

**Potential Pathways
to Growing**

Sacramento's Creative Economy



**creative
startups®**



The Creative Economy Imperative

With tomorrow's technology already here—generative AI, no-code platforms, personalized algorithms—community-based creative and cultural entrepreneurs bring humans back to the equation.

Today's creative industries encompass far more than arts and culture. The creative economy is the full stack of storytelling, innovation, and technology.

Creative entrepreneurs turn intangible local heritage into tangible economic development.

Creative and cultural workers rooted in place drive long-term wealth creation and thriving communities—not just placemaking but placekeeping.



Executive Summary



WHAT

Six month research project:

- Understand who Sac's creative entrepreneurs are, what they need
- Investigate, identify accessible growth opportunities in specific sectors
- Design and deploy strategies that propel growth in for-profit creative businesses, with a determined **focus on including BIPOC creatives.**

HOW

- 60+ interviews
- 2 Focus Groups
- Creative Vitality Index
- Bureau of Labor and Census data
- Otis College Creative Economy Report
- Viable strategies from similar metros
- Investment opportunities and resources
- Creative economy development literature geared toward policymakers, entrepreneurs, investors, organizers, and other stakeholders in Sacramento.



What did we learn in Sacramento?

MAJOR FINDINGS

1. Creative entrepreneurs are polymathic. They represent the future of the economy.



2. Creative entrepreneurs need to own their spaces to grow their communities.



3. Creative economy growth means embracing risk.



CALL TO ACTION

Don't silo education and investment by sector; focus on community goals

Implement policies and programs that take creatives from "worker" to "owner."

De-regulate and bring creatives into leadership roles



**Who are the Sacramento creative
economy leaders?**

**They are agents of change.
They are neighbors.
They work together.**



Creative entrepreneurs in Sacramento are...



Ready to lead and already leading



Making the place... (cultural saturation)



...and ready to keep it (property ownership)



Ready to succeed and already succeeding



Sacramento's creative professionals:

SHARE CHARACTERISTICS & ATTITUDES

- **Diverse, collaborative, and respected around the country in passionate subcultures**
- Underfunded, disconnected from pools of capital
- Determined to make it work in Sacramento and most likely to get displaced
- Fed up with red-tape regulations and permit holdups
- Ambitious and ready to export goods, services, and models beyond local markets

EMBODY A NEXT ECONOMY ~ PROFILES IN INNOVATION

- The polymathic media producer
- The micro-customizing designer
- The experience economy organizer
- The civic life innovator



**Sacramento is already cool.
That is why Sacramento is at the
precipice of unprecedented
growth.**

But whose growth will it be?



Pursuing equitable growth



Perfect score: Human Rights Campaign Equality Index



#2 CA city, #9 in nation for STEM + soft skill human capital



One of best regions for women entrepreneurs



#3 in nation for diversity in tech & STEM



Creative economy by the numbers

BAD NEWS

- Still recovering from COVID losses: lost 8% of creative economy jobs between 2019 and 2020, another 1% between 2020 and 2021.
- Largest decline in “fine & performing arts” at 18%, an obvious consequence of depressed attendance thanks to COVID, but many indicators are pointing to a rebound up to 98% of pre-COVID levels by the end of 2024.

GOOD NEWS

- **In 2022, arts, entertainment and recreation had the highest growth rate of all economic sectors.**
- Creative economy wages are up 16% since 2018.
- Culinary arts, architecture, and creative goods/products have recovered all or most jobs lost during COVID.
- Fashion has experienced a 5% wage growth since COVID.



