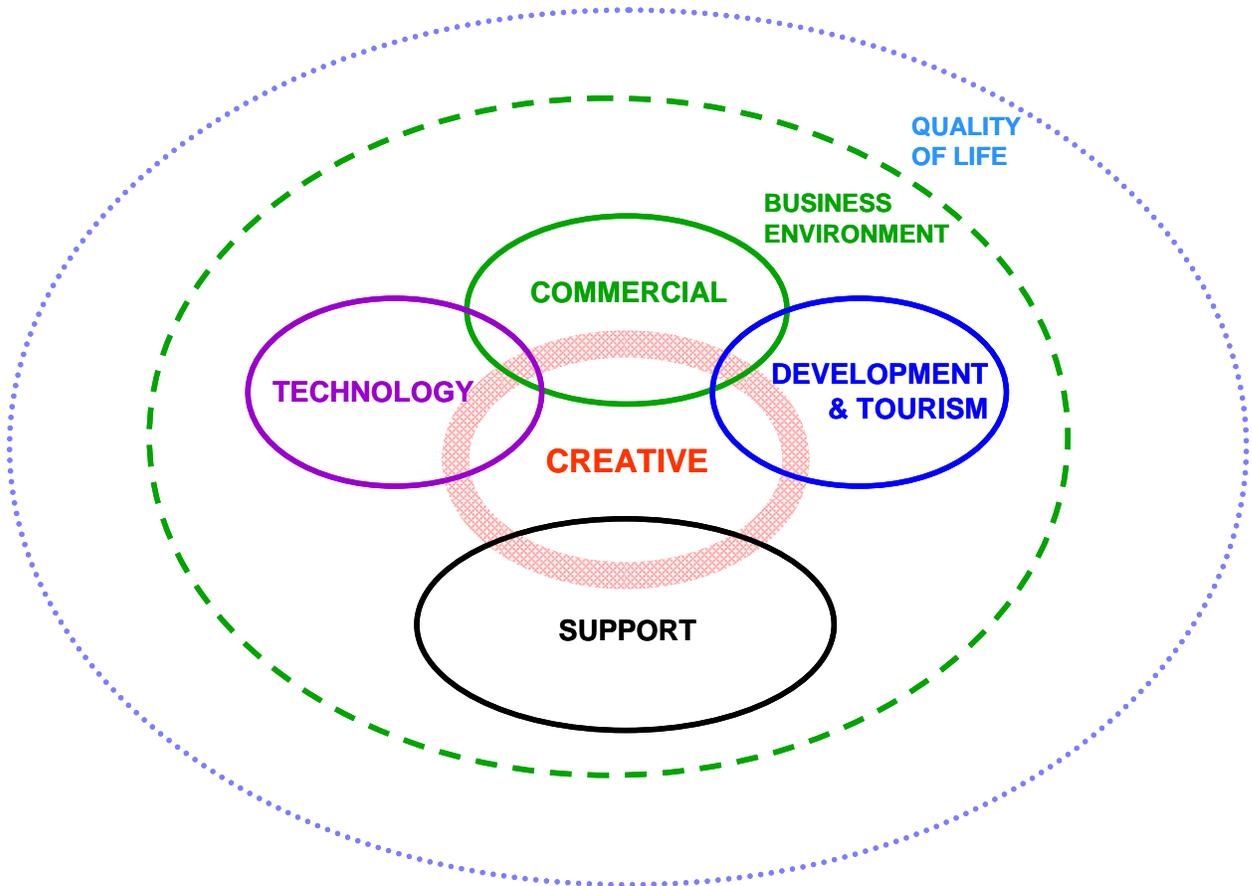
The five sectors were selected and defined to encompass the breadth of the arts and cultural industries and all related interests. The five sectors are:

- **Creative** – activities directly engaged in the conception and production of original art & cultural products. This may include products intended for commercial markets, but excludes replication of non-original work (e.g. replication or manufacturing of established design).
- **Commercial** – activities that directly or indirectly bring art and cultural products to the market *for-profit*, or otherwise rely on creative activities for 'content' in commercial activities. Institutions in the commercial sector may include for profit entertainment companies (e.g. motion picture and sound production studios); media (e.g. broadcast, print, online); venues (e.g. movie theaters, clubs); design, marketing and advertising firms; art galleries; and so on.
- **Support** – activities that help to make possible the creation, preservation and presentation of original art and cultural products. Support can be material (e.g. public institutions, foundations), educational (e.g. public or private non-profit schools and universities), political (e.g. advocacy), access (e.g. performance venues, libraries, museums, public space) or any other form, with the *exception of for-profit* activities designated as commercial.
- **Technology** – 'high technology' activities that either make use of arts and cultural products in their development (e.g. video games) or directly or indirectly make possible new forms of artistic and cultural expression with the use of technology (e.g. computer generated graphics).
- **Development & Tourism** – activities that draw upon and/or contribute to a sense of place rooted in arts and culture in order to create markets for

A&BC (e.g. business organizations, tourism promotion, hospitality businesses, land developers).

**Figure 2.1** is a conceptual model of the A&CIs. The creative sector lies at the center. The technology, commercial and development sectors interact with creative activities, in various degrees drawing upon and contributing to the creative process. The support sector gives foundation to the creative sector and, indirectly, the other sectors. Beyond the immediate confines of the industry are broader environments. The A&CIs draw from and contribute to the business environment – A&CIs are themselves part of this environment, generating revenues and jobs, and are likewise shaped by the business environment. In a similar but broader sense, A&CIs are part of the overall quality of life in the community. Interviews were largely limited to those within or intersecting with the creative sector. In related sectors (e.g. technology), individuals were interviewed only insofar as their work is related to the creative sector.

**FIGURE 2.1 CONCEPTUAL MODEL OF ARTS AND CULTURAL INDUSTRIES.**



The five categories are used to structure the data and to provide a framework for analysis. To be sure, individuals and activities are not in practice autonomous or independent of each other, but form a complex web of interconnections. Creative work commonly has a commercial aspect; support and commercial activities often overlap; technical work often has an essential element of creativity, and may support creativity. To be consistent, objective and again, to allow those involved in A&CIs to define key dimensions of the work, individuals and institutions are categorized according to the specific content of their input – an artist-gallery owner who speaks mainly about operation of his or her gallery, for instance, is assigned to the commercial sector.

There was a great deal of discussion at all phases of the research project regarding for the scope of the study – i.e. what constitutes A&CIs and what should be included and excluded from the study. Decisions were guided by an Advisory Committee assembled by the principal funders and the Principal

Investigator<sup>35</sup>. The categories were initially established during the quantitative phase of the research, although the data were reported in categories that more closely corresponded to industrial classifications (NAICS). Spectator sports were included in the initial phase but were excluded from the qualitative research, as the dynamics of the sector were seen to function independently of the core A&CIs. Also, the development sector was not included in the initial phase but was added to this qualitative phase because a growing body of theoretical and applied research identifies development as a principal point of exchange between A&CIs and the market. Specifically, the commercial value of arts and cultural activities are increasingly realized in 'place' as referenced in the above theoretical discussion – arts and cultural richness create markets for land development. An exemplary case is Santa Fe.

Prior to each interview, the study subject received an informed consent and confidentiality agreement. Only two individuals refused to be interviewed after being contacted by the research team; another was not included because of scheduling conflicts. Relevant background information was collected from each study participant, such as demographics, type of work the participant is involved in and how long the participant has been engaged in this work; the period of time the participant has lived or worked in A&BC; and whether the participant came to the area specifically to pursue this work.

The body of the interview was guided by five questions. These included discussions of the advantages and disadvantages of doing their work in A&BC; perceptions of place in Albuquerque; collaborative and creative practices; availability of support; and competition and access to markets<sup>36</sup>.

The interviews were audio taped and transcribed with the support of student employees. The transcripts were analyzed using content analysis, which was guided by the interview questions and *de novo* categories that emerged during analysis of the data. The data was coded and analyzed with QSR Nvivo 7 software<sup>37</sup>, which allows researchers to tabulate responses to questions by attributes of interviewees (e.g. demographics, sector).

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<sup>35</sup> Members of the Advisory Committee are identified in the Appendix A of this study.

<sup>36</sup> A copy of the interview questions and format used in the research is included in Appendix E.

<sup>37</sup> QSR International can be found at [www.qsrinternational.com](http://www.qsrinternational.com)

## 2.3. QUALITATIVE FINDINGS

Qualitative findings are based on the analysis of comments made in 89 interviews conducted by BBER with members of the five sectors of Albuquerque and Bernalillo County's A&CIs. Where appropriate and as noted, these comments are tempered by BBER's independent analysis.

There is a consensus among those interviewed that Albuquerque and Bernalillo County's A&CIs are on the verge of significant new growth. The energy is palpable. Those interviewed point to various and diverse catalysts, including the expansion and deepening of the motion picture industry; revitalization of downtown as a site for arts and culture activities; vibrancy in all forms of visual art, music, literature and poetry; availability of cutting edge technology and technical talent and, to a lesser extent, growth of local markets. Yet, there is an almost equally pervasive concern expressed in the interviews that this energy will not take hold and that the opportunity to establish A&CIs into a core element of the region's economic development will not be realized. The hurdles are both material and strategic. Interviewees argue that most local arts and cultural institutions lack sustainable funding sources, particularly for everyday operational costs; that the public school system, constrained by federal 'No Child Left Behind' policies and limited budgets, will fail to deliver the talent and interest necessary to fuel growth; and that a persistent and profound ambivalence about the role of arts and culture among the city's leaders will forestall initiatives to aggressively enter national and global cultural markets.

### 2.3.1. Perspectives of the Principal Sectors

As might be expected, representatives of the five sectors of A&CIs sometimes hold different perspectives regarding the status of the region's cultural economy. Before identifying and analyzing the key themes that run across all sectors, this section first offers a general summary of the principal arguments made by those within the individual sectors.

#### **Creative Sector**

The 89 interviews conducted for this study included 28 persons in the creative sector. These included writers, painters, clay and metal artists, jewelry artisans, musicians, actors and theater directors, photographers, architects, graphic designers and computer artists. Their experiences in A&BC can be loosely grouped in three categories, according to the stage of their professional development and satisfaction with their work in A&BC. The first group included young performing artists (including the film industry) whose market is mainly in A&BC. In general, these individuals were very happy in A&BC – they feel welcome, enjoy camaraderie and a rich exchange of ideas, and feel that the

community is up and coming. A few are originally from A&BC, but most have relocated here. The second group includes successful and established artists in all fields. Overwhelmingly, these individuals have access to markets outside A&BC (some in Santa Fe, but otherwise national and global). They live and work in A&BC because they enjoy the quality of life, and state bluntly that without access to external markets they would be unable or unwilling to remain here. Only a few in this group rely on local networks for ideas and support; most do not. The final group is artists who have limited commercial success but remain in A&BC because they enjoy the area or, more commonly, feel that the low cost of living allows them to continue pursuing their art. This group is evenly divided in their local origins, and is generally less sanguine about the area's development.

### **Support Sector**

23 interviews were conducted with persons from the support sector, including representatives of performing art venues, museums and other cultural institutions, educational institutions, local government, and arts funders. The common view among these individuals is that A&BC has a wealth of talent and a vast range of opportunities to people to get involved in the art and cultural scenes. Yet, there are important differences of opinion between front-line support organizations and larger funding organizations. Representatives of community-based organizations argue that public and publicly institutions do not do enough and that corporations and foundations are indifferent to the area's A&CIs. While sometimes accepting these claims, those in the larger support institutions argue as well that artists lack the skills and motivation to market themselves and their work, and thus fail to take advantage of the many opportunities available to them.

### **Commercial Sector**

BBER conducted interviews with representatives of the commercial sector, the majority of whom worked for or owned a local business. These interviews included gallery owners and managers, graphic designers, jewelry wholesalers and designers, bar owners and publishers. About half of those interviewed grew up in New Mexico and half came to Albuquerque to attend UNM or for a more favorable quality of life. Significantly, the majority of those interviewed did not rely solely on the Albuquerque market to sustain their business, and said that it would be impossible for their business to remain in Albuquerque without access to regional, national or international markets. Most of those working directly with artists said they encouraged them to expand their markets outside of Albuquerque and helped facilitate those connections. Of those working primarily in Albuquerque, the continuing growth in the area meant an influx of new people and money, and helped to raise the level of professionalism and quality in their industry.

### **Technology Sector**

11 interviews were conducted with persons engaged with technology used in A&CIs, including engineers, game developers and producers linking technology with the arts. The majority of those interviewed relocated to Albuquerque either with a partner or for a better quality of life, and through their own initiative have created professional opportunities that allow them to stay. Most take a cautious view of the development of the region's A&CIs but are little affected by it – their professional lives are secured by the region's larger institutions (e.g. UNM, Sandia National Labs) or access to larger, national networks. For nearly all, the factor that will most significantly determine the growth of Albuquerque's A&CIs is the development of a labor force with relevant and flexible technical skills.

### **Tourism and Development Sector**

BBER interviewed 13 persons from the tourism and development sectors, including representatives of A&BC's major tourist attractions, public and non-profit tourism promotion agencies, economic development organizations, and real estate development corporations. Nearly all of these individuals have lived in Albuquerque for many years and have developed their careers here. Across the board, there was enthusiasm and optimism about the direction Albuquerque is headed in and excitement about the future of the area. Most applauded the role of arts and culture in promoting the region's economic development. For those in the development sector, the advantages that the area offers are natural (climate, natural beauty, recreational opportunities), while those in the tourism sector also emphasize the value of cultural, history and diversity in attracting visitors. All are concerned with the perceived failure of the city to adequately market itself and to develop a nationally recognized 'brand'. For those in tourism, this problem is exacerbated by the proximity of Santa Fe, whereas for those in real estate development the proximity of Santa Fe is a significant advantage.

## **2.3.2. Assets and Advantages**

### **Talent**

There is a broad consensus across the interviews that A&BC is home to a great deal of artistic and creative talent. Out of the 89 interviews conducted for this study, 28 freely offered talent as an advantage of working in A&BC – more than any other single answer.

According to the head of a major arts-centered non profit, *"I think one of the most valuable resources is just the sheer number of artists there are in Albuquerque. We have an incredible population and a lot of really amazing talent."*

*"As long as I can remember there has always been really talented musicians here,"* a local musician and bar owner said. *"Maybe it's something from growing*

*up in the desert. It's not as fast paced and maybe you can concentrate more on your craft or maybe we are just lucky and have some good talent here."*

Many also suggest that A&BC's pool of talent is much deeper than it appears, as many work outside commercial markets or have not yet been discovered. *"There are really, really talented people hiding out here. We've had the good fortune of a lot of them wanting to make something for [us]"*, a director of a local science program said.

*"The art scene here I think will get better and better. It's very promising because we have so much to draw from. So much creative talent,"* said a local writer and editor.

A downside of this concentration of talent is increased competition for small local markets, a factor most often referenced in the performing arts as well as by architects, photographers and galleries. *"When you live in a place where there are not too many opportunities and so much talent, it's almost like everyone trying to get out of the pot, you know, so they're bringing somebody else down in order to try to get out,"* said a city official that works with the arts community. *"Imagine all those untapped groups of people that are out there striving and their art forms are getting all dusty because they don't have the opportunities."*

Some, particularly in the commercial and technology sectors, note that much of the talent is young and lacking experience.

*"In a mature media market you have a whole cross section: You have those high priced people who are incredibly talented, you have mid-ranges and those who are just starting out, you have the low range people who are scrambling through everything they get and will do whatever you need. You can find those brand new ones that just started out with a lot of talent too. You don't have that here. It's really high end, a few people in the middle, or a growing number in the bottom end, but it's the middle where there aren't many of them,"* a local television producer said.

### **Mutual Support**

Interviewees from the creative sector, but other sectors as well, emphasize the depth of mutual support in the region's A&CIs. One of the most obvious and beneficial forms of mutual support is in collaborative work. The director of a local performance group says:

*"I think one of the things that I find here that is very viable because of its size, compared to larger cities, is that everybody knows everybody here and that makes for great collaboration. We do a lot of collaborations with other groups and I think that is what is unique about Albuquerque and its size. It's easier. You*

*know people. If you don't know people somebody else might know them and it is easy to work with groups. For us, whether it is performance of visual arts, it's prime."*

Beyond collaboration, mutual support is evident in general atmosphere of camaraderie. According to a local artist: *"The advantages of showing my work in Albuquerque, is because there is a good art community. There is a lot of support, more emotional, intellectual and physical, than financial. It is easy to get together to talk with other artists."*

Artists support other artists, attending their shows and buying their arts; non-profits, foundations and public agencies show a strong inclination to work together to support arts and cultural enterprises; people and institutions in tourism and development see it in their interests to support arts and culture as a key element in the community's quality of life.

*"There is sort of a community spirit that feels different than what I've experienced on either the east or west coast. For me it was a very strong and people were very open ... People have been open not just as people, but they have been open to new ideas,"* notes a local arts promoter.

It is arguable that this mutuality of support is most common in this early stage of commercial development, when the hope is that expansion will result in more opportunities, than in a latter stage when new players compete for fully expanded audiences.

From the perspective of creative workers, the sense of community and support does not extend to the media, which some argued without solicitation had 'failed' in its 'minimal' attempts to cover the arts. The Albuquerque Journal, the city's largest newspaper, came in for the most criticism in this area as people in all sectors complained about the shrinking arts coverage and the paper completely ignoring entire segments of the arts and cultural communities. *"The Albuquerque Journal attacks the movie business in any way possible. They are conservative and not supportive,"* said a person working in the film industry. A director at a large arts support group said, *"The Albuquerque Journal tries, but ultimately, it's a re-creation of press releases ... Sometimes it is even a struggle to find out what is going on. They will run a review of the last weekend it's playing."*

### **Artistic, Historical and Institutional Openness**

Despite Albuquerque's long 300 year history and rich traditions in the arts and culture, interviewees describe an environment that is open to experimentation and that welcomes a freedom of expression. Artists describe the local arts scene as *"fresh and new."* Interviewees often contrasted the environment to that of

Santa Fe, which some describe as offering "wall furniture" and being "stuck in a box."

*"Here I can help create something that is needed. The advantage here is that things are not concrete or that you can't change things anymore. You can create things as you go so that is an advantage,"* a local actor said.

There is no consensus arising from the interviewees that adequately explain the openness of this area's creative process, though there are several partial theories. Some point to the strong presence of the scientific and technical communities in A&BC, arguing that these communities contribute to an environment that welcomes critique and new ideas while also offering access to technologies that allow for new forms of expression. According a local educator and innovator in computer graphics:

*"We have three things: we have the art, the culture and we also have the technology. As a state, it's a winner because we have an almost unique combination of these three things ... Albuquerque is very strong in technology, well actually I think that Albuquerque is very strong in all three. Obviously the technology is here, national companies are coming here, Intel is becoming more of a research and development place than just a fab [fabrication facility], and the arts community here is growing. I think it's very clear that Albuquerque is a very different place than it was just 3 years ago. There's a lot more going on here. Young people are really moving in. It's a much more vibrant arts community here. And certainly the cultural aspects are here."*

A second explanation reflects on demographics of the artistic community, including many who were not born and raised in the area but who relocated here for the quality of life. These individuals bring new ideas from other areas, cross pollinating the creative environment.

*"We visited a lot and always wanted to live here but it didn't seem like it was as easy to get part-time jobs to subsidize our living,"* said a member of a music act with international exposure living in Albuquerque. *"When we finally started making enough money as musicians that we felt we could live wherever we wanted to, then we started thinking about moving back here. It's a much nicer place to live ..."*

A final explanation is that in Albuquerque, it is important to differentiate one's work from Santa Fe, and this is achieved with a more eclectic, innovative style. A local gallery owner said, *"I want my artists to know that they don't have to prostitute themselves in the art market. In Santa Fe and Taos they really push the oils and gold frames. Our gallery is more reflective and I try to cover a bit more bases."*

While most agree that the area's A&CIs are artistically, historically and institutionally open, some in the commercial, support and particularly the tourism and development sectors argue that A&BC would do well to better define or 'brand' itself in national and global markets. According to the CEO of a cultural development business: *"I think that's one of the most significant (issues), brand identification. Because the state has one approach that is underway, as does the city, and somewhere along the line ... the city and state need to get their heads together as far as the brand identification."*

*"From a branding prospective we're not the Big Apple. We're not the Windy City. We don't have the Space Needle or any sort of iconic image or perception,"* adds a public relations director. *"Internally we are very cohesive but it is not taken the next step which is to communicate it to external audiences outside the state. I think it exists, but I don't think it has been corralled or any way gathered together and communicated in any sort of organized fashion. So, in that case, it doesn't have any cohesive image."*

A local philanthropist attempts to bridge the apparent gap between openness and 'branding', suggesting the possibly of using the diversity and experimental nature of A&BC to differentiate the region from others: *"People come here all the time and are surprised when they find something here that interests them... People don't know what we have to offer and see us with all the southwest clichés. I think there are some opportunities to brand us a progressive city."*

### **Quality of Life**

Quality of life is among the most frequently mentioned factors used to explain the concentration of talent in A&BC by interviewees. Yet, quality of life has very different meanings for those who use it. Quality of life is often used to describe affordability. Because the local cost of living is lower in A&BC than in cities such as New York, Los Angeles and San Francisco, artists, technical workers and others can afford to do the work that they prefer or, conversely, one can enjoy a much higher standard of living doing what they do in A&BC rather than other cities.

