About the National Governors Association (NGA) and the NGA Center for Best Practices

The National Governors Association (NGA), founded in 1908, is the association through which the nation’s governors share best practices and apply creative leadership to state issues. Its members are the governors of the 55 states, commonwealths and territories.

The NGA Center for Best Practices (NGA Center) is the only research and development organization that directly serves the nation’s governors and their key policy staff members. Governors rely on the NGA Center to provide tailored technical assistance for the challenges that face their states; identify and share best practices from across the states; and host meetings of governors’ staff members, leading policymakers, program officials and scholars. Through research reports, policy analyses, cross-state learning labs, state grants and other unique services, the NGA Center informs governors about what works and highlights the lessons governors can learn from others grappling with similar issues.

For more information about NGA and the Center for Best Practices, please visit www.nga.org.

Acknowledgments

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The report was edited by Erika Fitzpatrick of Church Street Editorial and designed by Andy Nolan of Middour+Nolan Design.

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Produced in partnership with the National Endowment for the Arts

COVER PHOTO: In rural Wisconsin, Wormfarm Institute’s Farm/Art DTour – a self-guided tour through more than 50 miles of Sauk County – features art installations highlighting the fertility of the region’s farmland and creativity, including these corn cribs by Brenda Baker from the 2012 iteration of the tour. PHOTO CREDIT: E. BAILLIES
Sunset at the Red Ants Pants Music Festival, an annual event that, in 2018, attracted 18,000 people to White Sulphur Springs, Montana, a town of about 950 people. According to a 2013 study, the event generates nearly $3 million in direct economic activity. The Montana Office of Tourism and Business Development named it the 2018 Event of the Year. Its proceeds support, through the Red Ants Pants Foundation, rural communities and family farms and ranches.

PHOTO CREDIT: ERIK PETERSON
A staircase mural created by high school students in Eureka Springs, Arkansas, for the town’s May Festival of the Arts. The festival is an annual month-long celebration of creativity that draws residents and visitors alike to the heart of the community for numerous arts events and activities.

PHOTO CREDIT: EUREKA SPRINGS CITY ADVERTISING AND PROMOTION COMMISSION
EXECUTIVE SUMMARY

Rural America has a robust cultural history that has enriched the nation and its people. Rural America is also beset with social and economic challenges. Population migration and persistent poverty are contributing to a widening urban-rural divide in many states. By using the creative sector — specifically, arts and cultural assets — governors have a viable approach for strengthening economic opportunities and vibrancy into rural communities. Arts and culture have long been part of urban rejuvenation efforts. Now, an expanding body of research and practice showcases positive economic and quality-of-life outcomes associated with the rural creative sector.

This Rural Action Guide describes in detail the principles of arts-based rural development, including the following:

- Creative sector initiatives are most effective when attuned to the particular creative assets and needs of rural communities.
- Creative sector initiatives work best as part of a cohesive economic development plan in rural areas.
- Creative sector initiatives add value when integrated with additional state and local policies and practices such as workforce development, community development and housing.

This Rural Action Guide features many successful high-profile examples of rural communities and regions that have become more economically resilient and sustainable through creative sector initiatives.

The examples offer process-oriented steps for consideration by governors and their policy advisors when applying the principles within their states' policy framework. When implemented, these steps can contribute to positive changes in employment, wages and quality of place in rural areas.

This guide goes beyond simply advocating replication, which would be difficult because of the unique circumstances of individual communities benefiting from place-based initiatives that foster the creative economy. It also shares process steps, examples and lessons learned from rural successes and the research and field work that have built on these successes.

Rural Systems Change Framework

The principles, examples and process steps make up a systems change framework for rural America based on the creative sector which is summarized on the next page. The rural systems change framework is organized according to five key roles for governors and states in “Rural Prosperity Through the Arts and Creative Sector.” Governors and states can:

- Provide leadership for the state’s creative sector to benefit rural communities.
- Capitalize on existing regional cultural assets.
- Build state infrastructure for cultural and creative partnerships with other policy areas.
- Develop local talent and human capital with creative skills.
- Create an environment friendly to investment and innovation.

The Rural Action Guide gives governors and their advisors and staff the tools to both support and benefit from their state’s creative sector.

Now, an expanding body of research and practice showcases positive economic and quality-of-life outcomes associated with the rural creative sector.
## EXECUTIVE SUMMARY

Continued from previous page

### RURAL SYSTEMS CHANGE FRAMEWORK

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• Establish tax measures to enhance the creative sector.  
• Advocate for historic tax credits as a state policy.  
• Initiate state regulatory reforms to make it easier for artists to become entrepreneurs or for arts groups to incorporate as social-impact nonprofit organizations. |
INTRODUCTION AND BACKGROUND

A robust body of research shows that the creative sector can help state economies thrive. The arts, culture and creative sectors contribute to a productive business climate, a diversified economic base, a competitive workforce, a desirable quality of life and an innovation habitat. Such effects have long been documented in urban environments, but a growing body of research points to the power of the creative sector to drive prosperity in rural settings, too. This Rural Action Guide describes how the creative sector is providing real economic benefits to America’s rural places and what states are doing to help communities develop and capitalize on their own creative strategies.

The creative sector of the economy incorporates the transactions of arts as well as cultural and other goods and services that result from creativity and have economic value. This Rural Action Guide may use the phrases “creative sector” and “arts and culture” interchangeably in some sections. Arts and cultural goods and services are widely understood to be integral to any definition of the creative economy. The text box on page 7 “Meet the Who of the Creative Economy,” lists examples of creative sector activities that economists track and measure.

This introduction provides background on the issues being addressed and on research illustrating economic and related benefits of the arts to rural areas.

The Problem: Rural Economies in Trouble

Rural America has a rich cultural history, but recent economic shifts have made rural conditions challenging. Many rural areas have unique cultures to celebrate, yet they are also contending with problems related to an evolving economy, including the loss of industry, outmigration of young and skilled workers, rising poverty rates, health and health care barriers, educational attainment gaps, and physical and digital infrastructure needs. These concerns are especially urgent for governors who see rural communities rebounding more slowly than metropolitan areas from the recession. Taken together, these challenges have contributed to a lack of investment in what makes rural places so special: the people, artists and artisans, and cultural organizations.

States are seeking new and creative solutions to rural challenges. The arts and cultural sector can draw on unique cultural histories, people and places that offer opportunities to create those solutions.

The Creative Sector Offers Solutions

An extensive body of research by a variety of policy analysts, economists and scholars — highlighted in more detail in this introduction — points to arts and culture as economic development drivers. Since the National Governors Association (NGA) last reported on the contribution of the arts and culture to rural economies, examples have become more abundant, better metrics have been developed and more rigorous impact studies have been conducted. Also, cross-sector efforts are more widespread, so measurement efforts are taking place in policy arenas outside the arts.

The Creative Sector’s Contribution: National GDP

The National Endowment for the Arts (NEA), in partnership with the U.S. Bureau of Economic Analysis (BEA), annually produces national and state estimates of the economic value of arts and cultural production and measures the creative aspects of multiple industries. Those estimates show, for example, that:

- In 2015, the direct value the arts and cultural sectors added to the gross domestic product (GDP) exceeded $763 billion, or 4.2 percent.
- Together, these sectors employ nearly 5 million workers.
- In terms of value added to the U.S. economy, the arts and cultural sectors contribute a greater share than do mining, agriculture, the energy/utilities sector or industries such as construction and transportation.
Meet the Who of the Creative Economy

According to NEA, “There’s no business like show business — but art museums, fashion design, and historic sites play special roles in the economy, too.”

“Arts and cultural production” includes the performing arts (music, dance, drama) as well as visual arts and the written word. “Culture” can be defined broadly to include elements like beliefs and values, but the Arts and Cultural Production Satellite Account (ACPSA) focuses on creative artistic activity.

In partnership with the Bureau of Economic Analysis (BEA), NEA developed the Arts and Cultural Production Satellite Account (ACPSA) to measure the economic contributions of a range of arts and cultural activities, including:

- Music groups, dance troupes and theaters.
- Natural parks, zoos and all sorts of museums.
- Interior design, graphic design and photography.

The NEA-BEA economic account also looks at the industries that support those activities, such as broadcasting, publishing, filmmaking and the manufacture of cameras and musical instruments.

Data about arts and culture (and their supporting industries) include their contributions to GDP and their output, employment and compensation, both nationally and by state. The range of ACPSA industries, cross-identified with the North American Industry Classification System, is summarized and accessible as a series of Microsoft Excel files available through the BEA website.

Creative Sector Contribution: State-Level Estimates

In addition to producing national estimates, NEA and BEA have produced state-level estimates of the value arts and culture added to each state’s economy, with state employment and compensation figures. For each state, an accessible map on NEA’s website features four data points:

- Value of arts to the state’s economy.
- Arts’ value added as a share of the state’s economy.
- Total arts worker compensation in the state.
- Total number of people employed in the arts in the state.

Arts and Cultural Production in Rural States

The value that the arts and cultural sectors added to the national GDP exceeded $763 billion. What was the value added to rural states and their workforces? In 2015, arts and cultural production contributed $67.5 billion to the economies of states in which 30 percent or more of the population lives in rural areas. The value added to North Carolina and Tennessee, which have the largest rural arts economies, exceeded $13 billion in each of those states. In South Carolina, Alabama, Kentucky, Oklahoma and Iowa, the value added was roughly $4 billion to $5 billion.

Arts and cultural production in rural states employed nearly 628,500 workers. In North Carolina, employment for arts and cultural production topped 118,000 workers. In Tennessee, the arts employed nearly 84,700. Data on all 18 rural states are codified in a 2018 NEA research brief.

State-Driven Creative Economy Studies

Beyond the federal data, independent analysts working for universities or advocacy groups have conducted studies of the economic impact of states’ creative sectors for at least 45 states.

Further Delineating Rural Benefit

Until recently, studies estimating the size and impact of state creative sectors have grown alongside theories, taxonomies and methodologies that were pioneered in largely urban contexts. Moreover, data
sources have not focused on the arts’ role in rural economic development. Yet, several signs suggest a growing momentum among researchers studying the ways rural and indigenous communities are benefiting from the arts and culture and also contributing to them.

The text box “What Is Rural” on page 8 indicates how some key federal statistical agencies characterize “rural.” For example, the U.S. Department of Agriculture’s (USDA) Economic Research Service (ERS) has studied creative counties in an effort to discern what they can tell about the creative economy in rural America.18

States interested in collecting demographic, social and economic data for their rural populations face a challenge in identifying geographic boundaries. For example, population size may not be a sufficient measure of rural character if other factors, such as distance or terrain, play roles. It is helpful to understand a variety of measures — and when each is most appropriate.

More recently, NEA has collaborated with USDA ERS to investigate the complex relationships among arts, design and innovation in rural areas.19 This research is based on the Rural Establishment Innovation Survey (REIS), the first nationally representative sample of innovation processes in rural businesses.20

The REIS researchers found that rural arts organizations are just as likely as their urban counterparts to be rated “substantive innovators.”21 The researchers posted further findings:

- Rural arts organizations draw nonlocal audiences at higher rates than do urban arts. In other words, rural arts organizations report that 31 percent of their audience travels “beyond a reasonable distance” to attend events, while the corresponding share that urban organizations report is 19 percent.

- In rural communities, the number of innovative or design-integrated businesses (that is, those that use design services or trademark- and copyright-protected branding) rises proportionately in the presence of performing arts organizations.22 More specifically, the probability that a business will be a substantive innovator, based on the REIS methodology,
rises from 60 percent in rural counties that host no performing arts organization to nearly 70 percent for rural counties that host two to three arts organizations. If the rural county hosts four or more organizations, then the odds rise to 85 percent.

- Businesses in rural counties that host two or more performing arts organizations are at least 49 percent more likely to be design integrated than are businesses in other rural counties, even after controlling for other factors.

Four accompanying NEA research briefs provide additional findings from the REIS research:

- Rural counties that are home to performing arts organizations experienced population growth three times higher than rural counties that lack performing arts institutions.
- Rural counties that house performing arts organizations provide residents with higher incomes (up to $6,000 higher) than are reported in rural counties that lack performing arts organizations.
- Rural counties that have design-driven businesses recovered more quickly from the recession, showing more growth in weekly earnings over a four-year period (2010 to 2014).
- Two out of three rural businesses report that arts and entertainment are important for attracting and retaining workers.
- Businesses that value the arts are more likely to report an expanding market for their products and services.

“Rural Innovation Gets a Boost from the Arts . . .”

These new data are changing public opinion about rural issues. As recently as May 2018, Richard Florida, economist-author of the highly influential book “The Rise of the Creative Class,” proclaimed (with reference to the USDA ERS and NEA data): “A growing body of research shows that innovative businesses are common in rural areas, and rural innovation gets a boost from the arts.” Such data are backed by other sources, too, and from a variety of rural or small towns. Note the following examples:

- Whirligig Park in Wilson, North Carolina, has attracted more than $25 million in private development over the years. This money has been invested within a two-block radius of the art park, not counting the additional public and private investments in the local workforce and entrepreneurial ecosystem.
- A cultural district in Millville, New Jersey, called the Glasstown Arts District generated $30.8 million in private investment, $3.3 million in volunteer hours and $19 million in public investment between 2000 and 2016.
- Paducah, Kentucky’s Arts Relocation Program achieved a 10-to-1 return on investment within 10 years — in addition to using abandoned downtown spaces and being designated as a United Nations Educational, Cultural and Scientific Organization site.

**Rural Investments by State Arts Agencies and NEA**

State arts agencies (SAAs), funded by state legislatures and NEA, invest heavily in rural areas as part of their ongoing work to strengthen communities through the arts. In fiscal year 2017, SAAs invested $49 million in 5,300 grants to rural areas. These funds (representing 23 percent of all SAA awards and 14 percent of all SAA grant dollars) went to schools, arts organizations, civic groups and municipalities to support community arts programs and creative sector activity. Through this investment, state governments are important influencers of rural development in partnership with private investment, philanthropy, federal investment and local governments.

NEA invests in rural (and other) towns and communities across all of its grants programs. Through Our Town, its creative placemaking grants program, NEA supports arts, culture and design efforts that strengthen communities by advancing local economic, social and physical outcomes. Arts, culture and design are uniquely positioned to:
- Bring new attention to or elevate key community assets and issues, voices of residents, local history or cultural infrastructure.
- Inject new or additional energy, resources, activity, people or enthusiasm into a place, community issue or local economy.
- Envision new possibilities for a community or place — a new future, a new way of overcoming a challenge or approach to problem solving.
- Connect communities, people, places and economic opportunity through physical spaces or new relationships.

Over the years of Our Town grants, small towns and rural community award recipients have been able to address a range of community revitalization goals.32

**An Emerging Framework for Systems Change**

In light of the latest data, trends and investments, a fresh look at rural economic development strategies is particularly timely. The work of NEA and the Rural Policy Research Institute as well as ongoing research by the NGA Center for Best Practices (NGA Center) illustrate a framework for systems change.

Recognizing the need for more strategic research to fill gaps in the public’s understanding of arts and entrepreneurship in rural communities, NEA supports a research lab at the University of Iowa’s Rural Policy Research Institute. This lab is working to strengthen policymakers’ understanding of the relationships and assets that define rural community wealth. Members of the lab have produced an 11-point Rural Wealth Framework.33 Using this framework and refining it further, the lab will analyze how cultural capital is created in rural communities — with “cultural capital” defined as the “practices that reflect values and identities rooted in place, class and/or ethnicity” — and examine the link between cultural capital and innovation and entrepreneurship. For these analyses, three complementary fields are integrated: (1) rural arts and culture, (2) entrepreneurship and innovation, and (3) comprehensive rural wealth.

