

# Sprout to Growth

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.



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# Executive summary and methodologies

Creative Startups, in partnership with the City of Sacramento, is pleased to present this report on potential pathways to growing Sacramento's creative economy.

The report details the findings of a roughly six month research project designed to support the City of Sacramento Office of Arts and Culture's vision to design and deploy strategies that propel growth in for-profit creative businesses, with a determined focus on including BIPOC creatives.

To this end, we embarked on these action items:

## 1. Investigating and identifying readily accessible growth opportunities in specific creative sectors/industries

- a. We conducted market research to identify growth sectors aligning with the region's unique assets and social/human/financial capital.
- b. We reviewed primary and secondary sources and narrowed our focus to sectors that aligned with four creative entrepreneur profiles:
  - i. The polymathic media producer
  - ii. The micro-customizing designer
  - iii. The experience economy organizer
  - iv. The civic life innovator
- c. Through both panel discussions and one-on-one interviews, we interviewed over 60 entrepreneurs, community leaders, investors, and other stakeholders in the Sacramento creative economy. We built a database of contacts from these interviews.
- d. We researched persistent structural barriers diverse creative entrepreneurs face when growing their businesses in these sectors, with a focus on accessing growth capital, reaching new markets, and tapping existing regional business networks.
- e. We identified and nurtured networks among leaders and entrepreneurs in identified sectors, making introductions and hosting casual networking events.



## 2. Designing and proposing specific strategies to support a wide range of entrepreneurs growing into identified sectors while expanding access to capital, markets, and business networks

- a. We worked to evaluate various strategies to support growth in above sectors, understand regional strengths and opportunities and devise an integrated strategy including:
  - i. Innovative entrepreneurship networking and education programs
  - ii. Regional (Northern California) organizations and networks, resources, investors, and corporate actors relevant to the identified sectors
  - iii. Increased access to regional markets and those outside the capital region
- b. Our proposed strategies center on engagement of underserved entrepreneurs with high potential to succeed in the sectors identified. These strategies also attempt to reflect and respond to the lived experiences of excluded entrepreneurs.
- c. We relied primarily on primary data collection, gathered in a manner that aimed to weave a trusted network of support among these entrepreneurs.
- d. Finally, our strategies for accessing private sector capital focused on ensuring sustainability of the local creative economy and capitalizing on Northern California's extraordinary venture capital resources.



# What did we learn in Sacramento?

## MAJOR FINDINGS

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



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

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



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

3. Creative economy growth means embracing risk.



De-regulate and bring creatives into leadership roles



# Interview methodologies

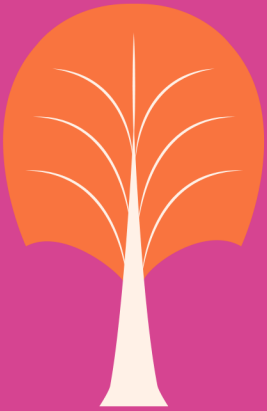
As part of our proposal, we proposed not only discussion but network-building. In our work, we attempt to remain conscious and respectful about community fatigue around “conversation” that does not translate into action.



We have attempted to apply some of the lessons we’ve learned working as and with creative entrepreneurs, which is why we proposed a primary data collection strategy that would “**build and weave a trusted network of support with and among these entrepreneurs.**” Our goal was to build a strategy that would reflect and respond to the lived experiences of historically excluded creative entrepreneurs.

- We began with City contacts and tried diligently to multiply networks.
- We pursued follow ups and encouraged interviewees to put us in touch with community members they thought might have valuable perspectives.
- We explicitly asked interviewees to think of people who might have been previously left out of similar conversations or people who might have updated perspectives.
- We researched further sources from a variety of perspectives to discover and solicit participation from voices outside of this organic network building. This research covered a wide spectrum to explore these questions:
  - How were formal and informal networks of creative and cultural entrepreneurs already organized, both past and present?
  - Who has a history of successfully accessing growth capital? How were they able to do it? Who has vocally but unsuccessfully sought growth capital?
  - Who has reached new markets? Where are the unusual success stories with origins in the Sacramento area?
- We tried to strike a healthy balance between entrepreneurs, investors, organizers, community leaders, historians, academics, and other relevant parties.
- We were conscious of our role as outsiders in Sacramento.
- To maintain privacy, cultivate trust, and encourage transparency, we annotated but did not record conversations and assured all interviewees that participants would retain anonymity. We always asked participants to “opt in” rather than “opt out” of any contact sharing.

- We attempted to build networks by occasionally introducing people to one another who did not know each other but were working with similar visions for the growth of Sacramento's creative economy.
- We were not able to talk to everyone in Sacramento related to the creative industries. We recognize that we are responsible for any errors in judgment or important missing voices.



To borrow a metaphor from the world of music, consider the guitar pedal chain. You can plug an electric guitar directly into an amplifier, but this only gets you three participants in the sound: the person, the guitar, and the amp. Guitarists seeking a diverse sound commonly employ foot pedals: chains of different effects that combine to produce a sum greater than the parts.

If a community's creative identity is the ultimate sound produced, and all the participants in the community are the pedals and instruments and amplifiers and players, where does a project like this fit in the chain? We do not see this project as the boost, the overdrive, the modulation, the reverb, the tuners, the filters, the vibratos, the EQs, the choruses, the pitch shifters, the cables, the power supply, the guitars and amplifiers themselves—those roles all belong to the community. We have tried to be the hum debugger: a pedal whose sole purpose is to reduce unwanted static and clarify the final signal produced by the rich combination of sonic participants.

## Common sentiments and beliefs across interviews

1. Sacramento is collaborative
2. Sacramento is risk averse
3. Sacramento has a high quality of life
4. Sacramento creatives are genuinely mission driven and polymathic
5. Sacramento creatives are undervalued, underpaid, underdogs
6. Sacramento creatives can't grow companies if they can't afford rent or own property or if they get displaced from their neighborhoods of origin
7. Sacramento's collaboration breaks down when it comes to sharing resources because of scarcity
8. Sacramento's strengths are its diversity and easygoing pace
9. Sacramento doesn't realize how cool it is
10. Sacramento is friendly, and there is a general assumption of good faith



11. There is a culture of bureaucracy that seeps into all interactions
12. Property is crucial: Sacramento creatives generate value for places but have few paths to place ownership
13. Many younger creative entrepreneurs want to stay in Sacramento because of the opportunity to grow better versions of existing creative industries
14. Sacramento needs to do a better job telling the story of all the creativity it has exported
15. Sacramento needs to embrace its cultural history of participation in civil rights movements
16. Small creative entrepreneurs don't have the time and energy to chase grants and RFPs or report on them
17. There should be templates and easier applications for everything, especially creative projects
18. Permits and regulations are exhausting in Sacramento for creatives at every level, even established
19. Some formal networks exist in Sacramento, but it is mostly a city of very strong informal "phone/text a friend" networks
20. Sacramento investors need more education about the creative economy
21. Sacramento investors are interested in companies that want to stay in Sacramento and improve quality of life in Sacramento, but they don't know if the margins are there for the creative industries
22. Sacramento investors do not like to do early stage investing, especially for creative entrepreneurship—they like to jump on the train only once it's almost left the station
23. Crowdfunding models are not enough
24. Sacramento creative entrepreneurs are not overly familiar with impact investing
25. Because Sacramento is a smaller market, it doesn't get the credit it deserves for innovation, nor do extremely progressive ideas get the funding traction they might get in a larger city



# Introduction



**Who are the diverse creative professionals in Sacramento?**

**Why is the creative economy important?**



# Who are the diverse creative professionals in Sacramento?

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

They clean up their neighborhood parks. They start free music instrument libraries. They start free art supply programs and grow a national network of companion programs over TikTok.

They wish all the street festivals would talk to each other. Their street festival got shut down by the city before it even started. They love collectives. They are skeptical about collectives. They grew up here. They moved here. They started the first LEED-certified restaurant in California. They started their advertising career working on popcorn boxes, but now they work on state campaigns for youth mental health. They started out in the world of DIY charity concerts, but then they founded a music festival. They used to be a social worker, but then they opened a camera rental house.

They like farm-to-fork, but they loved the trees first. When they're struggling to pay rent, sometimes they forget about the trees. When they see outside companies win big RFPs for local government, medical, and university projects, they wonder why their leaders overlooked them. When mayors from bigger cities call them to court them to move there after they win a big award in their field, they wonder where the call is from Sacramento leaders. They wonder if a city economy built on government and real estate can really tolerate the risk inherent in creative entrepreneurship.

They moved away to cut their teeth in Hollywood or the Bay Area. They moved back to be closer to family, closer to rent they could afford, in between the Sierra Nevada mountains and the Pacific Ocean. They moved back during COVID and stayed.



## They moved away from their parents' neighborhood because they got displaced.

They'll move when their rent goes up again. They'll again when they again. They bought a house twenty years ago. They doubt they'll ever buy a house. They moved here from successful television careers overseas, "kicking and screaming," and discovered a city of passionate collaboration.

When they moved here from the Bay Area and Los Angeles and Portland and New York City, they thought the local sincerity was a trick. People can't be this genuine, right? They don't mean it. But they learned: in Sacramento, people mean it. They mean it when they care. They mean it when they ask: "What kind of art do you make? What is your creative business? How can we work together?"

They are entrepreneurs. They are cultural workers. They know the difference. They don't know the difference. They know the difference, but they don't agree. They agree, but investors don't get it.

They are tired of being told they make a place better. They know they make a place—period. They want to keep the places they make. They want to keep the places they're from.

They are underdogs and polymaths. They struggle with landlords and red tape. They live where they work. They miss Ali Youssefi. They could grow if they owned the building. They could grow if they could get that permit more easily. They know who to call, but their meetings get canceled. They know the tables where diverse creative entrepreneurs should have a seat. The planning committees, the breakfasts with real estate developers and property owners. They call out the legislators who invited them to read a poem.

They have plans and make good on them. Plans to incubate creative retail businesses started by BIPOC founders. Plans to integrate creative professionals into major environmental legislation. Plans for collective ownership models. Plans that worked before insurance rates went up.



Plans over Nigerian tacos, plans over text, texts about how they're tired of plans, conversations in the back of Tiger: "How do we regroup? How do we pivot? How do we find a way to work together again?"

They started Art Hotel when no one was looking. They started Art Street when people were looking. They started Coordinates before a building was demolished. They feel sometimes like they're only allowed to start things in buildings right before they're demolished. COVID changed what they could start, but they kept starting. Art bookstores. Vintage streetwear festivals. They activated spaces at Arden Fair and reimagined the possibilities of the shopping mall. They are reimagining what it means to be a media producer. How it means to play (e)sports. Where it means to see a mural.

They are customizing designs and organizing the experience economy in new ways. They know they're home to the nation's largest tree canopy, but they wonder if outsiders know they're also home to the largest hard rock festival on the West Coast. They root hard for the Kings and still shake their heads about 2002. They shout "light the beam!" They know their home is the capital of the 5th largest economy in the world, and that's why they're starting companies to disrupt civic infrastructure technology. But it's not just infrastructure. It's civic life, from walking to learning to organizing their neighbors to asking legal questions to applying for grants.

They are ready to export Sacramento creativity. They are ready for Sacramento leaders to do a better job of telling the stories of all the creativity they've already been exporting, for years.

From exercise equipment to hip hop, overlooked in the heart of the most creative state in the nation. They are ready for Sacramento to lead in innovative event promotion, innovative culinary branding, innovative extended reality medical data visualization, innovative fashion entrepreneurship education for Native youth—and they're ready for the list to grow by way of hyphens, by way of "I know someone you should talk to," by way of "let me see what I can do," by way of "let me see how we can work together."



They know the government workers aren't coming back downtown. They know that even if a pandemic forever changed a commute, it won't change a culture of routines. They know why Sacramento is so often chosen as a test market for 5G, for a new "culturally specific" Chipotle chicken dish, for a McDonald's espresso. They know what makes them statistically average hides a unique harmony of diversity and quality-of-life. They know the music regulations need to change. They know they need arts journalism back. They know a little more competition would make the collaboration that much sweeter. They know what they need.

They're tired of Sacramento being called "quietly cool" because they make Sacramento cool, and they don't want to be quiet.

They've learned how to stop being quiet. They've never been quiet. They wouldn't mind keeping a little quiet. They don't want to be Austin or Portland—they're already Sacramento. They think Sacramento's insistence on locally invented methods is provincial. They think Sacramento's insistence on locally invented methods is authentic. They want a right-sized creative economy for a right-sized city. They wouldn't put it like that. They've been putting together some ideas on how to put it. They've been wondering when someone would ask. They've been doing the work.

They're neighbors, and they know the neighborhoods. They make change, and they know where to make it. They've worked together before; they're working together right now. They don't want to start over. They want to start better. They don't want to leave again. They don't want to leave at all.

They're Sacramento creatives. Here they go.



# Why is the creative economy important?

All over the world, entrepreneurs in the creative industries are helping communities stage their next act.

While the dizzying forces of technological innovation disrupt labor markets and collapse or reconfigure older sectors of the economy like manufacturing and agriculture, the creative industries represent a bright avenue for regional economies.

Creative and cultural industries make up the creative economy. What is the creative economy? It is the full stack of storytelling, innovation, and technology. Creative professionals design, produce, and export startling combinations of discoveries and soothing new takes on deeply rooted stories. Today's creative industries encompass far more than arts and culture; they reside at the intersection of design, technology, engineering, and expression. They also intersect innovation and social impact.

And with tomorrow's technology already here—generative AI, no-code production tools, personalized algorithms—you can bring your imagination to life more easily than ever before, which means more competition, which means only the most ingenious ideas will unlock growth. But it also means that community-based entrepreneurs need to band together to ensure that growth is grassroots and equitable, that creative and cultural workers rooted in places are owning and driving the value they produce for those places—not just placemaking but placekeeping.

