



## **NEW JERSEY CREATIVE VITALITY INDEX 2010**

### **Change in Creative Sector Establishments (1998-2007)**

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## Introduction

One way of measuring the health of an economic sector is to look at the changes in the number of businesses and organizations in that sector over an extended period of time. This report looks at the change in the number of creative sector establishments between 1998 and 2007. A creative sector establishment is any organization, business or self-employed person who is part of the creative sector.<sup>1</sup>

Note: This report provides statistical information based on U.S. Department of Commerce data. It does not explain why the creative economy grew, or why it grew more in some counties than others. Future research by Arts Build Communities will explore these questions and more.

### Key findings:

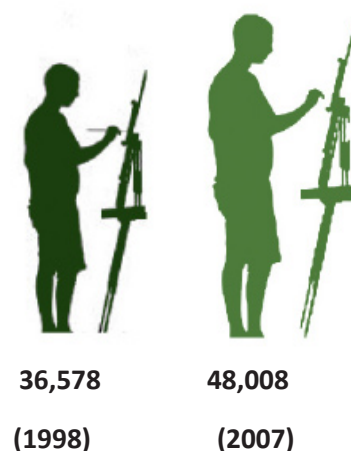
- **The number of New Jersey's creative sector organization grew from 36,578 to 48,008.**
- **The New York suburbs had the largest concentrations of artists and arts organizations throughout the last decade.** The counties with the highest number of creative sector establishments in 2007 were Bergen, Essex, Hudson, Monmouth and Middlesex.
- **While the arts flourished in the New York suburbs, it has been growing west and south.** Between 1998 and 2007, the counties with the biggest growth in the number of creative sector establishments were Essex, Hudson, Bergen, Monmouth and Morris.
- **The creative sector was small in the western and southern counties along the Delaware River, but growing relatively quickly.** The counties with the highest percentage growth between 1998 and 2007 were Salem, Sussex, Cumberland, Hudson, and Gloucester.
- **The growth in the creative sector was largely due to self-employed cultural professionals.**

1. For more on how Arts Build Communities defines the creative sector, please see [http://policy.rutgers.edu/pdi/abc/resources/cvi/NJCVI\\_Definition.pdf](http://policy.rutgers.edu/pdi/abc/resources/cvi/NJCVI_Definition.pdf)

The number of non employer arts businesses and organizations statewide grew 42.6% between 1998 and 2007.

- **The arts became a bigger part of New Jersey's economy between 1998 and 2007.** The 31.2% growth in creative sector establishments outpaced the overall growth of establishments, which was less than 20%.
- **It is not clear why the creative sector in New Jersey grew so much, but it appears the growth is not tied to population.** The growth in the creative sector far outpaced population growth in New Jersey (31.2% compared to less than 8%).
- **The regional and national economy seems to have some, but not much effect, on the growth of the creative sector.** Statewide, the number of creative sector establishments grew between 1% and 9% every year, except in 1999 when the number dropped by a minute .5%, and again in 2001, when the number dropped by 2%. There was less growth in 2007, the last year before the Great Recession, than in 2005.

Figure 1: Growth in creative sector establishments in New Jersey, 1998 -2007



**Why this is important to...****Elected officials**

- This information provides hard data to support policies that help nurture the arts in your community.
- There is plenty of evidence supporting the arguments that the arts add to more livable and prosperous communities. The fact that the number of creative sector professionals in New Jersey grew indicates that what has worked in other parts of the United States can work in New Jersey.
- If you are an elected official in a community that saw a decline in arts organizations or businesses, it may be time to engage in candid discussions about why your county is not following the trend throughout the state.

**Cultural professionals**

- There are more opportunities to build arts alliances and promote collaborative ventures because of the large growth in self-employed artists and creative sector professionals -- especially in the southern and western counties.
- In the counties that saw a decline in arts organizations or businesses, arts councils and similar organizations should work on capacity and alliance building in the arts.
- With the large numbers of creative establishments and strong growth, Bergen, Essex and Hudson counties are poised to become regional arts powerhouses. So too, perhaps are Monmouth Middlesex, and Morris counties.