In 2012, the NGA Center produced the report “New Engines of Growth: Five Roles for Arts, Culture and Design,” which focused on both urban and rural areas.34 It found that:
- Creative industry clusters are dynamic.
- The creative sector makes traditional sectors (manufacturing and tourism) more competitive.
- Place-based arts districts can reinforce entrepreneurial ecosystems.
- Historic preservation and reclamation of abandoned spaces for the creative sector improve quality of life.
- Integrating the arts and education better prepares the workforce.

In 2018, the NGA Center convened national experts and thought leaders for a roundtable discussion focused on what arts and culture are accomplishing in rural areas. Participants identified several creative sector contributions, including:
- Mitigating geographic isolation by building connections.
- Diversifying regional economies by attracting visitors, businesses and investment.
- Injecting pride and enlivening rural communities.
- Improving quality of life.
- Promoting inclusivity.

In addition, because creative sector activities are scalable and adaptable, communities have been able to take small steps initially to test proofs of concept and expand their arts and cultural investments to grow the impact.

In short, national experts agree that the arts, culture and the creative sector make important contributions to driving rural economic development, building rural communities and changing the narrative of rural places.
This Rural Action Guide

With this Rural Action Guide, the NGA Center highlights the role that governors and states can play in bringing about creative sector-induced economic change in rural areas. Every state in the nation; Washington, D.C.; and the five U.S. territories have a publicly funded arts agency. State agencies are often the implementers of state cultural policy, as determined by legislators and governors, and can be valuable resources in supporting rural economic development.

The framework for rural systems change outlined in this Rural Action Guide is based on several key principles: the importance of using existing regional cultural assets, supplementing regional economic development with creative initiatives and optimizing collaborations among state agencies and outside investors and stakeholders for greater collective impact. The rural systems change framework supports five key ingredients for action by governors and their states:

- Provide leadership for the state’s creative sector to benefit rural communities.
- Capitalize on existing regional cultural assets.
- Build state infrastructure for cultural and creative partnerships.
- Develop local talent and human capital with creative skills.
- Create an environment friendly to investment and innovation.

The roles and actions discussed in this Rural Action Guide are summarized in the text box “Rural Systems Change Framework” on page 11.

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Farm/Art DTour, a program of the Wormfarm Institute, features large-scale art installations — including this one created in 2015 — as well as roadside poetry, interpretive signage and “Pasture Performances” across Wisconsin’s rural Sauk County. The Wormfarm Institute connects farming, ecology and the arts to enhance both the cultural and economic possibilities of rural communities. It cultivates the creative fertility of rural Wisconsin’s artists, farmers and entrepreneurs through Farm/Art DTour and its other programs, including Roadside Culture Stands, which sell local produce and artwork, and Fermentation Fest, an annual 10-day celebration of “live culture” in all its forms featuring the work of farmers, chefs, artists, poets and performers.

PHOTO CREDIT: PAUL GAUDYNSKI
## RURAL SYSTEMS CHANGE FRAMEWORK
*(same framework as on page 4, reiterated for reference)*

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• Establish tax measures to enhance the creative sector.  
• Advocate for historic tax credits as a state policy.  
• Initiate state regulatory reforms to make it easier for artists to become entrepreneurs or for arts groups to incorporate as social-impact nonprofit organizations (NPOs). |
A shop in vibrant Blue Ridge, Georgia, a small mountain community that has become a thriving cultural tourism destination as a result of county support for the arts and the coordinated efforts of the chamber of commerce, private developers and arts groups.

PHOTO CREDIT: GEORGIA COUNCIL FOR THE ARTS
Provide Leadership for the State’s Creative Sector to Benefit Rural Communities

The introduction to this Rural Action Guide noted the importance of the creative sector to rural economies. To set the stage in their states for prosperous and creative rural communities, governors can:

• Quantify and communicate the economic impact of the creative sector on the state’s rural areas to inform policy decisions within the framework of this Rural Action Guide.
• Set a vision and determine concrete goals for catalyzing the creative sector when planning creative initiatives.
• Empower policymakers statewide by communicating the structure in place for programming related to the arts and culture.
• Support creative placemaking initiatives in rural areas with technical assistance (TA), peer learning convenings and proactive collaborations. Share those best practices widely.

This section explores each ingredient for action through successful examples from rural America.

Quantify and communicate the economic impact of the creative sector on the state’s rural areas to inform policy decisions within the framework of this Rural Action Guide.

Most states have assessed their creative industries and related economic activity, and those assessments can help governors foster support for rural economic development. According to the National Assembly of State Arts Agencies’ Interactive Database of State Creative Economy Studies, 45 states have invested in quantifying the economic contribution of the arts statewide. Not many of these studies, however, have a geographic focus on rural areas. Understanding the scope and attributes of the creative economy in rural areas provides an important baseline for measurement and can inform policy decisions designed to expand the creative cluster.

Georgia is an example of a state that has used a mixture of quantitative data and case studies. Based on quantitative data, Georgia’s creative industries represent 200,000 jobs, $10.5 billion in wages and earnings and $37 billion in revenue. The creative industries in Georgia account for 5 percent of all employment and 6 percent of all business revenue in the state.

In addition to these quantitative data, the Georgia Council for the Arts, in partnership with the Georgia Municipal Association, interviewed multiple individuals and compiled case studies on how communities around the state transformed themselves through the arts. Gov. Nathan Deal’s message in the resulting report is highlighted in the text box “The Value of Qualitative Data and Case Studies” on page 14.

At the time of the report’s release, the municipal association’s annual convention was devoted to integrating the arts with long-term economic and community development. The state arts agency noted that its collaboration with the municipal association on this project began a long term partnership between the two agencies to educate and elevate conversations at the local level on arts based economic development. As a result, the municipal association was a key partner in the Council for the Arts planning process, making it a stronger reflection of diverse voices within the state’s communities. The quantitative and qualitative data gathering exemplified by Georgia is essential for planning and communicating with other stakeholders as well.
The Value of Qualitative Data and Case Studies

An introductory message from Georgia Gov. Nathan Deal in the report, “Leveraging Public Investment in the Arts” notes:

“This series of case studies, created through a partnership between the Georgia Council for the Arts and the Georgia Municipal Association, demonstrates the power of the arts to improve our local economies through strategies to promote tourism, downtown development, entrepreneurship, community identity, and quality of life.”

The Georgia Council for the Arts report, citing in-depth interviews conducted in seven communities, further explains:

“Quantitative data alone can only provide so much insight. Elected officials, civic and business leaders, and creative professionals need concrete illustrations of how creative industries and artists impact the economy in their communities. More importantly, providing examples has the potential to inspire other elected and community leaders to explore options to incorporate the arts as part of the economic development strategies employed in their own cities.”

Set a vision and determine concrete goals for catalyzing the creative sector when planning creative initiatives.

Through the advisory groups, committees and task forces they appoint, governors have played a key role in establishing a vision and goals for using the creative sector to help rural economies. The policy visions and influence governors have can be impactful, as seen in examples from Virginia and Tennessee.

In Tennessee, Gov. Bill Haslam created a Governor’s Rural Task Force to determine options for strengthening the infrastructure and assets of rural communities and their regional economies. The governor created the task force to bring resources together from a range of organizations to advance rural communities and economic development throughout the state. The governor said, “Our engagement will align public and private resources and offer new strategic initiatives to create transformative holistic solutions in asset-based economic activities across rural Tennessee. The Tennessee Arts Commission helped develop the placemaking recommendations for the group’s final report.” One such recommendation is for the state to develop a program managed by the Tennessee Department of Tourist Development— in collaboration with the Tennessee Arts Commission and other state agencies— to help rural communities identify and market their cultural and recreational assets to foster sustainable economic development.

In Virginia, the southwestern region of the state enjoys heritage-based tourism centered on traditional arts, crafts and music. The southwest Virginia artisan network, called “Round the Mountain,” had its origins in the Virginia Works initiative of former Virginia Gov. Mark Warner who, in 2004, supported efforts to develop that region of the state as a cultural tourism destination. The network officially became a nonprofit in 2006. Round the Mountain’s documented “history” notes that it got its start thanks to Virginia Works initiative funding through the efforts of Gov. Warner. Since then, it has received grant funding from the Virginia Commission for the Arts and the Appalachian Regional Commission for projects to help local artisans include their cultural assets in the local economy.

Shoppers enjoy arts and crafts for sale in downtown Blue Ridge, Georgia. The state’s creative industries account for 200,000 jobs, $10.5 billion in wages and earnings and $37 billion in revenue.

Photo Credit: Georgia Council for the Arts
revitalization plans for the rural downtown areas of the region.44

Current Virginia Gov. Ralph Northam said, “Tourism is a huge driver of sustainable economic development for Southwest Virginia. The Round the Mountain campaign continues to play a critical role in showcasing what the region has to offer, connecting travelers to local artisans throughout Southwest Virginia, and turning artisans into entrepreneurs with education and marketing assistance programs.” To build the artisans’ business and marketing skills, Round the Mountain offers entrepreneurship workshops, individual coaching and group networking and discussions. The group’s education campaign communicates the value of its members to the region’s community and business leaders. All this has led to the development of 15 artisan trails in the southwest region of Virginia, each of which identifies for tourists the artisan studios, galleries, craft venues, eateries, vineyards and other cultural points of interest based on unique local heritage.

These artisan trails work in tandem with Virginia’s heritage music trail, called “Crooked Road,” which features venues for traditional gospel, bluegrass and mountain music.45 Each of the trail maps from Round the Mountain and Crooked Road generates a picture of the vast creative sector that has developed and is now contributing to the economies of 19 counties in southwestern Virginia.46 For example, the annual economic impact of the Crooked Road (shown below) was estimated at approximately $9.2 million for 2015, with more than 130 jobs created, according to Virginia Tech’s Office of Economic Development.47 There is so much interest in Round the Mountain that the network now has to vet its artisans — an extraordinary step. In addition, the hotels and bed and breakfast spaces are working hard to accommodate the influx of tourists coming to the arts and music venues. The state makes $75,000 available in the state budget to match other grants for sustaining the overall southwestern Virginia initiative.48

Empower policymakers statewide by communicating the structure in place for programming related to the arts and culture.

Planning and programming for arts and cultural initiatives differ from state to state, and an array of organizational structures exist for this purpose. Some
states, such as Colorado, have cultural districts; others have uniquely designed state programs, such as Iowa’s Great Places initiative. Still other states have set up specialized decentralized structures for arts, as Pennsylvania has done. States can also establish arts funding and organizing through existing regional planning and development agencies, as in Michigan. Each approach has advantages for rural geographies and economic challenges in the state, and each is discussed here.

**Cultural Districts.** In 15 states (see the text box on this page), the governor and state legislators have established statewide cultural district certification programs that formally recognize and support locally organized zones of artistic and related commercial activities. Such programs support these local cultural districts, also known as “creative districts,” through grants, tax incentives, TA, information sharing, unified branding and more. The cultural districts model facilitates connections among the arts, culture and commerce through cultural tourism, creative placemaking and downtown revitalization, among other things; such a strategy can be effective for realizing rural economic development. Another benefit of being certified as a cultural district includes eligibility for special grants or state support in advertising.

Governors can help enhance the visibility of cultural districts in their states. In Colorado, Gov. John Hickenlooper has focused heavily on using creative industries to enhance local residents’ quality of life. Through its Creative Districts Program, the state arts agency, Colorado Creative Industries certifies local cultural districts to help them use arts, culture and design strategies to strengthen local communities and encourage investment in economic development. Colorado now has 23 creative districts in both rural and urban communities around the state. The program seeks to:

- Create hubs and clusters of economic activity.
- Promote a community’s unique identity.
- Promote rural communities as appealing places to live, conduct business and attract visitors.

Colorado’s creative district legislation provides a framework for standards of excellence intended to compel communities to be responsible for their own process, so that the result is based on the community’s unique assets, making it more sustainable over time. Once certified, the districts are eligible for grants of up to $10,000 for projects to further develop their assets.

**The Following States Have Statewide Cultural District Certification or Designation Programs:**

- California Cultural Districts Program
- Colorado Creative Districts
- Iowa Cultural and Entertainment Districts
- Indiana Arts and Cultural Districts
- Kentucky Creative Districts
- Louisiana Cultural Districts
- Massachusetts Cultural Districts
- Maryland Arts and Entertainment Districts
- New Mexico Arts and Cultural Districts
- Oklahoma Cultural District Initiative
- Rhode Island Tax-Free Arts Districts
- South Carolina Cultural Districts
- Texas Cultural Districts
- Washington Certified Creative Districts
- West Virginia Certified Arts Community

States that do not have cultural districts may have other mechanisms in place to empower creative sector decision making at the local and regional levels.

**State-Designed Creative Sector Programs.** Some states have established uniquely designed programs. The Iowa Arts Council, which is part of the Iowa Department of Cultural Affairs, administers a state program called “Iowa Great Places” to cultivate the unique and authentic qualities of Iowa neighborhoods, districts, communities and regions in order to make them great places to live and work. The program provides professional development training and TA for placemaking projects and grants averaging $185,000 to support infrastructure projects.
Through a special designation, the Iowa Great Places program recognizes communities that have established a local planning process and demonstrated a vision that values their assets while challenging the communities to set realistic goals for advancing their quality of life. Several rural communities have earned the Great Places designation. The designated communities are expected to become active members of the Iowa Great Places Network, a forum for peer support and sharing best practices.

**DECENTRALIZED PROGRAMMING.** Fifteen state arts agencies have decentralized a portion of their grant programs for creative projects. Some of those arts agencies, including the Pennsylvania Council on the Arts, decentralized their grantmaking to ensure that they support their entire state, including rural communities. Through the Pennsylvania Partners in the Arts program, the council awards funding to 13 local arts agencies that collectively regrant funds to local artists and arts organizations in all 67 Pennsylvania counties. The program structure empowers local decision making based on community priorities, invites greater involvement by individuals in the processes and procedures for state arts funding, and supports rural and low-income communities which may have been historically underserved.

**REGIONAL PROGRAMMING.** When state arts agencies work with existing regional planning and development organizations in their state, that work can yield a range of benefits to communities, including economic, educational and social benefits. For example, the Central Upper Peninsula Planning and Development Regional Commission is one of 14 regional planning commissions in Michigan. It supports the Upper Peninsula’s creative sector in many ways:

- As a regional regranting agency of the Michigan Council for Arts and Cultural Affairs, it redistributes the council’s funding through minigrants that support the arts and cultural activities in one of fifteen regions throughout the state, determined by county.
- Through its Regional Prosperity Initiative, it awards $500 to $5,000 to local governments and NPOs to help them initiate or improve placemaking principles.
- The commission supports Arts Midwest’s Upper Peninsula Arts and Culture Alliance, a broad-based network of artists and economic development stakeholders.

These examples illustrate programming structures that states are using to support the arts and culture. It may be helpful to combine elements from each approach and apply them to particular situations to test their applicability in new rural settings.