Citing the United Nations Committee on Trade and Development (UNCTAD), *Forbes* calls the creative economy the “intersection of human creativity and technology or products that have economic value.” In their 2021 guidebook *Cities, Culture, Creativity*, UNESCO goes into more detail: “From audiovisual and interactive media, performing arts and intangible cultural heritage, to literature, visual arts and crafts, design and creative services and heritage and tourism activities, creative fields can stimulate economic vitality in cities, spur innovation and bolster inclusion and diversity of cultural expressions as a means to meet emerging challenges.



These grand claims are backed by data:

- In 2021, the US creative economy added \$1.016 trillion to national GDP—more than construction and transportation
- By 2030, G20 Insights predicts the creative economy could account for 10% of global GDP
- Deloitte believes the world will see up to 40% growth in creative sectors by 2030
- Even accounting for losses suffered during COVID, creative technology is still responsible for \$2.25 trillion annual revenue and 30 million jobs
- Digital media consumption had the most growth of any household consumption category during COVID
- UNCTAD reports that “global exports of creative goods increased from \$419 million in 2010 to \$524 million in 2020, while world exports of creative services increased from \$487 billion to almost \$1.1 trillion during the same period”

The United Nations designated 2021 as the International Year of the Creative Economy for Sustainable Development, and G20 ministers of culture recommend including “culture, cultural heritage, and the creative sector in post-pandemic recovery strategies.” The creative economy is here to stay, and it’s a force for inclusion:

- Almost half of the jobs in the creative economy are held by women
- The creative economy employment rate for ages 15-29 is stronger than any other sector
- A McKinsey report on the creative industries found “a correlation between increased diversity and better financial performance”
- A 2021 Springer study found that “fused firms”—companies that combine “digital technology and creative design” have higher levels of innovation in “business processes, goods and services” and are more likely to employ “demographically diverse people”
- In Sacramento, BIPOC populations have stronger diversity numbers than the national creative economy, with 52% of media production professionals identifying as BIPOC, 43% of design professionals, 60% of experience economy professionals, and 50% of civic life innovation professionals

Who is growing these impressive creative economy numbers?

Entrepreneurs. Most creative entrepreneurs, like most entrepreneurs in general, fail. But when they succeed, they drive transformation.





Notable entrepreneurial successes in the creative economy include household names: Etsy, Entertainment Arts (EA), Pixar, and Adobe. They also include changemakers in communities across the nation redefining equitable growth for a new socially conscious generation—including in Sacramento.

John Howkins—who coined the term “creative economy”—puts it this way: “the creative economy is the first economy to be based on what people want, think and do as individuals within a community of interest. Previous capitalist systems have been based on land, labor, and capital.”

Of course, there is still plenty of land, labor, and capital within the creative economy. But there is a potential for a shift in what those terms mean. Creative economy development is about entrepreneurial individuals collaborating within communities of interest—being from them, being answerable to them, forming collectives with them, and giving back to them. It’s about entrepreneurs organizing economies around the heritage of the past, the innovations of the future, and the vibrancy of the present.

## **Creativity to Market**

Most of our hours and days fill up with routines, but when you think of those electrifying, precious stretches when you’re plugged into your humanity with all your senses and imagination—watching a new movie with your family, walking down the street with a fresh pair of earrings, dancing at a show with friends, enjoying an inspired meal at a new restaurant, or joshing your teammates across the world in an online game—you’ve found yourself at the sweet spot of creativity.

In 2013, University College London students built atomic force microscopes out of LEGOs. The inventors of Lotusan, a self-cleaning paint, got their idea from the water repelling microstructure of the lotus flower. In Boston, a video game company founded by molecular biophysicists creates games prescribed for adults with ADHD.

In all these cases, we see creativity: play, rambles, collaboration, new angles for old tricks, breakdowns of categories and hierarchies, weird questions, strange connections, odd bedfellows, and spiky dreams. Creativity has many definitions, but perhaps Steve Jobs put it most succinctly: “Creativity is just connecting things.”



Who brings the value of these new connections to the market? Entrepreneurs. Creative entrepreneurs can turn intangible local heritage —what Portuguese economic development thinktank INTELL calls the “memories, testimonies, legends, and traditions” of the diverse cultures within a community—into tangible economic development.

They do this through interfacing with (and often inventing) new technologies. Consider this: a custom chambray jacket made with artisan selvedge denim produced at a nationally unique mill just outside Sacramento. A jacket sewn and customized by a Native fashion entrepreneur within Sacramento. An entrepreneur aided by a 3D silk printer invented in Davis. A business marketed via TikTok to reach Gen Z consumers who value authentic storytelling, with a strategy designed and media produced by a digital branding agency in Sacramento. Then—and this is key—each part of that coordinated strategy is scaled and exported outside Sacramento, whether as product, service, or intellectual property. This accelerates the growth of all parties, with the profits of each creative entrepreneur along the chain poured back into the local community.

And because of the inherent mingling of creative entrepreneurs—especially in a city of abundant collaboration like Sacramento—those profits manifest in the local community by way of more events, more music, more dance, more theater, more murals, more poetry, more quality-of-life improving cultural experiences. And less displacement and less erasure of neighborhood identities in a city often declared one of the most diverse cities of its size in the United States.

Of course, that is (so far!) our imagination connecting a few dots. And the creative economy is not a silver bullet. While it’s true that—unlike manufacturing, construction, and high tech—creative industries grew around the world during the Great Recession of 2007-2009, creative industries suffered worse than almost every other sector during COVID. No single sector will ever “save” an entire economic ecosystem. Rigorously diversified economies with strong central pillars are the economies that succeed.

But what we’ve seen during our work with the creative economy is cause for optimism. The World Economic Forum’s “Future of Jobs” report cites “creative thinking” as the #2 most important skill for future workers and might soon overtake “analytical thinking” as #1 with the increasing march of automation and AI.



Developing a creative workforce also supports all of the other skills: flexibility, self-awareness, curiosity, technological literacy, attention to detail, empathy, leadership, and quality control. When you meet and talk to a successful creative entrepreneur, you will immediately discover an abundance of all of these skills.

There's a reason UNESCO's 2022 Re|shaping Policies for Creativity shows how creative and cultural industries are strengthening local economies all over the world faster and more thoroughly than any other industry—despite working uphill against declining funding rates. We believe this decline needs to change, and we hope this report shows that the potential pathways for growing Sacramento's creative economy are about more than helping businesses in a few specific sectors.

We believe creative industry development—when properly supported—can curb inequality and help local communities achieve better economies, with more resilience, more entrepreneurial diversity, more democratized private investment, more connection to global markets, more engaged and employed youth, and more celebration of historically underrepresented cultural legacies.

If policymakers, investors, and regional stakeholders were to dig deeper into the creative economy—past a superficial understanding of the “arts” as a “beautification strategy” and toward the story of cultural and creative entrepreneurs working in tandem—we believe they would uncover some of today's most stirring market-based solutions to social and economic disparities.

And if creative technology workers and cultural laborers were to see themselves more fully than ever in solidarity—both groups facing unprecedented layoffs and tumult as the economy scrambles to catch up with generative AI and digital IP ownership—we believe they would uncover entrepreneurial opportunities to nourish their communities in inclusive, vibrant ways.

And if technology education were to center the meditative joy of meticulous creativity as an essential health and wellness practice—splicing film, growing indigo, stringing a guitar, singing in a choir, collaborating on a stack of blocks in Minecraft, adjusting the curve of a portico in AutoCAD, lining up background vocal tracks by hand in a digital audio workstation—we believe this would uncover new ways to promote respect for cultural production in an era of anxiety around human vs. machine generated media.



**It's time for Sacramento to support its homegrown and authentically rooted creative and cultural entrepreneurs before they leave for better opportunities elsewhere.**

**It's time for all stakeholders in Sacramento to embrace these entrepreneurs as key forces for inclusive and resilient community-based economic development.**





# Continuing the Creative Edge

**Building on the 2018 Plan and  
other current strategies**



# How can we build on existing work?

Sacramento's 2018 Creative Edge plan called for a "creative industries assessment" to "define the specifics of Sacramento's creative sector and to identify strategic opportunities for growing elements of the sector." From this assessment, the City would "develop a strategic plan to capitalize on those opportunities" and "engage creative sector people and organizations in development of the plan."

Additionally, this assessment would be part of a larger study that would "provide a full picture of the creative economy in Sacramento and the region" and suggest "specific actions, such as workforce development and support for start-up enterprises." The Plan reported that "members of the creative sector" wanted this study to "discover, in economic development terms, the leverage points to advance Sacramento's creative vitality and its corresponding economic impacts." Finally, Creative Edge called for this study to "respond to and interface with the City's Project Prosper initiative, as well as initiatives set forth by the Office of Innovation."

This strategy report seeks to present primary and secondary research that works toward that assessment, while acknowledging and attempting to recalibrate based on the seismic changes wrought by COVID.

Much has happened since 2018. COVID changed the landscape in ways that the authors and participants in Creative Edge could've never anticipated. But through it all, creative entrepreneurs in Sacramento have done extraordinarily heavy lifting to continue to build the creative economy in their city, growing from events to community development like Unseen Heroes, forming alliances like Capitol Creative Alliance, continuing the work of longstanding organizations like Verge and the Sol Collective, co-working at spaces like Hacker Lab, creatively melting life and work at spaces like WAL, and founding many exciting and successful startups.



To research potential growth pathways in Sacramento’s creative economy, we attempted to take a creative approach, combining data, storytelling, and collaboration:

1. We conducted a broad range of one-on-one and focus group interviews (with entrepreneurs, investors, community organizers, business community leaders, and other stakeholders).
2. We analyzed the Sacramento creative economy through statistical data and relevant publications.
3. We researched viable strategies from similar metro areas, investment opportunities and resources, and creative economy development literature geared toward policymakers, entrepreneurs, investors, organizers, and other stakeholders in Sacramento
4. We wrote this report and translated it to a variety of mediums in order to reach a variety of audiences.

This report seeks to add another chapter to the important work that the City and its partners have already undertaken to grow Sacramento’s creative economy and support entrepreneurs from historically underserved communities.

As we worked on this report, we did encounter community fatigue. Though interviewees were nearly all enthusiastic about participating, there was a trend of frustration about the protracted nature of this planning and research work, with many participants expressing a desire for immediate action—or coming. Participants also routinely cited—often unknowingly—specific desires that echoed many of the recommendations made in the 2018 Creative Edge plan, suggesting that ongoing work to implement these 2018 recommendations has not yet become visible or socialized in the diverse creative professional community. Where we can, we will attempt to cite alignment with specific Creative Edge goals as we discuss these desires throughout this report.

With this context in mind—and acknowledging that the following list of plans is not an exhaustive account of all recent and historic research that has been done to advance the creative economy in Sacramento—here are some ways this report attempts to interface with other City efforts and relevant major strategies underway in the Sacramento area.



## Sacramento 2040 General Plan

As of this writing, the Sacramento 2040 General Plan is still in the “public review draft” stage, but this 521 page “master plan” does support creative economy development, citing Creative Edge and laying out specific policy goals to “foster a vibrant arts ecosystem and distinguish Sacramento as a destination city.”

And we’re encouraged to see the creative economy as a “target industry sector” in the Land Use & Placemaking section’s Goal LUP-2.7 regarding “evolving office needs” (which, for creative entrepreneurs, includes live/work spaces, as covered in LUP-9.6).

There are many other strategies we support that reflect the desires of our interviewees, including “neighborhoods as a basic unit,” “local business preservation” combined with “thriving commercial mixed-use centers” that feature events programming, “buildings that engage the street,” “home-based businesses,” and more. **When these topics came up with interviewees, many cited current permit process struggles that cloud the realization of this vision; we hope the City recognizes it will need to ease the permit process to make these strategies a reality by 2040.**

We also support the General Plan’s focus on galvanizing entrepreneurship for the future of Sacramento and agree with goal E-3.6 that the City should “foster economic gardening (locally-grown and owned businesses) by promoting entrepreneurship and partnerships that facilitate the growth and expansion of indemand industries.”

However, we are concerned that there is not enough acknowledgment in the General Plan of creative economy sectors as “indemand” industries. **We would like to see “creative economy ecosystem” added to “arts ecosystem” and used throughout the General Plan language.** If the City is serious about equitable pathways for Sacramento creative economy growth and the possibilities for historically underserved communities, we strongly feel that the General Plan must support both the arts and creative industries. We hope this report makes a compelling argument for why.

That being said, we would like to highlight a few of the General Plan draft’s policies that we see as particularly important for promoting creative economy related development.





**Placemaking strategies:** Throughout the General Plan are neighborhood specific placemaking strategies that call on the City’s Arts, Culture, and Creative Economy Commission to collaborate with neighborhood associations and property based improvement districts (PBIDs) to “increase sense of place” and “improve pedestrian and commercial experiences” through public art, creative landscaping, and outdoor activities.

We support these policies, but we caution once more against a mindset of creativity as merely a “beautification” or “enhancement” strategy. We encourage a mindset that recognizes that sustainable and equitable financial capital development—including increased generational wealth in historically underserved communities—can flow from creative economy based placekeeping strategies.

**Colliers reports that Sacramento office space vacancy might hit an all-time high in 2024; in order to ensure Sacramento’s high quality-of-life expectations for 2040, the time to implement creative placekeeping strategies is now.**

**Anti-displacement:** We are encouraged by the General Plan’s anti-displacement strategies, but we would like to see stronger language prioritizing the need for creative entrepreneur property ownership—especially displaced and historically underserved creatives.

First, we would suggest changing the language in LUP-9.7 from “shall consider anti-displacement strategies” to the stronger anti-displacement language used elsewhere in the General Plan (perhaps “shall strive to prevent displacement”). We would also suggest explicitly including language around paths to property ownership for “artists and creative businesses.”

