



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

### **Creative Sector Establishments**

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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>

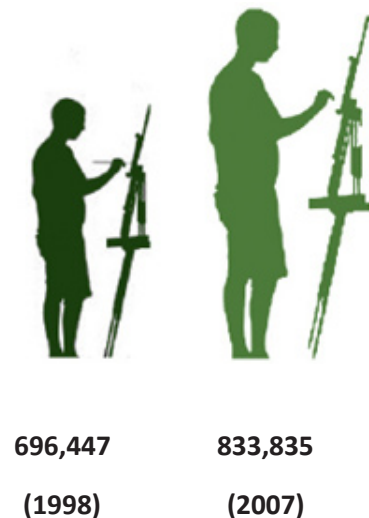
Note: This report provides statistical information based on U.S. Department of Commerce data. It does not explain why the creative economy grew, or why it grew more in some counties than others. Future research by Arts Build Communities will explore these questions and more.

Key findings:

- **The creative sector in New Jersey grew 34% between 1998 and 2007, as measured by the number of creative sector establishments.** New Jersey’s creative grew from 35,600 to 40,800.
- **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, Hudson, Gloucester and Hunterdon.

- **The growth in the creative sector was largely due to self-employed cultural professionals.** The number of arts businesses and organizations statewide grew less than 6% between 1998 and 2007. The number of organizations actually fell in Cumberland, Passaic, Somerset, Union and Camden counties.
- **The arts became a bigger part of New Jersey’s economy between 1998 and 2007.** The 34% 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 (34% 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 2% and 6%, except in 2001, when the number dropped by 2%. There was less growth in 2007, the last year before the Great Recession, than in 2003 and 2005.

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



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)

**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 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.

Details

Figure 2: Map of creative sector in New Jersey, 1998; Map of creative sector in New Jersey, 2007

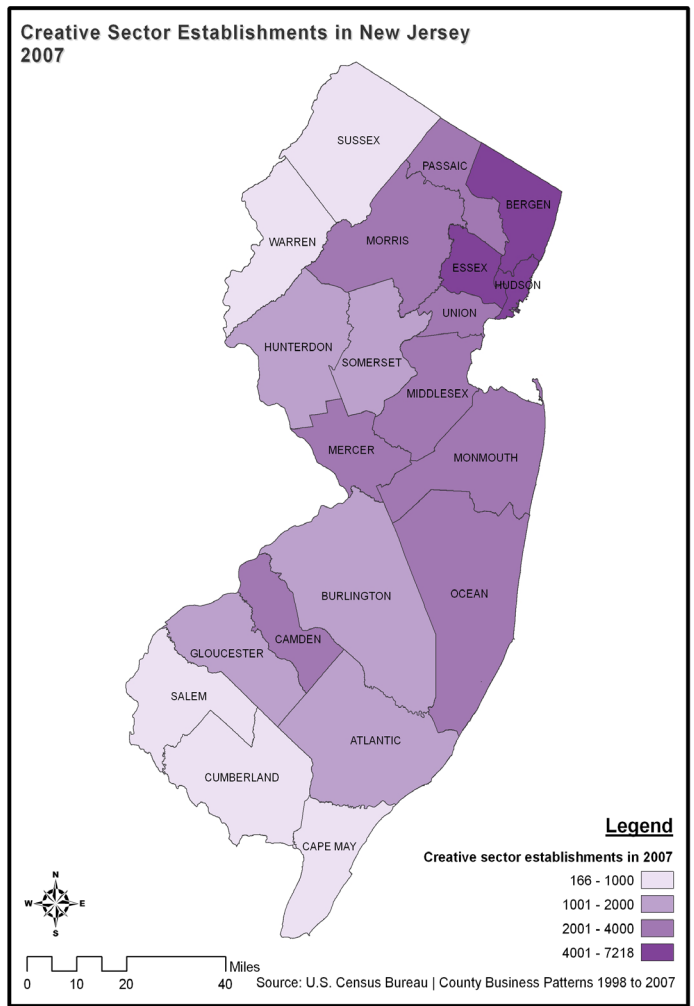
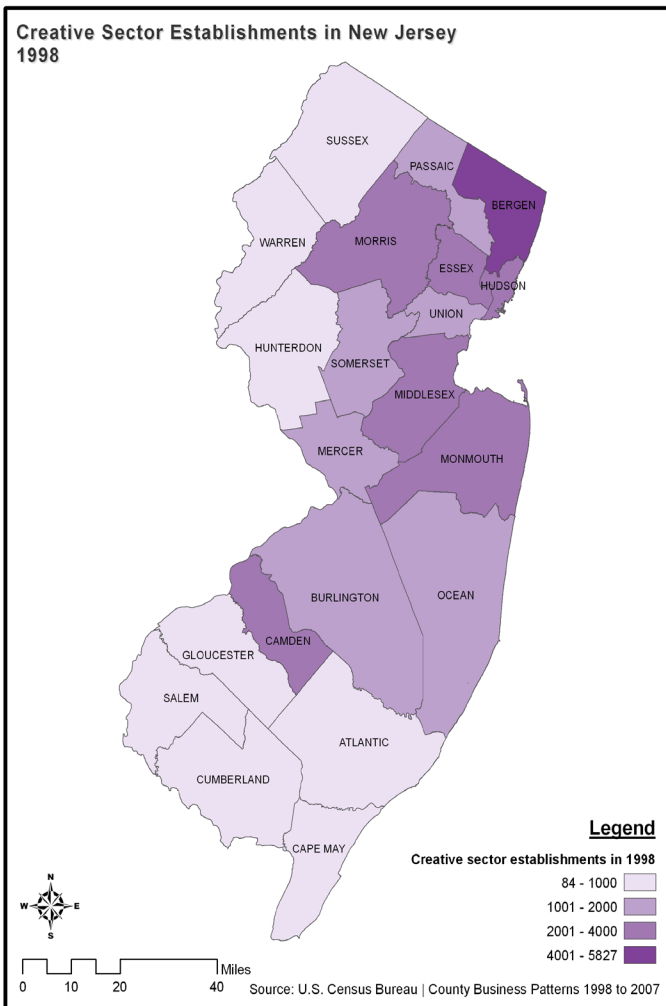