**Support creative placemaking initiatives in rural areas with technical assistance (TA), peer learning convenings and proactive collaborations. Share those best practices widely.**

State arts agencies are integrating their funding portfolios with interagency and intergovernmental partnerships, convenings, TA and other resources. Their work also benefits from collaborations with outside partners. These partnerships and joint activities result in benefits for rural communities. In this regard, Indiana and New Mexico are highlighted.

**CREATIVE PLACEMAKING MECHANISMS AND TOOLS.** The Indiana Arts Commission’s strategic
A portfolio of policies and programs models a strong leadership role for rural creative economic development through the state arts agency. While preparing its 2017–2021 strategic plan, the commission conducted a “rural situation assessment” to examine demographic trends that affect the state; the assessment revealed a dramatic workforce migration away from rural areas toward urban areas. The effects of that assessment are now manifesting in policies and programs statewide. Several of the state’s seven certified cultural districts are rural, so Indiana continues to advance creative rural economies through its cultural districts program. In addition, the Arts Commission has now joined other agencies in the state to position the arts and culture as vital ingredients for rural areas and small towns. This comprehensive, multipronged approach includes the following key elements:

- **Integrated Partnerships:** The Indiana Office of Community and Rural Affairs consults with the Indiana Arts Commission on implementing the interagency Indiana Stellar Communities program, which helps small and rural communities realize comprehensive community and economic development projects. This partnership enables the Arts Commission to work directly with communities to incorporate the arts into their economic development planning efforts. Many communities that have participated in the Stellar Communities program have increased its arts focus, and the commission has recently expanded its role to provide more proactive TA for creative placemaking and creative economic development efforts.

- **Convenings:** The Arts Commission hosted a creative placemaking workshop for small and rural communities called “From the Ground Up.” This high-energy day-and-a-half workshop introduced the practice of creative placemaking as a viable strategy for small and rural Indiana communities and neighborhoods; sessions focused on practical ways to get started.

- **Technical Assistance:** Communities that participated in the workshop were eligible to apply for “Open Scene Consultancy”: 50 hours of consulting support for developing a community-specific creative placemaking strategy. At least eight rural communities have received this assistance. The communities are in the process of designing and implementing their placemaking projects.

- **Toolkit:** Complementing the workshop and consulting is a comprehensive Creative Placemaking Toolkit, an online resource that features practical information and project inspiration for artists, community leaders and other stakeholders. It describes partnership building, effective communication and the all-important fundraising and includes a primer on creative placemaking ideas, goals and approaches. It also features case studies of artist- and community-led projects and links to white papers and training opportunities available elsewhere.

In Indiana, as in other states, the field of creative placemaking is considered a specialized version of community development. The work takes more time and effort because it requires cross-sector partnerships and addresses community challenges in a comprehensive way by using the arts, culture and design strategies. Creative placemaking often
taps into a collective impact approach that has the potential to blend diverse sources of funding. Sources that have been used include federal low-income housing tax credits, New Markets Tax Credits (NMTC) through the U.S. Department of the Treasury, state and local government subsidies or financing from tax-exempt bonds, economic development funding, and private bank debt or capital and even philanthropic grants. This funding diversity creates a higher level of complexity; thus, it becomes clear why the TA and convenings Indiana is conducting to introduce creative placemaking are needed to strengthen local communities. (See the text box “What Is Creative Placemaking” on this page.)

In a similar fashion, New Mexico has added interagency partnerships, convenings, TA and other resources to its state portfolio of programs. The Economic Development Department’s MainStreet program, the state arts agency — New Mexico Arts — and the state Historic Preservation Department oversee an Arts and Cultural District program that has authorized nine Arts and Cultural Districts, including seven in rural areas, as well as three new “start-up” rural districts. The three state agencies Collaborate to provide TA and support for the authorized districts and new startups. Inspired by this partnership, the agencies also organized two Building Creative Communities conferences that focused on integrating commercial district revitalization with arts, tourism and preservation. A complementary state-level initiative called “Great Blocks on Main Street” is intended to spark intensive design and creative placemaking projects in key locations within cultural districts. This program provides funds and TA to help communities dramatically upgrade sites that contribute to community design, public infrastructure, architecture, landscaping and public art. In this regard, the state recently received a grant from USDA to help fund in-depth projects in the rural communities of Belen, Las Vegas, Raton and Tucumcari.

What Is Creative Placemaking?

“Creative placemaking” occurs when artists, arts organizations and community development practitioners deliberately integrate the arts and culture into community revitalization work. Creative placemaking engages partners from a range of sectors (such as agriculture and food, economic development, education and youth, environment and energy, health, housing, public safety, transportation and workforce development).

Community development efforts in cities, towns and rural places across the country have demonstrated that artists, designers and cultural organizations can play an essential role in realizing community-driven transformation. Community development strategies that integrate the arts and culture are better equipped to draw on and support existing community assets, preserve and enhance the authentic character of place and ensure equitable outcomes for local stakeholders. Through creative placemaking, the arts and culture can strengthen communities by helping revitalize local economies, provide rich engagement for youth, advance educational outcomes, create spaces and places where people want to be, facilitate authentic engagement in community planning, reimagine uses for vacant properties and improve quality of life for existing residents.

Through the Our Town grants program, NEA seeks to strengthen communities and provide opportunities to integrate the arts into the fabric of community life. Our Town project outcomes may include:

**Economic Change:** Economic improvements of individuals, institutions or the community, including local business growth, job creation and labor force participation, professional development and training, prevention of displacement, in-migration and tourism.

**Physical Change:** Physical improvements that occur to the built and natural environment, including beautification and enhancement of the physical environment, new construction and redevelopment (including the arts, culture and public space).

**Social Change:** Improvements to social relationships; civic engagement; community empowerment; and amplifying community identity, including collective efficacy, social capital, social cohesion and community attachment.

**Systems Change:** Improvements to community capacity to sustain the integration of the arts, culture and design into strategies for advancing local economic, physical and social outcomes, including partnerships with other sectors, civic and institutional leadership, replication or scaling of innovative projects, long-term funding, training programs and permanent staff positions.
Southwest New Mexico Clay Arts Trail artist William “Bill” Blakemore throwing a bowl in his home studio in Tyrone, New Mexico.

PHOTO CREDIT: KITTY STOLZENBACH
Capitalize on Existing Regional Cultural Assets

To make their state infrastructure for partnerships productive, governors and states can:

- **Map assets in the state’s rural regions for use.**
- **Connect leaders in creative communities so they can learn from each other and use their collective resources.**
- **Reinforce local branding to help both visitors and resident entrepreneurs and businesspeople reimagine their communities.**
- **Promote a cultural heritage perspective on rural tourism growth and development.**
- **Embed creative sector and placemaking initiatives into broader community planning and main street development.**

*When states lose traditional industries, they need to capitalize on their existing assets to reimagine a new future. As noted in the first section of this Rural Action Guide, several state studies relied on surveys to collect information about their creative sectors, including information about local and regional assets and locations. This work involves gathering information about the full spectrum of assets — public, private and nonprofit — and the results should include everything from human capital to financial and infrastructure resources as well as nongeographic assets. This section includes policy tools and strategies for identifying and enhancing creative assets.*

**Map assets in the state’s rural regions for use.**

With creative sector projects in rural areas, localities that build on their own cultural assets and those of the surrounding regions can realize optimal results. Cultural assets include people, places, institutions, stories and histories. It is important to note that cultural assets are not limited to physical places or large arts institutions. When governors target public investments at initiatives based on existing cultural assets, those investments can catalyze an ongoing cycle of reinvestment in rural regions.

There are many ways to help rural areas build their capacity for identifying and using assets. Highlighted here are the methodologies used by two groups: (1) the asset identification and mapping approach encouraged by the Delta Regional Authority (DRA) and (2) the workshop approach from the Citizens’ Institute on Rural Design (CIRD), which applies design tools to enhancing assets in rural places.

**ASSET IDENTIFICATION.** The DRA is a federal entity focused on improving the regional economies of the 252 counties and parishes of the eight-state Delta region in the Mississippi Valley. The DRA is recognized for the creative sector programming it implemented through its regional development districts. It represents a federal-regional response that could be emulated for a state-county approach.

The Delta Creative Placemaking Initiative awards grants to small communities to help them integrate the arts into their economic and community development strategies. The Delta approach began as a pilot project that offered an exemplary framework to help rural areas identify assets; it was particularly effective in encouraging local economic development organizations to undertake asset-based approaches to the intersection of the arts and economic development. For example, Acadia Parish in Louisiana recently received $15,000 to conduct an assessment of its cultural activity and develop an economic development plan in response. Henderson, Kentucky, received $15,000 to engage four contiguous counties in mapping their cultural entrepreneurship assets to stimulate community development and generate population growth. States and localities also attended DRA how-to
workshops. Those interested in this step of the creative placemaking process can access workshop presentations and DRA grantee information for peer connections.

**APPLYING DESIGN TOOLS.** CIRD provides an approach to enhancing existing creative assets in small rural communities. The institute is a partnership among NEA, the Project for Public Spaces and the Orton Family Foundation. The partnership works with communities whose populations are 50,000 or fewer to enhance the design of an existing asset to improve the local quality of life or the way a community looks. The CIRD process is another model for boosting rural capacity by providing access to design and creative placemaking expertise. Every year, the partnership offers competitive funding to as many as six small towns or rural communities to host a community design workshop focused on a particular asset or design challenge. For about two-and-a-half days, the workshops bring together relevant design professionals and arts and cultural experts with local leaders and the broader public. Following their CIRD workshops, the communities receive additional support through webinars, conference calls and web-based resources. The goal is to help the communities develop actionable solutions, from strategies to enhance their downtown main street to designing a new public park or trail system. CIRD also serves as a technical assistance program to guide a community through a planning process that can ultimately ready them for additional federal, state, local and philanthropic funding.

At a 2017 CIRD workshop in Limon, Colorado, a town of fewer than 2,000 people, local residents were interested in designing a trail to promote the town’s unique cultural heritage. Other workshop participants included state officials from Colorado’s Department of Transportation, Department of Local Affairs, Office of Economic Development and International Trade and USDA Rural Development Colorado. Through the workshop and follow-up process, the group worked collaboratively to design a wayfaring system that connects key community and cultural destinations, including pedestrian trails and foot bridges, with the ultimate goal of attracting cultural tourists and supporting local economic development.

In 2016, a CIRD workshop’s goal in Native America was to identify essential elements of Mohawk culture and language and to apply that knowledge to informing new design standards for buildings, roadways, signage and landscapes within the Akwesasne Mohawk territory in New York and in the Canadian provinces of Ontario and Quebec. The new design standards were part of Akwesasne’s federally funded tourism and economic development initiative. Three resource team professionals — in transportation, design and Native American branding — gathered with tribal leaders and community members to identify key destinations and help guide the tourism and economic development plan. The resource team also helped the community determine how best to work with U.S state and federal partners on public realm improvements.

Connect leaders in creative communities so they can learn from each other and use their collective resources.

Another key to success is engaging local “culture bearers” or “linchpins” whose support for projects and policy ideas is influential and catalyzing. With a support network of mentors and experts, these local leaders help build consensus and facilitate peer learning among an even wider local audience in the community or region. This, in turn, helps lay the groundwork for successful implementation of programs designed to achieve state policy goals, as exemplified by a South Carolina program established to address primarily rural health care in the state’s federally designated Promise Zone.

**CONNECTING RURAL LEADERS.** The South Carolina Arts Commission is advancing rural development through a pilot creative placemaking program that builds on grassroots leadership development, strategic partnerships, networking and teamwork. The state arts agency developed a new approach, called “Art of Community: Rural
SC,” to facilitate community-led planning and arts-based projects in six rural underserved counties designated by the U.S. Department of Housing and Urban Development (HUD) as a Promise Zone. The initiative began with selection of six local champions, called “mavens,” and their subsequent selection of local team members, who participate in regional meetings that (1) deepen knowledge of their community’s assets and challenges, (2) spur new understanding of tools and resources to access those challenges, and (3) create a local project that builds on assets while addressing a specific challenge. The commission designed the program as a model of practice that expands relationships in under-resourced communities and creates a new way for communities to work together using arts and culture.

An advisory council that consists of 28 national and state leaders, including those from organizations such as ArtPlace America, Art of the Rural, Rural LISC, The National Consortium for Creative Placemaking, Rural Policy Research Institute, South Arts, Surdna, the University of South Carolina-Salkehatchie and Write to Change Foundation provides additional insights and connectivity in three focus areas: health and wellbeing, education and economic development. Art of Community: Rural SC has received financial support from USDA Rural Development and has produced several videos highlighting its impact. At the 21st Annual Rural Health Conference in 2017, the project received the state’s inaugural Power of Rural award from the South Carolina Office of Rural Health. The South Carolina example shows the power of the arts to engage rural residents in ways that spark creative solutions, provide new tools and ideas, and, most importantly, create a renewed sense of community ownership and spirit.

Reinforce local branding to help both visitors and resident entrepreneurs and businesspeople reimagine their communities.

“Branding” is the process of creating a distinctive impression about a product or place and differentiating it from others. Branding a location or community, and then associating that place with local cultural heritage and traditions can help increase residents’ pride in their community and attract visitors. The examples below from Alaska, Pennsylvania and Illinois illustrate how branding efforts based on existing place-based assets are especially effective in rural areas because they market resident artists, crafts producers and makers.

BRANDING. Alaska’s art agency, the Alaska State Council on the Arts, administers the state’s statutorily established Silver Hand Program for Alaska Native artists. Eligible artists registered with the program are awarded permits to use the trademark protected Silver Hand seal to authenticate and promote their work to marketplace consumers and arts patrons.

The Silver Hand program, managed by the Alaska State Council on the Arts in partnership with the Alaska Department of Economic Development, authenticates work by Alaska Native artists in an effort to help them develop markets. The Silver Hand seal (front and back shown at left) is protected under state trademark statute.
Since the Silver Hand program’s inception in the 1980s, it has served almost 3,000 native artists. In addition to managing the Silver Hand certification, the council’s Native Arts program provides broad support for native artists’ complex entrepreneurial, professional development and creative needs through grants, publications, training and a variety of partnerships. Examples include the Alaska Native Artist Resource Workbook (providing marketing guidance tailored to the needs of Alaska Native artists) and the Alaska Native Creative Leaders ARTShop Program (which builds locally-led creative capacity in rural communities).99,100

The northwest region of Pennsylvania includes a rural region known as the “Pennsylvania Wilds.” In that region, the Wild’s Cooperative of Pennsylvania is a program of the nonprofit Pennsylvania Wilds Center for Entrepreneurship.101 The program staffs a 50-site culture and recreation trail that spans 13 counties and encompasses more than 80 artisans and makers whose products reflect the region’s “natural beauty, bounty and rural traditions.”102,103 The Wilds Cooperative is working to develop tourism to increase the exposure of the local artisans. It is authorized by the Pennsylvania Department of Community and Economic Development to promote the Pennsylvania Wilds brand through guidelines for the participating artists and artisans, organizations and communities and through a Signage Grant Program that awards up to $500 to help businesses and nonprofit groups attract customers.104

The criteria for the Illinois Office of Tourism’s branding designation, called “Illinois Made,” is that the artisans must work in studios and storefronts (versus large-scale operations) or with a specific Illinois resource.105,106 The Illinois branding project features an online visitor itinerary based on artisans’ unique products from Illinois. Many of the itinerary’s sites are in smaller communities outside the Chicago region.107 In addition, the Illinois Office of Tourism maintains an interactive database of arts and cultural venues and events so that users can explore those lesser known areas of the state.