*"I have a beautiful house and it's so affordable. New Mexico is wide open and beautiful. It has aesthetic values and is a great place to raise a family. New Mexico has a great quality of life. We have climate, location and were only two hours from LA. My income comes from LA, and the factors are incredible. I have a great place to live and I still get a salary that is decent in LA,"* said a local film producer and multimedia artist.

A common statement is that a house sold in California allows one to trade up in A&BC while using the savings to subsidize their passions. There is equally an expectation that companies now located in California or other high cost areas will

relocate to A&BC to save on labor costs while offering workers a higher standard of living.

Other aspects of quality of life identified in interviews is access to rural amenities – how quickly one can leave the city and be in open space to bike, hike and ski. A related and frequently mentioned aspect is the natural beauty of the land, which many regard as ‘inspirational’ to their work. "*When I came here my work changed a lot, I became very aware of the horizon, the space and the light and all those things contribute to nurturing an artist's career,*" a local artist and curator.

Cultural diversity is often referenced as an advantage to working in A&BC and New Mexico. The specific advantages that cultural diversity offers vary widely, depending on interviewee's specific line of work and personal history. For those in tourism, cultural diversity attracts visitor and is good for business. For example, visitors may make trips to the National Hispanic Cultural Center, the Indian Pueblo Cultural Center or one of the pueblos part of their itinerary. One developer suggested that the high measure of Albuquerque's diversity and tolerance in a study by Richard Florida serves as a draw. Over 20 percent of those interviewed cited cultural diversity and tolerance as an advantage to living in A&BC. Several artists and artisans cited Native American culture as a significant creative influence. For some, especially ‘minority’ interviewees, diversity is a source of pride and standing. For others, cultural diversity was as much a nod to history or architecture – an amenity that attracted them to the area – as an everyday part of their life. But in general, despite differences in their understanding of cultural diversity, many interviewees identify cultural diversity as a unique advantage to their work in A&BC.

### **Location**

Albuquerque's location relative to California and, to a lesser degree Santa Fe, is also an advantage of the area that is often cited. The hour and a half flight to Los Angeles was frequently referenced as competitive advantage for A&BC in the motion picture industry, as flight times are short enough to allow Los Angeles-based professionals to be in town for the day and home by night or, conversely, A&BC -based producers to meet with executives in Los Angeles and be home the same day. "*It's a ninety minute plane ride. So you can have a script meeting in LA and get back here faster than you can from Orange County,*" a local developer said. This advantage was also cited by interviewees in the technical fields with regard to travel times to San Francisco and San Jose.

The advantages of proximity to California are likely to persist even as media and technical industries continue to decentralize away from California. For example, careful examination of decentralization of the motion picture industry shows that the movement of jobs away from high-cost southern California is far more

pronounced among lower skill, below the line production jobs and post-production occupations. Specialized pre-production, design and executive positions that benefit from geographical clustering are likely to remain in and around the core clusters of Los Angeles for film and New York for television. The implication is that an important part of the motion picture industry will likely remained tied to Los Angeles for the foreseeable future, and the advantages of proximity to that center will not soon be lost. Again, these above the line professional can easily travel to A&BC for the day, returning by evening, whereas the same is not true for more distant cities.

*"On the technical side, the movie side, the animation side, the post production part of the movie business – they want out of LA really badly and this is an attractive place because the cost of living is reasonable. Closeness to the airport is a real issue to those people who have real ties to LA. I've talked to companies talking about moving out here, companies not in LA, who say, that an hour and a half on a plane, it's not a big deal,"* said a computer graphics specialist living and working in Albuquerque.

The advantages of proximity to Santa Fe are more complex. Some artists report that A&BC's proximity to Santa Fe provides them with opportunities to sell their work in Santa Fe's very productive markets<sup>38</sup>. Nearly half of all those interviewed volunteered comments on the significance of Santa Fe on the area's A&CIs, clearly indicating that the "City Different" has considerable importance for the local artists. A painter living in Albuquerque who has sold in the Santa Fe market for two decades put it this way: *"The difference is monetary. I make a hundred dollars to every one that I make in Albuquerque."*

For some in tourism and development, A&BC benefits from having out-of-state visitors on their way to Santa Fe pass through Albuquerque. Some of those interviewed said the draw of Santa Fe generates business in A&BC that would not otherwise exist. Yet for others, particularly in the commercial sector, the city's proximity to Santa Fe is a decided disadvantage, as they are forced to compete with a far more developed art market to the north.

*"To the average art lover, Albuquerque is nowhereville. People come to New Mexico, with checkbooks, ready to buy some art. They get off the plane and go up to Santa Fe and Taos and spend outrageous amounts of money. That is still the reputation we have to the outside world,"* said a local writer and editor. *"But I think here in town, it's getting better and better."*

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<sup>38</sup> According to 2002 Economic Census, Santa Fe Metropolitan Area is the seventh largest art market in the U.S. This is based on revenues \$142.38 million by art dealers (NAICS code 45392) in 2002.

## Technology

The area's concentration of scientists, technologists and technical infrastructure is widely seen as an advantage in the development of local A&CIs. The potential for linking arts and cultural assets with cutting edge technologies to create a niche in emerging media industries has been recognized by the Governor of New Mexico Bill Richardson, and has been codified in New Mexico's Media Industries Strategic Project (MISP)<sup>39</sup>. The state film's film incentive program and ARTS Lab at UNM<sup>40</sup> are among the initiatives that flow from MISP. According to one interviewee: "*MISP talks about inventing, exploring new media, integrating art and science truly, and having the scientists work with the artists, creating new algorithms for production techniques and new tools, and supporting those things.*"

The broad potential to link the state's arts and cultural resources with technical innovation is recognized by persons interviewed in all sectors. The idea is strongly embraced by the technical sector, which see a natural fit with A&BC's strong specialization in optics, graphics and visualization technologies. These areas of specialization are grounded in research at the Phillips Research Site at Kirtland Air Force Base (KAB); Los Alamos National Laboratories (LANL); UNM's School of Engineering (Computer Science and Electrical and Computer Engineering Departments); and UNM's Center for High Performance Computing (HPC). Development of these technologies extends beyond these core institutions to include a network of startups. According to an engineer working in optics: "*In my area it's the number one site ... There will be people that will argue that. But by far the best and brightest sit here.*"

In the field of computer graphics, a graphical artist says: "*Brad Carvey, he invented the Video Toaster<sup>41</sup>; he probably had a lot to do with people having us in the back of their minds before all that. Technically, we weren't completely unknown. His name was out there and I had heard about him before I came out here. This is the very center to techno-geeks like me, we all knew that. The 'Toaster' is a big deal. That was a revolution for our industry.*"

Work to link new technologies with art is underway at UNM's Art Research Technology and Science Laboratory (ARTS Lab) and the LodeStar Planetarium and Astronomy Center at the New Mexico Museum of Natural History and Science. The ARTS Lab, funded by MISP, was cited in interviews from the

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<sup>39</sup> Information about MISP can be found at: <http://www.altmedianm.org/about.html>

<sup>40</sup> ARTS Lab website is <http://artslab.unm.edu/>

<sup>41</sup> First released in 1990, the Video Toaster was a combination of hardware and software for the editing and production video. The systems became very popular because at a cost of around \$5,000 and designed around a general purpose personal computer, they could do much of what a \$100,000 professional video switcher could do at the time. Source: Wikipedia. [http://en.wikipedia.org/wiki/Video\\_Toaster](http://en.wikipedia.org/wiki/Video_Toaster)

technology sector and a few times from the support and commercial sectors for their cutting edge technology, strong relationships, and good intentions in their work, but was also criticized for lacking a clear plan as to how to use what resources they have.

*"The ARTS Lab would love to find something to do with their dome. They have a wonderful immersive dome that at this point has been a nice canvas to do 360 degree visualization of mid-schooler's art projects,"* said a local executive active in technology commercialization. *"For us, it's not a very commercially viable aspect of what to do with that."*

LodeStar's use of its technology rich 55 foot dome to advance new forms of immersive digital art and science education at DomeFest and 'First Friday's Fractals' received acclaim by those interviewed, but again commercial applications have yet to be explored.<sup>42</sup>

In BBER's interviews the art/culture and technology link is most widely referenced in relation to the motion picture industry. The motion picture industry is a cornerstone of MISP, which specifically targets the development of Spanish-language content ("Hispanic Hollywood" or "Tamale-wood" in industry-speak). Interviews conducted for this study express concern that the current strategy is overly dependent on financial incentives, limited to large productions that are beyond the scope of New Mexican film producers, and generate only temporary and low-paying employment for local workers. Instead, those interviewed in the creative sector emphasize the importance of local 'content', giving greater preference to artistic work that is specifically and uniquely New Mexico, though not necessarily Hispanic.

A second argument is that success will require a combination of resources that will encourage production companies to cluster activities in the area, beyond the simple use of New Mexico as a low cost backdrop. As one official notes, the development of Albuquerque Studios in Mesa del Sol addresses many of these issues.

*"Presently there are 4 films or TV projects shooting in Albuquerque, and there are 4 in pre-production,"* said one interviewee who works to support the local film industry. *"We are in our infancy; a draw back was that (we) didn't have any infrastructure, now with Albuquerque Studios opening, that's the next step and then post production. I don't see any downside."*

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<sup>42</sup> Domefest 2007 will be fourth annual program, and is sponsored in part by Sky-Skan and Sony. "First Friday Fractals" at the LodeStar Planetarium has had sold-out shows for more than 2 years and was recognized by the Albuquerque Alibi as "Best Local Event Unique to Albuquerque".

The third argument, regarding the need to develop greater local participation in the technical aspects of movie production, including post-production work in editing, animation, graphical interface, is also being addressed. The recently announced agreement with Sony Imageworks to locate in Mesa del Sol in Albuquerque<sup>43</sup> and to support the development of programs to train technical personnel for the industry can be seen as a major development for the local motion picture industry. Its significance as a catalyst to the development of the technical sub-sectors of the movie industry was anticipated by one interviewee several months before the announcement.<sup>44</sup>

*“I think [a critical factor is] getting an ‘anchor company’ out here, because they [interested companies] don’t want to be first. Because they’re thinking that if I move out here and it doesn’t work out, what’s the next job? So, I think that there are a lot of people who want to come out here but they’d like to see one of the big companies come out here first.”*

Within the motion picture industry, Albuquerque has worked hard to establish a niche in the use of digital technologies. The Duke City Shootout has received a great deal of attention, both locally and among producers in other areas. *“The Duke City Shootout was the first filmmaking festival where people submitted scripts. That’s a huge training ground and it’s very unique and other festivals have copied it,”* said a city official working with the arts.

The arrival of Sony Imageworks, whose work centers on the development of digital graphics, gives the sub-sector a more solid foundation, creating scale that will lead to the development of new training programs, a concentration of technical infrastructure, and potentially, a depth in the labor pool that will generate innovation in both content and technical process.

Interviewees in the technical sector also explored the possibility for the development of an industrial cluster in computer and video gaming. Thus far, there has been limited success in this area as the number of firms and the availability of skilled workers appear insufficient to generate the economies that drive cluster development. However, the prospects appear somewhat promising in the area of ‘serious gaming’, which utilizes immersive graphical technologies to create training simulation platforms. The advantage here lies in proximity to Kirtland Air Force Base and Sandia and Los Alamos National Labs, which provide technical input and, more importantly, are principal markets for these products. Proximity is important because the secure nature of this work requires face-to-face contact, particularly in early product design and testing. As one interviewee stated:

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<sup>43</sup> Andrew Webb, “Animating News from Imageworks”, *Albuquerque Journal*. May 17, 2007. A-1.

<sup>44</sup> This interview was conducted in late November, 2006, months ahead of rumors of Sony Imageworks plans to come to Albuquerque .

*“I think because of the proximity of Sandia National Labs, and all the people who are rocket scientists who are interested in gaming, for example. I think people who want to embrace the industry, who embrace digital media and run with it; we have a very supportive environment here for people who want to do that”.*

Apart from military-sponsored contracts, interviewees revealed relatively little in the way of direct technology transfer from area labs to the commercial sector. Instead, the interviews describe the benefits of the labs to the commercial sector as passing through more indirect channels. One argument is that the labs bring many creative people to the area whose interests often extend beyond research at the labs to include education and arts, while broadly contributing to an environment that values ideas and critical thinking. The second connection is through UNM, where the promise of access to the national labs attracts talented researchers, with spillover effects throughout the university and the community. Third, well-informed interviewees note that the presence of the national labs ensures that A&BC has access to the highest quality communications and computing infrastructure, including the soon to be installed National Lambda Rail (NLR) and the surplus capacity of Sandia’s supercomputers.

In what might be the clearest example of the local art-science connection, there is a little known but thriving community of science fiction writers living and working in and around A&BC. This group almost unanimously cites the large population of scientists in this area as an advantage to doing their work in A&BC. This advantage is twofold: first, that a significant proportion of their readers and devoted fans are scientists, and second, that their writing is greatly influenced by scientific research and discoveries (as well as from local Native American culture). As the great theoretical physicist Freeman Dyson writes in his collection of lectures on the future of technology, *Imagined Worlds*, “*Science is my territory, but science fiction is the landscape of my dreams.*” The wife of one of the authors (also a science fiction writer) interviewed in the study felt that growing up in Roswell had a big impact on why she became a science fiction writer. “*Roswell has a great history of science fiction,*” he said, “*We were invited down there (Roswell) for a UFO celebration for science-fiction writers. We probably weren’t that great of help to them because they believe the fiction.*”

The widely held fascination with space, science and science fiction can also be seen in **Table 2.1**. According to data tabulated by the Tourism Association of New Mexico, the Explora Science Museum is the third most frequently visited museum in New Mexico, the International UFO Museum in Roswell ranks fifth, the New Mexico Museum of Space History eighth, and the LodeStar Astronomy Center eleventh.

**TABLE 2.1: ATTENDENCE AT NEW MEXICO'S MUSEUMS, 2004 AND 2005.**

RANK	MUSEUM	LOCATION	2005	2004
1	Albuquerque BioPark	Albuquerque	1,095,476	995,906
2	NM Museum of National History & Science	Albuquerque	246,705	244,732
3	EXPLORA Science Museum	Albuquerque	183,962	288,133
4	Georgia O'Keeffe Museum	Santa Fe	162,497	172,504
5	International UFO Museum	Roswell	158,118	176,351
6	Albuquerque Museum	Albuquerque	131,829	99,712
7	Indian Public Cultural Center	Albuquerque	73,204	157,587
8	NM Museum of Space History	Alamogordo	107,585	114,829
9	NM Museum of Fine Arts	Santa Fe	68,871	112,179
10	MN Museum of International Folk Art	Santa Fe	87,400	85,733
11	LodeStar Astronomy Center	Albuquerque	65,262	88,078
12	Hubbard Museum of the American West	Ruidoso Downs	56,185	94,808
13	Bradbury Science Museum	Los Alamos	82,384	66,149
14	NM Palace of the Governors	Santa Fe	60,422	64,688

Source: Tourism Association of New Mexico. *New Mexico TravelTrends*.

### University of New Mexico

As measured by the social network analysis, the University of New Mexico is the most central of all organizations and individuals in this study. An overarching sentiment (when offered without reference to any specific program or department) was that the university contributed substantially to the vibrancy of the city's arts and cultural scene. Many note that the university has a great deal of resources, a large pool of highly talented and innovative persons, contributes to a progressive and open environment, and provides a large audience for the arts.

Beyond these general comments, those with specific interests and needs are sharply divided, with roughly half of the 67 comments regarding UNM positive and half negative. The division runs generally along lines of access. Among those with access – those who work for the university, city or other major public institutions and non-profits – the university is held in high regard. These individuals complement UNM for its community involvement and find the university cooperative and easy to collaborate with. They benefit from rich pool of talented faculty and well-qualified graduate students, the availability of students who work as interns, and access to university facilities, including performance venues. In specific areas, UNM is said to have an 'amazing group of dramatic playwrights'; 'turns out a lot of dancers', and 'supports abstract art.' Even when specific needs are not met, interviewees applaud the university's initiatives. For example, many view the ARTS Lab and its emphasis on digital media as a major

step toward developing and attracting talent and realizing the potential in the A&BC market.

Others, including some with access to the university, state that UNM fails to meet needs in specific areas such as tourism, museum studies and the business side of art. One potential employer in a relatively high paying industry said that s/he was unable to find an artist at UNM with adequate skills in composition and drawing, and now recruits at CNM where applied programs are better developed. In the technical sector, some say that while the university has valuable and even cutting-edge resources, they lack the programs, expertise and dedicated staff to fully exploit the resources and support initiatives on the front edge of innovation. One professional characterized the computer technology at UNM's High Performance Computing center like this, "*HPC has a car but they don't know how to drive it.*" Some with exposure at the university say that there is "*little collaboration among programs in the arts*" and that "*people at the university don't know what their peers are doing.*"

By far, the majority of negative comments were from those who felt that they lacked access to university resources. Among artists, negative perceptions of UNM outweighed positive perceptions by nearly a 2-to-1 margin. Several independent artists said the university had 'turned its back on the community', was 'uninterested' in utilizing community talent, and was 'mainly for middle and upper class youth.' Some criticized the university's outreach and procedures for making resources available as 'cliquish'. Most succinctly, "*You have to be inside the university to take advantage of the resources.*"

### **2.3.3. Liabilities and Disadvantages**

#### **Funding**

The lack of financial support needed to sustain independent arts and cultural organizations is by far the greatest disadvantage of working in A&BC, according to interviewed by BBER. More often than not, respondents point to the public sector, and specifically the City of Albuquerque, to explain the scarcity of funding. When funding is available, interviewees note, it is distributed in an unstructured manner that rewards political connections over creative merit. Further, those working in established arts and cultural organizations express concern over the shortage of operational funds that underwrite institutional development.

These observations reveal local perceptions about cultural funding but they do not necessarily reflect the unique disadvantages that A&BC – and New Mexico as a whole – face. The scarcity of public sector funding for arts and cultural institutions described in the interviews is unfortunately common to most parts of the U.S., particularly following cutbacks at the National Endowments for the Humanities and the National Endowment for the Arts. Instead, what is unique to

A&BC (and again, New Mexico) is, first, the very small size of the area's corporate and philanthropic communities and, second, the direct involvement of the public sector in funding and managing the city's core cultural institutions, such as the BioPark and the Albuquerque Museum. To explain the disadvantages that Albuquerque faces with respect to other cities similarly affected by federal cutbacks one must focus on these unique structural characteristics.

First, regarding the limited availability of corporate and philanthropic funding, according to Fortune Magazine's 2007 data, New Mexico's largest corporation is Thornburg Mortgage, located in Santa Fe, which ranks 737<sup>th</sup> in the U.S.; number two is PNM Resources, headquartered in Albuquerque, which ranks 749<sup>th</sup>; no other New Mexico company is listed in the top 1,000<sup>45</sup>. Of Forbes Magazine's 394 private companies with revenues greater than \$1 billion, none are located in New Mexico<sup>46</sup>. According to the Foundation Center, the assets of New Mexico's largest foundation, the J.F. Maddox Foundation, are less than one third those of the 100<sup>th</sup> largest U.S. foundation.<sup>47</sup> Finally, of the 400 wealthiest Americans worth more than \$1 billion, none are in New Mexico<sup>48</sup>.