**Public administrators and urban planners**

- With the growing presence of the creative sector, there will be growing demands for communities to support the arts, much as they do businesses and youth and senior activities. Public administrators who want to engage the limited resources of their communities, but worry about negative feedback, should consider low-cost solutions such as providing space in underutilized facilities and participating in creative sector capacity building efforts.
- The arts tends to thrive in communities that are diverse, dense and walkable – Montclair, Red Bank, Millville, etc. The growth of the creative sector creates opportunities for planners to promote small-scale, walkable and diverse communities.
- Planners in counties with a slow-growing creative sector should review land use regulations, building permit guidelines and other regulations to determine if these, or other factors that they can influence, might be inhibiting the growth of the creative sector.

**Economic development professionals**

- This information is good news for those interested in cultural heritage tourism. Arts is an important supply factor in cultural heritage tourism, and the fact that the creative sector is growing throughout New Jersey creates opportunities for communities that do not have the name recognition of Hoboken, Montclair, Atlantic City, or other destinations.
- In communities facing declines in significant business activities, creative sector growth creates new opportunities for business development. Restaurants and gift stores, for example, benefit when the growth of the arts attracts more people to a community. With so many self-employed artists, there are also more business opportunities for office supply retailers, incubators, and other businesses that cater to micro-enterprises.