**Promote a cultural heritage perspective on rural tourism growth and development.**

Cultural heritage tourism — such as a guided trail with performance venues or shopping centered on a cultural theme — is attracting visitors to cultural sites in rural areas. This type of tourism is effective: Of the 116 million American adults who traveled more than 50 miles one way in 2012, almost 30 percent of them extended their trip to participate in a cultural, arts, heritage or historic activity or event. In addition, of those who did so, 40 percent extended their trip by one or more nights.108 State cultural tourism programs in New Mexico and North Carolina are described here to illustrate their substantial benefits — both direct and indirect — to rural areas. An interesting aspect of this type of tourism is that it can be especially innovative in rural areas.
TRAILS. To promote cultural tourism and related economic development, the North Carolina Arts Council has created three arts and culture trail programs that, together, traverse all 100 counties in the state and have resulted in well-documented economic impact. The council publishes a guidebook and website for each of the following trails:

- The Blue Ridge Music Trail covers 25 counties and more than 100 music venues in the state’s rural mountains, highlighting the heritage of old-time and bluegrass music.

- The Cherokee Heritage Trail celebrates Cherokee music, dance, craft and storytelling traditions and covers eight counties and the Qualla Boundary, a territory of the Eastern Band of Cherokee Indians.

- The African American Music Trail connects tourists with the traditions of jazz, blues, gospel and funk in eight counties in the eastern part of the state.

The North Carolina Arts Council also publishes a three-volume collection of work by North Carolina writers, organized geographically, and called the “Literary Trails of North Carolina program.” The guidebooks enrich travelers’ experiences as they visit the places where literary icons lived and read their works, evoking local customs and colloquialisms.

The cultural traditions of trails are clearly place-based, but the trails concept itself is quite replicable — and the economic impact in North Carolina is apparent. For example, total visitor spending in the eight African American Music Trail counties has increased by nearly 11 percent since the guidebook for those trails was published. The economic impact of the Blue Ridge Music Trail was similarly assessed. According to a 2012 study of 26 venues on that trail, the total economic impact was $20.7 million; 40 percent of the attendees came specifically for the event they attended, and 99 percent of the attendees said that they would return. Out-of-town audiences spent an average of 2.9 nights in the area; for every 100 visitors,
more than $4,000 was spent in the community. Furthermore, the study found that not holding the events would be a loss of more than $13.5 million in spending in the region.

The New Mexico arts trails promote the state’s diverse cultural traditions and demonstrate the power of creative entrepreneurs to spark rural economic development. The trails have been a collaboration between the state arts agency, New Mexico Arts and various grass-roots networks of native rural artists. During the past decade, the trails have included, for example, a Fiber Arts Trail, a New Mexico Fiber Crawl, a Southeast New Mexico Textile Arts Trail and a Clay Trail in the Silver City area. These trails enable the artisans to remain on their land as entrepreneurs instead of having to move and take jobs in cities. They attract visitors to the communities where the artists live and work, and the artists’ homes or studios effectively become tourist destinations that draw the market to them. The trails not only strengthen the ties that families have to their “place,” they also encourage art sales.

CULTURAL TOURISM. In other states, the state arts agency has coordinated with other statewide agencies on initiating or expanding cultural and heritage tourism programs. Two states that exemplify successful cross-organizational collaboration between cultural, heritage and tourism agencies include Georgia and Oregon.

The Georgia Council for the Arts works with the Georgia Department of Economic Development’s Tourism Division. The division’s Product Development team, which includes a staff member from the arts agency, visits local communities to offer them resources and suggestions for using their arts-based assets to foster cultural tourism and creative economic development. The team has worked mostly in rural counties, visiting them for three to five days to tour sites, interview stakeholders and facilitate meetings. The team returns to each location about three months later to discuss recommendations for tourism development, which are also documented in more detailed reports to the locality.

Research by the Oregon Arts Commission has supported actions that the state tourism office, Travel Oregon, took to promote cultural heritage tourism. The Oregon arts agency’s 2006 assessment of tourist destinations helped Travel Oregon refine its cultural heritage module that is offered as part of its training program to help rural communities develop high-value authentic experiences for travelers. Communities that participate in the program send a team of stakeholders — community leaders, tourism entrepreneurs, hospitality
professionals, outdoor recreation enthusiasts, restaurateurs and others — to a series of workshops. Subsequently, the communities are eligible to apply for a matching grant up to $25,000 grant from Travel Oregon to implement priority projects they identify through the training.

**Embed creative sector and placemaking initiatives into broader community planning and rural main street development.**

Creative sector projects can strengthen broader rural community planning and development efforts. Governors and states can encourage communities to take greater ownership of their planning processes, as exemplified by the proactive and enthusiastic local governments highlighted in this Rural Action Guide. As communities do so, they are finding ways to interject creative projects into those processes for effective outcomes.

The village of Waunakee, Wisconsin, has seen its population double in recent years to 13,600; compared with the state, Waunakee has enjoyed a relatively favorable economic environment. The village administration has been pursuing creative opportunities. At the request of the village’s Economic Development Commission, the village board established the Waunakee Creative Economy Initiative Task Force, which consisted of Waunakee residents and local organizations devoted to enhancing Waunakee as a creative and innovative place. The text box “Waunakee, Wisconsin, Planning Process” on this page presents milestones in Waunakee’s multiyear process of building a creative economy.

**Waunakee, Wisconsin, Planning Process**

Waunakee’s efforts provide an example of how a local planning process centered on the creative economy can be expected to unfold, with learning gained along the way:

- The Waunakee Creative Economy Initiative Task Force spent its first year completing a local asset inventory.

- Second-year work resulted in an “Imagination Celebration” event that engaged 1,500 residents to reveal, surprise and connect people through creativity.123

- The next year, the group turned its focus to developing its first five-year strategic plan, which included a mission or vision statement, measurements for success, detailed short- and long-term goals, resources, obstacles and other aspects. This work helped initiate a relationship with the Wisconsin Arts Board.124

- In 2017, the local task force was expanded to include representatives from the Wisconsin Economic Development Corporation, the municipality, the school district and leaders of local arts groups. The new goal was to implement aspects of the creative economy plan and design an even broader entity to encourage and implement creative economy projects and businesses.

- The village is fortunate to be located not far from the state capital, Madison. A student consulting group from the Bolz Center for Arts Administration at the University of Wisconsin-Madison is now supporting the task force by conducting research, facilitating community conversations and compiling case studies.125,126

The village has been persistent, remains committed to its goal and has been delighted to make progress at each step in its process — which, it acknowledged, is a long-term commitment.
Tools designed by local artists for Space to Create Colorado, a state-driven initiative for affordable housing for creative sector workers.

PHOTO CREDIT: JAVEN FAZ
Build the State’s Cultural and Creative Partnership Infrastructure

To take advantage of their leadership and vision, governors can:

- **Convene stakeholders to learn what each sector can bring to the table.**
- **Integrate the creative sector into existing state strategy and planning efforts, and embed those efforts into larger state policy goals, such as economic development, housing and community development.**
- **Align creative activities with existing private efforts that have similar aims; seed public-private partnerships (PPPs) to use funding and investments.**
- **Engage community and family foundations in creative sector activities.**
- **Use federal programs that offer funding, technical assistance (TA) and models for accomplishing creative sector goals.**

*Creative economy initiatives are especially effective when considered in conjunction with other state and local policies and practices. The reach of state arts agencies can also extend to working at the federal and local levels and out to the private sector and philanthropic community. This section explores the potential of each of these directions.*

**Convene stakeholders to learn what each sector can bring to the table.**

Creative sector stakeholder communities include artists, the business community and commercial sector, investors, developers, planners, policymakers, education institutions and the public, among many other actors. Cross-sector networking among these stakeholder communities can help foster creative economic development in rural areas. One way states can facilitate this networking is by sponsoring convenings of multisector stakeholders.

The Kentucky Rural-Urban Exchange uses collaborations among the arts, agriculture, community health and small businesses. Drawing on 75 members from 25 counties in the 2018 cohort, the network involves three weekend-long “exchange events” each year. The participants are artists, farmers, politicians and business owners. Through the exchange, participants build their collective capacity through networking, leadership development and professional development of the community leaders in those sectors so that they can achieve a “shared social and economic future.”

The impact of Kentucky’s Appalshop, which sponsors the Kentucky Rural-Urban Exchange with assistance and support from the state and other partners, is noted in the text box “Kentucky’s Appalshop: Impact” on page 30.
Integrate the creative sector into existing state strategy and planning efforts, and embed those efforts into larger state policy goals, such as economic development, housing and community development.

State arts agencies working with other state agencies have found that it helps when the governor proactively integrates their work with overall state policy development. Governors can empower state arts agencies by:

- Removing barriers to aligning creative sector initiatives with other state agencies.
- Issuing directives to state agencies to develop strategic partnerships with the state arts agency.
- Appointing the director of the state arts agency to existing state boards and taskforces.

Governors can embed their state’s creative sector work into larger state policy goals through interagency coordination and collaborations between rural creative initiatives and outside institutions and stakeholders. What follows are examples of how the creative sector is helping other fields achieve their goals.

**Rural Economic Development and Entrepreneurship Development**

It can be particularly productive for governors to facilitate connections between state economic development agencies and state arts agencies. Together, these groups are poised to support development in rural areas. Such partnerships exist already in some states, especially those where the state arts agency is located within the economic development cabinet. Together with state economic organizations, state arts agencies can coordinate with other state and federal agencies that require comprehensive economic development plans to obtain funding and help communities develop their comprehensive plans.

States can enhance entrepreneurship by including arts entrepreneurs in rural incubators, creating incubator facilities specifically for artists and makers and supporting other programs that target rural makers, as Nebraska has done.

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**Kentucky’s Appalshop: Impact**

Appalshop is located in Whitesburg, Kentucky, a town of about 2,000 people. It has been located there in the heart of rural Appalachia since 1969, coming out of the 1960s’ War on Poverty, when the national poverty rate was as high as 19 percent. Appalshop’s work centers on cultural organizing, place-based media and arts and education to document the life, celebrate the culture and voice the concerns of people living in Appalachia and rural America generally. Appalshop is now an anchor for the Whitesburg community, pumping more than $1.5 million into Whitesburg’s annual economy, providing jobs and helping retain young people through its theater, art gallery, community radio station and media production and training facilities. These outlets enable the voices of the community to present grassroots stories that challenge stereotypes and celebrate authenticity. The community voices include coal miners, fast-food workers, prisoners, truck drivers, community activists, high school students, teachers, musicians and artists. They present films, videos and radio and music productions that articulate compelling solutions. For example, Performing Our Future was a recent two-year program to help rural communities learn how their cultural assets can enable them “to imagine, construct, and own their civic and economic future.” In addition to Appalshop, the curriculum was led by partners Roadside Theatre, the Economic Empowerment and Global Learning Project at Lafayette College and a national consortium of 100 higher education institutions. Through all these activities, Appalshop has evolved into an international model for arts-based community development.
Nebraska has an initiative to promote entrepreneurship by offering residents access to maker equipment available in rural libraries. Maker space platforms include equipment such as 3D printers, laser cutters, computer numerically controlled machines and other equipment. The Nebraska Library Innovation Studios initiative is developing creative maker spaces in rural libraries to facilitate local entrepreneurship and expand the libraries' roles as anchor organizations for economic development. Through this statewide initiative, 30 rural libraries are hosting one of four maker space equipment platforms on a rotating basis (20 weeks each). Nebraska Gov. Pete Ricketts announced the first 18 library partners in late 2017. The project is intended to strengthen the maker culture in rural areas, thereby increasing community buoyancy. Each participating library is supported by a Community Action Team to encourage residents' use of the maker spaces and provide equipment training. The project is a joint effort among Nebraska’s Library Commission, University of Nebraska-Lincoln, Nebraska Innovation Studio (the UNL makerspace), Nebraska Extension and Nebraska Regional Library Systems. The initiative is supported in part by a grant from the National Institute of Museum and Library Services.

**Rural Housing and Community Development**

Traditional community development corporations have affordable housing and real estate development at their core, and they are increasingly viewing arts and culture as fundamental parts of their revitalization missions. Colorado illustrates successful state partnering to provide affordable housing for creative sector workers through its initiative, Space to Create Colorado. The goal is to stimulate economic development in rural and small towns by attracting creative talent based on offering merged housing and work space. Mixed-use buildings are developed for artists and their families, with space for creative enterprises and community-serving organizations. As a result of this initiative, at the first project site in Trinidad, Colorado, the vacancy rate of downtown commercial spaces fell from 63 percent to 28 percent. Approximately 42 commercial real estate transactions were associated with the initiative, totaling $7.6 million in local investment. This program is a partnership between Colorado Creative Industries, the state arts agency; the state's historic preservation office, called “History Colorado”; the Colorado Department of Local Affairs; the Boettcher Foundation; the Gates Foundation; and the consulting firm Artspace, a Minnesota-based company that builds affordable artist living spaces in numerous cities and towns across the country. The partners now have two projects in operation and five projects under development. Artspace is consulting with an additional nine sites throughout the state on future possibilities.
**Rural Workforce Development**

State investments can support workforce development in rural communities in several ways. For example, state capital funds for building and renovating arts and cultural facilities can support construction sector employment in the short term and spur business development and employment in the long term by attracting increased cultural tourism. States are also investing in expanding the capacity of local cultural institutions to reach out to disadvantaged populations, including rural communities. In New York, interagency coordination has been key to providing grants that focus on workforce development that incorporates the arts in two ways:

- A 2017 partnership between the Empire State Development agency and the New York State Council on the Arts (NYSCA) made available Arts and Cultural Facilities Improvement grants of up to $20 million, awarded in 2018. The state’s 10 Regional Economic Development Councils, including councils in the state’s rural areas, are implementing these capital improvement projects. In 2018, NYSCA offered new capital project funding grants to be awarded in 2019 totaling $10 million to promote accessibility, stability and sustainability of cultural arts facilities and strengthen tourism and business development statewide, including in rural communities where such investments can be particularly impactful.

- The Regional Economic Development Program, through the New York State Council on the Arts, is providing $5 million to support projects that use the arts to foster workforce readiness and development. Local organizations can apply for these funds to help staff expand their outreach or develop career training programs in artistic fields, including internships and apprenticeships in collaboration with high schools, community colleges and four-year colleges.

**Rural Health Care**

There is strong evidence that applying the arts to medicine has benefits for both patients and their caregivers. The benefits include faster patient recovery, greater emotional resiliency and the curtailment of cognitive decline. The following are examples of states working collaboratively to advance rural health care through the arts:

- The Florida Division of Cultural Affairs (DCA) has supported one of the nation’s pioneer programs for integrating arts and health care — the Arts in Medicine (AiM) program at the University of Florida (UF) Shands Hospital — by funding its evolution from a volunteer activity in the 1990s to the professional program it is today, accompanied by an Arts in Healthcare for Rural Communities Toolkit. DCA is also working with the UF AiM program and a state veterans hospital to incorporate art therapy into a telehealth program for patients living in isolated communities. In addition, it is collaborating on the development of metrics and indicators for evaluating arts-based health care efforts in rural communities.

- The Kansas Creative Arts Industries Commission is working with Emporia State University on an Arts in Medicine partnership that promotes the role and facilitates the practice of art therapy in health care settings, including those in rural communities.