High growth sectors

BUREAU OF LABOR AND CREATIVE VITALITY INDEX ANALYSIS

Rank	New Businesses	Job Growth	Wage Increase
1	Digital Media Production	Digital Media Production	Digital Media Production
2	Music Production	Music Production	Architecture
3	Motion Picture & Video Production	Architecture	Music Production
4	Specialized Design Services	Advertising Product Design	Motion Picture & Video Production
5	Graphic Design Services	Motion Picture & Video Production	Advertising Product Design

Rank	Occupation	Creative Entrepreneur Profile
1	Anthropology	Civic Life Innovators
2	Choreographers	Experience Economy Organizers
3	Historians	Civic Life Innovators
3	Interpreters & Translators	Civic Life Innovators
4	Cartographers & Photogrammetrists	Civic Life Innovators
5	Designers	Micro-customizing Designers
6	Media & Communication Workers	Polymathic Media Producers
7	Landscape Architects	Civic Life Innovators
8	Cabinetmakers and Bench Carpenters	Micro-customizing Designers
9	Public Relations Specialists	Experience Economy Organizers
10	Architectural & Civic Drafters	Civic Life Innovators
11	Media & Comm Equipment Workers	Polymathic Media Producers
12	Architects	Civic Life Innovators
13	Molders, Shapers, Casters	Micro-customizing Designers
14	Culinary Arts	Experience Economy Organizers

**Tomorrow's creative economy
will not be won by neatly sorted
NAICS codes.**

**It will be won by the messy
success of hyphenated
innovators.**





THE POLYMATHIC MEDIA PRODUCER

Resourceful jacks-of-all-trades who string together technologies to solve problems. They produce traditional, digital, and experiential media.



THE MICRO-CUSTOMIZING DESIGNER

Multi-faceted artists who provide personalized creative goods and services in an ever-expanding frontier of design.



THE EXPERIENCE ECONOMY ORGANIZER

Creative entrepreneurs who not only build experiences, but refine, streamline and organize them whether it is an art installation or music festival.



THE CIVIC LIFE INNOVATOR

Architects, journalists, historians, environmental scientists (especially anthropologists and archeologists), planners, and educators who are creative entrepreneurs innovating new ways to shape civic life.





The Polymathic Media Producer

EMPOWER POLYMATHIC MEDIA PRODUCERS WITH THE SPACE AND INVESTMENT TO COMBINE TOOLS AND TELL NEW STORIES.

- Polymathic media producers don't specialize in one software program or one technique. They are resourceful jacks-of-all-trades who string together technologies to solve problems.
- They produce media both traditional, digital, and experiential: books, paintings, animations, films, music, and virtual reality. They know that desire for social impact media is higher than ever, and they are rooted in cultural heritage with strong visions of how to fulfill those desires.
- Media production practices are excellent pathways to health and opportunities for project-based education.

52%

of all people working in Sacramento's polymathic media production industries are BIPOC

31%

average annual wage growth for polymathic media producers



The Micro-customizing Designer

BUILD NETWORKS AMONG SACRAMENTO'S MICRO-CUSTOMIZING DESIGNERS TO TURN SMALL DETAILS INTO BIG DEALS.

- Manufacturing and fabrication technology is cheaper and more accessible than ever: personalized creative goods and services are booming.
- They might be rooted in craft, but they're launched by design: interior, industrial, graphic, and floral. They are sewists, sculptists, cabinet makers, etchers, jewelers, or luthiers, and they are also inventors—whether it's a plant theremin or a seeing eye robot.

2X

growth in BIPOC participation over the last 5 years compared to overall creative economy

16%

average annual growth in new businesses for micro-customizing designers



The Experience Economy Organizer

IN A CITY OF FESTIVALS, SHOWCASE HOMETGROWN EXPERIENCE ECONOMY ORGANIZERS.

- A great meal, a great concert, a great event of any kind: experience economy organizers turn multi-sensory engagement and one-of-a-kind ephemerality into memorable successes.
- The experience economy organizer does not just build experiences; they refine the way we move through them, the way we purchase them, the way we share them with our friends.
- Whether through culinary arts, ticket software, event production, music festivals, theaters, museums, zoos, dance events, theater, speciality DJ nights, and more, these entrepreneurs are organizing growth for Sacramento.