**Heritage tourism:** We are strong proponents of creative entrepreneurs as activators of cultural heritage, and we support the General Plan’s efforts to promote heritage tourism, which we often see go hand-in-glove with innovative creative entrepreneurship.

We discuss this concept in depth throughout *Creative Economy Entrepreneurs*, where we share stories of many creative entrepreneurs whose success is “based on a technological innovation that also breathes new life into stories important to their community.”



While diverse culturally relevant norms, heritages, and traditions are often thought of as opposed to innovation, creative entrepreneurs do not see it this way: “Creative entrepreneurs often derive their passion from their local heritage, bridging this wealth of knowledge and perspective into new markets and opportunities. In this way, they are keeping alive the values of ‘the old ways’ while generating jobs and meaningful engagement for youth today and tomorrow.”

We suggest Sacramento promote this relationship between heritage tourism and creative entrepreneurship, and we suggest more language in the General Plan around promoting cultural workers and creative entrepreneurs as agents of heritage tourism who are well-equipped to take on preservation and adaptive reuse projects as paths to ownership. Tying this heritage tourism work with preservation, adaptive reuse, and paths to ownership is important to combat displacement of historically underserved cultural workers and creative entrepreneurs.

Finally, we would urge Sacramento to be inclusive in its definition of cultural heritage. Consider the Royal Chicano Air Force. This Sacramento-based art collective began in 1970 and was responsible not only for local festivals and social programs but for a large portion of the visual storytelling and communication strategies that galvanized the United Farm Workers movement of the 1970s. This is Sacramento cultural heritage. Not only would celebration and promotion of movements like the Royal Chicano Air Force create tourism market opportunities, it would also open up the question of who owns the “cultural heritage” of the city to better include historically underserved populations.

**Creative food distribution:** Finally, we support the General Plan’s “creative food distribution” policies of maximizing public spaces for vending food, promoting urban agriculture, and supporting the City as the hub of a regional food economy. We believe all these efforts help culinary creative entrepreneurs and are already Sacramento strengths to build toward even more success.



# Project Prosper

This 2018 effort connected national, regional, and local economic experts with active citizens to find alignment across these two arenas of expertise: academic and experiential. This effort of grassroots citizen involvement continued with this project's 1-on-1 interview strategy, and several of our strategic suggestions concur with Project Prosper's call for "neighborhood-based economic and community development" solutions.

## Scale Up

ScaleUp was a mid-COVID "framework and action agenda to generate inclusive economic development for the Sacramento region." This report critically distinguishes between creative industries and cultural amenities and makes an excellent overall case for the importance of the creative industries in driving Sacramento economic growth.

We strongly recommend reviewing pages 63-64 for a summary of the general potential of the creative industries, particularly facts like "3.5 times more dollars stay in local economies when spent with a local independent maker or creative small business compared to national chain retailers."

We concur with these ScaleUp findings:

- "The city has several assets that could provide a foundation for creative industry growth: robust food and agriculture industries (including being "America's Farm-to-Fork Capital"), exceptional cultural strengths including one of the largest collections of community theaters in the state, and [film festivals]."
- **"Sacramento's amenities and natural beauty create potential to generate revenue as a film destination, but a complex permitting process and lack of staff resources create challenges to growth in this industry."**
  - We note: In our discussions with local creative entrepreneurs in the film industry, we found robust praise for the efforts of the Sacramento Film Commissioner to directly help cut through the red tape of this permitting process, but the actual processes and lack of staff resource challenges remain.



- “Sophisticated, tailored business and finance support for artists and startups would assist in scaling up work in the creative industries— enabling small businesses to better align with market-based opportunities.”

We also concur with ScaleUp’s recommendations about Sacramento as a potential global leader in food innovation, and our findings suggest that the overlap of agricultural innovation and culinary arts is a strong indicator of the potential of the experience economy (which includes creative food/hospitality experiences) as a growth sector for the Sacramento creative economy.

Finally, we concur with ScaleUp’s interest in the Sacramento video games industry, its suggestions that Sacramento incorporate the idea of being “right sized” into its brand, and our study of creative disruption in the public business services sector suggests a nascent but strong creative economy sub-sector potential to achieve the “pivot to high-growth, high-tech” firms that ScaleUp suggests is possible for business service subsectors like “specialized design services (such as engineering services); IT services (such as custom computer programming); and legal services,” which we will discuss examples of later in our look at the “civic life innovator” entrepreneurial profile.

Some interview participants cited that ScaleUp had a controversial implementation because of a perceived lack of focus on equity and a disempowerment of a citizen panel that had called for Sacramento economic development to “intentionally and strategically address economic disparities based on systemic and institutionalized racism within and across neighborhoods.”

A *Sacramento News & Review* article about ScaleUp noted that “the Brookings Institution found that while the Sacramento region is relatively prosperous compared to other large U.S. metro areas, it is in the bottom third in economic growth and inclusion; more than one-third of residents struggle to make ends meet, and they’re disproportionately people of color; and Black and Latino workers are underrepresented in digital skill jobs of the future.”



# The Prosperity Strategy

The Prosperity Strategy is a comprehensive economic development strategy (CEDS) described as a “strategic framework and action plan for the six-county Sacramento Region that prioritizes our core economic initiatives and will result in a more prosperous, equitable and resilient region.”

This Strategy was released the midst of COVID in 2020 and prepared by Valley Vision and RW Ventures in partnership with the Sacramento Area Council of Governments (SACOG), the Sacramento Metropolitan Chamber of Commerce, and the Greater Sacramento Area Economic Council.

While the Prosperity Strategy does not directly mention the creative economy, we see several points of alignment with our research:

- **The focus on entrepreneurship:** The Prosperity Strategy rightly urges Sacramento policymakers to more aggressively support entrepreneurship as an economic development strategy, noting that Sacramento has lagged in new startup growth.
  - We concur with the Prosperity Strategy’s stance on entrepreneurship: “Startups are an important component of the regional innovation ecosystem. They represent new ideas, and in some cases, become carriers or commercializers of industry-transforming technologies. Every large firm was at one point a startup, so generating enough startups for some to become substantial firms is critical for long term growth. Startups in particular benefit from a highly networked environment. This is an acknowledged strength of innovation hubs such as Silicon Valley, Austin, and Route 128 in Boston, to name a few, where potential entrepreneurs, investors, experts, lawyers, mentors, technical talent, and potential partners rub closely together, and where the friction provides both the creative spark for new ideas and quickly helps turn those ideas into new companies.”
- **The idea of Sacramento as an innovation leader for civic strategies:** The Prosperity Strategy makes note of efforts that were underway to position Sacramento as a global leader in creative civic solutions—such as the Sacramento Urban Technology Lab and the Civic Lab—and we concur with the Strategy’s vision of Sacramento as “a test bed for innovation broadly applied.”



## Articulator: Sacramento Edition

Finally, we would like to propose putting these major economic development plans into conversation with *Articulator*, a collection of interviews and art published in 2021 and distributed as a book in hotels throughout the city. The project was funded in part by the lobby Sacramento Arts & Culture Match Fund, with DBA Arts as a fiscal sponsor.

*Articulator* features local Sacramento artists and creative entrepreneurs sharing their “perspectives on building and supporting the creative community, workforce development, the Creative Edge Plan, and entrepreneurship in the arts.” In a profile of *Articulator*, *Sactown Magazine* explained that the book itself underwent a rhizomatic manifestation: it began as a “a series of online Q&As” that became “small-batch zines” and “in-person artist talks at downtown’s Kimpton Sawyer Hotel” (that sold out at over 100 attendees) before COVID forced a pivot into a beautiful “272-page showcase.”

**The process of *Articulator* coming to life parallels the twists and turns of creative entrepreneurship, and we suggest that the success of its “current final form” as a book—which has sold well in hotels, bookstores, and arts venues across the city—represents the success of any creative business allowed to embrace risk and re-imagination to emerge more resilient and impactful.**

*Articulator’s* community funders include not only bookstores, record stores, maker spaces, galleries, and individual artists. They also include insurance agents, retired doctors, exercise equipment manufacturers, realtors, architects, content strategists for major online e-commerce platforms, lawyers, global houseware retailers, business accelerators, venture capital investors, restaurants, and dentists.

Later in this report, we will touch on the similarities and differences between the “art patron” and the “creative economy investor,” but this list strikes us as a compelling illustration of not only the urgent desire in Sacramento for a resurgence of arts journalism but also the breadth of support for a creative economy focused approach to community identity and development.



**All told, Articulator reached 175,000 readers, invested 47% of what it raised back into the local creative economy, and generated nearly \$50,000 in media value through the promotion of cultural tourism.**

Articulator asks all of the prominent local creatives it interviews to respond to Creative Edge and deliver their thoughts on arts and creative economy development within Sacramento. Here are two trends we noticed:

- **The fizzle:** Multiple interviewees in Articulator expressed disappointment that Creative Edge efforts had not wrought large immediate changes. They wanted to see actions that matched the intensity of the planning discussions.
- **The spaces:** Multiple interviewees also expressed anxiety about losing and finding space. This came up again and again in our interviews as well: property ownership is among the top concerns for creative entrepreneurs.

**Whether it's spaces to live or spaces to innovate ideas, creative entrepreneurs see the development around them—but they don't see a path for them to stay in the places their cultural efforts have boosted.**





# The Sacramento creative economy in 2024

## Reading the leaves





# How do we measure creative vitality?

In the 2018 Creative Edge plan, there was significant concern about Sacramento's poor showing in the Creative Vitality Index (CVI).

Creative Edge explained that "Sacramento's creative economy currently lags behind the United States in creative vitality, with a countywide index of 0.76, compared to the US average of 1.00, and this index has been in decline since 2013."

Despite this decline, Creative Edge noted that Sacramento did boast a healthy number of "number of jobs in creative occupations" per capita compared to similar cities, suggesting that the low CVI was the result of other factors measured: sales, revenues, and investment.

Therefore, the plan suggested that the recommended creative economy study identify sub-sectors where Sacramento might have a competitive edge to help boost its CVI and improve health of its creative economy.

In calling for a Sacramento creative economy assessment, the 2018 Creative Edge plan specifically called for the identification of "specific [creative economy] sub-sectors with the greatest growth potential." Creative Edge speculated that these sub-sectors might include "film/video production, the music industry, and the design community."

To build on this work and identify these sub-sectors in 2023, we began with CVI and BLS data from 2017 to 2022, an updated dataset from the data analyzed in Creative Edge. To choose NAICS and SOC categories, we aligned with the Otis College Creative Economy report and 2021 creative workforce questions developed by Nesta Director of Creative Industries Policy and Evidence Centre, Hasan Bakhshi.

To anecdotally validate industry and occupation codes, we routinely posed these occupations and industries in various forms to our Sacramento interview subjects and confirmed their authenticity in the context of the day-to-day Sacramento creative economy.



We then researched regional business growth through a variety of sources, looking at creative sub-sectors with high job growth and high revenue growth. To incorporate export potential, we analyzed consumer trends and larger state, regional, national, and global patterns in creative economy growth.

Measuring the creative economy is a notoriously fuzzy task. As an emerging and evolving sector, the boundaries of the creative economy are dynamic. Differences in definitions, combined with a deficit of standardized measurement tools, leads to a fluctuation in the data surrounding the creative economy.

As an example, the U.S. Census has yet to assign creative economy sectors with codes that allow economists to single out the creative economy in the same way we can measure “manufacturing” or “transportation.”

Two recent papers have attempted to right the ship, aggregate efforts to date, and steer policymakers toward practical models.

In 2020, the Nesta Director of Creative Industries Policy and Evidence Centre, Hasan Bakhshi, published “Measuring the creative economy: A guide for policymakers.” Bakhshi updated this guide in 2021 in a paper for Media International Australia. Nesta has been an extremely influential global pioneer in advocating for creative economy development, and Bakhshi’s 2021 model is based on a “dynamic mapping” model that the UK has adopted nationally for measuring creative industry impact.

The most relevant aspect of this model to Sacramento is the measurement of what exactly constitutes a “creative workforce” job. Bakhshi’s research suggests that it can be mapped via 5 questions about the job:

1. **Mechanization resistant** - Does it have no clear mechanical substitutes?
2. **Novel process** - Does it commonly achieve a goal in novel ways?
3. **Non-repetitiveness or non-uniform function** - Does the transformation the occupation effects vary each time it is done?
4. **Creative contribution to the value chain** - Is it creative irrespective of context e.g. is the same activity creative if done in a bank or a theater?
5. **Interpretation, not just transformation** - Does it do more than simply 'shift' a service or artefact's form? e.g. designing a new building vs. creating a CAD model of a building from existing plans





These questions provide policymakers with a clear and thorough litmus test for filtering workforce data and showing how creative occupations arise even outside of traditional “cultural output” activities (i.e. arts and entertainment).

In 2022, Gran Sasso Science Institute Economics Professor Alessandro Crociata published “Measuring Creative Economies: A Critical Review of CCIs” for the EU Horizon 2020 project “Developing Inclusive and Sustainable Creative Economies” (DISCE). This critical review builds on Crociata’s first 2019 draft and goes beyond Bakhshi’s workforce questions to aggregate overall creative economy measurement strategies and propose a holistic and updated model.

Critically, this model discusses the limitations of models popular in the United States based on “businesses involved with the production or distribution of the arts.” Pointing out that these models are “mainly used as a lobbying tool by the arts sector,” Crociata argues that they “ignore links with technology, computing, and other creative sectors.”