- To help address the Native American teen suicide rate in Montana, the Montana State Office of Public Instruction and the Montana Arts Council teamed up with Salish Kootenai College on the Flathead Indian Reservation to create a statewide professional development program that is forming a powerful cohort of kindergarten through grade 12 (K-12) teacher-leaders for Montana classrooms. These teacher-leaders then support other teachers around the state through a close-knit social support network that is positively addressing mental health among the state’s teen population. An NEA ArtWorks grant called “Montana Teacher Leaders in the Arts” supports this effort.
Rural Community Planning

Many innovative examples of combining arts with community planning efforts exist. One such example comes from a small town in Minnesota. State funding from the Minnesota arts and cultural heritage fund and the Minnesota State Arts Board supports an innovative land and zoning approach in Lanesboro, where the Lanesboro City Council passed a resolution recognizing the entire town as an “arts campus.” Using this robust approach, the town addressed several issues related to downtown revitalization, such as vacant storefronts, historic preservation, pedestrian safety and parking. The endeavor incorporates history and design based on existing natural and cultural assets to stimulate the local economy and improve the quality of life. Many of Lanesboro’s 1,000 residents have been involved in this initiative in some way, and their work has enabled the town to compete successfully for an ArtPlace America grant in recognition of its initiation of two capital construction projects, community engagement events and public space improvements. Added to these efforts are the artful handling of external communications, fundraising and logistical and political aspects of all the projects.

Rural Transportation

Similarly, successful examples of how the creative sector has enhanced interagency efforts related to transportation are available. Danville, Vermont, a town of about 2,100 residents, redeveloped a section of U.S. Route 2 that has run through the center of town for more than a century and links major regions of the state. From 1999 to 2014, the town accessed the expertise of engineers, artists and residents in designing and building the new road with the help of the Vermont Arts Council and Vermont Transportation Agency. The project’s design mandate was to strengthen the community’s sense of place and celebrate its natural, built, cultural and historical assets. Beyond that mandate, the artists helped resolve major divisiveness in the community over where the highway should be situated and how to keep the village center intact. This unique effort is featured in the documentary, “The Danville Project,” which recommends a variety of additional resources for other communities that want to incorporate the best of both creative-artistic and engineering to address their own transportation design challenges.

Higher Education

In higher education, which includes the nation’s rural land-grant institutions, there is a movement to integrate arts and humanities with science, technology, engineering, mathematics and medicine (STEMM). A recent report from the National Academies presents evidence that integrating the STEMM fields with arts and humanities is associated with positive learning outcomes that help students enter the workforce. Yet, there is ongoing tension about whether higher education should focus on developing practical workforce skills or more broadly on fostering “an enlightened, engaged citizenry.” Evidence from the study indicates that integrating the STEMM fields with arts and humanities supports both goals. Another approach is called “STEAM” (or science, technology, engineering, arts and mathematics).

The University of Albany in New York has broken ground on an arts and technology incubator that focuses on science, technology, engineering, arts and math. This new “STEAM Garden” will house companies involved in START-UP NY, a program that helps new and expanding businesses through tax incentives and innovative academic partnerships and focuses on providing opportunities for minority- and women-owned businesses.
President Havidán Rodríguez stated that “initiatives focusing on innovation that integrate STEM disciplines and the arts are critically important for us.” The project is part of the Emerging Technology and Entrepreneurship Complex for connecting the creative economy, academic community and high-tech industry across the rural region surrounding Albany. President Rodriguez announced that entrepreneurs who work in the STEAM Garden will have access to services, mentorship and coaching to help them on a path to commercialization.

Align creative activities with existing private efforts that have similar aims; seed public private partnerships (PPPs) to use funding and investments.

Partnering with the private sector on state creative initiatives can open new opportunities not previously available. This section features successful collaborations between state and local creative initiatives and private industry. The section highlights only a few industry sectors here, but they are examples of the significant potential for PPPs related to the arts.

**Arts and Craft Retail Industry**

When their economic base declines, many small and rural communities are turning to the arts and culture for solutions. For example, the dislocated workers in eastern Kentucky who previously relied on the mining and extraction industries are now exploring how they can spark ideas for entrepreneurial ventures based on creativity and crafts. For this reason, the Kentucky Arts Council partnered with Etsy — the online marketplace where people around the world buy and sell unique arts and crafts — to offer training programs in online craft merchandising. Etsy experts presented a free five-session series at Hazard Community and Technical College in Hazard, Kentucky, a two-hour course at Morehead State University and a four-session series at Johnson County Public Library. Seasoned online entrepreneurs taught the sessions, which gave the new entrepreneurs the confidence to put themselves and their work out in public. Particularly important considerations were building and marketing a craft brand and strategies for business growth. The instructors guided students through opening their own online Etsy craft shop and focused on aspects such as product presentation and pricing, optimizing product searches and product shipping.

**Financial Industry**

State programs for creative sector work can seek the support and commitment of additional types of businesses, such as financial institutions and private land developers responsible for pivotal investments and decisions related to creative placemaking projects.

The federal Community Reinvestment Act (CRA) plays an important role in strengthening communities by encouraging depository institutions to help meet the credit needs of the communities in which they operate, with a focus on low- and moderate-income (LMI) neighborhoods and populations. Per the CRA, banking regulators evaluate depository financial institutions on their performance in meeting the financial needs of these neighborhoods and populations, and the institutions earn positive CRA consideration for providing loans, making investments in and giving grants to projects that target LMI populations, including rural communities. Creative placemaking projects that provide benefits and value to LMI residents are likely to receive CRA consideration and as such can create incentives for a financial institution to consider a creative lending opportunity.

Governors and their advisors can inform and encourage local community and project leaders to talk with their local financial institutions about projects that require financing. By providing bankers with information useful for CRA consideration (e.g., a description of the populations to be served, how the project can or is making a difference to the population, the number of jobs that are or will be created, the number of small businesses that can be supported), the institution can gain better insights into the value of an unfamiliar project.

States and their collaborators can also reach out and involve regional community development financial institutions (CDFIs) — organizations whose goal is to expand economic opportunity...
in low-income communities by providing residents and businesses with access to financial products and services. CDFIs can be banks, credit unions, loan funds or venture capital providers, among others. The Indiana Arts Commission’s model Creative Placemaking Toolkit identifies not only federal, state and foundation grant programs for arts and cultural projects but also other financing options such as Treasury-certified CDFIs. The Nonprofit Finance Fund is an example of a CDFI that has provided millions of dollars in support of creative placemaking projects. The New Jersey Community Capital is another CDFI that has done extensive work funding and supporting arts-based community development projects.

**Agricultural, Wine and Food Industries**

Many examples exist of creative sector organizations collaborating with the wine industry and gourmet and artisanal food industries in rural locations across the country, and states can help build these relationships. In Iowa, the arts and wineries have become mutually reinforcing industry sectors operating within the same spaces. Supported by Iowa State University’s Extension and Outreach, vineyards in Iowa now grow on land that was previously used for more traditional crops. Since 1999, the state’s wine industry has grown from 13 to 103 wineries, and one study showed that wine-related tourism in Iowa has had an economic impact of $41 million. An outgrowth of that impact is the expansion of rural tourism related to the arts, as the wine industry and the creative sector now operate hand-in-hand in rural parts of the state. The wineries are drawing people to tasting rooms that, at the same time, showcase locally produced arts and provide event space for close-by communities to hold musical and other cultural activities. This collaboration, in turn, is contributing to invigorating the rural communities. Interagency coordination at the state level can help enhance the connections that contribute to these results. For example, proactive coordination between state arts agency and the state office for USDA Rural Development will ensure that the arts agency is included in the guide listing existing state rural resources.

**Engage community and family foundations in creative sector activities.**

It is helpful to identify the intermediaries at the state level that can bring together appropriate state agencies with philanthropy for enhanced involvement in creative strategies. States engaging charitable foundations can help regions overcome their gaps in the resources they need for creative initiatives. Foundations can also invest in local capacity-building, which in the long run will help local communities and nonprofit organizations (NPOs) access data and funding on their own.

For example, Colorado’s arts agency, Colorado Creative Industries, works with about 30 community foundations who convene two annual three-day rural philanthropy retreats to look into the challenges facing the state’s rural areas. This endeavor has been so successful that it now includes other state grant-giving agencies. Colorado enhances this collective impact by offering the charitable foundations “speed-dating” style matching services with grants and arranging site visits to rural communities. This
work has helped raise the level of foundation support and shared investment in rural parts of the state over time.

**Use federal programs that offer funding, technical assistance (TA) and models for accomplishing creative sector goals.**

A greater awareness of available federal sources that support creative sector activities can help ameliorate the challenges that both rural municipalities and nonprofit organizations (NPOs) often experience in accessing funding for local creative initiatives. State arts agencies and economic development organizations can benefit residents and communities not only through their own grant programs but also through their capacity to help access federal resources and TA.

**Federal and State Funding for Local Arts Initiatives**

Federal funding sources are typically for capital investments, not for planning or ideation. So, it is important to be aware of the exceptions at both the federal and state levels, where regional planning is either an eligible or required activity. A case in point is HUD. The HUD Community Development Block Grant (CDBG) program includes a preference for artist housing in language that associates artist housing with low-income housing tax credits. The authorizing statute of the CDBG program requires that each activity funded, except for program administration and planning activities, must meet one of three national objectives. The national objective applicable to rural area creative sector projects is that 51 percent of the activity must benefit LMI people.

Other federal resources available for creative sector projects include sources at the U.S. Department of Commerce, U.S. Department of Transportation, Treasury and NEA. Please see the text box “Examples of Federal Programs That Support Arts and Cultural Projects” on this page for examples.

**Examples of Federal Programs That Support Arts and Cultural Projects**

The following are examples of federal funding programs that support regional and local creative sector projects:

- U.S. Department of Commerce’s Economic Development Administration offers funding for innovative regional incubators, space for entrepreneurs in the creative industries sector and commercialization strategies through the Office of Innovation and Entrepreneurship’s Regional Innovation Strategies program.

- Treasury’s Community Development Financial Institutions (CDFI) Fund offers a New Markets Tax Credit for application to low-income census tracts that states can use to develop creative sector innovation hubs, whether rural or urban.

- NEA provides funds for planning and design; recently awarded competitive grants are listed at the agency’s website, with guidelines and application forms categorized by grants for organizations and for individuals and partnership agreements.

- USDOT’s Federal Highway Administration can help transform small towns that accommodate national highways by integrating into their public spaces multipurpose centers that combine arts with visitor welcome areas, recreation and transit information.

- The Appalachian Regional Commission funds asset-based development projects that encompass cultural, natural, leadership/community and structural assets such as underused facilities. Suggested strategies are (1) capitalizing on traditional arts, culture and heritage; (2) supporting local entrepreneurs; and (3) attracting visitors. Projects can include the development of apprenticeship programs or product marketing.

- The USDA Rural Development program has funded, in part, several projects featured in this Rural Action Guide. USDA Regional Development’s Community Facilities Direct Loan and Grant program funds the creation of arts facilities, incubators and maker spaces. Its Rural Business Development Grants program supports small and emerging business development in nonmetropolitan areas. Eligible activities include training, TA, business incubation and planning.
State agencies can make their communities aware of various federal funding programs and help interested parties prepare the applications. They can also provide matching funds.

**Federal Programs as Sources of TA**

States can serve as intermediaries for regional development organizations, local communities and small businesses working to access federal TA. This role can be particularly effective for rural communities and innovative startups. For example, EDA offers TA to communities looking to develop Comprehensive Economic Development Strategies. These strategies require in-depth analysis and identification of assets (including creative assets) and collaboration among regional governments and organizations. State arts agencies can help ensure that all areas of a state are using such federal processes for the learning opportunity they afford.

State arts agencies can also encourage small businesses with connections to industrial design and maker equipment platforms to request TA from two long-standing federal-state manufacturing networks:

- A network of state-based manufacturing technology centers is part of the Manufacturing Extension Partnership (MEP) operated by the National Institute for Standards and Technology (NIST). MEP’s mission involves assisting small businesses.166
- The interagency-supported Manufacturing USA network consists of public-private manufacturing innovation institutes that can offer small businesses access to the latest maker technologies, such as 3D printing. The institutes themselves are supported by multiple federal agencies, while NIST administers the network of institutes.167

**Aligning Federal and State Efforts**

Governors can encourage state agencies to align their efforts with federal funding programs. If necessary, governors’ offices can work to change...
state requirements that impede the use of federal programs. Virginia, for example, allows the use of federal CDBG funds for creative planning purposes; in fact, the CDBG program supported program design for southwest Virginia’s Round the Mountain and Crooked Road initiatives (see pages 14–15). Note, however, that this may not necessarily be the case in other states.

Numerous innovative examples exist of states aligning their programming with federal programs to coordinate funding for creative sector purposes in rural areas — for example:

- The **Connecticut** Office of the Arts is partnering with the USDA Rural Development Connecticut program, along with the Assets for Artists program operated by the Massachusetts Museum of Contemporary Art in rural Massachusetts to offer financial and business training, one-on-one coaching, and capacity-building grants to arts entrepreneurs in Connecticut’s rural areas.168

- The U.S. Department of Education and the Nebraska Arts Council are jointly contributing to an arts-focused professional development program for teachers in rural elementary schools serving Native American and Latino students.169

States can also look to federal programs as mechanisms they can use in their rural areas for creative sector purposes. For example, **Missouri** and **Massachusetts** have integrated arts agendas into their USDA-state cooperative extension models:

- The University of Missouri Extension’s Community Arts Program offers Missouri communities training and workshops on cultural tourism and arts-based economic development.170 MU Extension’s Community Arts Program also partners with the St. Louis Storytelling Festival to bring culturally diverse storytellers for a three-day event that is free and open to the public.171

- The Arts Extension Service at the University of Massachusetts-Amherst has an Arts Entrepreneurship Initiative that provides training, consulting services and internships to arts entrepreneurs, many of whom live in rural communities; it also supports a range of arts-based stakeholders through degree and certificate programs, workshops and publications.172
Develop Local Talent and Human Capital with Creative Skills

To empower local communities and build capacity, governors and states can:

- **Enhance arts-based entrepreneurial ecosystems by supporting artist entrepreneurs.**
- **Foster networks of creative entrepreneurs and cross-sector stakeholders.**
- **Encourage rural community colleges to serve as anchors for creativity-based economic growth.**
- **Articulate the strategic advantages of creative jobs.**
- **Design state programs that enable staff to conduct inclusive artist outreach and engagement.**

The topics discussed in this section include initiatives for entrepreneurship; supplementing leadership and professional development; and grooming future leaders through community colleges, universities and other state-sponsored activities.

Enhance arts-based entrepreneurial ecosystems by supporting artist entrepreneurs.

Some states, like Montana and Kentucky, are fostering their state’s entrepreneurial ecosystems by targeting the creative sector and their arts entrepreneur communities. This work entails providing the artists with business-related training and mentoring and connecting them with customers who can use their artistic and graphic talents.

