



MAKING THE CASE FOR THE CREATIVE SECTOR - 2011 TALKING POINTS

1. The state's investment in the arts and creative sector is an investment in education and economic development. Over 40% of RI State Council for the Arts FY11 grants funded arts education inside schools, helping to plug school and municipal budgets, and prepare our children for the 21st century workforce. The rest of the funds support jobs in the creative sector that bring millions back into our state in taxes, audience spending, tourism and economic impact.
2. In Rhode Island, there are nearly 2,800 creative sector businesses that employ over 12,500 people. From 2009 to 2010 jobs in this sector grew by 11%. From 2010 to 2011, businesses grew by 15%. We can ill-afford to cut support for a growing industry sector during these trying economic times, when small businesses and jobs are the cornerstone of our recovery.
3. Creativity is our future and we need to invest in this for our competitiveness as a state. Over 1,500 CEOs throughout the world stated the most important characteristic needed for leaders to navigate this complex global economy is CREATIVITY. (IBM 2010 CEO Annual Survey) In Rhode Island, we have creativity in abundance - a unique and natural asset in our state. Significant investment in this asset is smart investment and will position RI as a leader in creativity and innovation.
4. The Film Tax Credit program has a proven ripple effect on the economy, bringing jobs and a new industry infrastructure to our state that ultimately has a high return on investment with money from outside of the state (8:1 ROI based on a recent study by URI professor Ed Mazze). Scores of small businesses and individuals in the industry have moved to Rhode Island and set up shop. Consistent support of the industry through this incentive will continue to bring economic benefit to the State.
5. Video is becoming a vital part of mainstream communications. A strong film and video community will impact every other industry that relies on communications. Right now, commercial and corporate video production on the high end is largely sourced out of state. If we don't continue to nurture this type of talent and skills, these increasing investments will continue to leave Rhode Island. Further, this industry dovetails with other creative sector industries the state has already embarked on nurturing, such as video gaming, technology and online. Rhode Island must commit to growing businesses and jobs in this proven sector and keep the Film Tax Credit in tact.
6. At a time when the creative sector is one of RI's growing industry sectors, Governor Chafee's proposal to impose a tax on these industries undermines the environment in which the state is reaping a positive benefit. Non-profit arts organizations have continued to be nimble in their cost pricing of education and access to arts and culture, yet in combination with decreases in state and donor support, there is an incredibly tenuous balance to these groups today. The non-profit arts sector brings over \$112 million in economic activity in Providence alone. Our state will not only lose the economic return created by this sector, but will gain an expense of unemployment, unskilled workforce and business closures.
7. The Governor's proposed cut of \$100,000 from the RI State Council on the Arts' FY12 discretionary grant pool totals a 16.6% cut in a pool of funds that have been slowly diminishing for the past nine years. These funds were at a high in 2002 of \$900,000. This proposal would bring it down to \$500,000. For the relative return the state is awarded from the sector, including the attraction of the arts and creative community to businesses, jobs, innovation, tourism and education, the money saved does not justify the potential loss.
8. The arts are an investment, not an expense! Every \$1 invested in the arts through RISCA leverages \$11.27 in additional funding. The state funds for the arts STIMULATE more funding to our state's creative sector, with dramatic results. This is a significant return on investment. We urge the General Assembly to reject Governor Chafee's proposal and preserve funding for the arts in the FY12 budget.