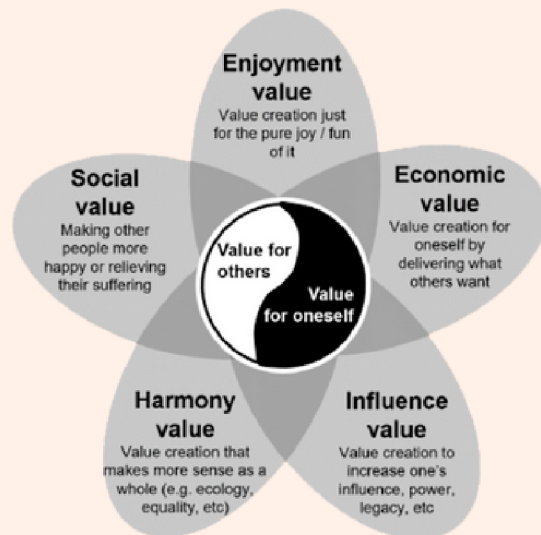
To stop ignoring all those links—and, importantly, to promote an inclusive and sustainable creative economy that can promote the abundant creative economy potential of historically underserved populations—Crociata proposes a model that threads the needle through “conceptually and empirically robust statistical descriptions of the sector,” capturing both “size and economic profile (in terms of conventional economic measures such as employment and [GDP])” as well as “broader dynamics and social value in contemporary society.”

Here’s what the DISCE suggests that policymakers measure (note that not all of this data is readily available because of the limitations of large scale US datasets such as Census and BLS data):

- a. **Macroeconomic aggregates:** GDP, employment, capital investment, export value, new businesses per capita
- b. **Creative spill-overs:** Amount and frequency of face-to-face interactions and communication in contexts rich in human capital, such as festivals and other gatherings, including attraction of outside visitors (i.e. tourists)
- c. **Patents:** New patents or tech commercialization licenses
- d. **Cultural, social and economic vitality:** Measured across 29 indicators, including number of higher education graduates in the field and integration of DEI populations (including immigrants)

The DISCE grew from this initial proposal to a 3 year research project that resulted in forward-thinking post-COVID policy ideas for inclusive and sustainable creative economies. We recommend reading all this policy work and incorporating it into discussions of frameworks to measure the “value” creative entrepreneurs and professionals can add to Sacramento.

A final important note is that all of these models remain limited in their ability to quantify sustainable growth in quality of life for community residents. Over and over in our interviews with Sacramento participants, the question of how “success” might “accurately” be measured was raised.



If a startup is receiving sizeable financial investment from Bay Area VCs and is paying taxes in Sacramento, but the founders never leave their downtown or Roseville office space, never interact with a variety of neighborhoods, never host or attend networking events in their sector, never serve as mentors or participants in incubation/accelerator activities —are they successful?

**What should Sacramento measure to truly lead the nation in developing a new and more equitable model of creative economy success, as the Creative Edge plan tasks the City with doing?**

- We believe significantly more work is yet to be done to interact with every part of the Sacramento community—especially historically underserved populations, and respecting neighborhood-by-neighborhood differences—to crowdsource equitable and viable metrics for Sacramento’s sustainable economic success.
- We have attempted to begin that work and highlight some of the trends in answers when we posed the question “what will creative economy success look like for Sacramento?” to our interviewees, but the project duration and sample size was ultimately too short and too small to draw more than an initial constellation of the larger community’s desires.
- To spur equitable grassroots reflection and buy-in, we recommend integrating these questions into all community-facing activities. At the end of the report, we will recommend strategies around hiring cultural workers to design community surveying activities and cite strategies to study from other cities, such as Tulsa’s “Battle of the Plans” for its Vision 2025 project.



# Forecasts for national and global growth of the creative economy

Before we discuss the possibilities of Sacramento's creative economy, it's important to understand the forecasts for the worldwide growth of the creative economy.

As the world has recovered from COVID, so has the creative economy—a sector hit drastically harder than most by the pandemic and the quarantine, but a sector proving its long-touted resilience by displaying impressive an rebound in the last two years.

In addition to distinguishing between creative amenities and creative industries when defining the creative economy, it's also important to consider the "full stack": both the creative industries and the technologies that power them. Creative entrepreneurs drive technological innovation; not the other way around. Consider the numerous patents and intellectual property (IP) licenses produced by creative economy juggernaut Cirque de Soleil, for everything from 3D printed heads for mask fittings to color-changing robotic flowers for costumes.

This is why it's so critical to emphasize technology and IP when measuring and forecasting the potential of the creative economy. Wherever you have creative ideas becoming creative products, experiences—and exportable models to produce more new kinds of products and experiences—you have the creative economy. And the technological innovations of these industries have cross-sector potential, unlocking new high-wage career opportunities through transferable, in-demand skills.

Though popular wisdom claims otherwise, these opportunities in the creative economy aren't just for major players. On the global stage, lower-GDP countries sport a better-than-average creative growth rate of 12.1%.



For example, the value of exports of creative goods and services from Central America grew 70% from 2005 to 2014, reaching \$269 million. In the United States, the same story: smaller metro areas consistently show better rates of creative economy growth than larger metro areas. And NEA research found that in the US, towns with “innovative and design-integrated businesses” recover faster from economic recessions. While Sacramento has yet to join the ranks of Salt Lake City, Pittsburgh, and Cincinnati at the top of the growth charts, it is acutely positioned for growth thanks to all the factors discussed earlier.

## A new generation of consumers

Much of the global creative economy growth has been driven by a sea change in consumer habits, as COVID-19 has shocked the world into reevaluation of needs and desires. The drivers of this change? The next generation of consumers, Gen Z, who also happen to strongly identify as activists, agents of change, and demanders of authenticity.

By 2026, the largest generation in the US will be Gen Z, those born between 1997 and 2012. They’ve been raised—along with their Millennial older siblings—on information overload and hustle culture, and they are determined to reshape what it means to lead a successful and happy life. Faced with a 24/7 onslaught of bad news, they are rejecting the chaos of the past for a calmer, more determined future that is principle-driven and sustainable.

They want what Entrepreneur.com calls “job placement for neighbors and a cycle of money that stays in the local economy.” This means generational wealth: interconnected communities with deep roots and the rich social interactions that are proven to lead to more long-term happiness.

And they’re announcing these principles with their dollars, which are quickly growing to dominate the economy. In 2022, Business Insider calculated that Gen Z spending power has doubled in the last 3 years — an impressive figure factoring in the challenges of the pandemic and social unrest.

Together, Millennial and Gen Z consumers—the most diverse generations in history—command \$2 trillion in spending power.



What are they spending it on? They're spending it on authenticity and sustainability. They are savvy, frugal, and unafraid to insist on their beliefs:

- Nearly a quarter of Gen Z consumers report boycotting a brand.
- A whopping 94% believe that companies have the responsibility to make the world a better place.
- Gen Z consumers drive growth in creative sectors because 73% need "more self-expression to lead a happy, healthy life."
- 60% of Gen Z say they are "more likely to buy from brands that represent diverse and minority identities and experiences"
- Gen Z drove 7.4% growth in the culturally-specific foods between 2020 and 2021
- They also drove 11.5% growth in arts and entertainment spending between 2021 and 2022
- And they listen to each other, not faceless brands, with 65% reporting that they make buying decisions based on social media influencers and online discourse.
- These ideologies extend to Gen Z founders as well. Gen Z entrepreneurs are fiercely mission-driven, with a staggering 96% saying they would turn down VC funders who didn't align with their principles.
- This is a generation that sees itself as the last chance for humanity and is acting accordingly. Nearly half want to start their own business, and since COVID began, the number of Gen Z entrepreneurs who consider themselves "authentic activists" rose from 16% to 22%.
- According to an Adobe survey, "80% of Gen Z BIPOC creators currently monetize some form of creative activity, while 38% are specifically monetizing original social content, compared with 68% and 33% for white creators, respectively."

What's clear is this: the future of value is a future of values.

Therefore, to capitalize on the future of the creative economy, Sacramento needs to empower its own authentic creators of creative products and experiences. In the creative economy, innovation and equity are synonymous. Great ideas stem from culturally specific experiences, and the exchange of these experiences is the primary concern of the next generation of consumers.



Gen Z consumers want to lead meaningful lives, connecting to their identities and cultures, curious about learning the best ways to live together, and embracing self-care and comfort as an antidote to the burnout they see in the previous generations that relied on resource exploitation to pursue more for more's sake.

Unlike almost every other industry, the creative economy of the future is hard to subject because it's driven by creative visionaries: collaborators on new ways of gathering, living, and playing that infuse life with surprising new meaning. Reading the tea leaves of potential success in the creative economy is not often about a product, a market space, or the "total addressable market."

Instead—especially at the initial investment stage—it's about the entrepreneurs themselves, their vision and their authentic connection to their communities. The creative entrepreneur inclination toward experimentation, playfulness, and curiosity can frustrate and confuse investors, and early stage incubation is often targeted at chiseling a narrower focus.

But tomorrow's creative economy—to put it bluntly—will not be won by neatly sorted NAICS codes. It will be won by the messy success of hyphenated innovators.

They will be solving problems before anyone even sees them, and they will combine disparate desires and needs—of consumers, of businesses, of public sector entities—to achieve new ways to make life better.

## How does the Sacramento creative economy fare in 2024?

Now that we have discussed today's and tomorrow's national and global creative economy, let's look at Sacramento. **Here's the short answer: it's not yet back to pre-COVID numbers, but it's on its way.**

- California Employment Development Department data showed that "arts, entertainment and recreation" had a growth rate of 21% in 2022, the highest growth rate of any sector measured.







- In the restaurant/hospitality sector—which enters the creative economy through culinary arts entrepreneurship—there was 11% growth, with 8,400 new jobs.
- The 2023 Otis College Report on the Creative Economy stresses that the “capital region” (El Dorado, Nevada, Placer, Sacramento, Yolo counties) is still recovering from COVID losses, losing 8% of jobs between 2019 and 2020 and another 1% between 2020 and 2021.
  - The largest decline was 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.
  - The Otis report does single out promising rebounds in “architecture & related services,” which has “recovered all the jobs lost since the pandemic,” as well as “creative goods & products,” which sits “5.4% above 2018 levels.”
  - Wages for the creative economy in the Capital region are up 16% since 2018, and fashion is a specific sub-sector that has seen significant 5% wage growth post-COVID.

However, these mixed signals are made sunnier by the abundant overall economic growth potential of Sacramento.

High regional quality of life, access to the mountains and the oceans, relatively affordable housing, great neighborhoods for families—these are all things that came up in nearly all of our interviews when we asked “why Sacramento?” And these factors are also driving some impressive statistical bragging rights:

- The Sacramento region is the only metro area in California currently experiencing significant growth.
- In 2022, ABC News reported that the Sacramento metro area is the 4th most popular relocation destination for in the United States.
- The Greater Sacramento Economic Council (GSEC) reports that Sacramento has been the #1 destination for Bay Area movers since 2020, and according to LinkedIn data, more Bay Area professionals moved to Sacramento in 2021 than to NYC, Denver, or San Diego.

- In the past, Sacramento has struggled with brain drain and youth migration—especially among creatives—but the tide seems to be shifting. The GSEC found that 2021 showed a “net positive migration to California of individuals between 18 and 44 years old,” and that millennials (25-39) make up the “largest share of the region’s population” at a proportion 3.4% higher than the national average.
- The GSEC also found that Sacramento has great diversity numbers, especially in entrepreneurship: #2 most diverse city in the nation, #3 for diversity in tech and STEM, #5 best region for women entrepreneurs, and a perfect score on the Human Rights Campaign Equality Index.
- Speaking of STEM, a 2020 Economic Development Quarterly study of regional “STEM and soft degree competencies”—a more robust measurement than STEM degree attainment alone, especially when considering the creative economy—found Sacramento to be #9 in the nation for STEM + soft skill regional human capital value, beating out Denver and all other California metro areas except San Jose.
- GSEC found significant momentum in regional investment, with # of deals growing 32% between 2020 and 2021, and median deal size jumping 150%.

## **Examining growth of Sacramento’s creative industries through 2022 Bureau of Labor Statistics data**

As of this writing, CVSuite data beyond 2021 was not available. This distorts our ability to use CVSuite to analyze the growth of Sacramento’s creative economy because society did not emerge from COVID lockdowns until 2022. Therefore, data-driven measurement of Sacramento employment, revenue growth, and new ventures in vital creative economy subsectors—such as those that revolve around live experiences—is frustratingly opaque.

To partially remedy this problem, we analyzed 2022 BLS data for creative industries with high growth and export potential—whether via product, services, or intellectual property.





We identified these based on the models discussed earlier, especially the Otis Report on the Creative Economy. We also chose to analyze change in LQ, as LQ is a sturdy metric for measuring what makes a local economy unique.

Note that this focus on export potential tends to exclude many industries vital for a healthy local creative economy and whose LQ growth suggests a growth in regional quality-of-life, such as fine arts schools, photography studios, and more. It also excludes “independent artists, writers, and performers.” There is plenty of export potential among independent creatives, but because they cross industries so fluidly, they tend to distort attempts to discover specific industry potential.

We’ve also excluded “software publishers” because that NAICS category is presently too generic to sort creative software from non-creative. Custom software shows up wherever there is creative technology entrepreneurship.

Unfortunately, 2022 BLS data does not reflect CVSuite’s rich demographic data, which is derived from the Census Bureau’s Quarterly Workforce Indicators (QWI), American Community Survey (ACS), and staffing pattern analysis. CVSuite 2022 data will shed better light on current demographic trends in Sacramento creative economy employment.

With all that said, here’s a look at the brightest creative industry growth prospects from 2018 to 2022:

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

And here’s a look at the Sacramento MSA’s list of creative occupations with LQs higher than 1 for 2022, ranked by LQ and filtered by export potential, along with where we see them fitting our creative entrepreneur profiles, which we will explain later in the report:

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

## Examining the value of Sacramento’s creative and cultural entrepreneurs through the lens of property

Based on the concerns of interviewees, we’ve attempted to explore the value created by Sacramento’s creative and cultural entrepreneurs through the lens of property.