60%

of all people working in Sacramento's experience economy industries are BIPOC

11.4%

average annual wage growth for experience economy organizers



The Civic Life Innovator

**UNLOCK SACRAMENTO—ONE OF THE MOST DIVERSE
CITIES IN THE COUNTRY—FOR CIVIC LIFE INNOVATORS.**

- Civic life innovators redefine economic success by pursuing solutions that show not only ROI but positive social impact.
- They are architects, journalists, historians, environmental scientists (especially anthropologists and archeologists), translators, planners, cartographers, and educators.
- With the right support, civic life innovators can export models, products, and services that launch Sacramento as a model of progressive civic innovation.

50%

**of all people working in
Sacramento's civic life
innovation industries are
BIPOC**

9.4%

**average annual growth
in new businesses for
micro-customizing
designers**

The creative and cultural industries are not beautification engines: they are proven paths to long-term prosperity for historically underserved populations.



From sprout to grove

Accelerate entrepreneurs

Pilot alternative capital allocation models

Incentivize property ownership for creatives

Unlock city institutions for creative innovation

Put creatives in civic leadership roles

Celebrate + publicize diverse creatives



**EQUITABLE
ECONOMIC
GROWTH**

**CIVIC
INNOVATION**

**CULTURAL
TOURISM**

**NEIGHBORHOOD
VITALITY**

6 months out



- Increase sponsorship of and funding for business accelerator efforts with track records of success
- Buy business services for local creative entrepreneurs at package rates
- Fund CDFIs, foundations, and curators to establish a unified strategy to educate and activate local investors
- Establish a regional creative economy working group to unify regional policies and strategies to pursue larger federal grants.
- Hire cultural workers to design and run censusing, surveys, and other community engagement activities

6 to 12 months out



- Include creative economy representatives on Planning & Design Commission, Preservation Commission, and Housing and Redevelopment Commission
- Establish neighborhood-based creative business pitch parties and contests that build to property ownership
- Compensate diverse local creative/cultural workers to redesign city creative/cultural funding opportunity applications, selections, and reporting processes
- Make Sacramento creative professionals and entrepreneurs the centerpiece of new marketing campaigns on what it means to live and innovate in Sacramento
- Subsidize arts journalism

12 to 18 months out



- Establish a City liaison for creative entrepreneurs in a role that is designed to reduce bureaucratic barriers to the point that the role becomes obsolete
- Work with local CDFIs, angel investors, and accelerators to launch a suite of new innovative funding products in partnership with existing capital allocators
- Establish a permanent creative and cultural economy funding mechanism



Long-term

- Restart and expand the Urban Technology Lab to make civic institutions radically available to creative research and development
- Establish cultural oversight committees with creatives and neighborhood associations designed to fix the live/work problems that creatives face
- Incentivize adaptive reuse and disincentivize development models that displace artists and creative entrepreneurs
- Host the largest and most exciting creative civic life conference in the world

Alternative capital allocation models

WHAT HASN'T WORKED

- Traditional grants and loans perpetuate historic inequities

WHAT TO TRY

- Leverage Sacramento's progressive record of CDBG-funded innovation around Section 108 loans, flexible zoning regulations, and other publically funded grant/loan products to pursue creative entrepreneur friendly live/work/business incubation hybrid developments. Study the success of goggleWorks in Reading, PA, which began with Section 108 loan funding.
- Alternative underwriting for incubation phase creative entrepreneurs
- Revenue based loans for accelerator phase creative entrepreneurs
- Redeemable equity to attract significant investment in creative entrepreneurs ready to scale
- Kiva City Long Beach and the Kiva Loan program at the CSU Long Beach Institute for Innovation and Entrepreneurship.
- The California iBank's Expanding Venture Capital Access program
- The Los Angeles County Semia Fund,



Sacramento's creative economy would be the envy of many other cities—if they knew about it.

Sacramento's creative and cultural entrepreneurs are key forces for inclusive and resilient community-based economic development.

Keep them here and help them grow.





Thank you

Presentation by **CREATIVE STARTUPS**

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