

House Urban Affairs Committee
Representative Thomas C. Petrone, Chairman
Economic Benefits of the Arts on Pennsylvania Cities
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ArtsQuest
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Introduction

First I would like to thank you Mr. Chairman and thank you to the House Urban Affairs Committee for allowing me the opportunity to speak with you today. My name is Kim Plyler and I'm the Director of Marketing and Public Relations for ArtsQuest. ArtsQuest is a non-profits arts organization located in Bethlehem, PA in the heart of the Lehigh Valley.

The focus of ArtsQuest is celebrating the arts, culture, tourism and inclusion of our increasingly diverse community. This is a brief statement on what we have done in the past 25 years and the economic impact we bring to the Lehigh Valley. I'd also like to illustrate, through our partnership with the City of Bethlehem and the numerous organizations and individuals with whom we work, what we plan to accomplish in the next few years.

History of ArtsQuest

When Musikfest was announced 25 years ago we used the term "cultural tourism," a term which came into vogue in the 1990's. Today most major cities have offices of arts or cultural development. Since Richard Florida's watershed 2002 book "The Rise of the Creative Class," the impact of arts and culture on the economic health of communities has been well documented. ArtsQuest is a shining example of how a non-profit arts organization can really improve a community.

In order to understand how it all came about let me take you back to the year 1984. The City of Bethlehem was suffering from the downward demise of the Bethlehem Steel. The unemployment rate was the highest it had been in 35 years and businesses on the city's Main Street were boarded up or in the process of closing. The south side of the town was a place you only went to during the day.

Visionary Jeff Parks had an idea to help the city through the development of a music festival: Musikfest was born. In 1984 more than 184,000 people filled the streets and rejoiced in song, creativity and community. It became therapy for the community. Out of that "creative therapy" Musikfest grew to attract more than 1 million people each year, present 580 musical performances over 10 days and aid in the economic development of a city and a region. Fifteen years later, in 1998, the success of Musikfest enabled ArtsQuest to form The Banana Factory, a community art and educational center with 28 studio artists, two award-winning galleries and much more. So how did this impact the economy?

Economic Impact

When discussing our global economy in 2008, the distinction that America brings to the table is the combination of creativity with capital. Whereas the industrial economy relied on access to materials and a labor force with basic skills, the creative economy of the 21st Century requires a well educated labor pool with a vast array of varying talents ranging from computer programming, to engineering, to graphic design, to medical technology.

The truly talented people in the world now have real options as to where they can live and what they can do. These people have attended the best colleges, have visited or lived in a major city, and want amenities that until now have been considered luxuries. If you ask the college recruiters and the leading businesses in the region, in a truly candid conversation, what their greatest business challenge is, they will tell you that it is recruiting talented students and workers. Bethlehem and the Lehigh Valley are in competition with Silicon Valley, New York, Austin, Raleigh and many other places.

ArtsQuest, along with other cultural arts organizations in the Lehigh Valley, has presented an opportunity to attract truly talented people. When a community allows for creative expression through the arts people are drawn to be a part of it.

Currently, ArtsQuest provides a \$39.4 million dollar economic impact in the Lehigh Valley every year. I've provided a PowerPoint presentation that breaks down our organization's entire economic impact. I'd like to take a moment here to just review a few of the slides. This information was developed from an independent study utilizing Americans for the Arts research information which included the Lehigh Valley region.

Bethlehem Selected as Top Place to Live and Work

So with all that being said, how is Bethlehem doing today as opposed to 25 years ago? It is important to note that the City of Bethlehem is graced with wonderful cultural institutions. Beginning with the Moravian community and its spinoffs, Moravian College, Moravian Academy, Historic Bethlehem and the Bach Choir, Bethlehem has a wonderful cultural basis. Not only is Bethlehem noticed by the Northeastern region of the United States, it's become a shining national example of how to revitalize an industrial area. Even world travelers are recognizing Bethlehem as a place to visit or live.

Here are some facts worth noting about Bethlehem and ArtsQuest:

Recently Bethlehem was selected by Fortune Magazine as one of the top 100 cities in the United States to live and open a business.

In 2007 the city was ranked in the top 100 cities by Money Magazine. In 2006 ArtsQuest's holiday market, Christkindlmarkt Bethlehem, was selected as one of the top five open-air markets in the world by Travel and Leisure Magazine. And if you want to travel to one of the top 1,000 places in the world, you better head to Bethlehem, PA, because we made that list too.

Need for Creative Class to attract major industry

So what does all this have to do with arts, culture and tourism? Plenty!

There are dozens of examples of how attracting the creative class relates to business and economic growth in the community. Here are two: FL Smidth, a Danish company that purchased the Fuller Company several years ago, has its American headquarters in Bethlehem.

Last year the company made a major acquisition of a Canadian mining and minerals company. As a result of that growth their work force has grown from 800 more than 1000. Most of the new hires are engineers and computer technologists.

An incubator company, Glucolight, is designing a testing device to determine blood sugar without the invasive pin prick that so many diabetics have to use many times a day. The technology is based on the region's competence in fiber optics, a skill set that remained from the Lucent Technologies days. This start up company has solved an important medical issue and within a few years will be producing equipment that will first be used in hospitals around the country.

When these companies were asked what helps attract and retain new employees, their answers were clear: access to culture and the arts, recreational opportunities, restaurants, retail amenities, a welcoming attitude to diversity, varied urban living spaces and educational opportunities.

While ArtsQuest and other cultural arts organizations have been extremely successful at filling the needs for the access to culture and the arts, that need continues to grow. With school art funding being cut back and the Lehigh Valley continuing to grow – it's the third largest area of the state- it is imperative that state, federal and local policies continue to support and even increase support for the arts.

So what lies ahead for ArtsQuest ?

SteelStax: 21st Century Town Square

History, culture, education and the arts will intersect with technology and celebration in an innovative 21st-century town square project called SteelStax. Developed jointly by ArtsQuest and PBS 39, the project is proposed for a portion of the former Bethlehem Steel property, which is the largest Brownfield's redevelopment project in the country.

The result years of intense planning, extensive research, cultural program development and visioning by ArtsQuest, SteelStax will allow five area non-profit arts partners to expand programming, increase services to the community, collaborate on programs and provide the Lehigh Valley region with an exciting, new place for education and celebration through the arts.

The growth of the Lehigh Valley region has created an increased need for cultural services and experiences. The SteelStax project will offer a diverse amount of cultural programs hosted in a combination of restored historical buildings and new construction, which have state of the art technology, to offer the patron a touch of the past creatively inspired with technology of the future.

Conclusion

Thank you again for this opportunity to share a walk through 25 years of how the arts can rebuild a community, attract and retain valuable employees and allow for creative expression.