In our conversations, we heard many stories of creative and cultural entrepreneurs creating value for local property owners—through public art, media production, experience organizing, design services, civic life innovations, and more.

**However, this value creation did not adequately open up new paths to property ownership for the entrepreneurs themselves, as they would find themselves “priced out” of the places they helped “make.”**





This “pricing out” most often occurs via rent increases, but it also occurs when creatives are asked to ephemerally inject culture into a soon-to-be-demolished property in order to raise values for greenfield or infill development.

In other words, creative and cultural entrepreneurs “make” a place but are not able to “keep” it. This phenomenon de-incentivizes further placemaking and displaces authentically rooted creatives, reshaping communities with weaker social ties and less investment in equitable long-term growth, especially for historically underserved populations.

This story is well documented in Sacramento and is the subject of numerous existing research projects and reporting. Recent examples include but are not limited to the efforts and research of Sacramento Investment Without Displacement, the City of Sacramento’s Forward Together plan, and the reporting of Capital Public Radio on Sacramento gentrification.

The larger national story of culture raising property value and displacing both the culture makers and the historically underserved is also—to put it mildly—well documented. On the subject of public art alone, consider this 2018 Realtor.com article: “As Public Art Goes Up, So Do Nearby Home Prices.”

With a range of examples—Chicago’s Millennium Park projects fueling \$1.4 billion in high-rent residential development; a Washington D.C. mixed-use center raising neighborhood home prices by 26.2%; an Indianapolis Cultural Trail project boosting nearby property values by \$1 billion—this article is a representative snapshot of the larger problem.

Tellingly, the article ends with a nod toward gentrification with a story of how that Indianapolis project led to the demise of a long-running street art festival, one of the cultural entrepreneurship projects that made the neighborhood so attractive. The only person quoted about this gentrification is a real estate broker, who describes the loss of the festival as “sad” and “the end of an era.”

However, the displacement of creative and cultural entrepreneurs is considerably more than “sad.” This displacement parallels the displacement of long-term historically underserved residents, and over a longer period of time, it creates a cultural/creative vacuum that ultimately *depresses* property values.

Sacramento, of course, is well aware of the story of San Francisco in 2024: the vacant offices, the empty neighborhoods, the long ago displaced creative and cultural entrepreneurs.

We believe ending these cycles needs to begin with a shift in the conversation: from placemaking to placekeeping. Though some cultural workers might have limited recourse through existing legal strategies—such as the 1990 Visual Artist Rights Act—these options are limited and do not cross creative sectors. Instead, creative and cultural entrepreneurs need to be integrated into the property ownership pipeline at every level because they are uniquely equipped to lead equitable community-based economic development as experienced value creators.

The story of Sacramento’s creative and cultural entrepreneurs, communities, and property values in 2024 is the story of a city at the precipice of dramatic growth.

It’s a story of a city with a new opportunity in a post-COVID world—a world with a rising generation of young values-driven consumers—to learn from what’s succeeded and what’s failed around the country when faced with similar growth opportunities. It’s a story of a deeply networked city where relationships are key, where entrepreneurs in creative tech and cultural labor might be able to forge new kinds of alliances with investors and developers.

It’s a story where all of these interconnected stakeholders—who love and care about Sacramento—might see themselves on the same team, and look to the success of global creative economy growth models that University of Glasgow Professor Kate Oakley discusses in her essay “Whose creative economy? Inequality and the need for international approaches.”

Citing the work of Australian geographer Chris Gibson, Oakley points to “Tanzanian hip hop, Mexican telenovelas, Nigerian moviemaking, and South Korean pop music” as examples of creative economies characterized by “informal networks, localized funding and a more fragmented approach to ownership and distribution.” Oakley—who is also a Co-Investigator for the UK Centre for the Understanding of Sustainable Prosperity (CUSP)—argues that policymakers need to be “sensitive to the time and the local knowledge” necessary to support equitable growth in these economies.





We believe this a story about the need to include leadership from local creative and cultural workers in policy decisions to drive community-based economic development.

It's also a story about creative tech entrepreneurs and cultural entrepreneurs seeing themselves in solidarity, as discussed by the United Nations International Labour Organization's February 2023 report "The Future of Work in the Arts and Entertainment Sector."

In Sacramento, it's a story about that leadership using national and state examples to combat displacement by creating paths to property ownership for creative and cultural entrepreneurs who are invested in the long-term health of their communities. Not only will this actually raise property values in a more sustainable way—over decades, not years—it will distribute the wealth of that rise more concerted among historically underserved populations, those with strong neighborhood ties, and those legitimately invested in community quality-of-life.

## **Saturation of culture as path to investment**

The story of Sacramento's creative economy growth does not begin and end with property. There is also the question of how to generate more equitable creative entrepreneurship. One way of generating that entrepreneurship is through an environment favorable to cultural saturation.

**The saturation of culture in everyday urban life is critical to attract public support and private investment for creative economy development. But it's very difficult for the creative economy to grow without fair payment and workplace safety standards for cultural workers.**

International economic policy advisors at the Organisation for Economic Co-operation and Development (OECD) concur. In their 2022 book *The Culture Fix: Creative People, Places and Industries*, they argue that the creative economy represents an excellent post-COVID opportunity for good jobs, social inclusion, public health, and economic resilience.

In other words, cultural amenities and participation do not *follow* economic growth, as many economic development theories argue.

Instead, if nurtured correctly, amenities and cultural participation can *drive* eventual creative entrepreneurship and subsequent resilient economic growth.

We believe this begins with the story of saturation and investment.

To wit: if a member of the investor class does not regularly see music in their everyday activities—jazz guitar in an upscale farm-to-fork restaurant, for example—why would they believe in the capacity of the community to support a music-related creative startup? Ditto for visual arts, dance, poetry, theater—the road to creative economy investment launches from cultural saturation.

When a city actionably respects its homegrown culture, its citizens begin to experience that culture as part of everyday life, not sequestered in economically inaccessible institutional spaces. Sacramento has excellent institutional art spaces, but they should not be the only avenues of access to art. Though it may seem paradoxical, culture is most special when it is no longer special, no longer scarce. When that culture is part of everyday life, the city identifies itself as a city of creativity. And when the city identifies itself that way, a sense of pride and ownership in that identity grows.

It should not be special (or difficult) for a restaurant or retail space to feature a nightly musician, poet, or dance troupe. It should be so ordinary that it is expected by consumers.

It should be so ordinary that there is no longer an unspoken (or spoken) belief that commercial spaces are doing cultural workers a “favor” by “allowing” them to perform. The opposite is true. Commerce is meaningless without creativity.







Again and again in the history of capital we see this episode: those flush with financial capital seek the social and creative capital produced by cultural workers. Sometimes it's because this social and creative capital raises the value of their property investments. But it's often because they are human—and creativity raises the value of our lives.

Either way, this is supply and demand. And it's not because every cultural worker is a creative entrepreneur; falsely equating the two dilutes the importance of both. Instead, all cultural workers and creative entrepreneurs should demand and receive appropriate financial compensation for the clear value they provide.

When does creative entrepreneurship become a viable economic engine? When demand for a creativity-saturated public life begins to viably seed creative livelihoods. And livelihood means pay, but it also means workplace safety and health insurance. Mural workers should be paid fairly, and they should not lose a day's pay if they can't paint in 100 degree Sacramento Valley heat. These livelihoods, in turn, assert for all stakeholders the correct value of creative and cultural work.

Cultural work is labor. If there is not public policy in place to ensure cultural workers are paid appropriately and treated safely, there is no incentive for the next step toward entrepreneurship.

This step arrives via the invention and export of technology—services, products, and intellectual property. Mural painters might invent a new method for property restoration. Musicians might invent a new binaural beats therapy device.

But what's most likely is that these ideas arrive as something we cannot imagine, something that solves a problem or fills a desire we cannot yet conceive of. This is the basic definition (and power) of creative entrepreneurship.

**And a powerful way for that to grow in a place like Sacramento—with a diverse cultural heritage and vibrant creative present—is through cultural saturation in a community that understands, agrees, and invests in the the high value of cultural and creative labor.**



# **Readily accessible growth opportunities**

**Four strong entrepreneurial  
profiles for Sacramento**



With all of these creative economy realities and trends in mind, we present our four high-growth potential sub-sectors by way of four potential entrepreneur profiles, tailored to Sacramento's current diverse creative economy strengths:



### 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.



**A note:** as we move through these subsectors, describing their economic prospects and Sacramento's unique potential in each, we will sketch narratives by calling out specific Sacramento firms and nonprofits. **This is *not* intended as a definitive list or a signal of the ventures we feel are most worthy of support.** Instead, we are spotlighting a few trees in forests of possibility, aiming ultimately for a diverse sample, attempting to ignite imaginations by illustrating the range of what's growing locally in these exciting subsectors.



## The polymathic media producer

The polymathic media producer doesn't care about tools.

They don't specialize in one software program or one technique. They are resourceful jacks-of-all-trades who string together technologies to solve problems. When they don't know something, they team up with someone who does. Their ultimate goal is not to master Photoshop, Final Cut, Logic, TikTok, Unity, Vuforia, or whatever software lands next because they know they can learn quickly enough to do what they really need to do: produce media.

PwC reports that media industry growth has cooled somewhat thanks to consumers "taxed by inflation, weary from the lingering effects of the pandemic, and facing the uncertainties of war and geopolitical instability."

But in every decline is opportunity, and the cracks in the media production economy are letting new players in. PwC reports that "competition for consumers' attention, and the revenue that follows, is heightening, thanks in part to the steady stream of new entrants." In their interviews with CEOs, 40% say their current business model "would not be viable in ten years."

Why not? Gen Z has changed the game. They don't watch TV; they consume media via social platforms. 73% spend their free time online—up to eight hours a day. And they are willing to pay for what they like—Insider Intelligence reports that "half of both US Gen Z and millennial social users make purchases directly on social media."

Through digital and social platforms, artists and media producer entrepreneurs reach larger-than-ever audiences faster-than-ever. UNCTAD reports that "music streaming now accounts for more than half the revenue of the global music industry," while "online video subscriptions hit 1.1 billion in 2020, a 26 percent rise from the previous year."

2017-2021 IN SACRAMENTO

**52%**

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

**31%**

average annual wage growth for polymathic media producers

**27%**

average annual growth in number of new jobs for polymathic media producers

**13%**

average annual sales growth for firms working in media production

**12%**

average annual growth in new establishments of media production firms



Polymathic media production creative entrepreneurs understand that storytelling in 2024 does not end with the story itself. Instead, these polymaths know that entrepreneurial success lies in the intellectual property possibilities of new methods and industry reputations as authentic problem solvers. 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.

In Sacramento, they are polymaths who left their roles at industry stalwarts to produce new kinds of video and mobile games with innovative blockchain-powered in-game collectible economies (Azra Games). They are polymaths who combine art, AI, and fashion to produce 3D models for apparel company e-commerce solutions (ZMO.ai). They are polymaths who produce documentaries for the American Heart Association (The Film Squad). They are polymaths who are as comfortable producing video content for Nickelodeon as re-imagining brands for post-acute care providers (fathom). They are actors and musicians who come together to form Emmy award winning creative agencies (3Lopez Media). They are as comfortable choreographing music videos as producing documentaries about medical malpractice (Muganzo Entertainment).

They are established polymaths who built their success through cause-based marketing strategies and internal startup incubation (3Fold), and they are startup polymaths who are combining media production and studio rental business models (Hidden Temple Media / Imported Studios). They are polymaths who found multicultural communications firms (SociosPR), polymaths who start camera rental houses (Camera Kitchen Rentals), and polymaths who integrate visual and experiential art into their branding strategies (Uppercloud).

They are polymaths who produce immersive extended reality experiences for clients that range from medical to manufacturing (Launchvox). They are polymaths who combine brand strategy with cutting-edge video production techniques (Mero Pictures). They are Emmy-winning motion graphic polymaths who animate lyric videos with a global team (Pamanama Studios), but they also know that access to tools should not limit creativity, so they've started nonprofits to provide underserved youth with digital media production software (Jumpstart Designs).



They produce media both traditional, digital, and experiential: books, paintings, animations, films, music, and virtual reality. They might master one tool today and learn a different tool tomorrow. They're polymathic creative entrepreneurs, and they're producing media that is growing Sacramento's creative economy.

## Analysis of growth potential by subsector

- **Longform and shortform film/video content**
  - Data from the Sacramento Film + Media Office has shown a steady increase in both economic activity related to grant-funded filmmaking (for 2022, \$422,500 spent locally, with a "26% increase in local spend, a 20% increase in local hires, and 6% increase in hotel nights over 2021 totals") and in the diversity of creative professionals represented (with over 50% of crew for grant-funded projects women/non-binary and 76% BIPOC)
  - The success of 2017's *Ladybird* has spurred a new interest in feature film production in Sacramento, a return to form for a city that was the stage for the initial draft of the world's first ever motion picture. Today, most of the longform video activity in Sacramento is in the commercial and "documentary, corporate, industrial, PSA" sectors.
  - However, this is not a bad thing. As Sacramento grows its union-certified talent base, it can carve out an identity as a convenient and efficient video production base for the major government, healthcare, and educational clients co-located in the area. Regional entrepreneurs in this sector have also shown a talent for diversified business models. For example, Imported Studios combines media production with studio space and equipment rental.
  - Sacramento has also shown a successful history and ongoing commitment to cultural heritage film festivals (an intersection with our discussion of the "experience economy organizer" entrepreneurial profile) and filmmaker alliance groups that have been active for over two decades.
  - Shortform video content is the future. PwC reports that "over the next five years, revenue from ad-supported video on demand is set to nearly double."