The small scale of the corporate and philanthropic communities is significant because in other region's corporations and foundations are most likely to provide funding for operational expenditures, such as administration, rent and membership development. Operational funding brings less visibility but it is essential to institutional growth and sustainability that is characteristic of rich and stable cultural communities. Interviewees report that funding for bricks and mortar and programs that capture attention is relatively easier to come by in A&BC, and is often provided by smaller businesses interested in getting their name out.

An interviewee in the support sector put it this way, "*the challenge locally is that funding is so often provided for capital but not for operating. So at the government level, the Legislature will fund capital for funding a building and all these museums, and they help non-profits to acquire buildings, but not to operate things.*"

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<sup>45</sup> Fortune 500. "Our annual ranking of America's largest corporations, 2007." Web page: <http://money.cnn.com/magazines/fortune/fortune500/2007/states/NM.html>

<sup>46</sup> Forbes.com. "Special Report: The Largest Private Companies 2007." Web page: [http://www.forbes.com/lists/2006/21/biz\\_06privates\\_The-Largest-Private-Companies\\_StateCode\\_10.html](http://www.forbes.com/lists/2006/21/biz_06privates_The-Largest-Private-Companies_StateCode_10.html).

<sup>47</sup> The Foundation Center. <http://foundationcenter.org/findfunders/topfunders/top100assets.html>. The Foundation provides asset data for a large number of foundations but ranks only the 100 largest.

<sup>48</sup> Forbes.com. "Special Report: The 400 Richest Americans 2006." Web page: [http://www.forbes.com/lists/2006/54/biz\\_06rich400\\_The-400-Richest-Americans\\_land.html](http://www.forbes.com/lists/2006/54/biz_06rich400_The-400-Richest-Americans_land.html)

The second aspect – what and how the City of Albuquerque, Bernalillo County and the State fund arts and culture – also differentiates the region from other parts of the country. Unlike cornerstone public cultural institutions (e.g. zoos and arts and cultural museums) in other cities, the BioPark and Albuquerque Museum are owned by and receive the bulk of their funding directly from the City of Albuquerque. This relates to the previous argument – in cities with a larger concentration of corporate and personal wealth, such cornerstone institutions do not rely to the same degree on public funding. In turn, this enables the public sector in other cities to set aside more funding for smaller, community-based arts and cultural organizations. Many of persons interviewed in this study acknowledge the latter point – the absence of funding for non-profits and smaller institutions – but overlook the unusual commitment made by the public sector to cornerstone institutions.

When the public sector does distribute funds to non-profits and smaller organizations, interviewees comment that decisions are made without reference to established guidelines and are often based on a person's familiarity with the political process and access to key decision makers. The result is a sense of exclusion among those without necessary contacts. This suggestion is confirmed by high level staff in local government, who describes the process as "*politicized inequity*" replete with "*conflicts of interest*". Exceptions to this process, according to officials, are public arts allocations, which are governed by relevant bond-issue rules and are overseen by a diverse board.

Indeed, public arts are generally a notable exception to the pattern in A&BC of limited funding and poor administration for the arts. The City of Albuquerque's '1% for the Arts' program allocates one percent of all capital project funding for public art, averaging more than \$600 thousand per year<sup>49</sup>. When established in 1978, the City's 1% for the Arts program was one of very first such programs nationally; today, there are nearly 500 programs in the U.S. that link capital funding with public art. In 1992, Bernalillo County also established a 1% for the Arts program; currently, the County distributes about \$80 thousand per year. The City and County programs have funded hundreds of public installations, including 'Cruising San Mateo' (aka 'Chevy on a Stick') at San Mateo and Gibson; 'Crossroads' at University and Coal near CNM; the 'Terminal Art Collection' at Albuquerque's Sunport; and the new 'New Mexico Enchanted' installation on I-40 at Coors Boulevard.

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<sup>49</sup> Public arts in Albuquerque also receive about \$500 thousand per year in income from the Urban Enhancement Trust Fund (UETF). The UETF was funded by a tax settlement with Sandia National Labs.

## Public Education

Although interview included no questions regarding public education, 18 interviewees – one in five – volunteered that public schools were a significant disadvantage to the development of A&CIs. Criticism was directed at three levels. The perception that Albuquerque Public Schools (APS) as a whole offers poor quality education is most commonly referenced, particularly among those in the technology and development sectors. In general, it is argued that the recognized weaknesses of the area’s public schools deter potential businesses that may employ creative workers and support the arts. A local official active in recruiting technology companies to the area identifies APS as the number one disadvantage: *“It’s something that I hear over and over again. To convince people at a fairly high level to come out here, it’s always the first question.”*

A local developer concurs: *“You don’t hear anybody really bragging about APS ... clearly the obstacles or negatives we have is the really poor performance of Albuquerque Public Schools and the inability to get traction towards solutions... It would be okay if they were making major, radical changes and scores were still low, but they were making progress. Everybody’s demoralized because they can’t move.”*

The second focus of criticism among those interviewed is specific to arts education in A&BC. From different perspectives, interviewees argue that the public schools are not producing the next generation of artists and creative workers and generally fail to cultivate an appreciation and respect for the arts, constraining the development of new audiences. An interviewee involved in arts education (but outside APS) says: *“In a state that prides itself on its own art you’re not preparing children to participate, you’re not preparing them as artists who can participate in the production of art... [APS] really doesn’t provide children with a good art education.”*

Another interviewee, an architect, hopes that the demands of economic development will drive a renewed focus on arts education in APS: *“There’s just not enough really skilled people. That may change as more industry moving in here and demanding that kind of personnel that will change. For instance, at Mesa del Sol, there are studios from LA moving to Albuquerque. They are not going to find the people to work in those studios within Albuquerque alone. They are going to be bringing people with them that have the skills for those studios. That’s good for us. That is going to do nothing but bring the level of education and the level of sophistication up in the community.”*

The third level of criticism looks beyond APS and local conditions to identify the shortcomings of federal “No Child Left Behind” (NCLB), which is said to result in excessive testing and memorization, a loss of emphasis on creativity and independent thinking, and the loss no time for arts and cultural studies and field trips. One education professional notes: *“the NCLB legislation said that art is one*

*of the core subjects yet it's treated still as if it's a frill and tangential to the educational experience." An APS administrator said, "The downside of NCLB is that there is less and less time, discretionary time, for students to take advantage of all of those opportunities... 'No Child Left Behind' is the worst thing to happen to public education ever in my opinion."*

Indeed, criticism of the impact of NCLB legislation on arts education extends well beyond Albuquerque and New Mexico, and is substantiated by an emerging body of evidence. For instance, according to a 2006 review of the NCLB Act by the nonpartisan Center for Education Policy, 22 percent of school districts surveyed nationwide report a reduction in time allocated to art and music education to allow for more time for English and/or Math, where testing requirements have been implemented<sup>50</sup>.

Yet, the more specific criticism of APS's (and New Mexico's) failure to integrate arts into public education may be overstated, perhaps reflecting a more modest failure of state and local authorities to educate the public about its initiatives. For instance, in 2003 the New Mexico legislature approved the 'Fine Arts Education Act' (FAEA), providing school systems in the state with about \$150 per elementary student per academic year for arts education<sup>51</sup>. In APS, this means a dedicated budget of \$8.8 million for elementary arts and music education. Significantly, this is a more than three fold increase in funding for elementary arts education compared to the 2001-2002 level – the period of time during which many school systems cut time and budgets for arts education in response to federal 'No Child Left Behind' policies. With administrative costs consuming less than three percent of the elementary arts education budget, FAEA funds the employment of 88 elementary art teachers in APS, half in performing arts and half in the visual arts. On average, elementary students in APS receive about one hour of arts instruction per week<sup>52</sup>. In secondary schools (middle and high schools), APS spends an estimated \$12.8 million on arts education, including the employment of 194 arts teachers<sup>53</sup>. Funding levels are determined by APS, as FAEA funding is allocated only to

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<sup>50</sup> Center for Education Policy. *From the Capital to the Classroom: Year 4 of the No Child Left Behind Act* (Washington, D.C.: Center for Education Policy, March 2006).

<sup>51</sup> The failure of APS and New Mexico's Public Education Department to publicize FAEA is reflected in a comment made by an interviewee well placed in the local arts community, though obviously unaware of the 2003 legislation, that "city, county and state governments should fund art and music education."

<sup>52</sup> Elementary students' exposure to arts education in APS varies. Because of NCLB's testing requirements in reading and math, many elementary schools have implemented uninterrupted blocks of time for reading and math instruction, which reduces instructional time available for art and music. In those instances, art and music teachers use that time to provide additional arts instruction at schools whose master schedule can accommodate them.

<sup>53</sup> APS secondary art teachers include 72 in the visual arts; 94 in music (including band, orchestra and chorus); and 28 for drama.

elementary schools. For most high school students in APS, arts are offered as elective, though with the increasing pressure of federal and New Mexico state standards, students have less time available for the arts. Thus far, funding levels for secondary arts education have remained largely unchanged (except for system wide salary increases), though there are concerns that a decline in participation may lead to reductions in funding and offerings.

Initiatives by APS and New Mexico’s Public Education Department to provide a foundation for arts education in public schools are supported by initiatives by various non-profit arts and cultural organizations. In October 2006, BBER conducted phone interviews with 101 arts and cultural organizations in A&BC to identify educational outreach programs. As **Table 2.2** below shows, 81 of these organizations provided outreach services to local students in 2005, predominately in the form of in-school programs, such as the New Mexico Symphony Orchestra’s annual performances at all the elementary schools in the district.

**TABLE 2.2: STUDENTS SERVED IN ARTS AND CULTURAL EDUCATIONAL OUTREACH PROGRAMS IN ALBUQUERQUE & BERNALILLO COUNTY, 2005**

	Number of Organizations Surveyed <sup>1</sup>	Number of Organizations Providing Programs	Number of Students Served <sup>2</sup>	Avg Number of Students Served
<b>Total</b>	<b>101</b>	<b>81</b>	<b>872,335</b>	<b>10,770</b>

1. Based on organizational listing made available by Albuquerque Arts Alliance.

2. K-12 Bernalillo County students served in educational programs in or out of schools and both during and outside of school sessions.

Source: UNM Bureau of Business and Economic Research

Yet these educational outreach programs have their own limitations. Many non-profit organizations undertake education outreach initiatives to generate operational funds but find that outreach can crowd out the organization’s core mission to be artistically creative and innovative – a tendency known as ‘mission creep’. Further, as schools tighten their curriculums and schedules to meet the testing requirements of NCLB, many community organizations report a loss of opportunities to work with the public schools, except during after-school programs that tend to privilege more economically advantaged children.

**Markets**

With the exception of those with established access to markets outside A&BC, most of those interviewed voiced frustration about their efforts to expand their market. There are at least two aspects to the argument –the local market is poor

and too small; and Albuquerque is overshadowed by Santa Fe and lacks a clear and distinct national 'brand'. Though these arguments overlap in most sectors, the creative sector and portions of the commercial sector related to visual arts are more concerned with the negative effects of Albuquerque's proximity to Santa Fe.

Nearly a quarter of those interviewed feel constrained by the local market; many reference the high rate of poverty as a constraint on the growth of local A&CIs. A local actor and director said this about theater attendance: "*The problem is poverty. They can not afford the tickets so they are a lot choosier about what they are going to do for entertainment. They tend to not want to take chances.*"

Where feasible, artists, artisans and promoters search out new markets, contracting, performing and selling outside of A&BC. One local artist put it this way: "*For my own work, I am trying to revive my old connections in Texas, California, and New York in order to re-enter those markets. I just don't have that potential here.*"

On the commercial side expanding outside of A&BC was necessary for a growing business. "*There is no way that there is enough work within the state and the city of Albuquerque to sustain the business that we currently have,*" a local architect said.

Interviewees argue that the weakness of the market is exacerbated, particularly for visual artists, by A&BC's proximity to Santa Fe. A local sculptor said, "*Santa Fe is preventing us from becoming an arts center. We are a pass through city to Santa Fe and Taos. We are not a destination stop. Santa Fe has the Indian Market and things that attract a lot more people. There is a higher income level in Santa Fe. There is a perception in the art community that Albuquerque is Santa Fe's stepchild as opposed to seeing ourselves as a real art center.*"

All of those interviewed for this study were asked about A&BC's national reputation for the arts. The majority answered that the city did not have one, with one local artist answering, "*That's a joke question,*" before elaborating, "*I don't know if you have ever looked at Southwest Art magazine, but according to this magazine, Albuquerque just doesn't exist.*"

In evaluating these arguments, the crucial question is whether the huge Santa Fe market in fact draws sales away from A&BC or only distorts expectations with the anomaly of its market. To address this question, at least for visual arts, BBER calculated 'pull factors' for art dealers for the 100 largest metropolitan areas in the U.S.<sup>54</sup>. A partial listing of the results is presented in **Table 2.3**. As these data

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<sup>54</sup> A pull factor is the ratio of sales by art dealers to personal income for a given MSA, relative to the same ratio for the U.S. as a whole. Typically, it is assumed in the analysis of pull factors that

show, of the 100 largest MSAs by population, only 11 had pull factors greater than 100 percent. Albuquerque, with a value of just over 100 percent, is among this select group. This finding is especially significant because the principal art markets in the U.S. are overwhelmingly located in the very largest MSAs – 7 of the 11 MSAs that export art on a net basis are among the 14 largest cities in the country. Otherwise stated, of 86 mid-sized metropolitan areas, including those ranked in size from 16 through 100, only four export art on a net basis to the rest of the country – Las Vegas, New Orleans, Tucson and Albuquerque.

These data similarly demonstrate how anomalous the case of Santa Fe visual arts market is. The 'City Different', which has the 268<sup>th</sup> largest population among U.S. MSAs, ranks seventh in the U.S. in total art sales, after New York, Los Angeles, San Francisco, Chicago, Miami and Philadelphia MSAs. Adjusting for income, Santa Fe's pull factor is 1,411 percent.

The implication of this analysis is that, far from poor, A&BC's market is remarkably strong for a city of its size – at least for visual arts and other collectables sold by 'art dealers'. However, it is not possible, based on this analysis, to say where and what the area's market is – whether local residents buy more art than those from other cities, visitors make A&BC a destination or A&BC simply benefits from 'spill overs' from Santa Fe (because of the location of the airport, and Santa Fe visitors extending their trips, and on so). Similarly, on the basis of this analysis it is not possible to evaluate the comments made by interviewees that Albuquerque is seen nationally as 'Santa Fe lite' or that Albuquerque's work is perceived as inferior to that of Santa Fe. But it is clear that in the U.S. art sales are dominated by the very largest cities, that case of Santa Fe is highly unusual and a poor basis for comparison, and that among mid-sized metropolitan areas Albuquerque is among the very few that hold their own as art markets.

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the spending patterns are equal for all localities (i.e. residents in all localities will spend the same share of their income on art). Thus, values greater than 100 percent indicate that local businesses are, on balance, making sales to buyers from out of the area (i.e. sales by local businesses to buyers from outside the area are greater than purchases by local residents from businesses in other areas). Conversely, values less than 100 percent indicate that local residents are making purchases outside the area, representing a 'leakage' of revenues.

The Census Bureau defines 'art dealers' (NAICS 45392) as: "establishments primarily engaged in retailing original and limited edition art works. Included in this industry are establishments primarily engaged in displaying works of art for retail sale in art galleries."

Source of data for sales by art dealers is the Census Bureau's *2002 Economic Census*; the 2002 survey is the most recent available. Personal income data is from the Bureau of Labor Statistics, Table C1.1. Population data is from the Census Bureau's 2002 Metropolitan area estimates. In 2002, Albuquerque MSA was the 65<sup>th</sup> largest in the U.S. in terms of population.

**TABLE 2.3: SALES BY ART DEALERS, AND PULL FACTORS BY METROPOLITAN STATISTICAL AREAS, 2002.**

POPULATION RANK		POPULATION	ART REVENUES ('000S)	PULL FACTOR
	United States	288,125,973	4,236,526	100
1	New York, NY-NJ-PA MSA	18,611,219	1,502,044	420
2	Los Angeles, CA MSA	12,708,788	223,113	113
3	Chicago, IL-IN-WI MSA	9,277,652	134,102	85
4	Philadelphia, PA-NJ-DE-MD MSA	5,738,283	115,360	117
5	Dallas-Fort Worth, TX MSA	5,478,438	49,178	55
6	Miami, FL MSA	5,210,627	116,038	143
7	Washington, DC-VA-MD-WV MSA	5,027,218	46,916	46
8	Houston, TX MSA	5,001,272	28,374	35
9	Atlanta, GA MSA	4,564,540	41,618	58
10	Detroit, MI MSA	4,476,928	110,243	149
11	Boston, MA-NH-ME-CT MSA	4,452,043	76,333	85
12	San Francisco-Oakland, CA MSA	4,168,408	176,215	191
13	Riverside-San Bernardino, CA	3,504,136	26,914	67
14	Phoenix, AZ MSA	3,494,869	75,747	157
15	Seattle, WA MSA	3,124,793	37,508	66
35	Las Vegas, NV-AZ MSA	1,516,592	42,010	195
40	New Orleans, LA MSA	1,311,444	36,652	205
53	Tucson, AZ MSA	877,509	13,189	126
65	Albuquerque, NM MSA	753,375	10,034	100
268	Santa Fe, NM MSA	134,912	114,267	1,411
	<u>OTHER MSAs</u>			
16	Minneapolis-St. Paul, MN-WI MSA	3,055,226	29,981	54
25	Portland, OR MSA	2,014,017	23,248	75
32	Providence, RI MSA	1,612,186	11,084	46
38	Nashville, TN MSA	1,352,347	8,117	39
52	Honolulu, HI MSA	885,678	10,944	82
98	Lancaster, PA MSA	478,285	2,776	43
125	Asheville, NC	225,965	4,618	97

Source: Economic Census, 2002, for Art Dealers (NAICS 45392) by MSAs. Population data from the 2002 Census estimates. Pull Factors calculated with BEA 2002 Personal Income, Table C1.1.

Apart from the arts, interviewees variously noted the national reputations of A&BC's national labs, balloon fiesta, jewelry and the recent expansion of the film. Some artists, particularly those in the performing arts, believed that other artists around the country were aware of the strength of the arts community and the quality of A&BC arts. A local poet said, "*I think that people who are real artists,*

*who know and understand art and poetry: I think that Albuquerque is recognized as a hot bed of excellent art in all the disciplines. I think people who do not have an in-depth knowledge of art and scenes tend to look at Albuquerque as a backwater."*

Those in the commercial sector outside of the visual arts, such as architecture, jewelry and other similar fields see the draw of Santa Fe as a positive with a potential to be harnessed. *"We are second place to Santa Fe which is frustrating to most of the art people here,"* said a local publisher, but *"there is an upside to being near Santa Fe because a lot of people come here that would have never come to Albuquerque at all."*

The effect of Santa Fe is also present in the arguments that Albuquerque lacks a national 'brand' raising questions of authenticity and often framing a potential Albuquerque brand in opposition to local and national perceptions of Santa Fe. *"We really do get along and there aren't these major divisive factions the way there are in many communities, like Santa Fe,"* said the director of a large private sector support organization. *"There seems to really be haves and have-nots in the art world and the haves are all based somewhere else and bring their money to Santa Fe. The others that are there are really in the out crowd. In Albuquerque, there really isn't that division."*

Many in the support and tourism industry see an opportunity to attract visitors to A&BC that travel to New Mexico with the intent of going to Santa Fe or Taos. But those interviewed often lamented the fact that Albuquerque served only as the airport and rental car location for those traveling north and the arts and amenities of A&BC were often overlooked.

*"What we are trying to do here, as a gallery, is let people know that Albuquerque is as strong as Santa Fe,"* said a local artist and gallery owner. *"We want to draw crowds here, but when people land here they rent a car and drive to Santa Fe to buy art. There is a lot more artisans here in Albuquerque and a lot of the artist that I know that do shows in Santa Fe have a P.O. Box there. They live here though,"* a local gallery owner said.

### **Decentralized Geography**

Another constraint to the development of A&CIs is the city's decentralized geography, which lacks the gravity of a centralized arts and cultural district. **Figure 1.3**, from Part 1 of this report, is a map of A&CIs employment in Albuquerque and Bernalillo Count by zip code. The map shows that A&CI employment patterns parallel the broader geographical pattern of employment in the region, with concentrations along I-25, downtown and at UNM, with lesser concentrations in the North and South Valleys and along Central Avenue on the eastside in Albuquerque. While this is not entirely surprising, it is notable that no

single area has a uniquely dense concentration of A&CI activity, as this sector tends to profit from the economies of agglomeration.