Rural Arts Entrepreneurship. The Montana Artrepreneur Program (MAP) is an art-centered business development program that expands entrepreneurial opportunities for rural visual artists. Participating artists receive personal

Montana Artrepreneur Program Activities. This map shows the locations across the state of Montana where the Montana Artrepreneur Program has activities, including activities going on in artists’ hometowns and training locations.
coaching from successful working arts entrepreneurs and other training through a 10-month certification process. Each participant develops an “Artrepreneur’s Toolbox,” with resources for sharpening their business skills and marketing practices. Montana recently completed a longitudinal study of artists’ sales across all years of this program. Between 2009 and 2016, artists who completed their certification had an average net sales increase of 650 percent, and out-of-state sales rose 87 percent. In addition to these impact data, the Montana Arts Council gathered anecdotal stories about how the program has benefited Montana’s arts entrepreneurs. For example, a certified MAP artist, who began working full time as an artist and gallery owner through the program, reported that in 2015 she netted $92,800 from selling her own work and $23,200 from selling other people’s work after joining the program. Another certified MAP artist, who has a thriving fiber arts business, has also published a guidebook on weaving and recorded three instructional videos. Reinforcing these and other stories, an official of the Montana Arts Council wrote in a blog, “Artists involved in the program have told the arts council repeatedly that the program ‘changed their lives’ and ‘was the most important thing that ever happened to them.’”

Through its Homegrown Homemade initiative, the Kentucky Arts Council used the social and physical infrastructure of farmers markets to help develop rural arts entrepreneurship. Underwritten by a $51,000 grant from USDA Rural Development, the program connected participating local artists with established produce vendors at two farmers markets located in rural counties. The artists advised the vendors on signage, product presentation, brand development and small business logistics. The USDA funding also enabled the Kentucky Arts Council to offer training to the participating artists on pricing and marketing for farmers markets. The council continues to assess the cultural

![The Montana Artrepreneur Program (MAP) expands entrepreneurial opportunities for rural visual artists, including those pictured here, by providing personal coaching and other business and marketing training over 10 months. Artists who received MAP certification between 2009 and 2014 experienced, on average, a 650 percent net sales increase and an 87 percent out-of-state sales increase. PHOTO CREDIT: CHARLES SPERRY]

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Montana Artrepreneur Program (MAP) participants. This chart shows the number of participants in the Montana Artrepreneur Program. Over the eight years of the program, there have been 469 artists and 34 “reMAP” artists (graduates of past cohorts who revisit the learning to focus on becoming certified).
assets in target rural counties to better understand their creative potential and inform the state’s continued support of rural arts entrepreneurs.

**Foster networks of creative entrepreneurs and cross-sector stakeholders.**

States are making strides in identifying best practices for fostering their entrepreneurial ecosystems and communities. When identifying assets, the inclusion of creative human capital is an important step. Establishing state-level support networks that include not only entrepreneurs but also mentors, investors, potential partners and others is another practical step. In expansive rural regions, it may be useful to establish such networks regionally.

The Vermont Arts Council launched the Vermont Creative Network in celebration of its 50th anniversary in 2015.\textsuperscript{177,178,179} The Vermont Creative Network is a broad coalition of organizations, businesses and individuals committed to “embedding creativity into Vermont’s DNA.” It is based in part on the model of the Vermont Farm to Plate Network, which collectively implements the goals of the state’s food system plan encompassing farms, food production businesses, specialty food producers, educational institutions, NPOs, capital providers and government. Through the Vermont Creative Network, the state arts agency is fostering a number of opportunities for the participants. These include mentorships, peer-to-peer learning, cross-sector engagement, business planning workshops, research to document the economic impact of the creative sector, and many other resources. The ultimate goal is to cultivate the state’s creative sector and, as a result, improve the quality of life and strengthen the fiber of the state’s communities while boosting their economies.

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A graphic summary of the work of the 2017 Vermont Creative Network Summit. The event is one facet of a Vermont Arts Council program that cultivates the state’s creative sector to improve quality of life, boost local economies and strengthen the fiber of communities. The Creative Network program supports mentorships, peer-to-peer learning, cross-sector engagement, communication and planning services that advance or use creative activities. The event was summarized by facilitator Angelique McAlpine.
Encourage rural community colleges to serve as anchors for creativity-based economic growth.

As geographically based centers with research capacity and cultural amenities, community colleges can support arts-based rural economic development by training future arts entrepreneurs and helping communities map creative assets, among other activities.

**Wyoming** has a strong community college culture, and that advantage is contributing to the development of creative sector activities in rural regions centered on cities such as Cheyenne and Sheridan. Both cities are undertaking long-term planning processes focused on creative initiatives to benefit the surrounding rural regions. Each effort has a strong community college component, as well.

Sheridan, in the rural northern part of Wyoming, has been beefing up its creative economic development for at least a decade. In 2008, the city collaborated with the Northern Wyoming Community College district, the chamber of commerce and the local economic development organization to commission a cultural sector inventory. Subsequently, the partners cooperated to form a local Creative Economies Council, with representatives from the community college and local artists’ guild. As these local efforts proceeded, the Wyoming Arts Council provided funding support for the district’s theater and dance programs, as well as other local nonprofit arts organizations in the community. Because of these related activities, Sheridan’s arts and cultural organizations grew to become prominent parts of the local asset portfolio — and the community became engaged in the quintessential cycle of investments and re-investments that build on themselves and are so necessary to lifting a community to a new place economically. The state partially funded the massive redevelopment of a local Performing Arts and Education Center, which became a cultural anchor affiliated with the community college theater and dance programs. All this work has benefitted the surrounding rural region. “The partnership of the theater and community college, with support...
from the state, benefits not only our local economy but the entire northeast Wyoming region,” said Sheridan’s mayor.184

The potential for states and localities seeking to make connections with their community colleges in rural areas is illustrated by the accompanying map, “States with Community Colleges in Rural Areas.” As resources, the Wyoming Business Council, the state’s economic development agency, has developed a series of videos and articles about the Wyo Theater and other state-level economic development activities related to the arts.185

**Articulate the strategic advantages of creative jobs.** Young people are increasingly attracted to careers that prioritize creativity, including those in the arts and technology.186,187 With the benefit of high-speed internet in rural America, more of these jobs are available in small, tight-knit rural towns and regions. These towns, in turn, are becoming more popular with younger people and those displaced by rising housing and living costs of urban areas.

**FURTHERING THE RURAL KNOWLEDGE BASE.** Fostering appreciation for the value of rural arts and culture is part of the focus of the Next Generation Initiative, a collaboration between the Art of the Rural and the Rural Policy Research Institute with support from NEA and the University of Iowa. The Next Generation Initiative is working to further the understanding of creative placemaking in rural America.188 This rural initiative operates in Iowa, Kentucky and Minnesota, but other rural states might consider emulating those portions of this approach that are applicable to their own rural regions. Milestones and activities include the following:

- The initiative focused on how to encourage policy consideration for rural creative placemaking at its inaugural National Rural Creative Placemaking Summit in Iowa City in 2016.189
- The initiative works continuously to strengthen connections among the arts, public policy and community and economic development through three regional networks in Iowa, Kentucky and Minnesota.190,191

- The initiative has a Digital Learning Commons and Exchange that features a timeline of the evolution of rural creative placemaking, webinar recordings, a field blog, a library of articles and helpful framing sources such as essays.192

**ARTS ENTREPRENEURSHIP AS A PATHWAY.** Another program encouraging the arts as a future profession is the Arts Entrepreneurship program of study at Milliken University, which is a model for larger colleges and statewide university systems.193,194 Milliken is a small private institution in the seat of rural Macon County, Illinois. The Illinois Arts Council Agency has provided long-term support for this educational program to develop future arts entrepreneurs. The program offers undergraduate students a six-credit sequence of courses that incorporates experiential activities and student-operated business ventures. The participating students practice arts entrepreneurship through the school’s student-run retail art gallery, located off-campus in downtown Decatur.195

**Design state programs that enable staff to conduct inclusive artist outreach and engagement.** Many communities do not have access to the resources necessary to help budding artists develop their talents so that they can make a living. State economic development and entrepreneurship initiatives are working to become more inclusive; similarly, the targeting of artists, makers and craftspeople is part of this trend, especially among disadvantaged populations in rural communities. Governors can encourage their state arts programs and partnering agencies to adopt efforts for outreach to underserved and disadvantaged populations in rural communities.

In **South Dakota**, Rolling Rez Arts is a mobile artist studio, classroom, bank and marketplace that travels across South Dakota’s Pine Ridge Indian Reservation (which is more than three times the size of Rhode Island) in support of Native American artists.196 The bus brings a host of creative career resources to arts entrepreneurs who would otherwise not have access to them. Resources
include business workshops, digital equipment, design and film-editing software and a safe to help them with their banking needs. Through “buying days,” the program connects artists and their work to markets that are inaccessible because of geographic distances, lack of public transportation or other reasons. The banking services and a financial literacy component of Rolling Rez is accomplished through the involvement of the Lakota Federal Credit Union, a Treasury-certified CDFI. NEA, the First Peoples Fund, the Bush Foundation and ArtPlace America, among other sources, further support the program.

In Minnesota, Springboard for the Arts — based in St. Paul and the more rural Fergus Falls — is launching a new outreach mechanism, the Springboard 20/20 Artist Fellowship program that supports artists of color, Native American artists, small artist-run businesses and small artist collectives. These are individuals and groups “creating community-centered and asset-based solutions to the systemic and structural disadvantages facing artists of color and Native artists in Minnesota.” The program is awarding two 2018 fellowships, each of which comes with an unrestricted award of $20,000 and a $5,000 professional development stipend.

Enhanced outreach in rural Nebraska has helped raise awareness among the state’s rural communities of how they can strengthen their economies through the arts. Through the Nebraska Office on Wheels program, the Nebraska Arts Council takes multiday trips throughout the state to visit constituents during the summer. For current grantees, the council provides various types of TA, such as strategic planning, board development, project planning and resource sharing. When connecting with rural communities that have received little or no support from the council previously, the program staff view those visits as an opportunity to initiate a relationship that could lead to future support.
Create an Environment Friendly to Investment and Innovation

To create lasting change in rural areas, governors can:

- **Make targeted investments in cultural and creative institutions in rural areas or small communities.**
- **Encourage the state legislature to allocate appropriations for statewide arts initiatives.**
- **Provide seed capital for arts and culture, such as small business assistance for arts entrepreneurs.**
- **Highlight creative sector businesses and initiatives as categories eligible for state rural development incentives and grants.**
- **Subsidize spaces such as studios, nonprofit galleries and theaters for practicing and presenting creative products.**
- **Establish tax measures to enhance the creative sector.**
- **Advocate for historic tax credits as a state policy.**
- **Initiate state regulatory reforms to make it easier for artists to become entrepreneurs or for arts groups to incorporate as social-impact nonprofit organizations (NPOs).**

Governors can invest in artists and the arts infrastructure located in rural areas of their states in many ways. This section presents examples of state funding programs, tax incentives, TA and regulatory reform.

Make targeted investments in cultural and creative institutions in rural areas or small communities.

State monetary support for the arts and culture creates an environment in which local efforts can yield results. Tennessee, New Mexico and Texas have initiatives that specifically target small communities and rural counties for state funding and also help rural areas access funding.

**FUNDS FOR COMMUNITIES AND THEIR NPOS.** The Arts Build Communities program of the Tennessee Arts Commission awards grants of $500 to $2,500 to government agencies and small or volunteer-driven organizations. The grants take advantage of the arts by funding (1) projects for community identity and economic development, (2) training in arts entrepreneurial skills or (3) innovative strategies for building sustainability. Of the 167 grants awarded in 2017, nearly 40 percent supported cultural economic development projects and 15 percent supported arts entrepreneurship training. The state agency facilitates the grants through 13 regional partners, 11 of which serve rural counties.

The Tennessee Arts Commission also has a grants program specifically for Creative Placemaking. It awards grants of $5,000 to $8,000 to projects that use arts or cultural assets for economic development in rural and urban communities.

**FUNDS FOR LOCAL ECONOMIC DEVELOPMENT.** Through its Economic and Entrepreneurial Development Grants, New Mexico Arts awards funding of up to $15,000 for partnerships that support creative economic development in communities. All but three of the state’s communities are considered rural. The program supports, for example, arts organizations, tourism groups, community development foundations and individual artists. Its projects often focus on arts-based business training and market development for artists.

**HELP ACCESSING FUNDS.** Texas has special provisions to help rural communities apply for state arts funding. Through its Rural Initiatives program, the Texas Commission on the Arts (TCA) helps rural communities that lack arts organizations and assets apply for its rural project...
The Tennessee Arts Commission’s (TCA) grants program, called “Arts Respond.” It does this by designating government agencies and nonprofit organizations as “Rural Arts Providers,” which makes them eligible grant applicants on behalf of rural communities. Non-arts entities that can earn this status include chambers of commerce; main street programs; libraries; schools; parks and recreation departments; and other departments of municipal, county, state or federal government. Proposals submitted to the Arts Respond program must address one of the following priority areas: education, health and human services, economic development, public safety and criminal justice or natural resources and agriculture. For example, the natural resources and agriculture category is for projects that use art to understand or improve the ecological and agricultural environment. It is designed for projects that occur in rural counties or focus on natural resources and green art.

Twice each fiscal year, the TCA identifies rural counties that have received little or no TCA funding in the past several years for inclusion in its spring and summer Rural Performance Tour program. Through that program, the TCA provides presenters in designated counties with a free performance by a member of the TCA’s Texas Touring Roster. Each participating roster artist tours six counties and receives an all-inclusive fee of $3,000. The TCA helps the artists connect with potential venues in the communities they visit. The goal of the program is not only to bring arts events to communities with few cultural resources but also to encourage these communities to seek future support from the TCA. The Arts Respond program, described above, is the companion grant program.

Encourage the state legislature to allocate appropriations for statewide arts initiatives.

Governors can work with their state legislature to allocate funding for arts initiatives. Through its Fund Every County Initiative, the Ohio Arts Council used part of its appropriation from the state general assembly to directly fund arts organizations and activities in all 88 Ohio counties, 50 of which are rural. The council also builds relationships with local arts groups so that they will continue to apply for funding and use the council’s services. Before this program was enacted, the Ohio Arts Council had never funded organizations in more than 67 counties within a single fiscal year. Through the Fund Every County Initiative, the state met its goal of 88 counties in the fiscal year 2016-17 grant cycle.

Decatur, Tennessee, has received two Creative Placemaking and one Rural Arts Project support grants from the Tennessee Arts Commission to expand its Summer Nights concert series to six concerts of local and regional musicians. In 2018, an estimated 6,000 individuals attended the events in this town of approximately 1,600 people which significantly increased foot traffic for downtown businesses. The town was able to leverage every dollar of its last completed grant with $4 of private and local support.
Provide seed capital for arts and culture, such as small business assistance for arts entrepreneurs.

Recognizing the scarcity of investment capital for creative ventures in the state, the South Carolina Arts Commission partnered with CommunityWorks, a local community development group, to offer ArtsGrow SC. This program strengthens the financial infrastructure of underserved rural areas by helping artists use savings to start or expand an arts-related business, purchase equipment or invest in their creative career in some other way. ArtsGrow SC has several features:

- The program collaborates with funding partners to provide artists access to funding for matched-savings, micro-loans and grants.206
- To be eligible for an “individual development account,” whereby local funding partners and the state match deposits at a rate of up to three to one, artists must attend professional development workshops, commit to an annual savings target, refine their business plan, and file monthly progress reports.
- Through cultivated partnerships, artists have access to subsidized low-cost business development training geared towards arts-based entrepreneurship.
- Artists have access to free one-on-one coaching from peer artist entrepreneurs and professional business consultants.
- The participating artists can also apply to CommunityWorks for business loans of up to $15,000.