- Consider the explosive growth of shortform video via social media platforms (TikTok) and everyday materials (trainings formerly in print now translated to video, for example). This is a subsector with promising consumer demand for diverse content as well: Hubspot reports a 113% increase in BIPOC shortform video searches since 2019, with a 195% increase in the number of BIPOC video downloads.
- Sacramento creative studios have quietly secured major brand and client relationships in the world of promotional video campaigns. Firms in Sacramento have worked with an impressive pedigree of clients/collaborators: EA Sports, Obama Foundation, Netflix, Nickelodeon, Motorola, Unity, and more. Tellingly, these major clients have not just been the providence of established firms; burgeoning Sacramento startups led by diverse founders have been scoring these clients, speaking to the agility of polymathic Sacramento media production entrepreneurs.
- Sacramento also shows strong potential in this industry via the presence of ancillary services, with one of the fastest-growing and most invested-in companies in the City, GRIN, being dedicated to influencer marketing SaaS solutions. The field of influence is not far from the field of public relations, which between managers and specialists enjoys a high 1.2 LQ in Sacramento.

- **Video games**

- The 2023 Otis College Report on the Creative Economy spotlights video game growth industry across California, and Sacramento's growth potential is no exception: in addition to being home to a strong network of independent video game developers through the Sacramento Developer Collective, the City is also home to major branches of Electronic Arts and high-growth startups like Azra Games.
- Sacramento is ranked #36 on this WalletHub 2021 study of best United States cities for video game development, beating out larger creative industry cities like Nashville, Chicago, and Charlotte. While Sacramento was #76 in "gamer & developer opportunities," the city was #21 in "gaming environment," suggesting a healthy game development community that can be activated with more concerted investment.



- **Extended reality**

- The categories of experience and advertising blur in the field of extended reality (which includes virtual, augmented, mixed, metaverse, and digital twin realities), as most firms that create unique extended reality experiences for the pursuit of pleasure or recreation seed those experiences with advertising for other clients (or create experiences primarily intended for advertising).
- Advertising and digital media agencies in Sacramento have been applying extended reality technology solutions at a higher-than-average rate, as evidenced by the presence of startups, accelerators (also highlighted in ScaleUp), partnerships with local industry (especially government and medical), and regional efforts like the West Sacramento augmented reality-based civic engagement private industry partnership (an effort that overlaps with the “civic life innovator” entrepreneurial profile discussed later). The Sacramento area has also been a pioneer in accelerators and incubators that focus on entrepreneurs in this sector, such as the Capital Region AR VR Accelerator 2018/2019 partnership with the Sacramento Kings.
- Demonstrating Sacramento’s overlapping potential in the sports and extended reality industries, this Straits Research report on the future of the mixed reality sector highlights Golden 1 Arena as “the most connected arena that offers onscreen graphics and analytics” in the United States.
- Fortune Business Insights reports that “the global augmented and virtual reality market size was valued at \$27.6 billion in 2021, and is projected to reach \$856.2 billion by 2031, growing at a CAGR of 41.1% from 2022 to 2031.”
- Extended reality use in medical and life science (which overlaps with the life sciences cluster opportunities identified in ScaleUp) is projected to grow an impressive 42.42% between 2022 and 2030, and Sacramento is the perfect petri dish for implementing innovation in medical and life science applications of extended reality products and services. Several area startups already show impressive growth with interpreting data to extended reality experiences and offering VR-based therapeutic experiences.





- Sacramento has also shown itself to be an early adopter of extended reality culture through first-in-the-nation projects like 2014's Broadway Augmented augmented reality civic/arts project.

- **Music production**

- Music production was suggested by the Creative Edge plan as a sub-sector of potential growth in the Sacramento creative economy. While music production NAICS/SOC data showed precipitous decline through 2021—thanks to COVID—2022 BLS data marked a comeback, with “musical groups and artists” #2 for positive LQ change in average annual employment.
- Sacramento's music industry boasts passionate community support, excellent ancillary services such as Musiclandria (likely the most robust free music instrument library—by number and variety of instruments available—in the nation), a tight knit venue community represented by the California Capitol Venue Coalition, higher-than-expected representation of artists from Sacramento at national music festivals, and a history of creative and successful homegrown and imported local music festivals, which we will zero in on later in this report as a potential high-growth subsector supported by the “experience economy organizer” entrepreneurial profile.
- The musical history of Sacramento (and the surrounding region) reflects that “higher-than-expected” with a laundry list of successful artists whose diversity of genre echoes the diversity at the heart of Sacramento's identity. From Daniel Johnston to Hobo Johnson, Pavement to Deftones, Chelsea Wolfe to Marcus Shelby, Lucia Lucas to Blackalicious, CAKE to Papa Roach—the list spills and surprises.
- In his interview with Articulator, local jazz legend and Pulitzer Prize nominee Harley White Jr. speaks approvingly about his experience bringing his jazz orchestra to 2017's Art Street, where they shared a stage with electronica DJs, hip-hop duos, and noise bands. When the heat of the Sacramento valley melts things together, and the Delta breeze cools them down, a vibrant brew of genres emerges.



- But one big roadblock in the story of today’s Sacramento music scene is the regulatory climate. Put simply: it is dampening growth. In particular, it is currently very difficult for establishments that aren’t full fledged venues but might potentially feature light music programming—such as Sacramento’s creative restaurants, featured in the culinary arts subsector of the “experience economy organizer” profile—to navigate the permit process and stay on top of all the regulations.
- The 2023 Sacramento Music Census supports this finding, and we support all recommendations in the Music Census around easing restrictions, supporting musicians and venues, and increasing education (from youth programs to professional development) to allow music to reverberate more freely through Sacramento.

## Weaknesses and threats

CVSuite data classified by SOC code shows a decline in many “traditional” media production jobs alongside an increase in digital and software oriented media production jobs, which are difficult to classify, as “new media” jobs tend to be lumped into generalized SOC and NAICS categories, while “old media” jobs are more specialized.

We believe this is a reflection of the move discussed at the beginning of this section toward polymathic “jack of all trade” skillsets in the overall digital media production industry, which was echoed by interview participants and can be interpreted, arguably, as explaining the significant increase in jobs such as “film and video editors” and “camera operators.”

In other words, yesterday’s photographers are now camera operators: there is quickly becoming no meaningful distinction between motion and still photography; it is all camera operation.

For example, consider the significant decline in “special effects artists and animator” jobs alongside the increase in “film and video editor” jobs. The codes simply cannot keep up with the changing nature of this work. For an interesting and detailed analysis, see Jordan Gowanlock’s “How Jobs in the Animation Industry are Changing.”



## The micro customizing designer

Micro-customizing might sound small, but it's the biggest frontier of design.

As manufacturing and fabrication technology of all kinds have grown cheaper and more accessible to the everyday consumer, completely personalized creative goods and services are booming.

A customized pair of jeans is deciding whether to buy black or blue, but a micro-customized pair of jeans is tailored in real time by a creative sewist working with the latest technology. A customized wellness solution is buying a different size exercise bike, but a micro-customized exercise bike is a creative entrepreneur 3D printing an exercise bike matching their innovative design to your exact health needs.

Micro-customized design rewards entrepreneurs at the intersection of design and custom manufacturing. Forrester estimates that the global design market will grow 20% this year alone, while Allied Market Research estimates custom manufacturing will grow at a 4.6% CAGR to 2031. Gen Z consumers especially are demanding more and more personalized experiences, and creative entrepreneurs are meeting their needs with hyper-customized designs.

In Sacramento, they customize by bridging sectors, fusing art consulting with the design and fabrication of customized architectural signage and environmental graphics (WeidnerCA). They micro-customize by pioneering organic wellness solutions through wholesale and direct-to-consumer sales of botanicals, spices, teas, and essential oils (Starwest Botanicals).

They might customize by making the old new, personalization by way of the circular economy. They might invent a clothing sharing app (Ouros) or innovate a unique hybrid festival/retail space model for vintage streetwear (World's Worst).

2017-2021 IN SACRAMENTO

**2X**

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

**5%**

average annual wage growth for micro-customizing designers

**4%**

average annual growth in number of new jobs for micro-customizing designers

**1.3%**

average annual sales growth for firms working in micro-customizing design

**16%**

average annual growth in new establishments of creative design firms



They might be graffiti artists and mural restoration specialists (M5Arts) who might teach a new graffiti artist what they learned, who might then invent and patent a new kind of spray adhesive specific to restoration.

They customize landscape designs with native plants out of nursery companies that also sell zines and seed bombs (Mother Natives). They customize soft goods and incubate needle trade entrepreneurs (Topstitch), customize fashion designs for the Kings (Authmade), and customize fabric itself with a silk-based 3D printer (3DOPS).

They customize the booming meal kit delivery industry with a focus on organic food, zero waste, and fitness (Trifecta). They customize wellness experiences with float tanks, personalized massage, infrared saunas, and binaural music therapy (Capital Floats). They customize exercise experiences with data-driven and digitally-connected Pilates equipment (Flexia).

They do all-in-one, but they do it one-by-one. They micro-customize, but not because they think small. They know the next frontier of design is the personalized experience, like LGBTQ+ friendly fashion from ethically-sourced materials (Strapping Sacramento).

They are designers of all stripes—interior, industrial, graphic, and floral—but they are also sewists, sculptists, cabinet makers, etchers, jewelers, or luthiers, and they are also inventors—whether it’s a plant theremin (Mark Davis) or a seeing eye robot that wins a Marvel-sponsored STEM challenge (Maia Dua).

They might be rooted in craft, but they’re launched by design. They’re micro-customizing designers, and they’re designing a pathway of growth for Sacramento’s creative economy.

## Analysis of growth by subsector

- **Fashion**

- The Sacramento fashion ecosystem has an intriguing array of assets that suggest serious growth potential. Like the “farm to fork” movement, Sacramento is geographically well-positioned to lead a “farm to closet” revolution. Though the movement is nascent, there are dots to connect, and we believe that Sacramento’s investment community, policymakers, and educators should take note.



- First, the region has emerged to punch above its weight with micro-customized fashion design. Sacramento’s diverse creative fashion entrepreneurs, makers, and upcyclers have scored representation at New York Fashion Week, Nike artbook features, collaborations with NBA teams, and numerous major brand partnerships/clients. Area community colleges and Sac State also have strong fashion programs with higher-than-average enrollment, and fashion-related businesses are represented at higher-than-average numbers in the success stories of regional entrepreneurship training programs, such as those run by CDFI California Capital.
- As mentioned earlier, fashion was singled out in the 2023 Otis College State of the Creative Economy Report’s look at the capital region as a subsector of significant wage growth, and “hand sewing” topped all CVSuite creative occupations (of significant job #s) in 3 year growth, with a 160.0% growth from 55 to 143 jobs.
- On the subject of customization, Technavio reports that the custom apparel market has “accelerating growth momentum” and is estimated to grow at a CAGR of 7.22% between 2022 and 2027. This is driven largely by Gen Z consumers, who demand ethically produced, sustainable, and customizable fashion.
- There is a strong overlap with our “experience economy organizer” profile and the fashion sub-sector via Sacramento’s healthy upcycling/vintage clothes and goods economy. Sacramento Magazine recently ran an article on the secondhand fashion economy in the City and reported that “the [global] secondhand market is expected to double in the next five years as circular business models gain traction and more people become open to buying secondhand goods.”
  - In Joybird’s ranked analysis of Yelp data, Sacramento came in as the tenth best city in the nation for thrifting. In StorageCafe’s analysis—which included thrifting venues per capita and Google searches for thrifting-related terms by geography—Sacramento came in #33, but it came in #9 for Google searches, suggesting a strong community interest in thrifting and a creative economy subsector with potential for further activation.



- Sacramento boasts a strong 1.79 LQ in used clothing stores for annual average weekly wages, and this likely does not measure all the customizing activity by creative fashion entrepreneurs upcycling old goods with new designs and selling them online. This is another area where Gen Z consumers are dominating a shift, with Vogue reporting that 27% more likely to shop for used clothing—whether via online platforms like Depop or physical thrift stores—than older generations.
- Sacramento also is home to burgeoning innovation in the combination of the online and live experience of fashion, with startups like World’s Worst finding success—with 80,000 visitors and over 100 vendors across their monthly expos—by seamlessly blending festivals, retail spaces, and online media.
- Looking slightly east to Sacramento County, we find Huston Textiles, which might be the “the last remaining American manufacturer of selvage denim” at significant “scale and potential capability,” a business using “negative-carbon-footprint wool” and designed to expand toward an intellectual property based revenue source “as a self-sustaining model that can be replicated in cities all over the United States.” With the Sacramento region as an undisputed leader in agricultural innovation, and the City as the capital of the state with some of the most progressive environmental regulations in the country, activating an interweaving (no pun intended) of fashion and sustainable agriculture could catalyze a new kind of fashion industry leadership.
- Vogue ran a story discussing Huston Textiles in this context, with prominent fashion designer Justin Kern declaring that “California is America’s largest agriculture source, and it’s something fashion has completely overlooked.” We discovered Huston Textiles through interviews with leading Sacramento fashion professionals, suggesting that entrepreneurs in this sector are already aware of this potential avenue to drive economic growth through customizing fashion toward eco-friendly lifestyles.
- We also see possibilities for growth in this industry through Huston Textile’s connections to organizations like the California Cotton & Climate Coalition, Mendocino Wool, and Fibershed—all Northern California or statewide organizations working at the intersections of (as Fibershed’s Executive Director Rebecca Burgess puts it) “ecology, fiber systems, and regional economic development.”