Figure 2: Creative sector establishments in New Jersey, by county, 1998 and 2007

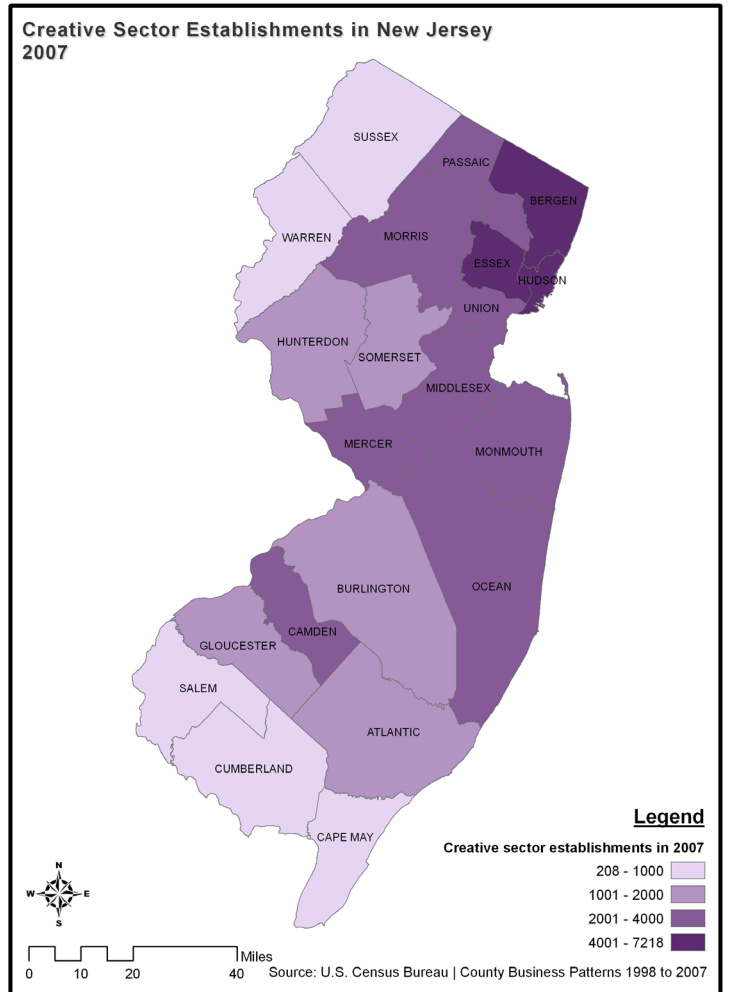
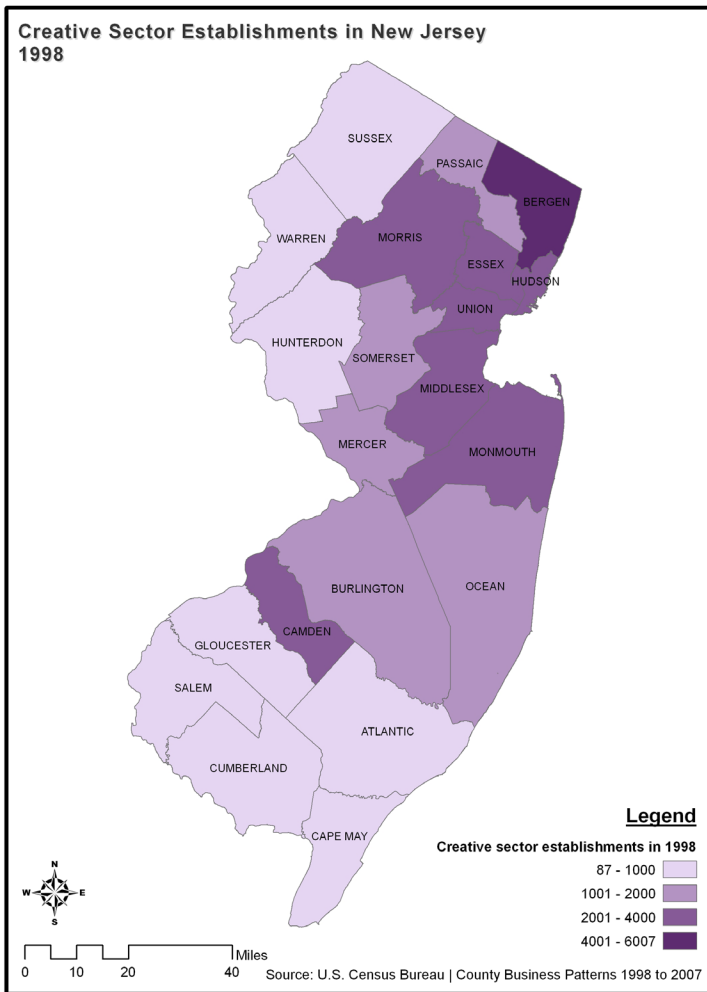


Figure 3: Growth in creative sector establishments in New Jersey, by county, from 1998 to 2007

