



**Delaware Creative Vitality™ Index  
Overview and Analysis of Statewide Data for Delaware  
April, 2011**

**Introduction**

This summary overviews the findings of research on the health of the arts-related creative economy for the State of Delaware. Also, the final section of this summary provides a number of recommendations moving forward, given the report findings.

The CVI™ is a robust and inclusive measure of the economic vitality of the arts and arts activities in a specified geographic or political region of the United States. Rigorously constructed and updated annually, the CVI™ is a credible and clear data source for arts research and advocacy purposes.

The 2009 CVI™ report for Delaware includes detailed data sets and CVI™ values for the State of Delaware, for the Wilmington Metropolitan Statistical Area (MSA) area (which includes Philadelphia County), and county-specific CVI™ reports and values for Kent, Sussex and New Castle counties.

Philadelphia County is included within the Wilmington MSA comparisons due to its inclusion within the overall Philadelphia-Camden-Wilmington MSA. While more specific county-level information for Delaware and New Castle County provide detailed descriptions of creative economic activity in Delaware, the MSA is used as a comparative area to describe the regional creative economy. Although the MSA covers a large area, the detailed information within the report allows for an interesting analysis of the regional economy. For example, the study indicates that large amounts of nonprofit revenues are generated in Philadelphia when compared to the rest of the region. This type of information is important for the Delaware Division of the Arts to assess when strategizing how to grow nonprofit arts organization revenues in Delaware. The regional presence of arts organizations in Philadelphia can be an opportunity for Delaware to capitalize on the strong presence of arts patrons in the area.

**Nonprofit Arts Organizations as Measured within the CVI™ vs. the 2005 Arts and Economic Prosperity Study**

CVI™ data indicates that from 2007 to 2009, the number of arts organizations increased from 130 to 142. In 2009, nonprofit arts organizations reported \$33.7 million in revenue, and nonprofit arts-active organizations reported \$42.1 million, resulting in total nonprofit revenues of nearly \$76 million. Trend information shows that these overall revenues have decreased from 2007 to 2009, from approximately \$90 million to \$76 million over this three-year period.

When looking at CVI™ information alongside data from the *2005 Arts and Economic Prosperity Report*, it is important to point out methodological differences in the two reports.

First, the CVI™ uses information coming directly from a list of revenue categories within IRS 990 forms. The *Arts and Economic Prosperity Report* uses survey data, acquiring financial information for nonprofit arts organization survey respondents from a similar data set of 990 filers as reported in the CVI™. While the differing methodologies will have somewhat different results, the nonprofit information in the CVI™ report covers a similar universe of nonprofit organizations as the *Arts and Economic Prosperity Report*. This means that there is basis for comparison between the two reports.

The most comparable figures within the two reports are the approximately \$90 million reported in the 2007 nonprofit CVI™ figures and the \$100 million in direct economic impact for 2005, reported on Table #3 of the full *Arts and Economic Prosperity Report*, as available at the following link: [http://www.artsdel.org/advocacy/Delaware\\_Econ\\_Impact\\_Report\\_Final.pdf](http://www.artsdel.org/advocacy/Delaware_Econ_Impact_Report_Final.pdf)

While these figures suggest similarities between the two studies, it is important to point out the following differences:

- The *Arts and Economic Prosperity* study reports expenditures of organizations to assess economic impact, while the CVI™ reports on revenues of these organizations to provide a measurement of participation.
- The *Arts and Economic Prosperity* study provides data for the 2005 calendar year (2004-2005 fiscal year), while the CVI™ provides data for calendar years 2007 to 2009.
- Nonprofit revenues are just one portion of the CVI™, which also reports on sales of goods and services along with creative jobs by occupations.
- The CVI™ does not report on economic impact. The impact and jobs reported in the *Arts and Economic Prosperity* study are derived from the direct impact number (as described in Table #3 of the report) of approximately \$100 million. If similar equations are applied to the 990 figures reported in the CVI™, similar impact figures could be reported. Given that these impact figures are sometimes irrationally inflated, the CVI™ does not report impact figures. Trend information within the CVI™ reveals that these impact figures are likely decreasing given the trend information on nonprofit revenues reported in the CVI™.