The ArtsGrow SC program was launched in Spartanburg County, home to one of eight state-certified cultural districts.207 To date, ArtsGrow SC has secured dedicated funding to support 20 counties of which 14 are in rural underserved areas.

Highlight creative sector businesses and initiatives as categories eligible for state rural development incentives and grants.

Utah Gov. Gary Herbert’s cabinet-level Office of Economic Development administers two unique rural development programs that target arts and cultural businesses for eligibility:208

- Performing arts and entertainment businesses are eligible under certain circumstances for Rural Fast Track employment grants. This program awards $1,000 to $1,500 for each new full-time-equivalent job created (the award amount depends on the job’s wage) and up to $50,000 for qualifying business development projects.
- The Rural Enterprise Zone/Non-Profit (ENZP) program encourages nonprofit organizations, including arts and cultural entities such as museums and theatres, to implement projects that yield positive community and economic impacts in rural Enterprise Zone areas. The participating NPOs benefit by being allowed to provide a state tax credit to donors supporting an EZNP-associated project. Up to $75,000 in tax credits are available each year for projects associated with the program; no more than $37,500 in credits can be allocated to any one project.

Eligible projects for the ENZP program include community events or projects that foster community and economic development and the construction, renovation or acquisition of property to be used for cultural programming, tourism or community and economic development.

The state’s resources include a website for the Utah rural programs, a Rural Program Guide, and a universal rural program email address staffed by a state official who can work one-on-one with businesses and interested parties to identify applicable grants or tax credit eligibility and other related program information — GOEDRuralPrograms@utah.gov.209

Subsidize spaces such as studios, nonprofit galleries and theaters for practicing and presenting creative products.

Access to workspace and retail space is particularly important for artists and creative entrepreneurs; it is also the most cost-prohibitive aspect of creative
endavors. If the creative sector cannot afford the space to make and sell products and artistic productions, then it remains an underdeveloped sector of rural economies. Unfortunately, the need for public resources is often far greater than the amount in funds available.

As an example, Ohio budgeted $30 million in 2016 for capital projects to support the construction and renovation of spaces for arts and culture statewide. In the same year, the state received more than 170 requests for arts projects, with the dollar amount approaching $200 million. Ohio Gov. John Kasich created an advisory committee — the Capital Arts and Culture Committee — to help identify the state’s investment priorities. The committee members developed guiding principles and criteria for making their recommendations, and they agreed at the outset to set aside 10 percent of the $30 million for underserved regions and inclusive projects to engage minority groups. They also considered such factors as density of cultural assets and prioritized renovation over new construction. The committee recommended that the state fund 66 projects totaling $33 million; other public, private and philanthropic sources committed $860 million in matching funds. The text box “Studios, Galleries and Theaters in Ohio’s Appalachian Region” on page 48 offers examples of the rural projects recommended for funding. The final report from the committee to the governor made the following observation:

“[T]his process brought into sharp focus how integrally connected the arts and culture sector is to statewide economic development. In a real sense, the growth of the creative economy sector drives the kind of momentum that makes for healthier communities, robust connectivity between groups aligned with education and civic vitality and is a leading factor in quality of life across Ohio.”

Studios, Galleries and Theaters in Ohio’s Appalachian Region

In Ohio, a region-by-region allocation was developed for state capital funding of arts and culture. Many of the projects were in the state’s rural Appalachian Region. For example, Athens County has a National Historic Register barn called the “Dairy Barn Arts Center,” located on the Ohio Quilt Barn Trail. It attracts nearly 8,000 visitors annually and hosts America’s leading quilt show, Quilt National, which tours internationally. Sixty local artists sell artwork at the barn, which is also the site for educational programming for more than 3,000 school students each year. For this project, $200,000 was requested from the state and $550,000 committed in matching funds so that a new lobby, gallery shop and classrooms could be built for the barn’s centennial celebration.

Another recommended capital project in the Appalachian Region involved the long-shuttered 1919 historic theater located in the town of Marietta’s National Register Historic District. The region requested $500,000 in state funding and committed to providing $7 million in matching funds to restore the 1,000-seat theater, which offers the only venue in the region where Broadway-scale touring companies can perform. Marietta College — and Washington State Community College — now use the restored theater for their education programs in theater and music.
Establish tax measures to enhance the creative sector.

Some states offer tax incentives that support creative businesses and activities. Such incentives are often offered within a state-certified cultural district or another type of development zone.213 Maryland’s program, for example, contributed nearly $856 million to the state GDP in 2016. Rhode Island and Massachusetts offer other approaches for consideration.

INCENTIVES WITHIN CULTURAL DISTRICTS. Maryland has a tax incentive associated with its 26 cultural districts.214 Through Maryland’s Arts and Entertainment Districts program, the Maryland State Arts Council — which is part of the state’s Department of Commerce — manages a designation process for arts and entertainment districts in rural and urban communities. Three tax incentives that spur creative economic development are available within state-designated districts, including the following:215

- A property tax incentive that encourages developers and landowners to redevelop properties and build new spaces for artists and arts groups.

![Maryland’s 26 Arts & Entertainment Districts](image_url)

Maryland’s 26 Arts and Entertainment Districts. This map shows the locations of Maryland’s state-designated Arts and Entertainment Districts and summarizes the findings of a 2016 economic impact study of them conducted by Towson University’s Regional Economic Studies Institute. MAP COURTESY OF MARYLAND DEPARTMENT OF COMMERCE.

In the state-certified Arts and Entertainment District in Frederick, Maryland, Sky Stage is an open-air theater that seats an audience of 140 people among trees in a pre-Revolutionary War building in the downtown historic district. In 2016, Maryland’s 24 certified districts supported more than 8,500 jobs, which collectively yielded $267 million in wages, $63.2 million in local and state tax revenue and almost $856 million in state GDP. Artist Heather Clark designed the Sky Stage. PHOTO CREDIT: BILL ADKINS
- An incentive that exempts artists selling their work in any of the state’s 26 designated districts from paying income tax associated with their art sales.

- An abatement of the “admissions and amusement” tax that arts and entertainment events generate.

Analysis of this program shows that it has spurred economic development. In 2016, 24 state-designated districts supported 8,594 jobs, which collectively yielded $267 million in wages, $63.5 million in local and state tax revenue and $855.8 million in state GDP. Certain rural certified districts, such as those located in Berlin, Cambridge, Cumberland, Frederick and Leonardtown, have experienced significant economic development and downtown revitalization as a result of participating in the program. The districts are pinpointed on the map, “Maryland’s 26 Arts and Entertainment Districts.”

STATEWIDE EXEMPTION OF ARTS SALES TAX. Former Rhode Island Gov. Lincoln Chafee and the Rhode Island Legislature in 2013 enacted a sales tax exemption on all sales of artwork sold anywhere in the state. Previously, this tax benefit was limited to the cultural districts formally recognized by the statewide cultural district certification program of the Rhode Island State Council on the Arts. The goal of the tax exemption is to increase cultural tourism and creative economic development throughout the state, including the state’s rural communities.

TAX INCENTIVES TARGETING AN INDUSTRY SECTOR. One example of a creative sector-based state tax incentive that targets a specific industry is the Berkshire Film and Media Commission in Massachusetts. The commission was established to attract film productions and foster a vibrant film community in the rural western part of the commonwealth. The commission highlights locations and professional talent in the region for the benefit of location and talent scouts. It also promotes the state tax incentives available for film production. The commission received funding from the Massachusetts Cultural Council to help develop and implement this initiative.

Advocate for historic tax credits as a state policy. Thirty-five states offer historic tax credits to supplement the federal historic tax credit; these credits can help spur creative placemaking and related economic development. Structural and façade improvements to historic buildings can:

- Attract and retain residents, including artists and other members of the cultural workforce.

- Offer opportunities for affordable housing and living/work spaces for the cultural workforce.

- Provide new homes for cultural organizations that can serve as anchor institutions, attracting visitors and encouraging community vitality.

A report from the Commission to Study the Economic Impact of the Arts and Culture in New Hampshire relates the many benefits of a preservation approach for states and regions:

“Contrary to popular belief, designating an area as a historic district does not stifle economic development. Throughout the country, properties within designated historic districts have higher values, are better maintained and have lower foreclosure rates. Historic districts also typically see more construction projects, both for new and older properties. … Historic districts also contribute cost-savings to broader economic and environmental goals, such as infrastructure cost savings, preserved embodied energy, and more walkable communities.”

Strong ties exist between state historic tax credits and statewide cultural district programs. Creative sector plans, for example, can align with historic plans to use tax credits for activities such as theater rehabilitation. In Louisiana, historic tax credits can be used in the state’s cultural and arts districts or in downtown development districts. These Louisiana districts benefit from three historic tax credits available within cultural districts: (1) a 20 percent federal Historic Rehabilitation Tax Credit Program
for income-producing buildings, (2) a 25 percent state Commercial Tax Credit Program for income-producing buildings and (3) an 18.5 percent state Residential Tax Credit Program for owner-occupied historic structures. Louisiana boasts nearly 100 certified cultural districts; the majority are located within rural communities such as Madisonville and Washington, some of the oldest communities in the state — and Arnaudville, Homer and Brandon.

In the small community of New Iberia, Louisiana, the parish seat of rural New Iberia Parish, a long-abandoned Ford Motors maintenance facility was converted into architectural offices. Following this highly successful reuse project, more than 250 building permits have been issued in New Iberia’s downtown area, representing a total investment of more than $6 million and demonstrating the catalytic effect of historic tax credits. Furthermore, half of the Louisiana projects receiving the historic tax credit from 2007 to 2016 spent less than $500,000 to rehabilitate their historic income-producing buildings, again demonstrating that the credit is fundamentally a small business incentive.

In Wisconsin, as the state’s historic tax credit program has matured over time, the number of rural projects that incorporate credits has increased. In 2016, more than two-thirds of the state’s projects were in rural places (communities with populations under 100,000). The National Trust for Historic Preservation notes that states can encourage even more rural development with state historic tax credits by:

- Increasing the percentage of the credit for communities under a certain population level, as Colorado did.
- Setting aside credits for projects in jurisdictions under a certain population level, as Alabama did.
- Offering a separate credit for “small projects,” as Maine and Maryland have done.
- Providing education and training to smaller rural communities that have little experience applying for historic tax credits, as Ohio has done.

Initiate state regulatory reforms to make it easier for artists to become entrepreneurs or for arts groups to incorporate as social-impact nonprofit organizations (NPOs).

Given the challenges facing rural communities, states are evaluating their statutes and rules so that they can mitigate their potential adverse impacts on rural communities. The goal of Florida’s legislatively established Rural Economic Development Initiative is to better serve rural communities in the state by coordinating and focusing state and regional agency efforts. In addition to evaluating state statutes and rules, the initiative assists rural communities in other ways, such as outreach and capacity-building efforts and recommending waivers of economic development program provisions on a project-by-project basis. The Florida Division of Cultural Affairs supports these efforts, and the resulting changes are being implemented in several state agencies, including the division’s parent agency, the Florida Department of State.
Residents of the Village of Jeffersonville, Vermont (population 765) worked together to raise funds and select and hire an artist to produce murals on two long-abandoned concrete silos. The murals, reflecting the history and future of the community, were part of a project funded through an Animating Infrastructure Grant. The artist is Sarah Rutherford.

PHOTO CREDIT: JOHN RUTHERFORD
Conclusion

During the past decade, place-based economic development theory and related best practices have been refined. Planners and policymakers have long observed that the arts and culture create a fertile ecosystem for creativity, innovation and prosperity. More recently, the deliberate discipline of creative placemaking has garnered attention. First associated with urban neighborhoods, now excellent examples exist of how creative placemaking works successfully in rural communities. As this Rural Action Guide shows, part of the power of the framework for rural systems change lies in its cross-sector approach. The combination of partnerships (among public, private and nonprofit entities) and cultural catalysts (the presence of arts activity, creative individuals and creative spaces in addition to the proper policy mechanisms) can shape the physical, economic and social character of rural regions.

The creative sector can support and energize ongoing economic development efforts in both urban and rural places. Why arts and culture? Look at some of the benefits:

- Arts and cultural activity can stimulate business development and a diversified economy.
- A creative talent base contributes to a region’s overall economic productivity and the human capital needed to develop innovative solutions to community problems.
- Arts and culture are preexisting assets that communities can effectively harness and rapidly mobilize for economic growth.
- Arts and culture are a central aspect of successful state and local placemaking efforts.
- The arts foster community vitality, a desirable quality of life and destination appeal that is attractive to residents, businesses and visitors alike.

Why arts and culture in rural America? Arts-based economic development strategies offer additional advantages important to rural communities — specifically:

- Arts-based economic development builds on a community’s authentic traditions and home-grown assets rather than imported solutions that may not be a good fit. This approach reduces startup costs and increases the likelihood of sustainable success.
- Arts-based strategies complement and strengthen other policy strategies for economic, infrastructure and workforce development in rural areas.
- The arts contribute to a distinctive community identity and can fuel the resurgence of much-needed “mojo” in rural regions.
- Arts-based economic development is flexible and scalable and does not hinge on the presence of other infrastructure. Therefore, states can adapt arts-based strategies to rural areas with vastly different needs and attributes.
- Creativity-infused places to live and work have significant appeal to younger populations, entrepreneurs and businesses seeking family-friendly locations. These attributes may ameliorate the brain-drain many rural communities face.
- The arts can offer year-round revenue opportunities, which is especially valuable to rural communities deriving seasonal income from natural amenities.

**KEY ACTIONS GOVERNORS CAN TAKE.** The evolving theoretical frameworks, research and best practices inform the list of action presented in this Rural Action Guide regarding what governors can do to promote rural prosperity through the arts and culture. States have adopted a variety of policies and practices that capitalize on the arts to spur rural economic progress. The following are key ingredients for action:

- Provide leadership for the state’s creative sector to benefit rural communities.
- Capitalize on existing regional cultural assets.
Build state infrastructure for cultural and creative partnerships with other policy areas.

Develop local talent and human capital with creative skills.

Create an environment friendly to investment and innovation.

**EXAMPLES.** This Rural Action Guide provides many examples of how governors are fostering a supportive climate for the arts and culture. Prominent examples are:

- **Cultural Districts:** States can design policies and programs to develop and certify cultural districts (also known as “creative districts”), as 15 states have done. Several of those efforts, including in Colorado, New Mexico, Maryland and Louisiana, have led to the creation of highly successful rural districts.

- **Creative Placemaking Initiatives:** NEA’s Our Town program and a philanthropic collaboration called “ArtPlace America” have supported rural placemaking efforts by investing in local projects. In addition, arts agencies in many states have developed their own creative placemaking programs. Indiana offers one example of creative placemaking, described in this Rural Action Guide.

- **Cultural Heritage and Arts Trails:** State arts agencies can develop arts trails, often in collaboration with state tourism departments, that promote unique cultural and culinary offerings to travelers. States that have done this include North Carolina and New Mexico.

- **Planning:** States can initiate programs designed to encourage arts-based economic development planning at the local level. A variety of community examples are featured.

- **Entrepreneurship:** Arts entrepreneurs and creative microenterprises form the backbone of any redevelopment effort. States can adopt strategies to strengthen creative entrepreneurship.