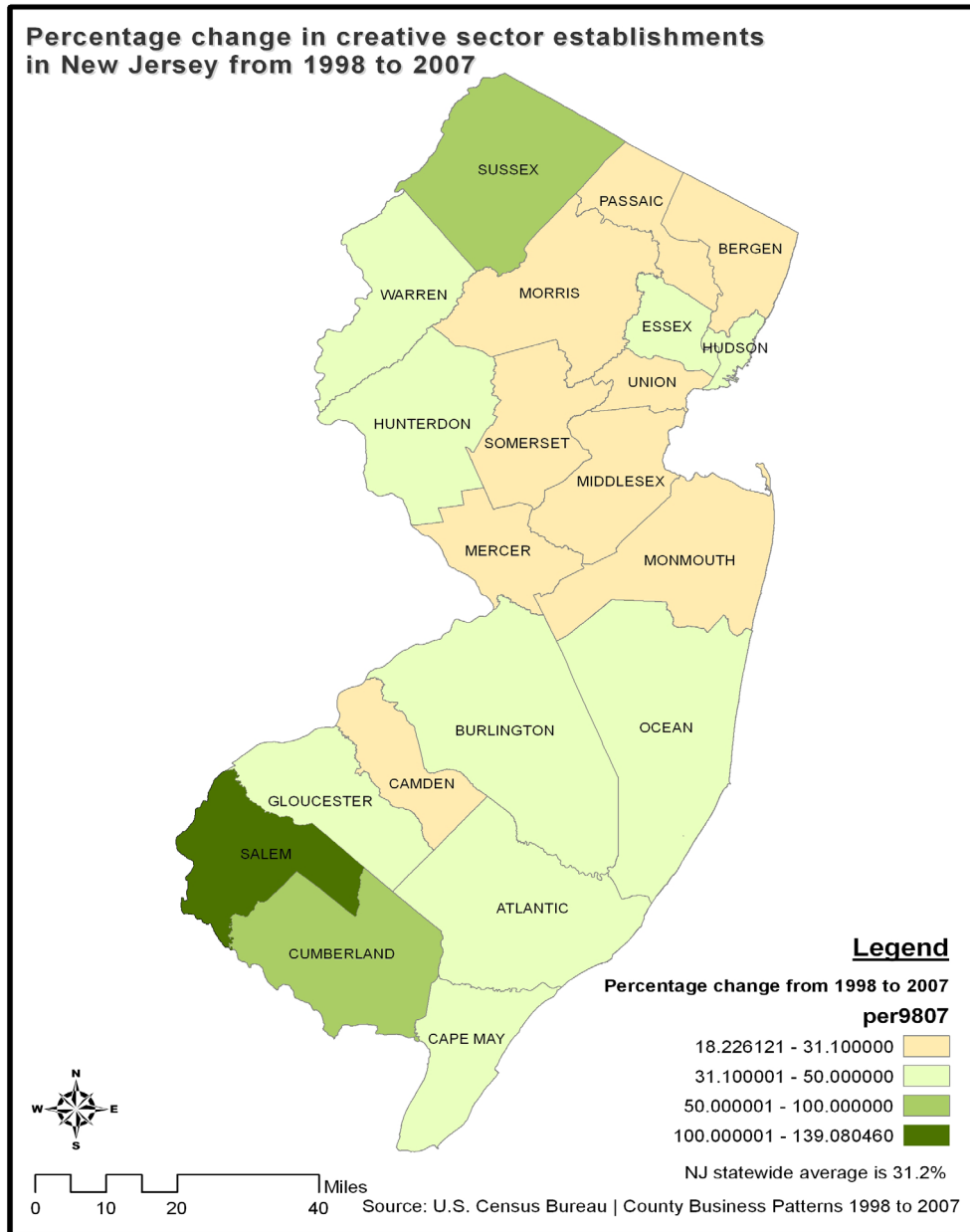


Figure 4: Where the creative sector is growing fastest in New Jersey, by county, 1998 and 2007

Total establishments in 2007		Change in number 1998 -07		Change in percentage 1998-07	
BERGEN	7218	ESSEX	1515	SALEM	139.1%
ESSEX	5089	HUDSON	1430	SUSSEX	64.9%
HUDSON	4352	BERGEN	1211	CUMBERLAND	58.4%
MONMOUTH	3800	MONMOUTH	855	HUDSON	48.9%
MIDDLESEX	3296	MORRIS	699	GLOUCESTER	47.8%
MORRIS	3283	OCEAN	567	HUNTERDON	47.1%
UNION	2492	MIDDLESEX	557	ESSEX	42.4%
CAMDEN	2426	MERCER	541	OCEAN	38.1%
MERCER	2306	BURLINGTON	489	CAPE MAY	36.6%
PASSAIC	2111	UNION	487	ATLANTIC	36.1%
OCEAN	2055	PASSAIC	437	WARREN	34.8%
BURLINGTON	1938	SOMERSET	393	BURLINGTON	33.7%
SOMERSET	1845	GLOUCESTER	375	MERCER	30.7%
ATLANTIC	1177	CAMDEN	374	MONMOUTH	29.0%
GLOUCESTER	1160	SUSSEX	350	SOMERSET	27.1%
HUNTERDON	1052	HUNTERTON	337	MORRIS	27.1%
SUSSEX	855	ATLANTIC	312	PASSAIC	26.1%
CAPE MAY	498	CAPE MAY	137	UNION	24.3%
WARREN	450	CUMBERLAND	122	MIDDLESEX	20.3%
CUMBERLAND	251	SALEM	121	BERGEN	20.2%
SALEM	166	WARREN	121	CAMDEN	18.2%
<b>NEW JERSEY</b>	<b>48008</b>	<b>NEW JERSEY</b>	<b>11430</b>	<b>NEW JERSEY</b>	<b>31.2%</b>