### *More information on CVI™ Nonprofit Revenue Figures*

Nonprofit arts organization income is generated from both charitable and non-charitable sources. When examined on a per capita basis, it serves as a measurement of the level of community participation statewide and regionally as compared to national levels of participation. The Urban Institute's National Center for Charitable Statistics aggregates information from the Internal Revenue Service's 990 forms. The forms are required to be submitted by nonprofit 501(c) organizations with annual gross receipts of \$25,000 or more. Organizations with more than \$25,000 but less than \$250,000 in annual gross receipts can file a 990 EZ form that collects less information. The CVI™ uses the information contained in the 990 forms to identify changes in charitable giving in an area. These numbers are the best available, but are not absolute. The revenue types included within the CVI™ are as follows:

- *Special Events Income* includes receipts from ticket sales for fundraising events such as dinners, payments received in connection with fundraising activities, etc.
- *Contributions, Gifts and Grants* includes income from public foundations, individuals, and corporations.
- *Investment Income* is income from program related investments, interest on savings, earnings on bonds and securities, rental income, and capital gains.
- *Program Services and Contracts* are admissions to performing arts events, royalties received as an author, registration fees received in connection with a meeting or convention, government contracts, and contracts for specific services.
- *Dues, Net Sales and Other Income* includes membership dues and gains on the sale of assets.

### **Overview of the Delaware CVI™**

Delaware's CVI™ value of 0.86 reflects the strength of the state's creative economy compared to the national baseline of 1.00. From 2007 to 2009, the Delaware CVI™ value decreased from 0.97 to 0.86. Delaware has strong CVI™ values when compared to the nation in several of the categories measured by the CVI™, such as photography, book, and record store sales. Approximately 10,675 people in the state were working in creative occupations as measured by the CVI™ in 2009. The CVI™ value for the State of Delaware is the measure of economic health for all CVI™ data inputs statewide. The statewide value is not an averaging of the regional values, but a separate calculation for the state as a whole.

The following table shows the CVI™ values by county for the years 2007 through 2009. Given that the CVI™ values articulate the relative health of the creative economy over time, the state and county trends present compelling information related to creative economic trends in Delaware. Within the three-year period, CVI™ values indicate that creative economy health within Delaware has experienced a decline within the study period. County-level data indicates that values are primarily decreasing within New Castle County. Although New Castle is the cultural center of the state, and still outperforms the nation on a per capita basis for CVI™ economic inputs, data indicates that the CVI™ value in New Castle County has decreased from 1.26 in 2007 to 1.06 in

2009. Also, over the three-year period, Sussex County remained relatively stable, while Kent County increased from 0.66 in 2007 to 0.71 in 2009.

### Comparative CVI by County, 2007-2009

Region	Index 2007	Index 2008	Index 2009
Kent	0.66	0.65	0.71
New Castle	1.26	1.13	1.06
Sussex	0.42	0.46	0.42
<b>Totals</b>	<b>0.97</b>	<b>0.90</b>	<b>0.86</b>

Source: WESTAF, Delaware CVI Report, 2007-2009, Draft 1.0

### Delaware Vs. The United States, 2009

Region A: Delaware

Region B: United States

Description	Region A	Region B	Categorical Index
<b>Year - 2009</b>			
Population	885,122	307,006,550	
<b>Industry Data</b>			
Photography Store Sales	\$4,036,000	\$1,150,165,000	1.217
Music Store Sales	\$8,267,000	\$2,916,567,000	0.983
Book and Record Store Sales	\$33,580,000	\$8,154,589,000	1.428
Art Gallery and Individual Artist Sales	\$45,160,000	\$38,192,381,000	0.410
Performing Arts Participation	\$18,306,000	\$15,252,498,000	0.416
<b>Non Profit Data</b>			
Arts Organization Revenue	\$33,798,896	\$14,911,005,244	0.786
Arts-Active Organization Revenue	\$42,168,648	\$16,212,378,473	0.902
<b>Occupation Data</b>			
Total Jobs	10,675	4,483,793	0.826
<b>Total CVI : 0.855</b>			

Source: WESTAF, Delaware CVI Report, 2007-2009, Draft 1.0

Below are several additional data highlights that can be extracted from the report for use within communication materials to the public and within materials presented to legislators:

- In 2009, there were over 10,600 highly creative jobs in Delaware.
- In 2009, the Wilmington MSA had an overall CVI™ value of 1.07, or, 7% above the national average.
- In 2009 the New Castle County CVI™ was 1.06, or, 6% above the national average.
- Book and record store sales in Delaware were over \$33.5 million, or 43% above the national average on a per person basis.
- Book and record store sales were especially strong in Kent County, which recorded sales of over \$74 per person- a rate 179% above the national average.
- Kent County also excelled in the sales of Musical Instruments with sales figures averaging nearly \$18 for every person in the county, a rate 89% greater than the national average.
- Sussex County was the highest performer out of the three Delaware counties in the category of Art Dealer sales for all three study years.
- In 2009, New Castle County reported a categorical CVI™ value of 1.16 for nonprofit arts organization income, 16% greater than the national average on a per person basis.
- In Delaware, independent artist sales increased from \$30.1 million in 2007 to \$39.3 million in 2009.
- Between 2007 and 2009, independent artist sales more than doubled in Kent County from \$2.4 million to \$5.3 million, and increased in Sussex County from \$2.5 million to \$4.5 million.
- In Kent County, performing arts participation sales measures increased from \$812,000 in 2007 to \$1.4 million in 2009.

### **Comparing Delaware**

When comparing Delaware across state lines and including all states within the Mid Atlantic Arts Foundation region, the Delaware CVI™ value is close to the values of New Jersey and Pennsylvania. Within the region, New York, Virginia and Maryland report the highest CVI™ values.

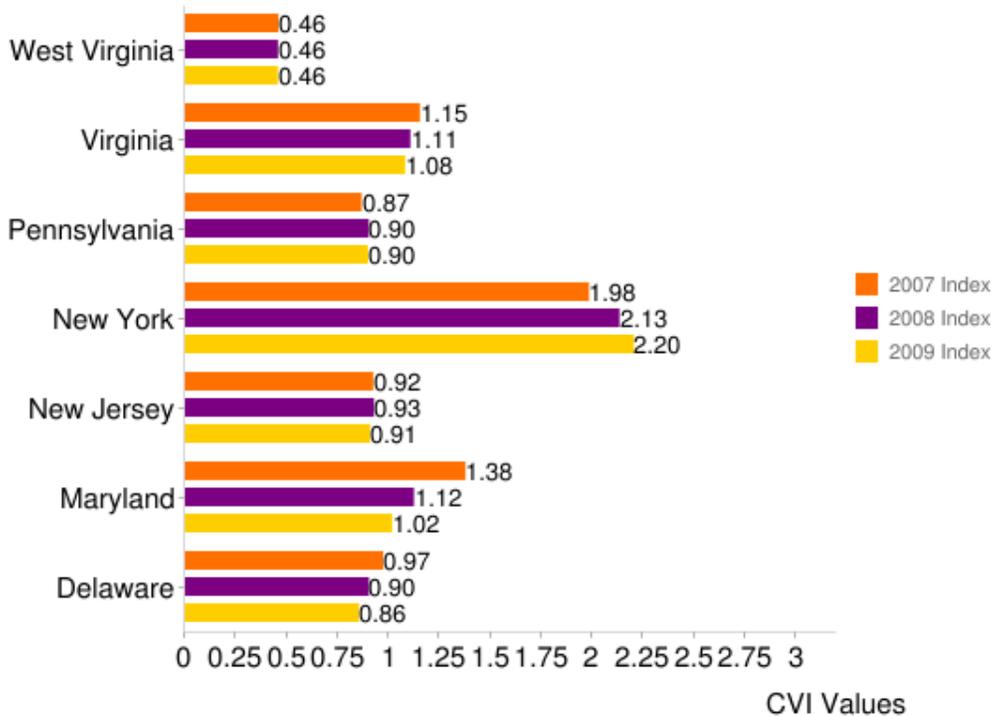
Additionally, there is a messaging opportunity within this data, which can act as a rallying cry for increased investment for arts and culture in Delaware. Here, the Delaware Division of the Arts can set goals for increasing CVI™ values year over year. A reasonable goal would be to reach the national average CVI™ level of 1.00, or to be the state within the region with the second highest CVI™ value. Given that many states in the region are near the 1.00 mark, this is a very attainable goal. Plans for increasing these values should be over five to ten years. Setting goals for CVI™ improvements can help implement a benchmarking process, allowing the state to set goals for increasing individual values that contribute to the overall CVI™ value.