- **Design Methods:** Planners and place makers often use design as a tool to improve the way a community looks, its quality of life and its economic viability. The Citizens Institute on Rural Design, for example, is an excellent resource for deploying design assistance to enhance existing assets in rural communities, and the examples show how states are involved.

- **Rural Arts Development Programs:** States can create arts-based community development programs to serve the needs of rural areas, as Wyoming has done.

- **Workforce and Education:** The arts can contribute to K-12 education and youth development, helping states increase achievement, attainment, retention and workforce preparation. In various state rural programs, the arts have played this role.

- **“Agri-cultural” Intersections:** Although not as common, states can foster collaborations between farmers and artists/makers. (see an example in the photo below)

**PROCESS STEPS.** Within each of the ingredients for gubernatorial action — and in addition to the examples — this Rural Action Guide presented several process steps. The following are important process steps:

An “Agri-cultural” intersection: Musical Fence on the Wormfarm Institute’s FarmArt DTour in Sauk County, Wisconsin. The Musical Fence creator is Jeremy Mundth.

Photo Credit: Jeremy Mundth
Inventory your state’s cultural assets. Asset mapping is an important early step in creative placemaking efforts that states cannot bypass.

Establish place-based policies for the arts and culture, such as creative placemaking. This step can encompass cultural district development, planning and placemaking.

Make the arts part of the state’s overall economic development plan. Coordinate arts initiatives with the state’s economic development policymakers and practitioners. For example, promote the advantages of rural areas as maker spaces.

Broker strategic partnerships with other state agencies (beyond economic development), the private sector and nongovernmental organizations for optimal collective impact. The challenges that rural communities face are too multifaceted for any one sector to solve. Governors are in a strong position to facilitate and encourage cross-sector problem solving that includes the arts, business, agriculture, transportation, tourism and education.

Take advantage of federal programs. USDA Rural Development is one such federal program that offers funding streams for arts-based rural advancement initiatives that involve state arts agencies.

Identify local bright spots, and take them to scale. Promising examples of arts-based rural development exist in most states, with many described in this Rural Action Guide. No state has to start completely from scratch.

The results of the many initiatives described in this Rural Action Guide are remarkable. This conclusion is not an exhaustive summary, but it confirms that a great deal of activity is going on across the country. Some state rural arts communities are succeeding beyond expectations. It will become increasingly obvious that creative sector strategies are being accepted widely when state economic development plans and comprehensive community plans are not considered complete if they do not include an arts component.

Every third weekend in September, State Street in historic downtown Bristol on the border of Virginia and Tennessee is amped to the beat of Appalachia’s past, present and future. This three-day musical reunion offers 22 stages of live music, family events, food, workshops and fun tournaments.

PHOTO CREDIT: CAMERON DAVIDSON
This Rural Action Guide uses examples to illustrate key points, but an abundance of additional activity is occurring across states and territories that can inform policy and practice. This section offers links to additional examples, research and model practices.


Based on a review of relevant research and literature, this article proposes “a conceptual framework for understanding the creative, entrepreneurial, and interactional conditions that facilitate community-embedded arts-based development in rural places.” The framework’s three contexts (creative, entrepreneurial and network/interactional) together “form a dynamic community ecosystem of vertical, horizontal, and diagonal . . . relationships that can be supportive of arts-based development.” The article asserts that this type of development is sustainable when it focuses on “both near-term and long-term improvements in collaborative capacity, civic engagement, youth arts education, aesthetic connections to nature, and inclusive perspectives that bridge class, ethnic, and power divisions in the community.” It also identifies a typology of four cultural economy models and asserts that two — the Cultural Planning model, which focuses on arts facilities and other assets that facilitate capacity building, and the Cultural Occupations model, which focuses on individuals instead of creative industries — are most suitable for rural creative economic development.


The Bureau of Economic Analysis (BEA) produced statistics that spotlight the economic impact of arts and cultural activities in each state and the District of Columbia.


Citizens’ Institute on Rural Design, Project for Public Spaces

Established in 1991, the Citizens’ Institute on Rural Design has convened more than 60 workshops in all regions of the country, empowering residents to use local assets to build better places to live, work and play.

https://www.rural-design.org


Based on research supported by NEA, which included a literature review, phone interviews and a stakeholder convening, this report considers how to increase access to arts education in rural areas. It addresses several related topics, as well, including rural creative placemaking and its economic impact, which it associates with fostering opportunities for arts learning. The report also notes that rural artists are resources for business stimulation, youth engagement and community development. Finally, it argues that arts educators be included in efforts to realize rural creative placemaking because they are experts in creativity and collaboration.

http://www.mcla.edu/Assets/MCLA-Files/Academics/Undergraduate/Art/MCLA_working_paper_FOR%20DIGITAL_single%20pgs_08.pdf


This special edition of the Community Development Investment Review of the Federal Reserve Bank of San Francisco explores creative placemaking, considering not only what it is but how it is funded, deployed, experienced and measured. It consists of a series of articles by practitioners, academics and leaders in the creative placemaking field as well as profiles of ArtPlace America grantees.


Native artists continue to be overlooked for the critical role they can play in building economies, generating assets and constructing effective and culturally appropriate social networks. Through this position paper, the First People’s Fund makes the case for art as a driver of economy and showcases successful efforts to embrace the arts as a critical component of creating sustainable and vibrant communities.

https://static1.squarespace.com/static/57be24e9d1758e95b6146331/t/57c9d010c534a5aa98846fece/1472843798529/document-market-study.pdf


Creative placemaking efforts in Native American communities empower traditional ways of life and bring communities together in a meaningful way. This paper generates discussion and encourages tribal leaders to establish a voice for Native Americans in placemaking efforts throughout the United States. Placemaking has the potential to build on existing strengths of Native American communities, and this research attempts to fill the gap in the formal understanding of this theory in indigenous contexts.

“Rural placemaking: Making the most of creativity in your community.” *Rural Voices*, 2(2).

This special issue of *Rural Voices*, the Housing Assistance Council’s quarterly magazine, focuses on rural creative placemaking. It includes interviews with the chairman of the Delta Regional Authority about its Delta Creative Placemaking Initiative and the program director of Rural LISC about how to ensure that rural placemaking efforts are “inclusive, culturally relevant, and economically equitable.” The issue also features an article about “Indigenous placemaking or placekeeping” and one about creative placemaking in a federally designated Promise Zone in rural Kentucky.

https://nasaa-arts.org/nasaa_research/rural-placemaking-making-creativity-community/


The Arts and Cultural Production Satellite Account (ACPSA) was developed through a partnership between the National Endowment for the Arts (NEA) and the U.S. Bureau of Economic Analysis (BEA). This interactive dashboard enables you to explore state-level ACPSA data through figures, including value added to state economies through arts and cultural production as well as employment and compensation figures for the creative workforce. Navigate the charts to compare trends and current data for particular states and industries.

https://nasaa-arts.org/nasaa_research/creative-economy-state-profiles/

**National Assembly of State Arts Agencies. (2018). Rural Prosperity through the Arts and Creative Sector: 50-State field scan**

This working paper is an atlas of the nation’s many rural creative economic development programs, projects and initiatives. It addresses efforts of state arts agencies as well as other state and local government agencies, nonprofit arts groups, community development organizations, chambers of commerce, foundations and other stakeholders. The report is not a comprehensive list of every instance of such activity; rather, it highlights examples from all 50 states that are particularly inspiring and instructive.


**National Assembly of State Arts Agencies. (2017). Rural Prosperity through the Arts and Creative Sector: Literature Review**

This working paper takes stock of extant English-language literature, including research reports, white papers, policy briefs, conference presentations and academic studies, about how arts and culture help grow rural economies and communities. It summarizes a curated collection of substantial, informative and useful resources. The paper reveals conceptual approaches to rural creative economic development as well as policy rationales, practical advice and evaluation evidence.

https://nasaa-arts.org/nasaa_research/rural-prosperity-through-the-arts-and-creative-sector-literature-review/

**National Assembly of State Arts Agencies. (2018). Interactive Database of State Creative Economy Studies.**

The Interactive Database of Statewide Creative Economy Studies draws on 97 state-level creative economy studies from 45 states and jurisdictions to show the variety of valid approaches state arts agencies use to measure their states’ creative economies.


**National Assembly of State Arts Agencies. (2018). Quantitative data sources for understanding rural creative economies.**

This working paper identifies publicly available quantitative data sets that offer national-level perspectives of rural creative economies and explains key definitional and methodological issues associated with using them. It also highlights supplemental state- and national-level data sets that may be useful to policymakers formulating arts-based strategies to drive rural economic development.


**National Endowment for the Arts. (2017, November). Arts data profile: Rural arts, design, and innovation. Research Brief #1: Rural versus urban arts-and-cultural organizations: Some defining characteristics.**

This research brief describes the characteristics of rural arts and cultural organizations relative to their urban counterparts. It considers innovation, employee wages and barriers to competition, among other things. It accompanies a 2017 report based on a research collaboration between NEA and USDA’s Economic Research Service, “Rural Arts, Design and Innovation in America: Research Findings from the Rural Establishment Innovation Survey” (see above).


This action-oriented guide for making places better includes instructional and thought-provoking case studies and essays from today’s leading thinkers in creative placemaking. It describes the diverse ways arts organizations and artists can play an essential role in the success of communities across America.

The case studies in this book come from the Exploring Our Town microsite on the NEA website:

https://www.arts.gov/exploring-our-town/showcase/setting/Rural


This report stemmed from a research collaboration with the Economic Research Service at the U.S. Department of Agriculture (USDA). It analyzes data from the Rural Establishment Innovation Survey to quantify relationships among arts organizations, design-integrated firms and business innovators in rural settings.


This National Governors Association Center for Best Practices report focuses on the role that arts, culture and design can play in governors’ policies to create jobs and boost their state economies in the short run and transition to an innovation-based economy in the long run. Arts, culture and design can assist states with economic growth because they can provide a fast-growth dynamic industry cluster, help mature industries become more competitive, provide the critical ingredients for innovative places, catalyze community revitalization and deliver a better prepared workforce.

https://classic.nga.org/files/live/sites/NGA/files/pdf/1204NEWENGINESOFGROWTH.PDF

Next Generation: The future of arts and culture placemaking in rural America.

The Next Generation initiative is a collaboration among Art of the Rural, the Rural Policy Research Institute and a host of regional and national partners.

https://ruralgeneration.org/


This article presents four case studies to answer the question, How does creative placemaking unfold in rural contexts? It addresses the economic impact of creative placemaking but focuses more on the motivation and community effects of placemaking. It explains that “efforts to preserve and enhance rural communities’ living cultural legacies can pay dividends in terms of economic resilience, fellowship, cultural exchange, and physical revitalization.” It also makes a comparison between rural communities and low-income urban communities: “Places don’t just become forgotten; sets of actors working within political and economic systems deprive communities and ecologies of leadership and stewardship. Interestingly, both rural communities and low-income neighborhoods struggle with the stigma of deficiency-based narratives.”


This five-page paper describes the conceptual design of the Rural Cultural Wealth Lab.


This blog post summarizes the Next Generation initiative led by Art of the Rural and its summit in Iowa City, Iowa, in 2016. It also highlights creative rural creative economic development success stories, such as Red Ants Pants and its music festival in Montana and the International Bluegrass Music Museum in Owensboro, Kentucky.


This study identifies the local contextual factors associated with a strong design orientation and estimates the impact that such orientation has on the local economy. Rural design-integrated establishments tend to locate themselves in counties with more highly educated workforces and contain at least one performing arts organization. Rural areas characterized by design-integrated establishments experience faster growth in wages relative to rural areas characterized by establishments using no systematic approach to design.

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Endnotes

1 See, for example, data from the U.S. Department of Agriculture Economic Research Service at https://www.ers.usda.gov/topics/rural-economy-population/
8 State-level estimates of the arts’ value added to the U.S. economy (and state employment and compensation figures) are available in different formats at three websites and include fact sheets, data dashboards and other resources: the National Endowment for the Arts (https://www.arts.gov/artistic-fields/research-analysis/arts-data-profiles/arts-data-profile-17), the U.S. Department of Commerce Bureau of Economic Analysis (https://www.bea.gov/data/special-topics/arts-and-culture), and the National Assembly of State Arts Agencies (https://nasaa-arts.org/nasaa_research/creative-economy-state-profiles/).
9 According to the U.S. Census Bureau, these 18 states are rural states: Alabama, Alaska, Arkansas, Iowa, Kentucky, Maine, Mississippi, Montana, New Hampshire, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Vermont, West Virginia and Wyoming.
11 Ibid.
12 Ibid.
13 Ibid.
14 Ibid.
15 Ibid.
16 Nonprofit groups such as Americans for the Arts (https://www.americansforthearts.org/) are active in this space.
definitions
26 Vollis Simpson Whirligig Park and Museum. (2018). Retrieved from http://www.wilsonwhirligigpark.org/. The park is a public-private partnership that includes the city of Wilson, Wilson Downtown Properties, Wilson Downtown Development Corporation and other groups to preserve and promote the large dynamic sculptures that are there and that were made by an internationally known folk artist.
30 Final Descriptive Reports FY2017, National Assembly of State Arts Agencies.
145 Lanesboro is also a multiyear NEA Our Town grantee.
150 NEA and the National Endowment for the Humanities were among the major sponsors of the National Academies study; note that many of the colleges and universities noted in the study report are land-grant institutions located in rural areas.
155 Kentucky Governor’s Office. (2016, August 18). Etsy Craft Entrepreneurship Program making its Kentucky debut; registration deadline is May 18 [Press release]. Retrieved from https://kentucky.gov/Pages/Activity-Stream.aspx?viewMode=ViewDetailInNewPage&eventID=%7B927FF17F-3C49-4D84-ACFD-0390CAE2716D%7D&activityType=PressRelease
162 An excellent example of this possibility is the City Center Plaza in Driggs, Idaho, on the Teton Scenic Byway; the genesis of the Driggs endeavor was a CIRD workshop. See National Endowment for the Arts. (n.d.). Driggs, ID, City Center Plaza. Retrieved from https://www.arts.gov/explo ring-our-town/city-center-plaza
171 St. Louis Storytelling Festival: http://extension.missouri.edu/communityarts/story.aspx

Rural Prosperity through the Arts and Creative Sector: A Rural Action Guide for Governors and States


178 Ibid.

179 As a useful analogy, the Vermont Farm to Plate Network encompasses farms, food production businesses, specialty food producers, educational institutions, NPOs, capital providers and government. Working groups, cross-cutting teams and task forces convene to work on high-impact projects to relocate the food system, which no individual organization can do alone. The food network is also assessing gaps, opportunities and trends and monitoring progress toward reaching the state’s Farm to Plate goals. See Vermont Farm to Plate. (2018). The network. Retrieved from http://www.vtfarmitplate.com/network


194 Arts Entrepreneurship Program: https://millikenu.edu/academics/tabor/center-entrepreneurship/arts-entrepreneurship


203 Ibid.


209 Information on Utah’s Rural Fast Track and Rural Enterprise Zone/Non-Profit (ENZP) Programs is available at the state’s Rural Development website (scroll down to Rural Business Programs and Incentives): https://business.utah.gov/rural/


211 Ibid.

212 The theater has been renamed the People’s Bank Theater; for the history of the theater, see Peoples Bank Theater. (n.d.). Home. Retrieved from https://peoplesbanktheatre.com/