Figure 5: Annual change in number of New Jersey' creative sector establishments, by county, 1998-2007<sup>2</sup>

<u>County</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>ATLANTIC</b>	865	906	931	822	787	801	864	1099	1069	1177
<b>BERGEN</b>	6007	6281	6383	6341	6338	6387	6533	6861	6857	7218
<b>BURLINGTON</b>	1449	1582	1610	1600	1607	1673	1681	1871	1869	1938
<b>CAMDEN</b>	2052	1343	2128	1993	2094	2090	2158	2268	2257	2426
<b>CAPE MAY</b>	374	409	421	376	410	354	401	500	486	511
<b>CUMBERLAND</b>	209	217	232	226	256	214	224	309	335	331
<b>ESSEX</b>	3574	3840	4048	4195	4230	4326	4498	4828	4933	5089
<b>GLOUCESTER</b>	785	848	870	844	900	914	960	1101	1056	1160
<b>HUDSON</b>	2922	3132	3396	3186	3621	3616	3793	4039	4246	4352
<b>HUNTERDON</b>	715	765	825	830	862	920	903	1011	1010	1052
<b>MERCER</b>	1765	1825	1855	1797	1484	1924	1993	2137	2172	2306
<b>MIDDLESEX</b>	2739	1737	2786	2643	2777	2928	2978	3107	3116	3296
<b>MONMOUTH</b>	2945	3039	3067	3033	3124	3318	3436	3517	3588	3800
<b>MORRIS</b>	2584	2753	2831	2787	2755	2997	2998	2896	2996	3283
<b>OCEAN</b>	1488	1514	1555	1606	1555	1705	1696	1949	1933	2055
<b>PASSAIC</b>	1674	1707	1778	1807	1720	1762	1802	1921	2023	2111
<b>SALEM</b>	87	90	112	99	105	114	133	158	177	208
<b>SOMERSET</b>	1452	1462	1485	1423	1470	1622	1561	1738	1751	1845
<b>SUSSEX</b>	539	572	600	472	495	468	673	774	837	889
<b>UNION</b>	2005	2020	2089	2091	2110	2082	2272	2332	2430	2492
<b>WARREN</b>	348	350	410	372	346	383	350	448	468	469
<b>TOTALS</b>	36578	36392	39412	38543	39046	40598	41907	44864	45609	48008
<b>Annual raw change</b>		-186	3020	-869	503	1552	1309	2957	745	2399
<b>Annual percentage change</b>		-0.5%	8.3%	-2.2%	1.3%	4.0%	3.2%	7.1%	1.7%	5.3%

2. Includes organizations and businesses with at least one employee and self-employed workers. Each self-employed worker is considered an establishment.

Figure 6: Growth of all establishments in New Jersey's economy,  
1998 to 2007

Total	1998	2007	Change in number 1998-07	Percentage change 1998-07
Establishments with at least one employee	230,860	243,350	12,490	5.41%
Self-employed workers	465,587	590,485	124,898	26.83%
<b>Total</b>	<b>696,447</b>	<b>833,835</b>	<b>137,388</b>	<b>19.73%</b>

The source for all information provided in this report is the *County Business Patterns* database of the U.S. Department of Commerce.