Albuquerque's spatial structure is characteristic of many western cities that grew rapidly after the development of federal highway system following end of WWII. The western city is characterized by a series of uniform and low density residential developments set away from the traditional core, each serviced a separate commercial node. In this sense, A&BC is developing along the path of Los Angeles, the prime example of post-war multinodal urban development. But there is one notable difference between the two – in Los Angeles, the core media industries are tightly clustered around a single node in and around Burbank and Hollywood. Thus far, A&BC lacks any such clustering of industrial activities.

The decentralized structure of the region's A&CIs is identified by persons in nearly all sectors. Artists complain of the difficulty of creative collaboration when workspace is scattered in distant parts of the city and gallery owners say it is difficult to draw crowds. Within the local live music scene, the number of live venues downtown was seen as a plus that had benefits for both club owners and musicians.

*"[The bar] next door is a good example. When we first opened we were both nervous and weren't sure how it was going to go, but we've come to realize now that we really help each other. I don't think we would do as well without them and vice versa,"* said a local club owner.

Similarly, representatives of the tourism sector are unable to point to any single part of the city that provides both the necessary services and a coherent sense of place that can distinguish the city in the eyes of visitors. *"I wish Albuquerque had the art scene that Santa Fe and Taos do, especially Santa Fe. We don't; I don't know why. But if you look at the art in Santa Fe, it's housed in those walkable, authentic areas. We just don't have those. And artists in Santa Fe gather because there's a critical mass that we don't have here. We do have some talented artists, but when you look at Albuquerque art galleries, they're not concentrated in a certain area,"* a local developer said.

To the contrary, as public officials and funders note, the replication of arts and cultural facilities is costly and inefficient, with valuable facilities underutilized or unused. In no small part, the problem is a function of the decentralized and redundant institutional structure of the County's A&CIs. One public official points to underutilization of APS facilities, noting with each of the eleven public high schools housing auditoriums with seating capacities of at least 450, up to 750, each under the individual control of the high school principal, on any given night there are as many as 5,500 unused seats in large auditoriums in the city. Artists, gallery owners and promoters note that the failure to cluster retail space undermines efforts to generate commercial energy, with 'arts crawls' and

performing arts venues scattered around the city. Indeed, where efforts to create clusters do occur, promoters note that the benefits of collaboration far outweigh the pressures of competition.

In general, the decentralized geography of the city's facilities is inefficient, lacking in the economies of scale and contrary to the purpose of public and cultural space to bring together people in collaboration and celebration.

### **Infrastructure**

Some interviewees note that local A&CIs lack a wide range of critical infrastructure, including affordable space, professional training facilities, supply retail, professional services such as equipment retail, printing and framing, and even a specialized labor force.

The shortage of affordable space is most pressing. Solutions common to other cities – conversion of industrial and warehouse facilities to lofts for artists – are not likely to have a major impact in A&BC because the area has a small stock of such properties and most already have been destroyed or converted. Further, it's important that workspace be clustered and of sufficiently large size to allow for collaboration and the sharing of services unique to the needs of these activities. Downtown development is creating room for nightlife, but it is important that space be set aside for other creative activities lest rising property values prohibit future uses. When asked about the availability of workspace, an interviewee in the support sector said, "*There is plenty of space, but affordable space is not that easy to find.*"

A local gallery owner said he has been working for years to try and convince different property owners and arts patrons to donate vacant buildings for artist studios and a community gallery. He said: "*what I've been trying to do is work with the businessmen here. Money is not my tool, but for them it is and they have property. I have been trying to involve patrons of the arts and let them know that they can donate it (a building) and let artist have some studio space. It would be the trade off as an artist that there would be an open house that people can come and see your work.*"

Those interviewed note the scarcity of quality services, usually specific to their own crafts. In many cases, the local development of A&CIs will resolve the scarcity without intervention. Businesses providing retail supplies, equipment rental, printing and framing and so forth will form as demand grows; though not as convenient many of these services are available in Santa Fe.

For visual artists, gallery owners and those working in film the lack of local services were a particular issue. As one gallery owner put it,

*"the digital prints I get in Chicago or Washington DC because they are two of the best. The photographs I get done in LA because they are the best. If there were any of those people in New Mexico then I would definitely go to them. But I have to use the best in the country. Quality means a lot, as well as a match for the artist. If the artist needs to do a certain thing on the original, I know who to go to. I'm really looking for a match because it's important. Local people need practice with this type of thing."*

An Albuquerque-based photographer said this about the availability of professional services here: *"there isn't a rental house for real gear. I actually rent out of New York and have them ship it here. You don't have as many things available to you as if you lived in LA, Miami or NYC. I outsource everything here because we don't have it here. We are five to ten years away from having the right resources."*

## **2.4. SOCIAL NETWORK ANALYSIS**

### **2.4.1. Methodology Used in Social Network Analysis**

In the course of this research, BBER conducted 89 interviews, involving 92 persons from the five sectors described earlier (creative, commercial, support, technology, development). In each case, the interviewee was asked to identify persons or institutions that have been influential in their professional and/or creative development; and who they might suggest that we speak to for further insight. Also, in each hour long interview, names were frequently used by interviewees to illustrate arguments, establish history and so on. In the transcription, review, and analysis of the interviews, BBER captured the name of each person and/or institution referenced, and based on the context of the reference and additional research we ascribed each reference key attributes, including the sector to which they belong. These references were coded and entered into software designed to perform social network analysis<sup>55</sup>.

The purpose of this exercise is to 'map' the relationships among the many people and institutions referenced in our study, enabling BBER to measure the degree of 'centralization' or connectedness within the network; identify institutions and persons that serve as key connectors, linking others to the network; and to measure the relationships between sectors, showing where and through whom support organizations, for example, connect with creative institutions or technology, and so forth.

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<sup>55</sup> UCInet. S. Borgatti, M.G. Everett, and L. C. Freeman. *UCInet for Windows: Software for Social Network Analysis*. (Harvard, MA: Analytic Technologies, 2002).

This exercise has direct implications for policy analysis and, ultimately, industrial development. As the qualitative analysis has emphasized, the effectiveness of institutions, programs, facilities and infrastructure cannot be assumed – a training program unused, or used only by select few who do not share their lessons is of less value than a potentially smaller program where lessons learned are diffused throughout a broader community. More fundamentally, creativity, innovation and indeed, arts and cultural industries themselves are the product of social and institutional interaction. As all accounts of creativity-based economic development argue, places that provide for a density of interaction are characteristically most productive, generating the greatest volume of innovation and, as importantly, best able to draw upon these innovations to create products and markets. The advantage is that the benefits of innovation are more widely diffused.

A few caveats: first, BBER's capacity to conduct this research was predicated on agreements of confidentiality. We sought to conceal the specific identity of all persons, in most cases by referencing only the institutions to which they belong. This has an added advantage – in most cases, the institutions are of primary concern as they are often more likely to persist as an element of the network. A common exception is in the creative sector, where many individuals work by themselves or, at least, not as a part of an established institution. Where individuals (rather than institutions) are referenced, we identify them by their craft (e.g. as a poet or a writer). Second, the network that BBER presents here is only one partial map of Albuquerque and Bernalillo County's A&CIs – a complete map would include tens of thousands of individuals and institutions, as nearly everyone is in some way, directly or indirectly, connected to the creative economy. Indeed, not only is the map incomplete but it is inherently skewed according to the specific persons involved – those referenced are as much determined by the person interviewed as by any universal measure of their connectedness. However, it is our assumption that given the very large number of interviews conducted and the careful adherence to defining methodology the general structure of the network and the relations among the sectors would be subject to significantly less variation than the identity of the specific individuals and institutions referenced in the study.

A few definitions will help to facilitate this discussion. *Nodes* are persons or institutions included in the network; a node is included when its representative is either interviewed or it is referenced in an interview. *Ties* are links among nodes – a reference in an interview constitutes a tie between the interviewee and the individual or institution that is mentioned. Ties may be *strong*, meaning that they connect closely clustered nodes (i.e. within a tightly woven group) or *weak*, meaning that they connect more disparate groups; weak links are very important because they bridge social distance and bind together the network as a whole. *Centrality* is measured by *Eigen values*, which generally reflect how well connected an individual or institutions is in the network; centrality (or being well

connected) is not only a function of how many people know you and that you know but also how central one’s contacts are (i.e. one can be more central by being connected to a few very well connected nodes than many poorly connected nodes). Finally, *centralization* refers to the extent to which a network revolves around a single node, and is measured as share of all centrality possessed by the most central node.

**Table 2.4** summarizes the scope of the social network of A&CIs, as measured in this study. Interviews with 80 institutions<sup>56</sup> and individual generated 1,568 references (ties) to 849 distinct contacts (nodes) in the five sectors. The greatest number of interviews was among support institutions (28); the greatest number of unique referenced nodes was in the support sector, and by far the greatest number of references (ties) was to the support sector. By all three measures, the creative sector was second, and the commercial sector was third, followed by the technology and development sectors.

**TABLE 2.4: PARAMETERS OF A&CIS SOCIAL NETWORK**

SECTOR	INTERVIEWS	NODES	TIES
Creative	19	220	380
Commercial	15	160	377
Support	28	346	593
Technology	10	64	123
Development	8	59	95
<b>TOTAL</b>	<b>80</b>	<b>849</b>	<b>1,568</b>

### 2.4.2. Findings of Social Network Analysis

Social network analysis corroborates key insights gathered from the interviews and qualitative analysis, particularly as regards the institutional structure of A&CIs. In general, individuals and institutions that constitute the region’s A&CIs tend to be connected in what are, variously, large and small clusters; but as a whole, these individual clusters tend to be poorly connected both within and among the different sectors.

**Figure 2.2** is a map of the entire network. The structure of the network is based on the entire set of 849 nodes and 1,568 ties, but to simplify the display only the 106 nodes with 5 or more degrees (individuals or institutions that provided or received 5 or more references in total) are presented. The density of the network

<sup>56</sup> The number of interview nodes in the social network analysis was reduced from 89 to 80 where one than one interview was conducted at a single institution. This was necessary to ensure that a given institution was not replicated as a node in the network map.

is low, indicating that the network is highly complex and/or that it remains poorly integrated<sup>57</sup>.

**Table 2.5** identifies the 27 most central nodes within the network, including all with Eigen values greater than 0.08. In this table, degree refers to the number of ties to other nodes within the network. Betweenness represents a measure of power exercised by a gatekeeper – the extent to which paths linking other nodes are mediated by the node in question. Closeness is an inverse measure of the average distance of all nodes within the network to the node. Eigen values are the principal measure of the centrality of the node to the network as a whole; the Eigen value of the most central node, in this case UNM, also indicates the centralization of the entire network.

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<sup>57</sup> Mean density of the network=.002, indicating that 0.2% of all possible contacts within the network have been established; the standard deviation of the network mean = .042. Note that Figure 2 only shows the 106 most central of the 849 nodes included in the analysis.



**TABLE 2.5: PRINCIPAL INSTITUTIONS IN A&CIS SOCIAL NETWORK, WITH NETWORK STATISTICS**

ID	Institution	Sector	Degree	Betweenness	Harmonic Closeness	Eigenvector
1834	UNM	Support	54	98,878	391	0.278
1536	NHCC	Support	32	34,153	367	0.253
1014	ACVB	Development	35	16,579	344	0.221
1039	ABQ Museum	Support	29	17,669	342	0.186
1561	NM Symphony	Creative	32	25,812	327	0.183
1677	Sandia Labs	Technology	18	15,725	332	0.120
1497	Mesa del Sol	Development	53	29,738	342	0.200
1062	AMP Concerts	Commercial	67	35,169	342	0.217
1078	APS	Support	17	22,786	328	0.148
1151	CABQ Film Office	Support	34	26,746	326	0.155
1146	CABQ	Support	12	3,036	312	0.129
1113	BioPark	Support	23	10,745	319	0.133
1811	Tricklock	Creative	15	6,737	304	0.115
1197	CNM	Support	32	18,930	327	0.121
1841	UNM ARTS Lab	Technology	26	13,381	324	0.126
1148	ABQ Cult Services	Support	38	17,748	326	0.160
1005	516 Arts	Support	25	9,029	311	0.140
1591	Outpost	Support	28	11,539	311	0.139
1025	curator/instructor	Support	37	16,224	324	0.155
1537	Instit of Flamenco	Support	27	13,317	322	0.124
1208	actor/producer	Creative	31	13,236	318	0.125
1348	IPCC	Support	31	12,863	309	0.135
1846	UNM College Fine Art	Support	11	8,712	313	0.084
1613	PNM	Support	29	9,500	304	0.126
1215	poet	Creative	23	10,590	304	0.107
1049	Alibi	Commercial	21	9,239	309	0.094
1027	ABQ Arts Alliance	Support	20	5,431	312	0.118

**Figure 2.3** is a map of the support sector in isolation<sup>58</sup>. Despite its relatively centralized appearance, the network is highly complex. First, the majority of the nodes are isolated on the outer fringe and, despite the outward pointing arrows, most of these are institutions and individuals that support the interviewee<sup>59</sup>. These outer nodes include mentors, schools, professional associations, former employers and funders. The second tier, moving inward, are institutions on the front lines of support and community involvement – Outpost Performance Center, VSA/North Fourth Arts, Digital Filmmaking Institute, Harwood Arts Center, KUNM, South Broadway Cultural Center, Out Ch’yonda, TVC and alike. These institutions share some ties, forming a sort of ring, though these ties are relatively weak and without great density. These intermediate nodes are critical to the functioning of the A&CIs, as they provide service and access down to individuals and very small institutions in creative, commercial and technical sectors. Finally, direct service providers are linked to the core institutions at the center of network. Significantly, ties between the direct service providers and the principal institutions tend to be highly individualized– the principal institutions tend to link with some but not other direct service providers<sup>60</sup>. The institutions at the heart of the support network include UNM, National Hispanic Cultural Center, Albuquerque Museum, CNM, and offices of the City of Albuquerque (Mayor’s office, Economic Development Department and Cultural Services Department). Within this inner core, with the exception of examples such as connections among City offices, connections among core institutions are also relatively selective and weak.

The overall inference is that, as a system, the support network is very poorly integrated. The organizations most directly engaged with the community are dependent on highly individualized ties to both principal institutions and isolated nodes on the exterior. Further, ties among institutions that are the source of these resources – both in the center and on the fringe – are themselves poorly integrated. This structure illustrates the challenges faced by organizations providing direct support to the community – to be successful, these organizations must develop and nurture individual and rather unstructured relationships with a wide array of institutions. Relationships can be so fragile that when an individual

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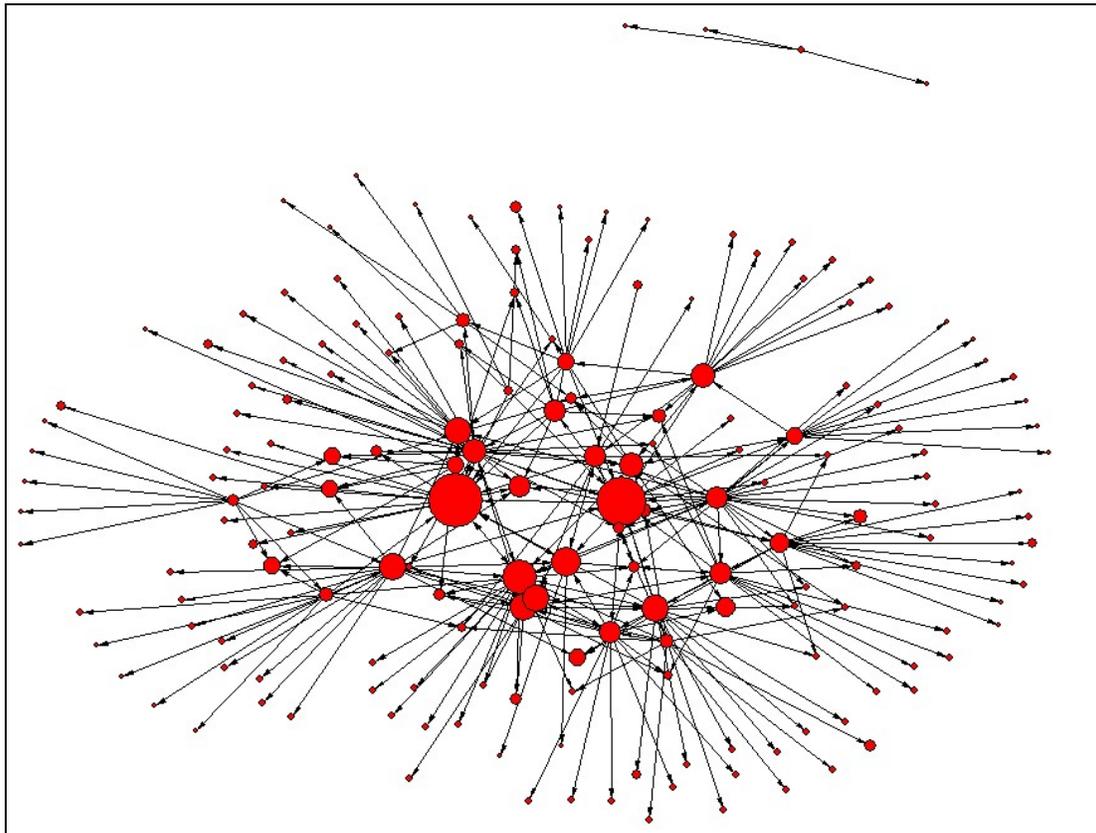
<sup>58</sup> Maps of individual sectors include only ties *within* that individual sector, and exclude isolates (nodes with ties only with nodes in other sectors). Note further that the centrality of a given institution within the network as a whole may not translate into commensurate centrality within a sectoral network, or visa versa, as the universes are distinct and the gravity is re-allocated accordingly.

<sup>59</sup> Arrows point from interviewee to references, but the interviews specifically asked for references to those who have provided support, inspiration, and so on.

<sup>60</sup> The extent of specificity of these core-community relationships is revealed in interviews. In many cases, interviewees from community-based organizations are able to identify key supporters by name but are sometimes unable to identify the organization to which those supporters belong. The institutional relationship is, in effect, a personal relationship.

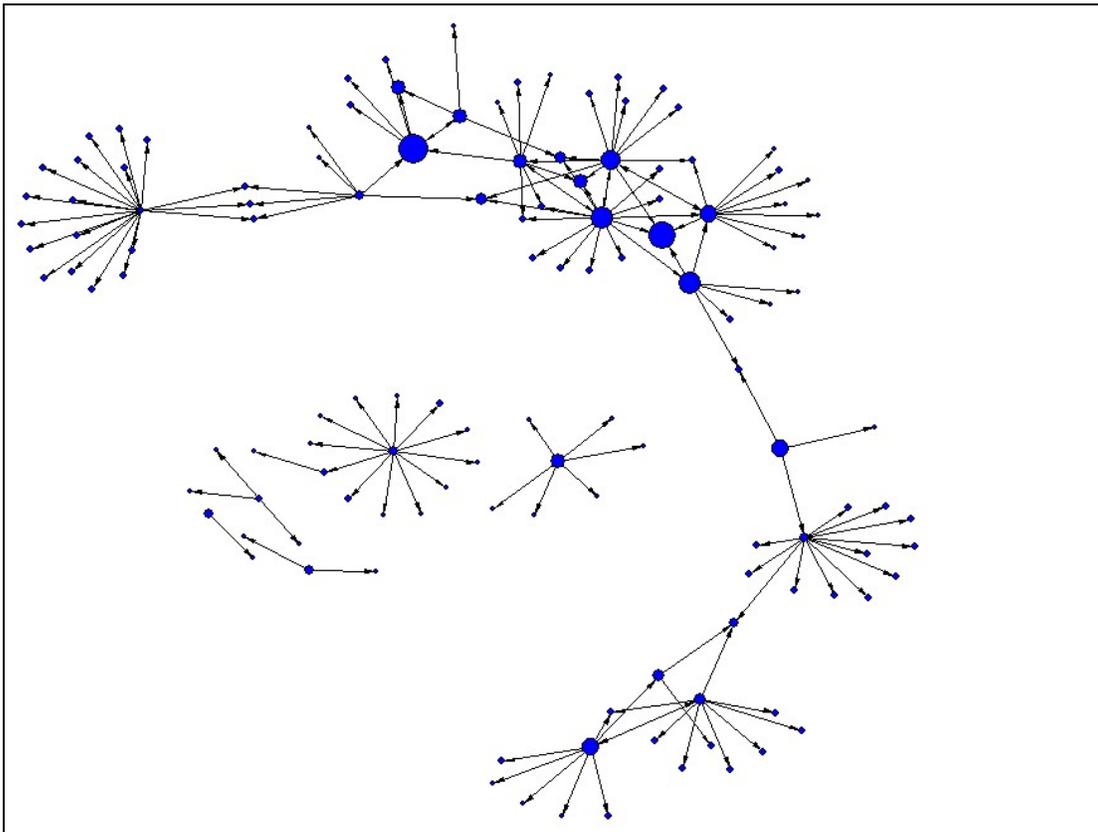
leaves a supporting institution the institutional relationship is lost, with no broader programmatic structure remaining in place.