Figure 3: Map of growth in creative sector, 1998-2007

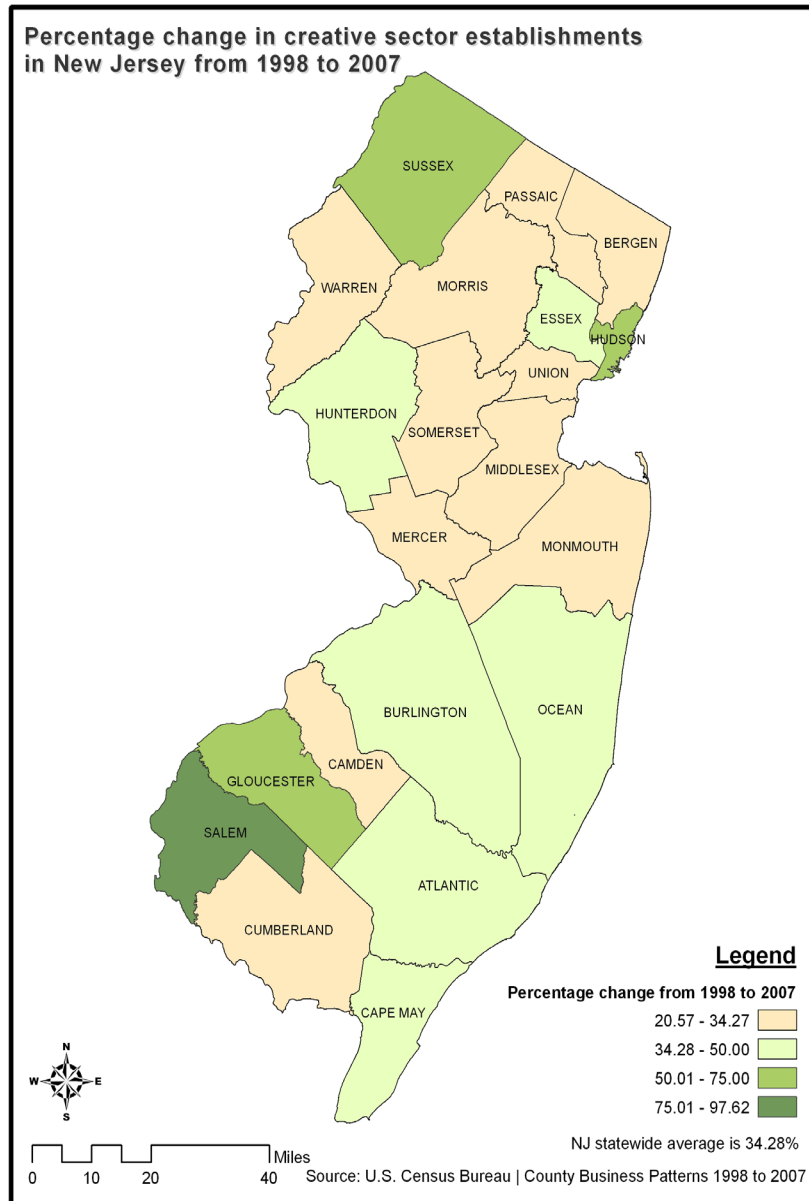


Figure 4: Where the creative sector is growing fastest. Table of ranked growth in creative sector establishments, by county, 98-07; Table of ranked percentage growth in creative sector establishments, by county, 98-07