- More signals suggest a rumbling “farm to closet” movement across Northern California that could find a homebase in Sacramento. Those include SB707, a textile recycling bill making its way through the State Legislature that would open up market opportunities for upcycling and reusing textiles, areas where Sacramento’s resourceful fashion designers would shine and where local technology startups—like textile recycling software company Ourox Industries—could play a key role.
- Finally, more regional investment and growth could even re-attract creative diaspora: prominent regenerative textile startup Ambercycle is based in Los Angeles but began in Davis. It has been represented by Sacramento-based lawyers while it’s raised \$27 million in VC funding.
- We advocate for a regional approach to fashion ecosystem development in the Sacramento area, with the city and its assets at the heart of a larger Northern California regenerative fashion economy movement. McKinsey estimates that a statewide “closed-loop apparel recycling system” could generate \$11 to \$13 billion in “total holistic annual impact,” which means “economic, environmental, and social benefits.”
- To grow high-wage, high-skill jobs across the industry (textile recycle tech, cut and sew, designers) Sacramento should pursue a “triple helix” model of unifying government, business, and education around technology investment, technical apprenticeships, and entrepreneurship acceleration in this area. Fashion is an industry ripe for disruption, and we believe Sacramento can lead the way in entrepreneurial solutions that buck exploitative and environmentally unsound “fast fashion” models to incubate a sustainable and equitable creative future.

- **Interior design**

- With the boom in Sacramento construction, it’s not surprising that retailers and homeowners are turning to interior designers to customize and invigorate the spaces where they work and live.
- Interior design showed strong growth across all indicators, including a 0.1 LQ jump between 2018 and 2022 for average annual employment. According to Zippia.com research, Sacramento offers the highest annual average wages for interior designers in the United States.



- Unfortunately, demographic data suggests that diverse representation in this subsector lags behind other creative sectors, not only in Sacramento but across the nation. Sacramento should intertwine its strengths in diversity and interior design by promoting more intersectionally diverse interior designers; one strategy might be to sponsor event programming that explores culturally diverse interior design approaches or hosting summits between Sacramento’s interior designers and its diverse, youth-led upcycling fashion entrepreneurs.
- In 2019, Comstock ran an interesting look at the potential for an East Sacramento design district that highlighted several successful local interior designers (who have maintained their presence post-COVID) as well as other potential cluster assets like Fence World Iron World, a fabricator and installer of micro-customized ornamental wrought iron that also houses an iron-based arts gallery.

- **Health & wellness**

- Customized health and wellness products are booming globally, and Sacramento is no exception, with several top investment earners and high-growth companies sitting squarely in the creative health & wellness space, boasting success stories that range from performance meal kits to specialized fitness instruction to skincare to LGBTQ+ inclusive gyms. What these stories share is the recognition that health and wellness products are always most successful when they are creatively personalized.
- Sacramento also boasts a legacy of customized creative wellness innovation as the home of Balanced Body, the largest (and one of the oldest) Pilates equipment manufacturer in the world that has also diversified its business model through personalized “train the trainer” instructor programs. As mentioned earlier, Balanced Body was an investor in *Articulator* and is a supporter of local creative entrepreneurship.
- The emerging cannabis industry has also presented ample opportunities for the kind of tightly customized experience that all consumers—and especially Gen Z, who show a strong penchant for “lifestyle satisfaction” in their consumption habits—are demanding after COVID.





- Health, wellness, and life science converge in all major economic development plans for the region, including ScaleUP and The Prosperity Strategy. The Prosperity Strategy notes: “Industry trends are changing dramatically as consumer demand for functional/healthy and niche foods is creating a space for small, nimble and creative food and beverage manufacturers—many of which are locating or starting up in the Sacramento Region ... There is significant room for growth, given the region’s access to transportation arteries, robust production of high value high quality crops, and national distribution capabilities.”

## Notes

Promotional goods are another strong potential subsector that falls within this micro-customizing designer profile. One of Sacramento’s fastest-growing companies over the last several years was Stencil Stop, a boutique stencil production company that offers micro-customized products based on innovative stencil design methods.

While not yet large enough to warrant a call-out as a subsector of note (as measured by NAICS 541870 data and other market analysis), there is potential to integrate creative promotional good design and production with Sacramento’s strong creative reuse and clean/climate tech sectors (see the CleanTech 2022 Progress Report for a report on a Sacramento sector that has added 5,000 jobs in the last 4 years).

If the right entrepreneurs were accelerated, Sacramento has some interesting ingredients to potentially emerge as a major player in the sustainable creative promotional good sector.

## Weaknesses and threats

CVSuite data shows only modest increases compared to the other entrepreneurial profiles/subsectors analyzed, with some evidence of sector consolidation via job # declines accompanying job earnings growth (in advertising agencies, for example).

We believe this is a story about the growth of subcontracting in these industries, with firms losing full-time jobs in favor of subcontracting smaller self-employed contractors.



The general economy is still figuring out how best to support the growing number of 1099 workers across all sectors, and we recommend Sacramento position itself as a leader in city-scaled support for independent contractors, especially exploring strategies to support remote work concerns and healthcare costs.

The Otis College Report on the Creative Economy notes that rising interest rates might slow the growth of the interior design sector, while the overall “creative goods & services” metasector will likely continue to face rising costs of “material inputs” owing to a “sustained increase” in the costs of “textiles, plywood, steel and other necessary materials.”

In addition to exploring ways to spur potential collaborations between designers and extended reality media producers, we recommend summing micro-customizing designer entrepreneurs with engineers from Sacramento’s strong material science sector (Sacramento has a 3.36 LQ for material scientists) and circular economy advocates (see Atrium 916’s work as part of the CALEPA SB54 working group to include creative entrepreneurs as part of the “cycle” in California’s new requirements for plastic reuse, which also intersects with our “civic life innovator” profile).



## The experience economy organizer

The “experience economy” is creativity-as-live-service.

The term was coined in 1998 in the Harvard Business Review by Joseph Pine II and James H. Gilmore. As Pine and Gilmore explain, “an experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event.” In other words: multi-sensory engagement, interactions made meaningful by their one-of-a-kind ephemerality. A great meal, a great concert, a great event of any kind.

As a type of creative entrepreneur, the experience economy organizer does not just build experiences. Instead, they refine those experiences. They streamline the way we move through them, the way we purchase them, the way we share them with our friends. They take experiences apart and reassemble them toward new memories. They do not just build experiences; they organize them.

Though COVID obviously stymied live entertainment for several years, experiences are back in a big way. In their Perspectives from the Global Entertainment & Media Outlook 2023–2027, PwC declare unequivocally: “going out is in again.” They call “all things live” a “growth hotspot,” and announce that “live sectors have returned to growth and are poised to outperform the [entertainment and media industry at large].” PwC predicts that live event consumer spending will reach pre-pandemic levels by 2024, then grow at a 9.6% CAGR, which is “4x the 2.4% CAGR predicted for overall consumer revenue.”

Despite an undeniable wave of closures, pivots, and deflations wrought by COVID, Yelp data shows that live event venues have been on the rebound since 2021. Interestingly, one of the brightest spots has been comedy clubs, and VividSeats ranked Sacramento as the #5 metro area in the nation for comedy in 2023.

2017-2022 IN SACRAMENTO

**60%**

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

**11.4%**

average annual wage growth for experience economy organizers

**4.6%**

average annual growth in number of new jobs for experience economy organizers

**5%**

average annual sales growth for firms working in the experience economy

**9.2%**

average annual growth in new establishments of experience economy firms



Experience economy organizer entrepreneurs saw all of this coming before most, and they've been capitalizing on it, unafraid to embrace the changes necessary in a post-COVID world to pursue hospitality more safely and more innovatively.

In Sacramento, they left six figure jobs with the FAA to organize the experience economy with a diversely staffed live event audio/visual company that has produced events for clients all over the country (ProxyAV). They organized the experience economy with longest-running and largest free outdoor music series in California (Concerts in the Park). They've organized the experience economy for over 13 years with innovative ticketing, registration, and fundraising software (Webconnex). They're organizing the experience economy with new award-winning crowd engagement and podcasting apps (Crowdultra). They organized the experience of a family-focused immersive paint splat event space (Dipped N Color) and won the 2022-23 Calling All Dreamers contest.

They are farm-to-fork restaurateurs who leverage the strongest network of culinary arts and agricultural technology collaboration/innovation network in the nation, as Valley Vision points out in their 2021 Sacramento Food System Action Plan: "farmers, academia, restaurants, grocery stores, food distributors, nonprofits, food banks, schools, [and] hospitals." These collaborators also include cutting edge ag-tech incubators (AgStart), uniquely food-focused marketing firms (Honey), sustainable fish-free caviar concepts (Optimized Foods), apps to help independent restaurants (Restron), and equity-focused restaurant incubators with state-of-the-art commercial kitchens (The Alchemist Public Market).

They program events and scheme up menus at landmark event spaces with purple beams (Golden 1) and cantilevered timber that was designed to resemble a sprouting bean (The Barn in West Sacramento). They identify gaps in the music festival ecosystem and found wildly successful homegrown R&B/jazz/hip-hop festivals (Sol Blume). They turn the pillars under highways into living mural museums (Wes Kos Images). They move home from Texas to open microcinemas in Midtown basements (The Dreamland Cinema), maintaining a cool streak for a space that's housed everything from DJ nights to dessert theaters.

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 new ways to experience the world, and they are organizing creative economy growth for Sacramento.



## Analysis of growth potential by subsector

- Culinary arts

- Sacramento's "farm to fork" experiment is on a winning track. While restaurant jobs and sales are not yet back to pre-COVID numbers, they are on a dramatic upswing, outpacing almost every other industry. This echoes national trends: the National Restaurant Association forecasts that the general food service industry will top \$1 trillion in sales by the end of 2024 and is projected to grow by 200,000 jobs.
- In particular, the kind of food promoted and exported by the Sacramento creative gastronomy economy—hyper local, artisanal in ingredients and methods, chef/science entrepreneur-driven, culturally rooted but playfully experimental, and deeply concerned about sustainability—is on the rise. The State of the Speciality Food Industry 2023-2024 report found that sales of specialty food and beverage accounted for 22% of all food and beverage sales, up from 14% a decade ago and growing despite rampant inflation over the last several years (which is now easing somewhat).
- Sacramento food startups show promise in many of the fastest growing speciality food categories, especially snacks and alternative meats, with local startups like California Cultured and The Better Meat adding more employees, raising more money, and pursuing new mergers. Sacramento also shows promise via its mobile food entrepreneurs, who—despite struggling against permitting and policy challenges—report year after year of growth.
- Meanwhile, if creative entrepreneurs in Sacramento's restaurant industry are supported with investment and marketing to continue ringing the bell about "farm to fork," they are prime to reap the benefits of the booming "culinary tourism" market ("a form of travel that involves visiting novel or tourist locations to explore the local culture through food and authentic dishes"), which Research & Markets predicts will reach \$2 trillion by 2028, exhibiting a CAGR of 17.44%.



- As with many creative industry consumer trends, this new shift in consumer behavior is being driven by millennials and Gen Z. American Express Travel reports that these consumers are seeking more and more “food-related travel experiences,” especially food festivals like the kind Sacramento already does well, with Farm to Fork Festival and others.
- We will not be the first or last to say that Sacramento is at the heart of the strongest and most innovative agricultural region in the country, and we see this in Sacramento’s gastronomical entrepreneurs as they innovate new ways to bring previous “high art” food experiences to affordable mass consumption. Consider Goodful, a local startup founded by women of color that offers everything from organic farm food delivery, to diet customization based on health, to eco-education, all with eye toward affordability and community integration.
- We also see a strong cluster of supporting services, including food-focused marketing and advertising firms like Honey, which is a relatively rare speciality in the larger marketing and advertising sector, and AGR Partners, a Davis-located venture firm focused on food and agriculture innovation.
- Finally, as a hotbed for advanced ag-tech, there are interesting assets in the Sacramento area that might at first blush not seem related to culinary creative entrepreneurship. But we see potential for interaction between culinary creative entrepreneurs and resources such as Norwegian waste transformation/reuse/food safety giant Tomra’s West Sacramento sorting facility.
  - Opened in 2014 primarily for the local nut industry, the facility’s main use is for high speed, high volume automated food sorting. However, Tomra’s overall focus as a company is on waste reduction, and there might be opportunities for creative entrepreneurs to work with Tomra to identify creative reuse strategies for the byproducts of the food sorting process.



- **Hospitality/event technology**

- Hospitality and event technology is a sector about how we organize live experiences and how we manage the hospitality we provide at those experiences. Where we used to buy tickets at box offices, we now buy them on Eventbrite. Where we used to book restaurant reservations over the phone, we now use Opentable. And this is a modest explanation—innovations in hospitality/event tech include everything from hotel room TVs greeting guests by name, to augmented reality enhancing a bookfair, to nightclub experience tickets being traded over blockchain.
- The event management platform market is booming, with the Insight Partners reporting that it will be worth \$60 billion by 2028 at 11.5% CAGR. Meanwhile, hospitality tech is growing even faster and bigger: projected by Allied Market Research to reach \$134 billion by 2031, growing at a CAGR of 22% from 2022 to 2031.
- Sacramento is not just a “city of festivals” because of the festivals themselves but because of its strong showing in these sectors. The region’s event production and public relation companies boast high LQs, and hospitality/event tech startups routinely win industry awards and local pitch contests. Plus the city has a history of hospitality tech innovation: it was the birthplace of Simply Recipes, one of the oldest and most successful recipe blogs in the world.
- A major player in the possibility of a local hospitality/event tech cluster is the Sacramento Kings, whose stadium and event management techniques are both routinely ranked among the technologically innovative in the country. They were the first NBA team to host a pitch contest and were named as Fast Company’s 2017 “Most Innovative Company in Sports” for their work across industries that parallel many of the creative economy growth sectors we’ve identified in Sacramento. Not only event technology but sustainable architecture, local food sourcing, and extended reality experiences. Having the Kings in the area as a local leader—and investor—in innovation is key for helping these creative economy subsectors grow.