**FIGURE 2.3: MAP OF THE SOCIAL NETWORK OF THE SUPPORT SECTOR OF ALBUQUERQUE AND BERNALILLO COUNTY'S A&CIS**

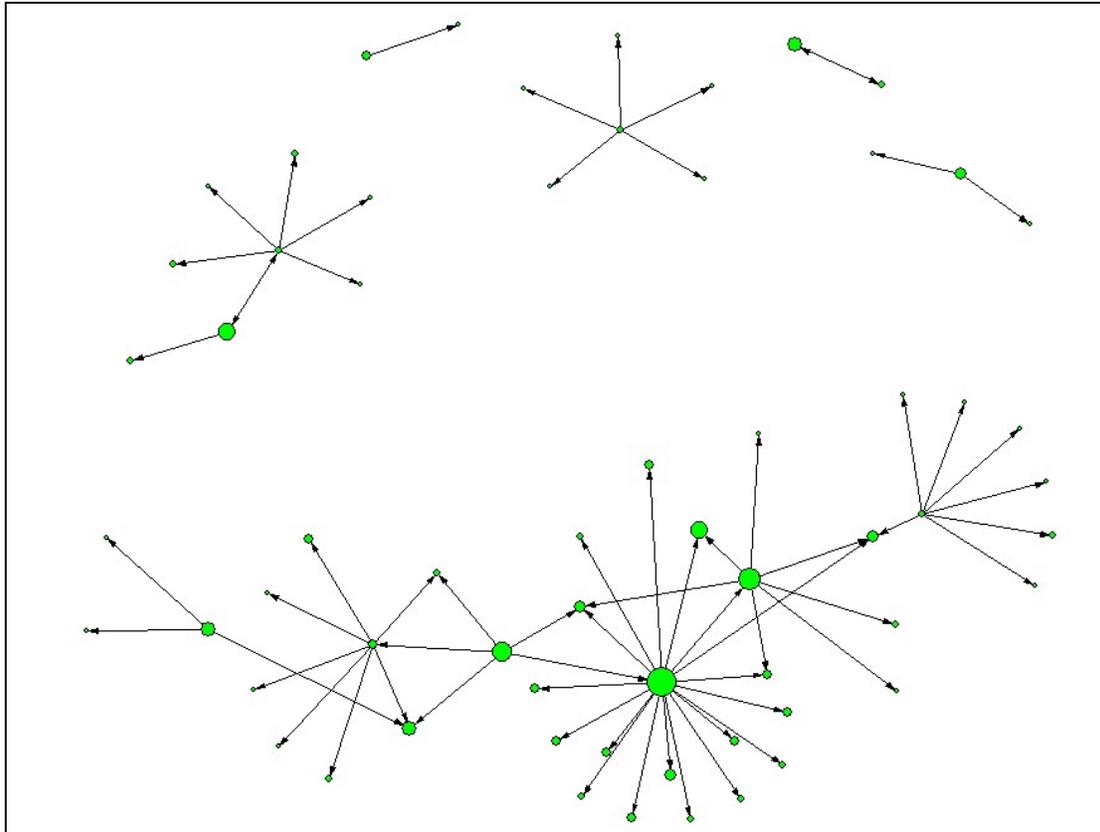


**Figure 2.4** and **Figure 2.5** show the creative and commercial sectors, respectively, in each case in isolation from the other sectors. In both cases, the structure is thin and spiny, with a small centralized core, weakly linked sub networks and isolate islands. In the case of the creative sector, the core is anchored by a closely knit network of performing artists, including theater companies, poets and the NMSO. Weakly tied to this core are a cluster of writers (primarily in the science fiction genre, to the upper left), and visual artists (connected by sculptors and photographers, to the bottom right). A group of musicians are isolated from the remainder of the network and, working within distinct genres (e.g. rock, international folk), from each other. In the commercial sector, in green, the network almost completely lacks cohesion, held together only by youth-oriented events institutions.

**FIGURE 2.4: MAP OF THE SOCIAL NETWORK OF THE CREATIVE SECTOR OF ALBUQUERQUE AND BERNALILLO COUNTY’S A&CIS IN ISOLATION**

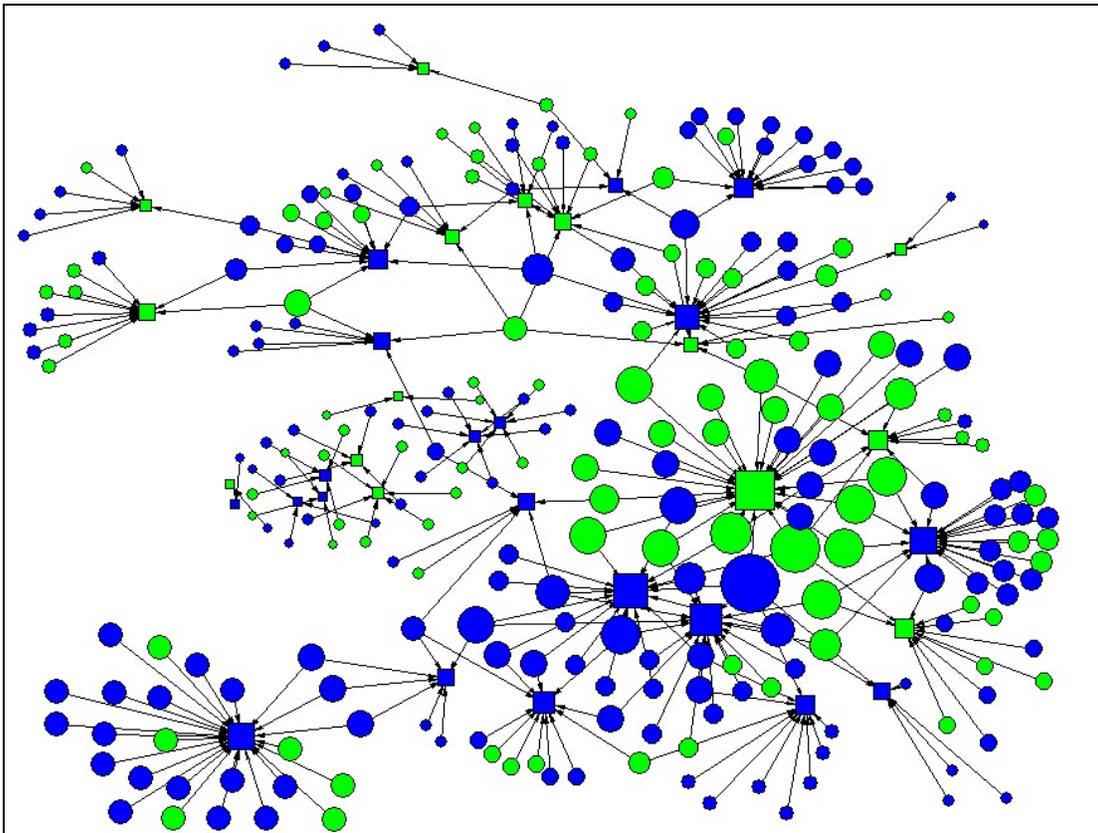


**FIGURE 2.5: MAP OF THE SOCIAL NETWORK OF THE COMMERCIAL SECTOR OF ALBUQUERQUE AND BERNALILLO COUNTY'S A&CIS IN ISOLATION**



**Figure 2.6**, which combines the creative and commercial sectors, shows a very different picture, highlighting the tight interconnectivity of these sectors. Perhaps surprisingly, the arrows run in both directions – creative nodes (blue) reference commercial nodes (green) with the same regularity as commercial reference creative nodes. A quick hypothesis, confirmed with reference to the qualitative data, is that the two sectors are highly interdependent – artists depend on commercial outlets to the same degree as commercial outlets depend on the production of the creative sector.

**FIGURE 2.6: MAP OF THE SOCIAL NETWORK OF THE CREATIVE AND COMMERCIAL SECTORS OF ALBUQUERQUE AND BERNALILLO COUNTY'S A&CIS**

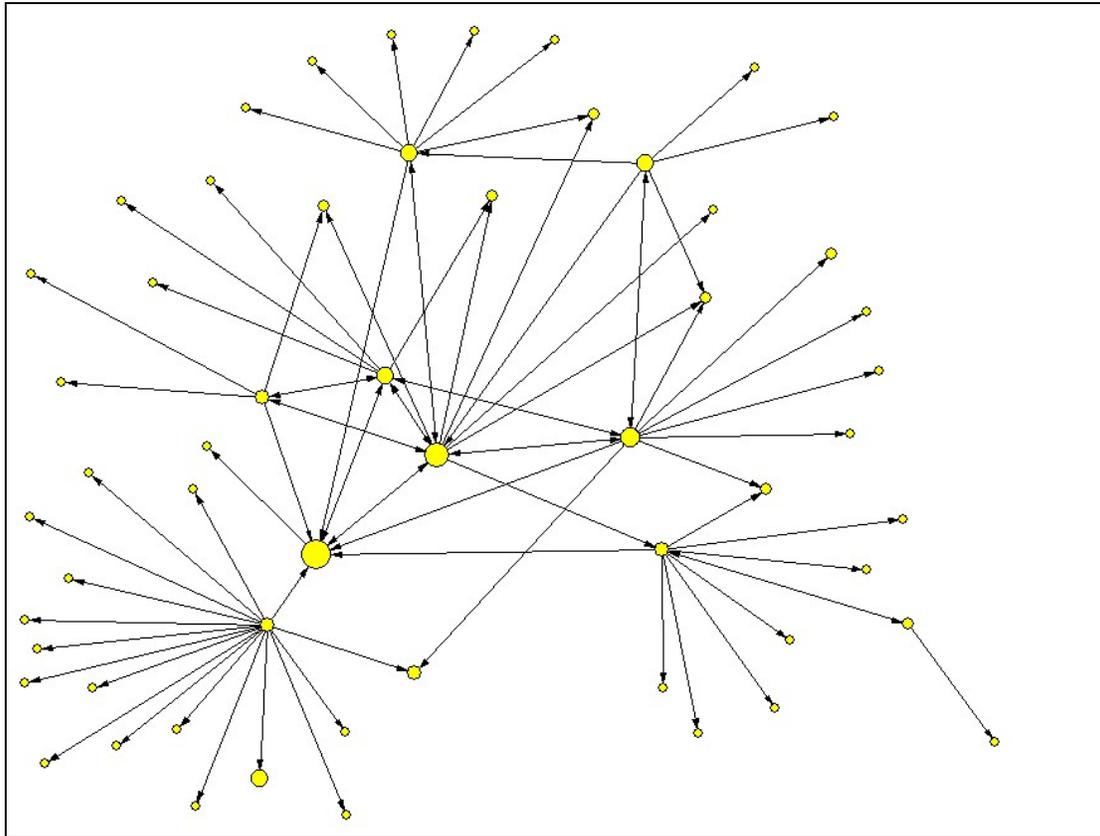


**Figure 2.7** shows the technology sector in yellow. This sector, though small, is reasonably well integrated, with Sandia National Labs and UNM ARTS Lab serving as principal connectors, and a few nodes providing weak ties to clusters in game development, motion picture special effects and optics. Yet, in the context of the overall network, with the exception of the strong ties among Sandia, Arts Lab and UNM, the technology sector is very isolated. **Figure 2.8** shows the relationships between nodes in the technology and creative sectors. Here, with the exception of a few cases in which arts and technology are combined within single institutions<sup>61</sup>, there is an almost complete absence of ties between the two. This is significant in light of the priority given to linking arts and technology as a core niche by both local and state governments. There are considerable opportunities for creating new linkage between these two sectors, as artists seek income and technology seeks creative input.

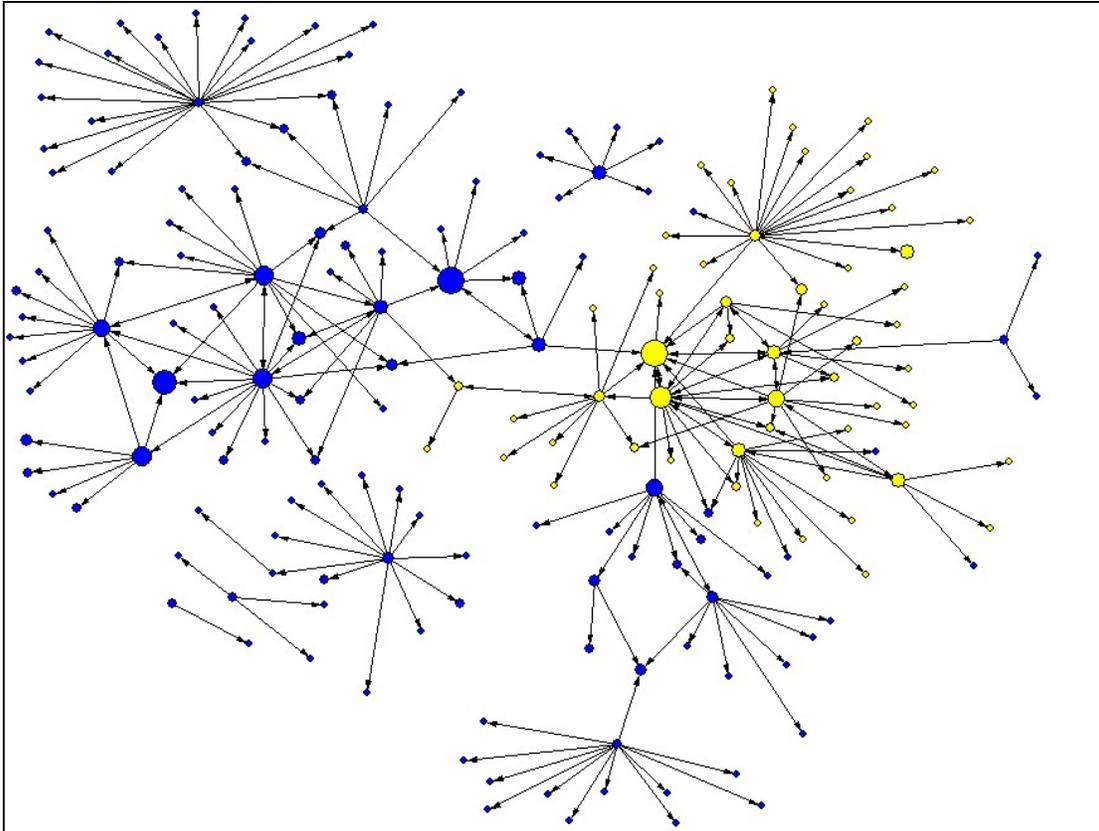
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<sup>61</sup> Matrices were manipulated in two instances to capture art-technology relationships internal to institutions. Specifically, artists working within technology institutions were assigned individual status in the creative sector and given a tie the technology institution. This was done to provide a more complete picture of interactions between arts and technology.

**FIGURE 2.7: MAP OF THE SOCIAL NETWORK OF THE TECHNOLOGY SECTOR OF ALBUQUERQUE AND BERNALILLO COUNTY'S A&CIS**

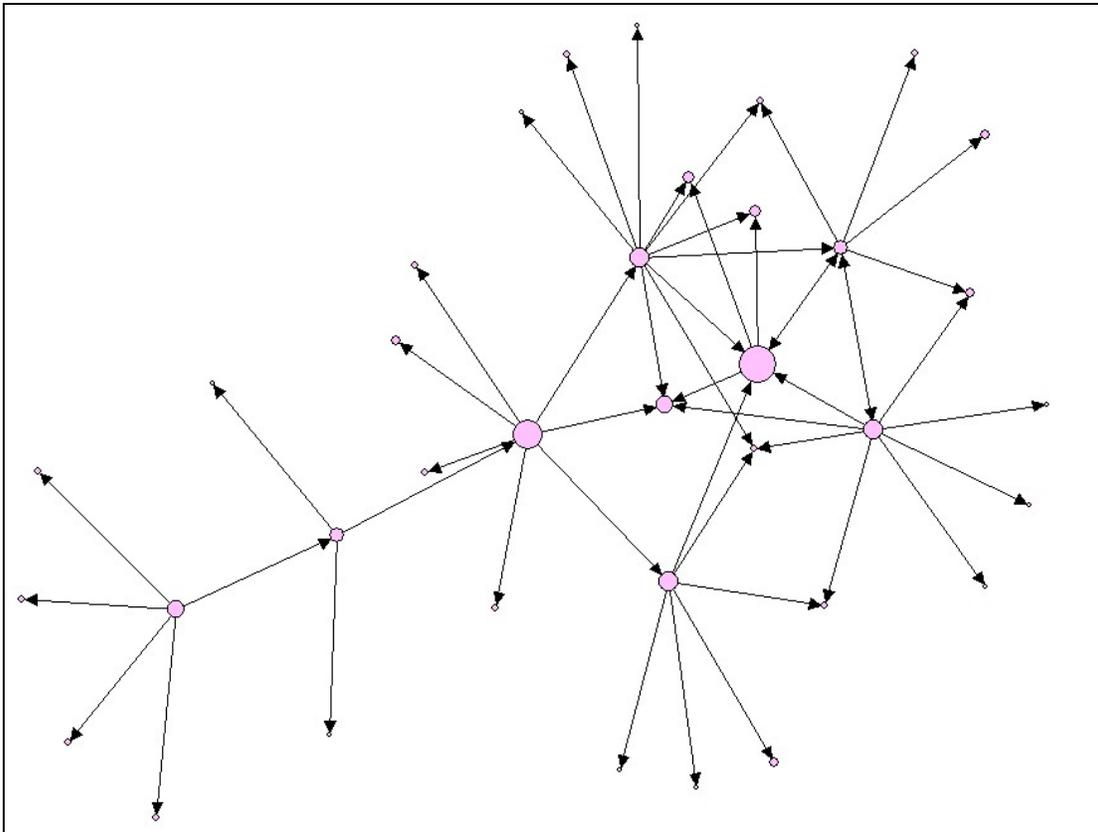


**FIGURE 2.8: MAP OF THE SOCIAL NETWORK OF THE CREATIVE AND TECHNOLOGY SECTORS OF ALBUQUERQUE AND BERNALILLO COUNTY'S A&CIS**



Finally, **Figure 2.9** shows the social network of the development and tourism sector. Again, this sector is reasonably well integrated, with AVCB and Mesa del Sol serving as key connectors, and Old Town Merchant Association, the Balloon Fiesta and Sandia Peak Ski area also well connected within the network. Also, unlike the technology sector, the development sector is well connected within the overall network, with strong ties to NHCC, UNM and the City. The connections among these organizations typically regard tourism promotion and, in the case of UNM and Mesa del Sol, the promotion of the digital media industry.

**FIGURE 2.9: MAP OF THE SOCIAL NETWORK OF THE DEVELOPMENT AND TOURISM SECTOR OF ALBUQUERQUE AND BERNALILLO COUNTY'S A&CIS**



**PART 3. POLICY RECOMMENDATIONS  
FOR THE DEVELOPMENT OF THE  
ARTS & CULTURAL INDUSTRIES IN  
ALBUQUERQUE-BERNALILLO  
COUNTY**

A principal finding of this study is that A&BC's arts and cultural industries (A&CIs) are structured to meet the needs of the local community. This inward orientation is articulated in the city's current Cultural Plan, which emphasizes arts education, community participation in the arts and sustainable funding for arts organizations<sup>62</sup>. But this study also shows that local A&CIs are poised to move beyond this model, to develop a more outward focus as an industry capable of driving economic growth. The timing is certainly right, but if these efforts are to be effective, fundamental limitations built in the current system must be addressed and new strategies must be considered. The first step is to establish structures necessary to coordinate, connect and centralize the city's A&CIs. From that point, A&CIs' leaders must think strategically about the city's entry into national and global markets.