### **Mid Atlantic State Comparisons, 2007-2009**

<b>Region</b>	<b>Index 2007</b>	<b>Index 2008</b>	<b>Index 2009</b>
Delaware	0.97	0.90	0.86
Maryland	1.38	1.12	1.02
New Jersey	0.92	0.93	0.91
New York	1.98	2.13	2.20
Pennsylvania	0.87	0.90	0.90
Virginia	1.15	1.11	1.08
West Virginia	0.46	0.46	0.46
<b>Totals</b>	<b>1.34</b>	<b>1.36</b>	<b>1.37</b>

Source: WESTAF

### Mid Atlantic State Comparisons, 2007-2009



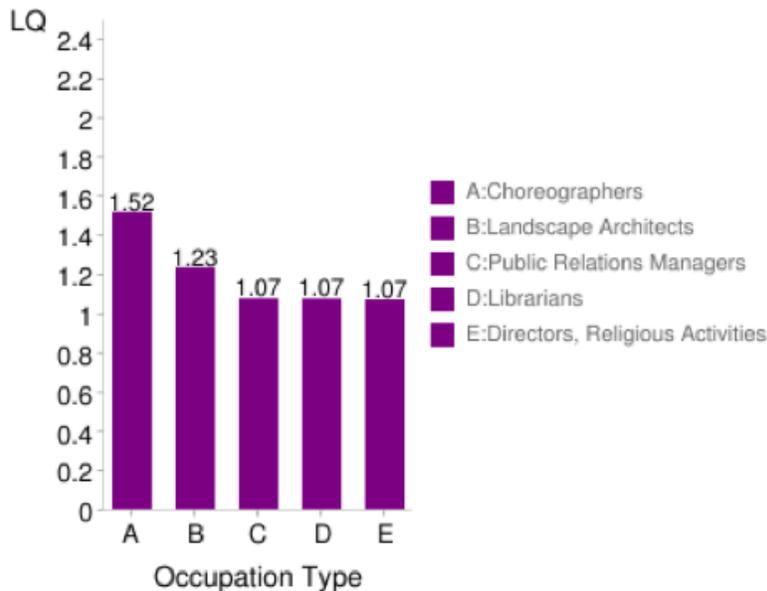
Source: WESTAF

### **Creative Occupation Strengths in Delaware**

Another important value to observe within the CVI™, aside from the overall jobs numbers, are the location quotient reports. Location quotients are an index value for each occupation, measuring whether or not there is a per capita concentration of an occupation within the area being measured.

The following chart shows the top five creative occupations as measured in the CVI™ for Delaware by Location Quotient. All of these occupations are above the 1.00 baseline value, meaning that there is a concentration of these occupation types in Delaware when compared to national averages. Choreographers, Landscape Architects, Public Relations Managers, and Directors of Religious Activities are all listed as top occupations by location quotients in Delaware. Interestingly, the occupations listed do not have a common theme by industry, pointing to a diversity of creative employment strengths. It should be noted that Directors of Religious Activities are primarily responsible for programming entertainment-related activities, which are typically strongly associated with music.

## Top 5 Location Quotients by Occupation vs. Nationwide Occupations, 2009



Source: Economic Modeling Specialists, Inc. Complete Employment, Delaware CVI Report, 2007-2009, Draft 1.0

### **Recommendations**

The approaches available to communicate and move forward with the CVI™ after a report has been delivered are myriad. A more complete synopsis of these recommendations for communications and strategic planning are available within the CVI™ Users Guide.

The CVI™ has the potential to be an important tool for benchmarking progress in Delaware and to advocate for increased investment in arts and culture to meet proposed benchmark goals. The CVI™ value and the economic measurements tied to the value allow for measurable outcomes related to creative economic growth to be tracked over time. For example, given the measurements in the CVI™, goals can be defined based on the necessary increases in the number of jobs and revenues needed in order to increase the overall CVI™ value.

Given this opportunity, the following strategies could be employed to advocate for additional investment and to strategically plan to grow the creative economy in Delaware.

- Find three stories within the data and strategize a press campaign utilizing creative business within the fields. Suggested story lines could include:
  - Building performing arts participation
  - Nonprofit arts institutions and their relationship to the regional workforce
  - Economic effects of nonprofit giving and the creative workforce in Delaware

- Create a five-year plan to grow the Delaware CVI™ to a level greater than or equal to many of the states within the region.
- Set a goal to reach a statewide CVI™ value of 1.00 by 2014 and to eclipse the 1.20 value by 2019.
- Assess current public funding for arts and culture in relationship to nonprofit revenue being reported in the CVI™ by county, in both the arts-active and arts organization components of the CVI™.
- Assess necessary public funding, private revenue and programming revenue necessary to achieve growth within the nonprofit revenue portion of the CVI™. The case for increased public funding could be further articulated though additional research on the return on investment for nonprofits statewide.

Delaware Division of the **Arts**

**WESTAF**

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