Total establishments in 2007	
BERGEN	7218
ESSEX	5089
HUDSON	4352
MONMOUTH	3800
MIDDLESEX	3296
MORRIS	3283
UNION	2492
CAMDEN	2426
MERCER	2306
PASSAIC	2111
OCEAN	2055
BURLINGTON	1938
SOMERSET	1845
ATLANTIC	1177
GLOUCESTER	1160
HUNTERDON	1052
SUSSEX	855
CAPE MAY	498
WARREN	450
CUMBERLAND	251
SALEM	166
<b>NEW JERSEY</b>	<b>47820</b>

Change in number 1998 -07	
ESSEX	1597
HUDSON	1493
BERGEN	1391
MONMOUTH	934
MORRIS	772
MIDDLESEX	681
OCEAN	616
MERCER	573
UNION	547
BURLINGTON	532
PASSAIC	476
SOMERSET	433
CAMDEN	414
GLOUCESTER	396
HUNTERDON	344
SUSSEX	330
ATLANTIC	328
CAPE MAY	128
WARREN	103
SALEM	82
CUMBERLAND	45
<b>NEW JERSEY</b>	<b>12209</b>

Change in percentage 1998-07	
SALEM	97.62%
SUSSEX	62.86%
HUDSON	52.22%
GLOUCESTER	51.83%
HUNTERDON	48.59%
ESSEX	45.73%
OCEAN	42.81%
ATLANTIC	38.63%
BURLINGTON	37.84%
CAPE MAY	34.59%
MERCER	33.06%
MONMOUTH	32.59%
MORRIS	30.74%
SOMERSET	30.67%
WARREN	29.68%
PASSAIC	29.11%
UNION	28.12%
MIDDLESEX	26.04%
BERGEN	23.87%
CUMBERLAND	21.84%
CAMDEN	20.58%
<b>NEW JERSEY</b>	<b>34.28%</b>

Figure 5: Establishments in creative sector, 1998-2007<sup>2</sup>

County	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
ATLANTIC	849	886	913	820	785	801	864	1099	1069	1177
BERGEN	5827	6096	6200	6143	6180	6657	6803	6861	6857	7218
BURLINGTON	1406	1529	1558	1535	1583	1673	1681	1871	1869	1938
CAMDEN	2012	2022	2086	1976	2078	2090	2158	2268	2257	2426
CAPE MAY	370	390	401	354	408	354	401	491	470	498
CUMBERLAND	206	213	197	214	202	190	214	234	235	251
ESSEX	3492	3755	3966	4119	4186	4326	4498	4828	4933	5089
GLOUCESTER	764	827	839	814	896	914	960	1101	1056	1160
HUDSON	2859	3067	3336	3121	3576	3616	3793	4039	4246	4352
HUNTERDON	708	758	818	822	855	920	903	1011	1010	1052
MERCER	1733	1793	1819	1764	1474	1924	1993	2137	2172	2306
MIDDLESEX	2615	2597	2685	2534	2712	2928	2978	3107	3116	3296
MONMOUTH	2866	2946	2987	2956	3082	3318	3436	3517	3588	3800
MORRIS	2511	2671	2741	2703	2715	2997	2998	2896	2996	3283
OCEAN	1439	1466	1505	1555	1543	1705	1696	1949	1933	2055
PASSAIC	1635	1651	1723	1758	1690	1762	1802	1921	2023	2111
SALEM	84	73	96	96	87	91	110	108	118	166
SOMERSET	1412	1418	1446	1398	1447	1622	1561	1738	1751	1845
SUSSEX	525	559	583	469	492	468	673	762	826	855
UNION	1945	1952	2024	2019	2078	2082	2272	2332	2430	2492
WARREN	347	348	405	368	342	383	350	427	436	450
<b>NEW JERSEY</b>	<b>35611</b>	<b>37019</b>	<b>38330</b>	<b>37542</b>	<b>38415</b>	<b>40826</b>	<b>42148</b>	<b>44701</b>	<b>45394</b>	<b>47820</b>
Annual change										
statewide		1408	1311	-788	873	2411	1322	2553	693	2426
Statewide change, by percent	%	4%	4%	-2%	2%	6%	3%	6%	2%	5%

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, 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.