The articulation of specific goals and strategies to guide the development of the cultural sector is well beyond this scope of this work – it rightfully requires community participation in a political process. However, based on the findings of this research, it is suggested that any such effort address the following issues.

## **3.1. TOWARD MORE CENTRALIZED STRUCTURES**

### **3.1.1. Institutional Coordination**

Albuquerque and Bernalillo County's A&CIs are, by any measure, extremely decentralized. This is partially rooted in the administrative and institutional structure of organizations that support the cultural sector. Within the governmental structure of the City of Albuquerque alone, the Mayor's Office, the Cultural Services Department, the Economic Development Department (which includes the Albuquerque Film Office), and the Department of Municipal Development (which includes the Public Arts Program) all have a hand in cultural policy. Additionally, the Albuquerque Arts Alliance serves as the Designated Arts Agency for the City, with the responsibility to administer the Cultural Plan. The City Council has opportunities to support specific cultural initiatives. Beyond the City, the New Mexico State government has a major role in the city's cultural sector. The National Hispanic Cultural Center of New Mexico and the New Mexico Museum of Natural History and Science are part of the State's Department of Cultural Affairs. The University of New Mexico and CNM (formerly TVI) are central to the cultural community, with connections emanating from individual departments and colleges, research centers, and the central administrative offices. APS's Fine Arts program, though under funded, facilitates

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<sup>62</sup> Albuquerque's Cultural Plan, first developed in 1995 and revised in 2001, is available online at <http://www.cabq.gov/publicart/cultural.html>

access to a wide range of organizations. The Indian Pueblo Cultural Center is under the joint auspices of the region's 19 Pueblos. Explora Science Museum receives public support but is directed by an independent board. The many independent non-profit organizations in the city are, of course, free to solicit support from any one of these public agencies.

While such institutional diversity has the advantage of checks and balances, for example ensuring that funding is not channeled to any single institution, it carries significant disadvantages. Priorities are nearly impossible to develop and administer, undermining any real attempt to strategically direct resources to organizations or sectors that offer unique opportunities. From the perspective of independent organizations, access to support is a minefield, as success often depends on the savvy and the strength of their political connections rather than any objective standard of merit or contribution to a broader goal. BBER's interviews are replete with examples of the role of politics over merit, from both those with and without access, and from those that are seeking and are able to offer support.

Across the country communities have used different approaches to develop stronger institutional coordination which allows for a more cohesive approach to funding arts and culture industries and avoid redundancy and repetition of services while emphasizing variety and distributing money among organizations large and small.

In Charlotte, North Carolina, a non-profit board whose members consist of business leaders, civic leaders, public school officers, university deans and elected officials oversees the creation of arts and cultural plans and the dispersal of federal, state and local funds to arts organizations in the region. The non-profit also acts as a cultural alliance for art organizations and, in effect, the city and county's cultural services department. This non-profit brings together key players and puts them in a position to create and fund coordinated plans to assist arts and culture industries in Charlotte and Mecklenburg County.

<http://www.artsandscience.org/>

In Chicago, the Department of Cultural Affairs coordinates all of the city's arts and cultural services, programs and funding for large and small institutions. In addition, this department oversees the city's tourism efforts creating an integrated approach to arts and culture funding, development and promotion. Non-profits are able to focus their efforts to obtain funding from the city in one place and the department is able to ensure that it is not funding duplicate services.

<http://egov.cityofchicago.org/CulturalAffairs/>

In New York City, the Department of Cultural Affairs oversees the majority of this city's arts and culture activities, from the funding and programming of city-owned venue to the distribution of grants to non-profit organizations large and small. By placing the responsibility for these activities in one department, the city is able to effectively plan programs that service the entire community, redirect funds to areas that need additional support and identify unmet needs within the community.

[http://www.nyc.gov/html/dcla/html/funding/funding\\_main.shtml](http://www.nyc.gov/html/dcla/html/funding/funding_main.shtml)

### **3.1.2. Connections within Social Networks**

The decentralized structure of support networks in A&CIs is further complicated by the measurably poor connectivity of the social networks that hold together the various sectors. Within the support sector, there is reasonable familiarity among the various 'nodes' – the network is held together by 'weak ties', indicating that representatives of the various groups are generally aware of the institutional terrain. But, the interviews offer relatively few examples of meaningful collaboration. The situation is much worse in other sectors, especially in creative sector, where the network is composed of sometimes closely knit clusters that, from broader vantage, share few or no connections. Still more pronounced is the very limited development of connections *between* sectors, for instance between creative and technology sectors. From the perspective of an individual agent, the weakness of these connections is perhaps not surprising – our highly specialized economy and social structure requires focus. But from an institutional perspective, the absence of connections among individuals is problematic. As the growing body of academic research emphasizes, bridging these gaps to form relationships and collaboration can be the difference success and failure in the highly competitive creative economy.

A&BC is not alone in this regard. Cities and institutions across the country are looking for ways to increase ties among different sectors and improve social networks throughout the creative economy. According to the Center for Social Interfaces and Networks at UCLA, despite the University's access to a number of innovators in digital media and arts the school has been ineffective in facilitating connections among the various players in these fields.

<http://sinapse.arts.ucla.edu/background.html>

This is also a difficulty for local governments and regional bodies with few policy initiatives being generated that directly address these types of cross-sector ties. In Maine, the state's arts commission recognizes the importance of these networks in further developing creative industries but offers no policy options for pursuing this goal.

<http://mainearts.maine.gov/mainescreativeeconomy/conference/Proceedings/catch&release.shtml>

Cities have succeeded in developing strong ties through public-private partnerships, but these efforts are largely focused on specific areas such as strengthening the networks between technology and support.

In Austin, the city has forged two key public private partnerships to encourage directed interaction between key institutions and private business in the city. The Digital Convergence Initiative is a partnership among local universities and technical colleges as well as established technology companies, business incubators and local governments to identify methods, policies and initiatives that will facilitate greater synergy and innovation among local companies. In bringing these various actors together, connections are made and diverse networks are formed.

<http://dcitexas.org/index.php>

In Portland Oregon, the city has helped to foster “informal arts communities”, which are loosely organized collections of artists and creative workers that are like-minded and innovative. Often, they rely on networks for opportunities to collaborate and connect with others. Networks temper and spread out risk for artists and other creative workers, especially when there is little to no formal or conventional streams of support, such as advice, training, and mentors<sup>63</sup>.

Indeed, Albuquerque’s own experiences may best illustrate the effectiveness of institution building to foster stronger relationships within the creative economy. The National Hispanic Cultural Center and UNM’s ARTS Lab, both established in the past few years with the expressed purpose of linking disparate institutions, have already proven to be effective. As shown in social network analysis, the National Hispanic Cultural Center is the second most central institution in this study and the ARTS Lab is one of the few institutions that have been able to join creative activities with emerging technology.

### **3.1.3. Geographical Centralization**

Decentralization is perhaps most obvious and explicit in its geographical form. The costs and inefficiencies associated with the sprawling structure of western cities, including Albuquerque, are widely reported – long and costly commutes, a high cost of infrastructure, replication of services, loss of open space, air pollution and so on. But the implications of decentralization – or more specifically, the failure to develop geographical clusters – have direct and specific consequences

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<sup>63</sup> Mark Banks, Andy Lovatt, et al. “Risk and trust in the cultural industries.” *Geoforum* 31, 4 (2000): 453-465.

for the development of A&CIs. Creative work is facilitated by proximity and opportunities for collaboration; commercial activities – shops, restaurants, and clubs and performance venues – also benefit from proximity, creating energy much greater than the sum of the parts. The cost of supporting A&CIs is also more efficient when these activities are clustered – workspace, suppliers, infrastructure, public promotion and investment mechanisms can be better managed. Additionally, the clustering of A&CIs allows a city to develop a more defined ‘sense of place’, with significant advantages in marketing and promotion.

In Albuquerque, downtown revitalization policies have helped to reestablish an urban core, but much more remains to be done. In Albuquerque and in other cities, the downtown can be a site for arts and culture, particularly for the local community, but the development of A&CIs as a more dynamic and externally oriented cluster involves a different and broader set of needs, including a concentrated supply of workspace, particularly affordable workspace. The importance of these constraints were strongly reflected in interviews conducted in this research – the lack of affordable workspace for collaboration is among the most cited of all comments by individual artists.

Minneapolis has a long running and successful program geared at creating site specific arts and culture districts. This program focuses on providing subsidized housing, work, and gallery and theater space for visual and performing artists. The program started in 1978 has established four distinct districts throughout the city. These spaces are developed and managed by the non-profit ArtSpace, which was initiated by the city. Unfortunately, A&BC must look beyond the Minneapolis example as it lacks a large stock of industrial properties still available in eastern and Midwestern cities.

<http://www.artspaceusa.org/search/index.html>

In Providence, Rhode Island, the city used municipal code to define an arts district as part of its downtown improvement district. The city uses tax increment financing to subsidize live and work space in the area. The city recently expanded the art district allowing more artists and gallery owners to take advantage of the program. In this case, the city has an existing and identifiable arts district. A possible application A&BC, if the city chose to pursue a centralized place, is to create a district around an existing cluster of artists and use incentives to draw other artists to the area. This policy is often popular, but does not address underlying issues that exist within the arts and culture industry and can result in little more than a fetish with place.

[http://www.providenceri.com/ArtCultureTourism/tax\\_incentives-local.html](http://www.providenceri.com/ArtCultureTourism/tax_incentives-local.html)

## 3.2. STRATEGIC PLANNING

### 3.2.1. Identity

The question of identity surfaced repeatedly in the course of this research, nearly always in reference to Santa Fe. The argument was articulated in several different ways, but nearly every reference shared a sense that A&BC was commercially overshadowed by our neighbor to the north. This perspective was shared by people working in nearly all sectors – creative, commercial, support and development, all but technology. Yet, interestingly, not one person suggested that A&BC was creatively overshadowed by Santa Fe. While many were happy to sell – or wished that they could sell their work in Santa Fe – no one said that they wished that they could live or work there. For almost every comment about Santa Fe’s commercial success, there was a matching comment critical of Santa Fe’s environment – of its ‘branding’, its inauthenticity, its ‘scene’, its impossibly high cost, even of its art. No doubt, some of this is ‘sour grapes’, but there was also conviction and passion.

All theoretical perspectives agree that a community must establish an independent identity to be successful in national or global markets for A&CIs. Agglomerative approaches acknowledge the role of identity in attracting investment and business to its cluster; the creative class perspective emphasizes the role of identity in attracting talent; and for the ‘place’ perspective, identity is fundamental. The differences are how identity is established, and how to guard its authenticity. Effective strategies look inward and work from there. This research, based on discussions with a people from all parts of local A&CIs, point to a few possibilities:

- Albuquerque is where art and culture are created, not just sold.
- Albuquerque is the joining of the past and the future, culture and technology.
- Albuquerque is available to everyone and anyone can join.
- Albuquerque has no single center, but is a combination of many centers.

Albuquerque’s ‘Q’ strategy seems like a reasonable step in this direction – it is said to capture the ‘quirkiness’ of Albuquerque, the importance of art and culture, the past and the future. It is distinctive of Santa Fe. But it is important that the strategy be taken beyond simple representation and be supported with investment and commitment on a community scale, so that develops and retains a sense of authenticity.

### **3.2.2. Understanding Cultural Markets**

The cultural economy is experiencing ongoing and profound changes in terms of markets, products and even the way that products are delivered. This makes entry into cultural markets increasingly risky. For example, strategies based too much on place – cultural tourism, for instance – face a dynamic in which art and cultural “content” are increasingly consumed remotely, where they are delivered to the consumer so that the consumer does not have to go to the art. This may be a challenge facing Santa Fe, particularly insofar as galleries that now work online. By the same token, strategies that based on creating ‘heat’ or ‘buzz’, whether for the purposes of marketing of place or attracting talent along the lines suggested by Richard Florida, face shorter and shorter cycles. Even well-established media products are undergoing profound change. In the film industry, for instance, the blockbuster strategy developed over the past two or three decades appears to be giving way to a progressive fragmentation of markets, which in turn is supported by more decentralized delivery mechanisms such as Youtube.com and scores of innovations in electronics.

In this environment, a good strategy is diversity and flexibility. Strategies emphasized by the ‘agglomeration approach’, for example, involve the assembly of complementary resources and capabilities that can be re-assembled to meet shifting demands. In practical terms, this involves the development of clusters of specialized firms that use flexible arrangements such as subcontracts to complete specific projects. As demand for new products emerge, firms can assemble into new clusters to complete work. This strategy diversifies risks, provides flexibility and can more readily respond to changes in market conditions.

In A&CIs, clusters may merge content and technology to both develop and deliver cultural products. The coupling of content and technology is important because, again, the fragmentation of markets and the push to reduce costs and risks is driving tighter production schedules and greater interdependence between pre-production, production and post-production. For example, slate production, which involves co-production of several projects at once in order to generate economies of scale once characteristic of the studio system, require greater coordination among the various aspects of a project. Likewise, the development of media technologies often involves the bundling of content, which each aspect informing the other.

Albuquerque’s initiatives in digital media are consistent with this model. It aims to join content and technology; digital media is highly flexible and can be produced at relatively low costs; allowing it to be used for small projects more suitable for the increasingly fragmented markets; and there is an extensive array of applications under development, from special effects and entertainment, to instruction, to visualization, to remote networking.

### 3.3. FUNDING LOCAL A&CIS

The primary constraint facing A&CIs is the lack of secure and sustainable funding, particularly for small and medium-sized organizations. In general, representatives of these groups report that they do reasonably well with programmatic funding – sponsors and audiences support performances, shows, events and other products. The difficulty is in the area of operational funding. Small and medium sized organizations lack reliable sources of funding for institutional expenses, such as personnel, administration, workspace, marketing and membership development. In many cases, to raise operational funds and keep the doors open, local arts and cultural organizations provide direct services, particularly in education, but this detracts from the core mission. Without uncommitted operational funding, organizations are unable to develop new programs, attract new audiences and pursue innovation that is necessary to compete in national markets. This affects groups that support or are directly engaged in visual and performing arts, cultural and historical studies and preservation, education and the application of technology. As a result, the rate of organizational failure in A&CIs in A&BC is very high.

As discussed in the body of this paper, the underlying cause of the severe shortage of funding is that the corporate and philanthropic communities in New Mexico, and A&BC in particular, is exceedingly small. The State, the City and the County compensate for these shortages by directly funding the community's principal cultural institutions, including the Albuquerque's impressive BioPark, the museums of Art and History, and Natural History and Science, and the National Hispanic Cultural Center. Explora Science Museum also receives considerable public support. As the public sector directs its resources to these institutions, the non-profit sector goes without.

This model is not common to other cities. With very few exceptions, cornerstone regional and metropolitan cultural institutions in the U.S. are operated by independent organizations that receive a large share of their funding from corporations, foundations and individuals. This frees a greater share of direct public cultural funding for small and medium sized arts and cultural organizations. This funding goes a long way. Smaller non-profit organizations are relatively inexpensive to operate. Further, these organizations are most likely to assume risks and enter into collaborations, which allow them to serve as centers of innovation. Smaller non-profit arts and cultural institutions are also incubators for talent and leadership, enabling the community to develop a distinctive institutional character which contributing to the efficiency of the sector as a whole.

Increasingly, communities throughout the U.S. fund A&CIs with dedicated funding mechanisms, such as sales taxes, property taxes, increased Lodger's taxes, airport taxes and levies on rental cars. Ordinances that generate funds typically include specific guidelines for the use of funds, for example dedicating a

share to cornerstone institutions such as zoos, museums and performing arts centers, and an additional share to smaller and medium sized organizations. A similar model was used in Albuquerque's 2006 Quality of Life Initiative, which failed to receive voter's approval in a referendum.

Albuquerque's Initiative was most closely patterned on Denver's Scientific and Cultural Facilities District, first established in 1989 and renewed in a 2004 referendum. In both cases, the Initiatives proposed to allocate public funding to three 'tiers' – about two-thirds to large cornerstone institutions and the remainder divided between medium and smaller size institutions. The reasons for the failure of Albuquerque's initiative to gain sufficient support have been widely discussed, but the example can help to illustrate the unique structural characteristics of local A&CIs funding. As described above, cornerstone cultural institutions in Albuquerque are not only funded by state and local governments, but directly under their management. Funds generated by the Initiative would have gone to local government as part of general funds and then allocated by the City government to their intended uses. From the public perspective, there could be no assurance that newly dedicated funds would not replace existing allocations, despite the Initiative's insistence that they not do so. From the City government's perspective, the Initiative would fund programs that were perceived to be already adequately. In other words, Albuquerque's Quality of Life provided no assurance, even to its supporters, that the new tax would increase cultural funding.

The funding mechanisms in Denver are structurally distinct. There, the cultural institutions are private and non-profit organizations (501c3) that derive most of their funding from the private sector (corporations, membership and attendance). The intention of the law – to increase funding at all levels with public contributions – could be more or less guaranteed. Public funding would be added to private sector funding, and as a private non-profit the allocation of the funds are open to public oversight. At the worst, public funding would replace private funding in certain areas (they have not – corporate and private has also increased) and could be reallocated by the governing board. The result has been rapid growth of Denver's A&CIs – from 5 to 26 tier 2 organizations and comparable growth among smaller tier 3 organizations.

Unless A&BC is willing to shift funding for its cornerstone cultural institutions from the public to the private sector – a very risky proposition given the dearth of private resources – efforts to use dedicated mechanisms to increase public funding face structural impediments. Efforts to increase funding for such organizations must work through existing budgetary process.

Instead, advocates for A&CIs should focus attention on the use of initiatives to increase increasing funding for private sector organizations (essentially tier 2 and 3), where deficits are greatest in the first place. There are many models to guide such initiatives. St. Louis has had over 21 years of success in using public

funding to foster the development of small organizations that often take risks to driven innovation and creativity. In a typical year, more than 200 organizations receive funding; 85 percent are 'small organizations' that typically receive a continuous line of funding to cover operating costs.

<http://www.art-stl.com/>

Kansas City, which for very different reasons lost its referendum in 2004, is working to develop an interesting model that may fit A&BC's situation. Responding to criticism (similar to Albuquerque) that the failed Initiative's funding mechanisms lacked clarity, Kansas City has established the Arts KC Fund (United Arts Fund), a private non-profit organization that will raise private monies to fund A&CIs. The idea is to emphasize organizational development, including clear and transparent standards for allocating funds, and once established to use the organization's standing to return to voters to request public funding.

<http://artslinks.org>

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Albuquerque and Bernalillo County's arts and cultural industries, anchored by publicly funded cornerstone institutions such as the BioPark, the Albuquerque Museum, the National Hispanic Cultural Center, and New Mexico Museum of Natural History, provide the local community with cultural services that are both accessible and high quality. Yet, Albuquerque and Bernalillo County's advantages run deeper and wider than these services, and by all evidence are ready to expand their national presence. To be successful, this sector must confront a set of interrelated structural problems, including excessive levels of institutional and geographical decentralization and a weak sense of strategic direction. There are many ways to address these limitations, but the best strategy must account the unique strengths of the community.

## APPENDICES

### A. MEMBERS OF THE UNM-BBER/ALBUQUERQUE-BERNALILLO COUNTY CULTURAL ECONOMY RESEARCH ADVISORY COUNCIL

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CEO, Digital Media Group

Pamela & Don Michaelis  
Publishers, Collector's Guide of New Mexico

## B. CONSENT TO PARTICIPATE IN RESEARCH

**UNM Bureau of Business and Economic Research**

- **INTRODUCTION:** You are invited to participate in a research study conducted by Jeffrey Mitchell, Ph.D. from the Bureau of Business and Economic Research (BBER) at the University of New Mexico. You were identified as a possible volunteer in the study by a colleague in the arts and cultural community in Albuquerque.
- **PURPOSE OF THE STUDY:** We are conducting a study of arts and cultural industries in Albuquerque and Bernalillo County to identify the resources and needs of individuals in these industries, and to understand the collaborative practices of these individuals and firms
- **PROCEDURES AND ACTIVITIES:** We are conducting interviews with persons active in various sectors of the arts and cultural industries in Albuquerque-Bernalillo County regarding the availability of resources, outstanding needs, and collaborative practices in regard to their work. We are also asking persons to provide the names and contact information of others who may be interested in participating in this study. The interview will be no longer than one hour. No compensation will be provided in exchange for your participation.
- **POTENTIAL RISKS AND DISCOMFORTS:** There are no risks associated with your participation.
- **POTENTIAL BENEFITS TO PARTICIPANTS AND/OR TO SOCIETY:** The benefit of your participation in this study will be to provide organizations that support arts and cultural activities in Albuquerque and Bernalillo County, including UNM College of Fine Arts, Albuquerque Arts Alliance, City of Albuquerque and Bernalillo County Public Arts programs, with a more complete understanding of resources available to, and needs of artists and others engaged in cultural industries.
- **CONFIDENTIALITY:** With your permission, I will record our interview and transcribe the content in written form. The audio tape will be stored in a secured location (in a locked safe at BBER), and the transcript will be maintained in a secured network. To maintain your confidentiality, your name will be coded and stored separately from the content of our interview. The audio tape will be destroyed upon the completion of this study (in March 2007). With your permission, your name will be disclosed to participants to whom you refer BBER for interviews. Your actual name will not be used or will be replaced with a pseudonym in any publication or public presentation; your professional title or position will be referenced in only general terms to protect your anonymity (e.g. 'Director of an Albuquerque-based arts advocacy organization').

- **PARTICIPATION AND WITHDRAWAL:** You can choose whether to participate in this study or not. You may also refuse to answer any questions you do not want to answer and still remain in the study. If you volunteer to participate, you may withdraw at any time without penalty or loss of benefits to which you might otherwise be entitled. If you choose to withdraw from participation after the conclusion of this interview, the audio tape and transcript of this interview will be immediately destroyed.
- **IDENTIFICATION OF INVESTIGATORS AND REVIEW BOARD**

If you have any questions or concerns about the research, please feel free to contact:

Jeffrey Mitchell, Ph.D.  
Principal Investigator  
UNM-BBER  
MSC02 1720  
Albuquerque, NM 87131  
505-277-2216  
jeffm@unm.edu

If you have other concerns or complaints, contact the Institutional Review Board at the University of New Mexico, 1717 Roma NE, Room 205, Albuquerque, NM 87131, (505) 277-2257, or toll free at 1-866-844-9018.

**SIGNATURE OF RESEARCH PARTICIPANT**

I understand the procedures described above. My questions have been answered to my satisfaction, and I agree to participate in this study. I have been provided a copy of this form.

\_\_\_\_\_  
Name of Participant (please print)

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Date

**SIGNATURE OF INVESTIGATOR**

In my judgment, the participant is voluntarily and knowingly providing informed consent and possesses the legal capacity to give informed consent to participate in this research study

\_\_\_\_\_  
Name of Investigator or Designee

\_\_\_\_\_  
Signature of Investigator or Designee

\_\_\_\_\_  
Date

**IRB APPROVAL STAMP**

## C. METHODOLOGICAL NOTES FOR PART 1

### Overview of Research Methodology

The methodology used in this study included the following steps.

1. In consultation with an advisory committee of arts and cultural leaders from Bernalillo County, BBER defined and categorized the arts and cultural activities to be included in this study.
2. Employment, wages and industrial classification of more than 18,000 business establishments located in Bernalillo County were gathered from New Mexico's Department of Labor ES-202 database. These establishments included private for-profit businesses, private not for-profit businesses and institutions, and public institutions.
3. Data for self-employed persons was collected from the Census Bureau's Nonemployers Statistics.
4. ES-202 establishments were sorted according to industrial classification; 2,443 businesses and institutions corresponding to 144 industrial categories were selected for further investigation.
5. BBER attempted to contact 381 establishments, and gathered information from 160 establishments on the volume of arts and cultural activities (measured in terms of the proportion of all activities, from 0 to 100%, and applied to total employment); and the geographical source of revenues (i.e. from Bernalillo County, other parts of New Mexico or outside of New Mexico). The establishments were selected for interview and/or survey with the use of stratified random sampling techniques, according to industrial classification and establishment size.
6. Values for the composition of arts and cultural activity and the source of funding were applied to ES-202 establishment data
7. Total employment in A&CIs was calculated by multiplying the coefficient gathered from primary research by total employment for each business establishment, and then summed for all establishments located in the county. Similarly, total employment of A&CIs funded by outside dollars was calculated by multiplying arts and cultural employment for each establishment by the associated share of outside dollars, and then summed for all establishments located in the county.
8. Total arts and cultural employment, and total arts and cultural employment funded by outside dollars was analyzed with widely used regional economic impact analysis software (Implan Pro 2.0) to calculate the indirect and induced impacts of arts and cultural activities.

The following offers a detailed discussion of specific methodological issues.

## Secondary Data Sources

The secondary data sources used in this study include the *Covered Employment (ES-202)* database and the U.S. Census Bureau's *Nonemployer Statistics*. Covered employment data is collected by the New Mexico Department of Labor (NMDOL) under the national labor market information program, known as ES-202, for use in the administration of the unemployment insurance program<sup>64</sup>. These data are compiled from quarterly reports submitted by employers in compliance with U.S. and New Mexico law, and provides detailed information on unemployment and wages on an establishment by establishment basis. The data is widely used in detailed regional economic analyses, and, because of the legal requirement that businesses file it, it is considered among the most reliable sources of disaggregated employment information. The search of the ES-202 database yielded data on more than 18,000 businesses registered for unemployment insurance in Bernalillo County.

Data submitted by employers under the ES-202 program was supplemented by 2003 Census Bureau Nonemployer Statistics. Nonemployers are businesses with no employees with taxable receipts of \$1,000 or more for a given year. These businesses are typically self-employed workers, and tend to be strongly represented within certain segments of the A&CIs, most notably artists, writers and performers. It is a limitation of the analysis that such individuals are included only to the extent self-identification for tax purposes places them within the A&CIs. Workers whose cultural activities are of a secondary nature are commonly omitted. Further, the Census Bureau's nonemployer statistics do not include individuals who work in a nonprofit capacity.

ES-202 and nonemployer files are categorized according to six-digit North American Industrial Classification System (NAICS) codes. NAICS codes describe the nature of the enterprise according to the principal products and services provided by the business<sup>65</sup>. BBER sorted and selected ES-202 and nonemployer files according to NAICS codes for potential fit with general definitions of art and cultural industries, including spectator sports. Selection was strongly biased in favor of inclusion, with the understanding that businesses or groups of businesses would later be surveyed for inclusion in the analysis. The initial sorting and selection of the ES-202 database captured 2,443 businesses from 142 6-digit NAICS categories for further investigation.

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<sup>64</sup> BBER has access to this data through a confidentiality agreement with the New Mexico Department of Labor.

<sup>65</sup> See <http://www.census.gov/naics> for a complete description of NAICS coding system and to look up the codes by economic activity.

### Primary Data Collection

To shape these secondary data sources to fit the specific demands of this project, BBER undertook an extensive process of primary data collection. Primary research involved a phone and email-based survey of businesses identified in the ES-202 database to determine whether the businesses were engaged in work that was consistent with the definition of A&CIs used in this study, and, if so, what proportion of an enterprise's activity was specifically relevant to the subject of this study. Each business was thus assigned a value from 0 to 100%, known as the "art & cultural coefficient" (ACC) and/or a similar "spectator sport coefficient" (SSC). During the same process, businesses were asked to estimate the geographical source of revenues. Proportions were assigned for Bernalillo County, other parts of New Mexico and outside New Mexico; the three shares totaled 100%. The sum of the latter two shares, equal to the proportion of revenues originating outside of Bernalillo County, was designated as the "non-local coefficient" (NLC).

Of the 2,443 establishments identified in the initial survey of ES-202 data, 887 were subject to further investigation. 1,158 establishments were restaurants and accommodations, which, as described below, were considered separately. Another 396 were found to not match the criteria used to define arts and cultural activities.

The survey of the 889 establishments was twice stratified. First, businesses were assigned to one of 32 categories according to the nature of their business activity, and in a manner generally consistent with their NAICS designation. Second, within each category businesses were stratified according to the number of employees. Any individual business that represented a large share of its respective category (typically more than 25%) was interviewed to determine its ACC/SSC. Within each of the 32 categories, a target sample of 15% of the remaining businesses was selected for survey to determine ACC/SSC and NLC.

**Table C.1** lists the number of entities in each category, the number of entities contacted and the number of these who responded to our requests. The interviewing process began by researching the original entities in order to determine whether they had been accurately included in the artistic or cultural grouping and to obtain contact information. Of the original 887 entities (column 1), 240 were found ineligible for the sample either because of lack of artistic or cultural content or lack of contact information, leaving 647 establishments. Of these establishments, attempts were made to contact 381 (column 2) and 160 provided data (column 3). The response rate is provided in the fourth column. BBER staff supplemented the interview data with online research in those cases where the response rate was zero – agents, broadcasting and photography.

**TABLE C.1: SAMPLING AND RESPONSES TO PRIMARY RESEARCH**

<b>Category</b>	<b>Number of Entities</b>	<b>Sample Size</b>	<b>Data Acquired</b>	<b>Response Rate</b>
Advertising	44	13	1	8%
Agents	4	3	0	0%
Architects	89	12	7	58%
Art Schools	40	23	9	39%
Artists	27	9	5	56%
Books & Music	48	24	10	42%
Broadcasting	24	4	0	0%
Ceramics	12	7	4	57%
Education	71	20	9	45%
Film & Recording	35	20	6	30%
Foods	20	13	5	38%
Frames	14	12	6	50%
Galleries	31	21	14	67%
Grantmakers/Advocates	20	8	1	13%
Graphic Design	31	21	9	43%
Interior Design	17	11	2	18%
Jewelry	72	35	16	46%
Lawyers	19	5	4	80%
Libraries	2	1	1	100%
Metal	12	8	3	38%
Miscellaneous Artisan	6	5	1	20%
Miscellaneous Retail	12	5	2	40%
Movie Theaters	11	7	2	29%
Museums & Cultural Centers	10	6	5	83%
Musical Instruments	13	12	5	42%
Performing Arts	18	15	7	47%
Photography	33	8	0	0%
Publishing	52	21	10	48%
Social Organizations	19	6	2	33%
Sports	37	3	2	67%
Wholesale	29	16	7	44%
Wood	15	11	5	45%
<b>Total</b>	<b>887</b>	<b>385</b>	<b>160</b>	<b>42%</b>

UNM-Bureau of Business and Economic Research, 2006.

The methods BBER used to estimate the ACC/SSC of some of the largest and most complex entities, namely, the University of New Mexico, Albuquerque

Public Schools, the Albuquerque Journal, the Albuquerque Tribune, and Expo NM, are described in detail here.

*University of New Mexico*

We began by isolating the artistic, cultural and sports-related units of UNM, along with support services for each. These included instruction, research, athletics, performance venues (Popejoy Hall, Keller Hall, the Rodey Theater, Theater X, the Carlisle Dance Space, and the Art Museum), the Maxwell Museum, KUNM, KNME, UNM bookstore, UNM libraries, UNM publications, ASUNM, and the Lodestar Planetarium.

BBER estimated the percent of instruction that was artistic or cultural in nature by selecting courses that fit our description of art and culture. These included all fine arts and humanities courses, along with any design courses not included in these broader categories.<sup>66</sup> We obtained total student credit hour (SCH) figures for each of these courses as well as the geography of SCH – Bernalillo County resident SCH, New Mexico resident SCH, and non-New Mexico resident SCH – from Institutional Research at UNM. All three SCHs were totaled and divided by the total SCH for all courses at UNM (Main Campus, not including the Health Science Center) to arrive at an ACC percentage for instruction of 36%.

We calculated an ACC for research by summing the funding awarded to research projects that fit our definition of artistic or cultural activity in fiscal year 2005 (\$6,200,670) and dividing this number by the total funding of all grants awarded (\$295,400,000). The resulting percentage was 2%.

The performing arts venues and museums were assigned 100% ACC. The remaining units were surveyed and an ACC was assigned based on this information. KUNM and KNME each received an ACC of 75%; the Bookstore received 50%; the libraries, 36%; university publications, 75%; ASUNM, 50%; and the Lodestar, 50%.

Finally, using employment numbers provided by UNM Human Resources, we multiplied the employment numbers for each unit by the ACC percentages we had attained. We did not compile these percentages to come up with an aggregate ACC for the university as a whole; rather, each unit was treated as a separate entity throughout the analysis.

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<sup>66</sup> The following courses were considered to be art/culture courses: Architecture, Art Studio, Landscape Architecture, African American Studies, American Studies, Anthropology, Chinese, Japanese, Classics, Greek, Italian, Latin, Modern Language, Portuguese, Spanish, German, French, Russian, Comparative Literature, English, English-Philosophy, History, Latin American Studies, Linguistics, Philosophy, Religion, Sociology, Women's Studies, Fine Arts, Art History, Museum Studies, Media Arts, Music, Applied Music, Music Education, Theater, Dance, Law School

*Albuquerque Public Schools*

Based on discussions with APS officials, it was determined that middle and high schools and elementary schools should be assessed individually, using a methodology specific to each. To estimate the ACC of APS high schools and middle schools, BBER obtained enrollment numbers for all courses offered in APS high schools and middle schools and extracted the relevant art/culture course enrollment. The courses counted included fine arts, history, geography, foreign language, and a proportion of English courses (instruction time devoted to creative writing and literature was counted; grammar, spelling, and reading were not counted). We divided this number by total enrollment to get an ACC for middle schools of 36% (of which 8% was arts and 28% was humanities), and for high schools of 39% (of which 9% was arts and 30% was humanities).

BBER used the standards set by APS to estimate the elementary schools' ACC. We compared the subject areas we had used for high schools and middle schools to the standards to come up with an elementary school ACC of 34%. Finally, we computed an ACC for APS as a whole as the weighed average of the three grade levels (elementary, middle schools and high schools) with the use of enrollment numbers. The aggregate ACC for APS was estimated to be 36%, indicating that share of APS employment directly or indirectly related to arts and cultural education. As noted, the majority of this arts and cultural education in APS is related to cultural studies, including the study of literature.

*Albuquerque Journal and Albuquerque Tribune*

In order to estimate the ACC for Albuquerque's main newspapers, we surveyed both in order to estimate the percent of content that was devoted to art/culture and sports. We determined that the most accurate measure of artistic/cultural and sports content was the proportion of newspaper space (measured in column inches) dedicated to each category.

Since each paper has various columns and features that happen only once a week, we counted an entire week's worth of papers to get an accurate sense of the total artistic/cultural content. We intended to do this for one week per quarter, randomly selected, for each paper, but were thwarted when the university's Zimmerman Library experienced a fire in the basement. We managed to survey one week for each paper before the fire, and it was upon these numbers that our ACC of 10% for art/culture and 7% for sports for the newspapers was based.

*Expo NM*

To calculate the ACC/SSC for Expo NM, we collected information on all the events (including the New Mexico State Fair) during the period March 2005 through February 2006 (the most recent 12-month period for which information

was available). The ACC and SSC were computed as the proportion of all event days that corresponded to the relevant definitions.<sup>67</sup>

The employment figures for Expo NM provided in the ES-202 data do not include individuals directly employed by promoters who rent space for events held at Expo NM. Therefore, BBER conducted a random survey of 25% of the events held in 2005, asking vendors about the number of paid employees working their event and where these employees resided. From this sampling, BBER found that events at Expo NM create 1,465 person-days of work; of these, 1,285 are workers residing in Bernalillo County. This is equivalent to 5.35 full time employees.

### *Cultural Tourism*

By far, the greatest number of employers relevant to this study are in the area of tourism and visitor services, including restaurants and hotels. Of the 2,443 establishments initially selected for investigation, nearly 40% (980) are restaurants; another 168 are hotels and other short term accommodations. These establishments include several of the region's largest employers.

To estimate the cultural content of tourism and other visitor related services in Bernalillo County, BBER utilized secondary sources of information. Travelscope, a publication of the Travel Industry Association of America, is a quarterly survey of trip characteristics and demographics of travel within the US.<sup>68</sup> The data includes a listing of 21 possible activities undertaken by travelers, eight of which were considered in the present study as cultural in nature.<sup>69</sup> Respondents would identify up to three activities. Of the 377 survey respondents who visited Central New Mexico (Bernalillo County) in 2003, 66% reported having engaged in at least one category of cultural activities during their visit; in total, 44.9% of all activities were cultural in nature. This value was used as the ACC for the hotel category.

According to a study by the Bureau of Economic Analysis, 16% of all restaurant customers are visitors to an area<sup>70</sup>. Using this figure, and again assuming that

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<sup>67</sup> Besides hosting many obviously artistic or cultural events, such as arts and crafts fairs, Expo NM also hosts a large number of horse-related events and a smaller number of weapon and auto shows. Of these events, BBER counted those that seemed to be competitive in focus as sports events and the events that seemed to be hobby or collector's events as art/culture events.

<sup>68</sup> Travel Industry Association. "TravelScope Program". Travel Industry Association. Accessed 4 May 2006. [http://www.tia.org/Travel/TravelScope\\_Program.pdf](http://www.tia.org/Travel/TravelScope_Program.pdf)

<sup>69</sup> Visits to historical places and museums; performing arts, cultural events and festivals, art museums and galleries, nightlife, national and state parks, rural sightseeing and urban sightseeing.

<sup>70</sup> Cited by Paulius Narbutas, 2003. "Measuring the Travel Industry in New Mexico." *New Mexico Business Current Economic Report*. January, 2003: pp. 1, 7-8.

44.9% of all tourism-related travel is cultural in nature, suggests that 7.18% of all restaurant employment is directly or indirectly due to cultural tourism.

These general coefficients of ACC for restaurants and hotels were further modified based on an informal survey of business owners and managers. Businesses in the Old Town section of Albuquerque indicated that, on average, one half of all business is associated with out-of-town visitors. Estimates for 14 restaurants and 8 hotels in this area were adjusted accordingly. Further, it was assumed that fast-food estimates would receive only one-half the share of tourism-related business as other restaurants. Again, the ACC for these establishments was adjusted accordingly.

#### *Verification*

BBER sought to verify the integrity of the ES-202 database with other reliable sources of information. First, we canvassed parts of the metro area that historically have a high concentration of art or culture-related businesses (downtown, Nob Hill, and Old Town) to identify establishments that should be included in the study. These businesses were checked against the ES-202 database. From these areas, nine businesses were added to the database. In each case, the omission was due to an incorrect NAICS classification.

Second, in order to assure that we had included all the non-profits in this sector, we conducted a search of Guidestar™, a website that serves as a clearinghouse for information about non-profits nation-wide, isolating relevant organizations we wanted to make sure we had included. We then checked our compiled database for these organizations and added eleven entities that we found in the complete ES 202 database that had not been included in the first cut, again due to incorrect NAICS classification.

### **Calculating Government Revenues and Expenditures Related to the Arts & Cultural Industries and Sports**

#### *Taxes on Arts and Cultural Industries and Sports Activities Gross Receipts Taxes.*

Based on BBER staff knowledge of the applicability of the gross receipts tax to different industries and types of businesses and using data from the NM Taxation and Revenue Department's (TRD) Report 80, estimates of total output (receipts) and of output supported by dollars from outside Bernalillo County were converted into taxable gross receipts by detailed NAICS industry for each of the categories and separately for A&CIs and spectator sports activities. The estimates made use of the information collected by BBER staff on the percentages of customers who were from Bernalillo County, from the rest of the state, and from outside New Mexico, as validated by the Report 80 data for individual NAICS codes. In estimating the taxable gross receipts supported by outside dollars, it is critical to

determine whether a service is provided in Bernalillo County (tourism) and whether delivery of a product is taken in Bernalillo County, elsewhere in New Mexico or outside the state, since sales out of state will generally not be taxed (Interstate Commerce Clause). Factored into the calculations was ownership, since nonprofit organizations are not subject to gross receipts tax on their receipts and since government cultural and recreational facilities are subject to governmental gross receipts on their ticket sales. The latter is a revenue source for the state of New Mexico. There are no distributions to local governments, although the revenue collected supports New Mexico Finance Authority financing for approved local government projects.

Applicable tax rates by jurisdiction are available on TRD's website. Jurisdictions may implement changes in their gross receipts taxes on July 1 or January 1. Since the study period is calendar 2004, it was necessary to average rates in place for the first 6 months of the year and those for the latter half. The city of Albuquerque dominates as the center for retail and commercial activity and many of the arts and cultural facilities are within the city limits. In general, we assumed 90% of direct arts and cultural activity was within the city limits and weighted the different jurisdictional tax rates accordingly (since the county and state applicable rates depend on whether the business is within or outside an incorporated area).

#### *Property Taxes.*

BBER staff were able to collect information from the Bernalillo County Assessors Office on individual properties and estimate the 2004 property taxes owed to each of the taxing jurisdictions. We targeted major hotels and tourist attractions, like Old Town. The resultant list is incomplete (since none of the design industries, media, movies, etc. are included), but it begins to suggest the amount of property taxes directly related to A&CIs. Where the tax records did not include taxes owed, property taxes paid were allocated to different taxing jurisdictions based on the tax rates on non-residential property in place and reported by the Department of Finance and Administration Local Government Division on their website.

#### *Lodgers Tax.*

The city of Albuquerque reports monthly data on lodgers' tax on its website and fiscal year figures are available in the city's financial documents. BBER staff estimated total lodgers tax receipts to the city from cultural tourism and sports by assuming that these tax receipts were proportionate to the percents of lodging employment identified as related respectively to arts and culture and to sports.

#### *Taxes on Workers Directly Employed or Supported Indirectly by the Dollars that the Arts & Cultural Industries Bring into Albuquerque/Bernalillo County*

Estimates were made using the total earnings figures from the economic impact analysis produced using Implan. The shares of income going to different types of taxes were based on the Institute on Taxation and Economic Policy's (ITEP)

January 2003, *Who Pays: A Distributional Analysis of the Tax Systems in All 50 States*. Figures were calculated for General Sales and Excise Taxes, Income Taxes and Property Taxes. The methodology used by ITEP makes use of IRS data and allocates taxes paid by businesses but born by households as well as those paid directly by individuals. The estimated total revenues paid by New Mexico workers supported directly and indirectly by the Bernalillo County cultural industries were then apportioned to the different taxing jurisdictions depending upon each jurisdiction's rate relative to the total tax imposed. Thus, for example, Bernalillo County residents residing within the city of Albuquerque in 2004 – roughly 80% of the population -- paid an average of 0.375% in county gross receipts tax out of a total gross receipts tax of 6.125%. Where appropriate the figures were adjusted to reflect the 2000 Census data which indicated that 85% of Bernalillo County workers actually live in the county. Revenues to different levels of government were determined for sales and excise taxes, property taxes and income taxes. The property tax estimates were adjusted to reflect the higher rates paid by property owners in Bernalillo County versus the state as a whole.

#### *Other Revenue Sources*

While taxes clearly dominate, other revenue sources to the city, the county and the state were identified based on budget documents and annual financial statements, supplemented by discussions with knowledgeable staff in government agencies. These other revenue sources include admissions revenues (Zoo and Bio-Park), rental of city and county properties (City Museum, Zoo) and government grants (State Library to the city).

#### *Expenditures*

BBER staff is quite familiar with city of Albuquerque finances. City of Albuquerque operating and capital expenditures related to A&CIs and sports were identified in the city's budget documents and their annual financial statements for FY 04 and FY 05. Similar documents were examined for Bernalillo County, but assistance was required to ferret out revenues and expenditures, as the activities were often buried within larger programs. We also made use of information collected in BBER's study of city-county consolidation, but suspect that our information for the county is still incomplete. State expenditures in Bernalillo County were estimated from a variety of sources, including Legislative Finance Committee budget documents, which include actual expenditures for prior fiscal years and the Appropriations Acts for FY04 and FY05. We also made some use of the ES 202 data on employment and wages by establishment in Bernalillo County and budget and other financial information available online for the University of New Mexico and Albuquerque Technical and Vocational Institute. BBER staff and students also talked with staff at state facilities, including the NM Hispanic Cultural Center and the Natural History Museum as well as to staff within state agencies knowledgeable about grants made by the Department of Cultural Affairs and about the film program and incentives. We talked to people at APS, TVI and UNM. Finally, we made contact

and requested financial data from the Petroglyph National Monument, the Atomic Museum, and the Indian Pueblo Cultural Center.

**D. DETAILED TABLES FOR PART 1**

**TABLE D.1: OUTPUT, EMPLOYMENT AND WAGES OF ARTS AND CULTURAL INDUSTRIES (EXCLUDING SPORTS) IN BERNALILLO COUNTY, 2004**

	EMPLOYMENT	WAGES (\$000)	OUTPUT (\$000)
Advocacy	169	1,688	4,767
Artisans	1,190	26,387	161,317
Artists	1,982	10,761	121,941
Design	1,154	37,891	88,908
Education	6,790	183,071	293,585
Fairs	261	1,248	5,913
Media	696	30,069	113,629
Movies	457	7,187	42,922
Retail	1,046	15,131	45,845
Museums	583	13,684	43,755
Hospitality	4,073	67,560	196,687
Wholesale	129	6,224	17,166
<b>TOTAL</b>	<b>18,532</b>	<b>400,900</b>	<b>1,136,436</b>

UNM-Bureau of Business and Economic Research, 2006.

**TABLE D.2: OUTPUT, EMPLOYMENT AND WAGES OF SPECTATOR SPORTS IN BERNALILLO COUNTY, 2004**

	EMPLOYMENT	WAGES (\$000)	OUTPUT (\$000)
Fairs	35	170	798
Media	65	2,294	7,052
Sports	476	2,186	6,886
Hospitality	401	7,436	21,177
<b>TOTAL</b>	<b>976</b>	<b>12,086</b>	<b>35,912</b>

UNM-Bureau of Business and Economic Research, 2006.

**TABLE D.3: OUTPUT, EMPLOYMENT AND WAGES OF ARTS AND CULTURAL INDUSTRIES (EXCLUDING SPORTS) IN BERNALILLO COUNTY SUPPORTED BY OUTSIDE DOLLARS (EXPORTS), 2004**

	EMPLOYMENT	WAGES (\$000)	OUTPUT (\$000)
Advocacy	31	319	900
Artisans	900	20,112	124,156
Artists	861	4,856	57,549
Design	377	13,404	29,793
Education	1,031	33,439	53,617
Fairs	154	732	3,481
Media	404	18,064	69,657
Movies	46	719	4,292
Retail	300	4,475	13,658
Museums	206	4,160	14,344
Hospitality	4,042	66,639	194,208
Wholesale	98	4,705	12,976
<b>TOTAL</b>	<b>8,449</b>	<b>171,624</b>	<b>578,631</b>

**Shares of Art & Cultural Activities Funded by Outside Dollars (%)**

	EMPLOYMENT	WAGES	OUTPUT
Advocacy	18%	19%	19%
Artisans	76%	76%	77%
Artists	43%	45%	47%
Design	33%	35%	34%
Education	15%	18%	18%
Fairs	59%	59%	59%
Media	58%	60%	61%
Movies	10%	10%	10%
Retail	29%	30%	30%
Museums	35%	30%	33%
Hospitality	99%	99%	99%
Wholesale	76%	76%	76%
<b>TOTAL</b>	<b>46%</b>	<b>43%</b>	<b>51%</b>

UNM-Bureau of Business and Economic Research, 2006.

**TABLE D.4: OUTPUT, EMPLOYMENT AND WAGES OF SPECTATOR SPORTS IN BERNALILLO COUNTY SUPPORTED BY OUTSIDE DOLLARS (EXPORTS), 2004**

	EMPLOYMENT	WAGES (\$000)	OUTPUT (\$000)
Fairs	20	99	463
Media	16	576	1,770
Sports	101	464	1,461
Hospitality	377	6,649	19,123
<b>TOTAL</b>	<b>515</b>	<b>7,788</b>	<b>22,816</b>

**Shares of Art & Cultural Activities Funded by Outside Dollars (%)**

	EMPLOYMENT	WAGES	OUTPUT
Fairs	58%	58%	58%
Media	25%	25%	25%
Sports	21%	21%	21%
Hospitality	94%	89%	90%
<b>TOTAL</b>	<b>53%</b>	<b>64%</b>	<b>64%</b>

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**TABLE D.5: DIRECT, INDIRECT AND INDUCED IMPACTS OF ARTS AND CULTURAL INDUSTRIES (EXCLUDING SPORTS) IN BERNALILLO COUNTY SUPPORTED BY OUTSIDE DOLLARS (EXPORTS), 2004**

<b>EMPLOYMENT</b>	<b>Indirect &amp;</b>		<b>Total</b>	<b>Multiplier</b>
	<b>Direct</b>	<b>Induced</b>		
Advocacy	31	10	41	1.32
Artisans	900	654	1,553	1.73
Artists	861	811	1,672	1.94
Design	377	219	596	1.58
Education	1,031	496	1,526	1.48
Fairs	154	32	187	1.21
Media	404	802	1,205	2.98
Movies	46	42	88	1.92
Retail	300	117	417	1.39
Museums	206	177	382	1.86
Hospitality	4,042	1,572	5,614	1.39
Wholesale	98	82	180	1.84
<b>TOTAL</b>	<b>8,449</b>	<b>5,013</b>	<b>13,462</b>	<b>1.59</b>

<b>WAGES</b>	<b>(\$000)</b>		<b>(\$000)</b>	<b>Multiplier</b>
	<b>(\$000)</b>	<b>(\$000)</b>		
Advocacy	319	255	574	1.80
Artisans	20,112	20,174	40,285	2.00
Artists	4,856	11,176	16,032	3.30
Design	13,404	5,718	19,121	1.43
Education	33,439	12,188	45,627	1.36
Fairs	732	608	1,340	1.83
Media	18,064	15,007	33,072	1.83
Movies	719	963	1,681	2.34
Retail	4,475	3,198	7,673	1.71
Museums	4,160	4,643	8,802	2.12
Hospitality	66,639	41,626	108,264	1.62
Wholesale	4,705	2,234	6,939	1.47
<b>TOTAL</b>	<b>171,624</b>	<b>117,788</b>	<b>289,411</b>	<b>1.69</b>

TABLE A.5 CONTINUED

OUTPUT	Direct	Indirect &	Total	Multiplier
	(\$000)	Induced (\$000)	(\$000)	
Advocacy	900	727	1,627	1.81
Artisans	124,156	62,399	186,555	1.50
Artists	57,549	40,346	97,894	1.70
Design	29,793	17,116	46,909	1.57
Education	53,617	39,256	92,874	1.73
Fairs	3,481	2,171	5,652	1.62
Media	69,657	52,449	122,105	1.75
Movies	4,292	3,616	7,908	1.84
Retail	13,658	9,610	23,269	1.70
Museums	14,344	12,910	27,255	1.90
Hospitality	194,208	131,025	325,233	1.67
Wholesale	12,976	6,696	19,672	1.52
<b>TOTAL</b>	<b>578,631</b>	<b>378,320</b>	<b>956,951</b>	<b>1.65</b>

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**TABLE D.6: DIRECT, INDIRECT AND INDUCED IMPACTS OF SPECTATOR SPORTS IN BERNALILLO COUNTY SUPPORTED BY OUTSIDE DOLLARS (EXPORTS), 2004**

<b>EMPLOYMENT</b>	<b>Indirect &amp;</b>		<b>Total</b>	<b>Multiplier</b>
	<b>Direct</b>	<b>Induced</b>		
Fairs	20	4	25	1.21
Media	16	10	26	1.59
Sports	101	17	118	1.17
Hospitality	377	154	531	1.41
<b>TOTAL</b>	<b>515</b>	<b>185</b>	<b>700</b>	<b>1.36</b>

**LABOR INCOME**

	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>Multiplier</b>
Fairs	99	81	180	1.82
Media	576	273	849	1.47
Sports	464	312	776	1.67
Hospitality	6,649	4,102	10,751	1.62
<b>WAGES</b>	<b>7,788</b>	<b>4,768</b>	<b>12,556</b>	<b>1.61</b>

**OUTPUT**

	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>Multiplier</b>
Fairs	463	288	751	1.62
Media	1,770	831	2,601	1.47
Sports	1,461	1,019	2,480	1.70
Hospitality	19,123	12,863	31,986	1.67
<b>TOTAL</b>	<b>22,816</b>	<b>15,002</b>	<b>37,818</b>	<b>1.66</b>

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**TABLE D.7: ESTIMATED GROSS RECEIPTS TAX REVENUES, 2004  
DIRECTLY ASSOCIATED WITH ARTS/CULTURE AND SPORTS ACTIVITIES**

Figures in \$000's	TOTAL			EXPORTED		
	City of Albuquerque	Bernalillo County	State	City of Albuquerque	Bernalillo County	State
Advocacy	5.0	0.6	7.4	0.7	0.1	0.9
Artisans	1,240.1	150.3	1,813.7	265.5	40.2	369.8
Artists	2,365.2	286.7	3,459.4	657.6	99.6	916.1
Design	1,898.0	230.1	2,776.1	416.7	63.1	580.5
Education	106.9	13.0	156.4	-	0.0	-
Fairs	131.7	16.0	192.6	77.6	11.8	108.1
Media	1,963.0	237.9	2,871.1	703.1	106.5	979.3
Movies	1,009.2	122.3	1,476.1	53.1	8.0	74.0
Museums <sup>1</sup>	974.6	118.1	1,425.5	341.5	51.7	475.7
Retail	0.4	0.4	1,873.8	0.4	0.4	238.5
Tourism	4,722.0	572.4	6,906.5	4,722.0	715.4	6,577.4
Wholesale	120.7	14.6	176.6	68.9	10.4	95.9
<b>Total</b>	<b>14,536.9</b>	<b>1,762.4</b>	<b>23,135.3</b>	<b>7,307.0</b>	<b>1,107.4</b>	<b>10,416.1</b>
<b>SPORTS</b>						
Fairs	17.8	2.7	24.8	11.6	1.8	16.2
Media	121.8	18.5	169.7	52.4	7.9	72.9
Sports	168.4	25.5	234.5	2.1	0.3	2.9
Tourism	94.3	14.3	131.4	94.3	14.3	131.4
<b>Total</b>	<b>402.3</b>	<b>61.0</b>	<b>560.4</b>	<b>160.4</b>	<b>24.3</b>	<b>223.4</b>
<b>Grand Total</b>	<b>14,939.2</b>	<b>1,823.3</b>	<b>23,695.6</b>	<b>7,467.4</b>	<b>1,131.8</b>	<b>10,639.6</b>

<sup>1</sup> Where the museum is a state or local government facility, Governmental Gross Receipts Tax of 5% is assessed on admissions and is paid to a state account.

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ARTS & CULTURAL INDUSTRIES IN ALBUQUERQUE – BERNALILLO COUNTY

**TABLE D.8: ESTIMATED GROSS RECEIPTS TAX REVENUES OF WORKERS DIRECTLY SUPPORTED BY ARTS/CULTURE AND SPORTS ACTIVITIES, 2004**

Figures in \$000's	TOTAL			EXPORTED		
	City of Albuquerque	Bernalillo County	State	City of Albuquerque	Bernalillo County	State
Advocacy	44.9	7.5	75.3	8.4	1.4	12.7
Artisans	693.4	115.2	1,162.2	531.5	88.3	801.8
Artists	275.9	45.8	462.4	128.3	21.3	193.6
Design	1,009.7	167.8	1,692.4	354.2	58.9	534.3
Education	4,887.1	812.3	8,191.5	883.7	146.9	1,333.1
Fairs	32.9	5.5	55.2	19.4	3.2	29.2
Media	784.1	130.3	1,314.2	477.4	79.3	720.2
Movies	189.9	31.6	318.3	19.0	3.2	28.7
Museums	328.2	54.5	550.1	109.9	18.3	165.8
Retail	387.1	64.3	648.8	118.3	19.7	178.4
Tourism	1,785.2	296.7	2,992.2	1,761.1	292.7	2,656.6
Wholesale	164.5	27.3	275.7	124.3	20.7	187.6
<b>Total</b>	<b>10,582.7</b>	<b>1,758.9</b>	<b>17,738.3</b>	<b>4,535.5</b>	<b>753.8</b>	<b>6,842.0</b>
<b>SPORTS</b>						
Fairs	4.5	0.7	7.6	2.6	0.4	3.9
Media	60.6	10.1	101.6	15.2	2.5	23.0
Sports	57.8	9.6	96.8	12.3	2.0	18.5
Tourism	196.5	32.7	329.4	176.2	29.3	265.8
<b>Total</b>	<b>319.4</b>	<b>53.1</b>	<b>535.4</b>	<b>206.3</b>	<b>34.3</b>	<b>311.2</b>
<b>Grand Total</b>	<b>10,902.2</b>	<b>1,812.0</b>	<b>18,273.7</b>	<b>4,741.8</b>	<b>788.1</b>	<b>7,153.2</b>

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ARTS & CULTURAL INDUSTRIES IN ALBUQUERQUE – BERNALILLO COUNTY

**TABLE D.9: ESTIMATED GROSS RECEIPTS TAX REVENUES OF ALL WORKERS SUPPORTED BY ARTS/CULTURE AND SPORTS ACTIVITIES, 2004**

Figures in \$000's	TOTAL			EXPORTED		
	City of Albuquerque	Bernalillo County	State	City of Albuquerque	Bernalillo County	State
Advocacy	80.8	13.4	135.5	15.2	2.5	22.9
Artisans	1,388.9	230.8	2,328.0	1,064.6	176.9	1,606.0
Artists	910.7	151.4	1,526.5	423.7	70.4	639.1
Design	1,440.4	239.4	2,414.3	505.3	84.0	762.3
Education	6,668.3	1,108.3	11,177.0	1,205.8	200.4	1,819.0
Fairs	60.2	10.0	101.0	35.4	5.9	53.4
Media	1,435.5	238.6	2,406.0	874.0	145.3	1,318.4
Movies	444.4	73.9	744.8	44.4	7.4	67.0
Museums	694.5	115.4	1,164.1	232.6	38.7	350.9
Retail	663.6	110.3	1,112.4	202.8	33.7	305.9
Tourism	2,900.3	482.0	4,861.3	2,861.1	475.5	4,316.1
Wholesale	242.6	40.3	406.6	183.4	30.5	276.6
<b>Total</b>	<b>16,930.1</b>	<b>2,813.9</b>	<b>28,377.5</b>	<b>7,648.3</b>	<b>1,271.2</b>	<b>11,537.7</b>
<b>SPORTS</b>						
Fairs	8.2	1.4	13.7	4.7	0.8	7.2
Media	89.4	14.9	149.8	22.4	3.7	33.8
Sports	96.7	16.1	162.0	20.5	3.4	30.9
Tourism	316.8	52.7	531.0	284.1	47.2	428.6
<b>Total</b>	<b>511.1</b>	<b>84.9</b>	<b>856.6</b>	<b>331.8</b>	<b>55.1</b>	<b>500.5</b>
<b>Grand Total</b>	<b>17,441.2</b>	<b>2,898.9</b>	<b>29,234.1</b>	<b>7,980.1</b>	<b>1,326.3</b>	<b>12,038.2</b>

UNM Bureau of Business and Economic Research, 2006.

## E. INTERVIEW QUESTIONS FOR PART 2

Introduction: Explain what we are doing and how we came up with their name.  
Review IRB consent & confidentiality.

Demographics & Background: Age, gender, ethnicity. What type of (artistic) work are you involved in, and how long have you been engaged in this work? Is this a principal source of income? How long have you been in Albuquerque or Bernalillo County, and where were you before? Did you come to this area to pursue this work, or was it something that you became involved in after you arrived? Do you have training specifically relevant to your work?

1. Advantages & Disadvantages of ABQ: What are the advantages of doing your work in Albuquerque-Bernalillo County, as opposed to other places that you are familiar with? What are some of the main disadvantages?

2. Place & Perception: In Albuquerque-Bernalillo County, what images or thoughts do you think come to people's mind when they think about Albuquerque-Bernalillo County's art scene (culture, style)? How about people nationally? Do you think that these perceptions are accurate – what comes to *your* mind?

3. Creativity & Collaboration: What are your main sources for new ideas (creativity, inspiration) in relation to your work? In your opinion, does Albuquerque -Bernalillo County welcome change? New ideas? New people? Please describe one or two collaborative projects that you have been involved in recently.

4. Support & Infrastructure: Do you find support for your work easy to come by in Albuquerque-Bernalillo County? Financial support? Collaborators? Training? Skilled workers? Work space? Markets and customers?

5. Markets & competition: who/where/what are your markets? Would you describe these markets as highly competitive? How do you locate new markets for your work? (Note: for public institutions, we are looking to identify cities/regions that ABQ competes with.)

Referrals and Networks: Could you please give us the names of two persons (working in your field in ABQ) who you feel we should speak to?

Could you also give us the names of two or three persons with whom your work brings you in contact? What is the nature of your relationship with each of these persons?

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