## • Music festivals

- Music festivals are at the heart of the post-COVID live experience resurgence. Nielsen estimates that around 32 million Americans attend music festivals each year, and those attendees are young and ready to boost local economies with discretionary spending.
- Sacramento has a long history of supporting innovative music festivals across a wide range of genres, from a Jazz Festival that ran for decades to the country's longest-running (and still operational) experimental music festival, Norcal Noisefest. Even visiting festivals are fond of Sacramento: Lee Pringle, director and founder of the nation's only Black classical music festival, told the Sacramento Bee that "Sacramento is our second home as far as I'm concerned because unlike any other city that we have performed in, the people in Sacramento came out."
- The city's current three largest music festivals—Aftershock, Golden Sky, and Sol Blume—combine to generate over \$48 million in economic impact and support 14,000+ jobs. According to the concert trade publication Pollstar, Aftershock 2021 was the third-highest grossing music festival in the world.
- With three new mid-sized music venues slated to open across Sacramento in the next several years—bringing an estimated \$32 million in economic impact and supporting upwards of 200 new jobs—the region is also primed for even more infrastructure to support not only major outdoor music festivals but SXSW-style "across the city" music festivals that might interweave with the City's other strengths, including food, fashion, civic tech, public art, extended reality media production, and e-sports—just to name a few.

## Notes

While we tried to stick to our definitions of creative jobs when analyzing the data for these subsectors, there are undoubtedly significant knock-on economic activities from a healthy experience economy. Consider, for example, the breadth of temporary jobs created by a music festival: technicians, welders, carpenters, event coordinators of all stripes—the list goes on. And if a region has a consistent experience economy presence—a city of festivals, if you will—those jobs stay consistent and "irrigate" networks that often produce future creative entrepreneurship.





## Weaknesses and threats

BIPOC representation in these industries showed a concerning lack of growth from 2018 to 2022. However, BIPOC representation in these industries remained at a significantly higher level than both population representation and representation in all creative industries.

While a full narrative of the farm-to-fork capital's culinary arts industry journey through COVID is beyond the scope of this report, we do want to point out that the data seems to support what many in Sacramento discuss having experienced anecdotally: while full-service restaurant employment has not yet bounded to pre-COVID numbers, revenue and wage growth is up significantly, and there are other trends of interest (such as the boom in "mobile food services" i.e. food trucks) that confirm that Sacramento continues to be a hotbed of innovation across the culinary arts, combining new techniques in sourcing, preparation, and serving to produce authentic and culturally-specific culinary experiences.

As with the entirety of the creative economy, space is a classic concern of the culinary arts industry: owning or renting space, maintaining space, expanding space, keeping space up to code, and so on. During the pandemic, Sacramento showed promising leadership in creative solutions for the culinary arts, and we encourage Sacramento to maintain this trend and not hamper innovation by miring popular initiatives like the Al Fresco Dining Program in burdensome regulatory procedures and fees.

Unfortunately, Sacramento dance and theater companies—as measured by NAICS—suffered significant losses over COVID and have not yet rebounded.

But this does not tell the full story of ingenuity and potential for growth in the Sacramento dance and theater community. B Street, for example, opened a large award-winning, Midtown state-of-the-art facility in 2018 and continues to attract more investment every year. Plus, BLS data shows that 2022's Sacramento theater job growth was stronger than 2021's. Theater remains an important cultural asset for Sacramento.

Sac Dance Lab, as another example, has found success via a classic creative entrepreneur formula of combining one founder with artistic experience and another founder with a creative tech background to innovate solutions for "space immersion" and "studio operation" software that could potentially serve as promising exportable IP.



Statistical analysis reveals promising signals as well. Choreographers are one of the Sacramento MSA's top SOC occupations by LQ, with 80 workers. Also, fine arts schools in the Sacramento area have grown significantly since 2018, and our analysis of California EDD data suggests that many of these new fine arts schools involve dance instruction.

Finally, one of the most intriguing creative entrepreneurial startups currently in Sacramento is Black Flag, a design agency / dance troupe hybrid composed of young BIPOC founders that has achieved global success through viral social media outreach.



# The civic life innovator

Civic life is not a traditional economic development buzzword.

But as a concept and subsector umbrella, it's a provocative candidate for equitable development in Sacramento, where civic life innovators already exist—both startups and established entities—as for-profit, non-profit, and community-based organizations.

Sacramento earns its most “diverse city in the country” label with a very specific metric. U.S. Census data shows that—among cities with 200,000 people or more—Sacramento is tied with Oakland and Jersey City as the city with the highest “probability that two people chosen at random will be from different race and ethnic groups.” In other words, what anecdotally feels true on the sidewalks of Sacramento—that you might wave hello to someone very different from you at any time—is statistically true as well.

For Sacramento's burgeoning civic life innovators, this is a market opportunity, but it's also an opportunity bigger than the market. It's an opportunity to redefine economic success by pursuing solutions that not only show ROI but show positive social impact. That is what drives Sacramento's civic life innovator.

They turn from river raft guides to creative technology founders and innovate civic life by democratizing access to grants (OpenGrants). They innovate civic life by democratizing access to legal help (JusCheckIt). They innovate civic life by overhauling the digital presences of special districts to ensure access for disabled users (Streamline).

They innovate civic life at the level of the sidewalk (Civic Thread). They innovate civic life by continuing and reinvigorating the neighborhood service traditions of the Black Panther Party for new generations (Neighbor Program).

2017-2022 IN SACRAMENTO

**50%**

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

**9.4%**

average annual wage growth for civic life innovators

**4.3%**

average annual growth in number of new jobs for civic life innovators

**3.2%**

average annual sales growth for firms working in civic life innovation

**5.2%**

average annual growth in new establishments of civic life innovation firms



They innovate civic life by growing from a Sacramento City College club to a statewide Latino youth advocacy organization that mobilizes hundreds of thousands of online followers (Brown Issues).

They innovate civic life in the built environment, with many boundary-pushing architecture firms for a city of Sacramento's size, full of architects who double as fine art photographers (W+P/196) and attempt to pave new approaches in ecologically friendly, progressive community design (Mogavero).

They innovate civic life by teaching the next generation of diverse youth valuable STEAM skills (Square Root Academy). They innovate civic life by founding nationally viral models of free art supply distribution (Broad Room). They innovate civic life with widely used online student information systems (Powerschool).

They innovate civic life by investing in mission-driven educational firms that offer personalized tutoring and student confidence building (Stravos Education). They innovate civic life by partnering with the world's biggest music streaming platforms to offer youth audio engineering education (Department of Sound) and by founding the world's largest accessible playing-based music education institution (Simply Music). They innovate civic life by developing equity-focused education apps to guide first generation community college students (Teco).

They innovate civic life by bringing creatives into the circular economy (Atrium 916) and by walking away from stable Army corps jobs to do award-winning environmental consulting work (Bargas Environmental).

They are architects, journalists, historians, environmental scientists (especially anthropologists and archeologists), translators, planners, cartographers, and educators. They are creative entrepreneurs innovating new ways to shape civic life, and the exportable potential of their models, products, and services define a pathway to creative economy growth for Sacramento.



## Analysis of growth potential by subsector

- **Architecture**

- When construction is happening, architecture is growing. A field intimately tied to the housing market for obvious reasons, architecture is a bit of a bellwether for the larger economy, and it's currently enjoying modest growth projections, with Technavio estimating a 4.46% CAGR through 2027. The story of architecture in the creative economy is not so much about the field's overall growth as its role as a staging ground for some of tomorrow's most exciting tech, including 3D printing, predictive 3D modeling, extended reality integration, and advanced material design.
- As already discussed, Sacramento excels or shows promise in each of these creative tech fields, and it accompanies this forward thinking with a heritage of beautiful and innovative design. Hence Sacramento architects routinely winning awards for integration and sustainability, and hence the city housing the state's largest professional organization for architects, American Institute of Architects (AIA) California.
- As with interior design mentioned earlier, Sacramento's construction boom is also a boom for local architecture firms, both established and startups. The 2023 Otis College Report on the Creative Economy calls out architecture as a bright spot in the Sacramento creative economy, and though architecture notoriously favors established companies over startups, Sacramento has nonetheless seen high employment and wage growth, proving its high LQ in architecture fields.
- Sacramento also has a compelling history of creative urban planning efforts and creative architect entrepreneurs concerned with sustainable development, such as 2016's "Sacramento Rising" creative play community planning event designed by renowned creative urban planner James Rojas and sponsored by Valley Vision and the SACOG.



- The City has also been home to more recent efforts like the Sacramento Urban Technology Lab, which ambitiously proposed to make the “entire city” a “demonstration site for new technology, primarily in the areas of food systems, cybersecurity, health and life sciences, workforce development, mobility, sustainability, and government.”
- Finally, Sacramento has a deep but often hidden history of architectural innovation that could be capitalized on as cultural heritage. This extends beyond the immediate connotations of Tower Bridge, Victorian-era mansions, and midcentury modern single family homes. From punk house tours to David Baker Architects’ award-winning human-centric affordable housing designs, there is a wealth of architectural history to focus on preserving and promoting for cultural heritage tourism.

- **Public services and civic infrastructure**

- Though public services and civic infrastructure might not fire up the imagination as readily as extended reality and fashion, it’s a promising economic sector with more and more opportunities for creativity. Though investment has come in fits and starts since this field first emerged, COVID has changed the playing field. In lockdown, citizens discovered that even the most technologically “advanced” city in the country—San Francisco—could only offer 20% of its civic services in online form.
- This unsettling state of affairs has prompted a wave of public funding, especially for upgrading and digitizing city operations. Though the private investment market for civic tech is still small and risk-averse, as past promises of civic tech booms have faded with election cycles, some VCs are taking notice, with a 2019 Knight Foundation study mapping the relevant clusters, prominent companies, and investor types to determine that civic tech has received \$400 billion in investment. In 2022, Temerity Capital Partners noted that social participation is a Gen Z consumer trend that might drive civic tech growth.
- Other signs for optimism about civic tech include the talent moving into the field. Massive layoffs in the tech industry are driving creative innovators toward government: StateScoop reported that the Tech to Gov fair saw 10x higher than expected attendance in 2023.



- As the state capital, Sacramento is an ideal location for public service and civic tech startups, which have already been receiving acclaim and capital. In addition to traditional VC and investor funding, Sacramento startups in this sector (both for-profit and non-profit) have received funding/support from a wide range of national organizations (from the AARP to the National Stewardship Action Council).
- Major upcoming California policy changes will also spur growth opportunities via the need for creative solutions. As the SACOG reports “the state has recently and will continue to develop new policies and related funding and regulatory authority such as in housing, climate change, health care coverage and child related programs.”
- All of these changes will be first announced, circulated, and socialized in Sacramento, the state capital. This is a public service entrepreneurship opportunity and an excellent co-location opportunity for innovative startups, which is already happening with Sacramento creative entrepreneurs—for example with Atrium 916 working closely with Cal-Recycle on SB54 solutions. Sacramento is ready for these opportunities with environmental planning occupations boasting a 2.93 LQ, the highest of all creative occupations.
- Another local asset is *GovTech Magazine*. For 20 years, *GovTech Magazine*—the nation’s “only smart media and research company focused exclusively on public-sector innovation for state and local government”—has been located in Sacramento. Though *GovTech* has not historically been an active player in the Sacramento startup scene (and only a few of the civic infrastructure tech participants interviewed had heard of *GovTech*), they have significant reach and contacts based on their work. We recommend reaching out and interfacing with *GovTech Magazine* to explore ways they might be activated to incubate creative civic infrastructure growth in the region.
- Finally, the future of Sacramento is also driven by a passion for civic engagement, as Sac State reports that it won “Most Engaged Campus for Student Voting” in the nationwide All In Campus Democracy Challenge program.



- Citywide, innovative organizations—including Sacramento Area Youth Speaks, Brown Issues, Improve Your Tomorrow, Project Optimism, The Creative Space, and Neighbor Program to name a few of many—are blending social and creative entrepreneurship and innovating models that improve community health and connection. They are also carrying on the legacies of radical and venerable local creative social justice organizations—like the Royal Chicano Air Force—that have modeled for decades how to serve and advocate for underrepresented groups in California.

- **Educational technology**

- Educational technology is a major growth opportunity across the country, with startups especially concentrated in tech heavy regions with a high percentage of college graduates, and Sacramento fits the bill. Even the casual observer has likely noticed the noise that VCs have made in “ed tech,” with McKinsey reporting a 40x growth in ed-tech investments between 2010 and 2021. This has paid off with an average 45% CAGR for the past five years and a 30% CAGR between 2020 and 2021.
- In Sacramento, Powerschool provides a local case study for a “slow-and-steady wins the race” ed-tech success story. Chugging along since 1997, its early adopter success has provided lessons that other ed-tech startups striving for “unicorn” status would do well to emulate, and Powerschool’s presence in the Sacramento region gives local education technology creative entrepreneurs an important veteran to serve as a potential mentor.
- Many of the local startups in this space have spun out from UC Davis, and though past efforts have shown a mixed success rate, they have germinated a healthy local ecosystem of mentors, investors, and active nonprofit groups, such as the Kids Electronics Lab. Successes include robotics education startup Barobo, and intriguing new players include Teco, a startup founded by first generation Mexican-Americans aimed at improving community college retention rates.





- Finally, education technology is not limited to screens. Technology also means the intellectual property of radical models. For example, prominent local art collective Sol Collective has exported its multi-use model to other collectives from Santa Rosa to Los Angeles. In this instance, the consultancy work is the creative labor, and the model (as intellectual property sold or shared) is the technology at play. Just as a school might use Powerschool's learning management system online, an art collective might use Sol Collective's "management system" in its physical space. As home to so many innovative community organizations and the most diverse city in the country, Sacramento has a major opportunity for export potential in this realm.

## Weaknesses and threats

- The markets here are still small, and when they're primarily rooted in tech, civic life innovator startups tend to struggle to find their place in Sacramento. Several interviewees expressed doubt they would be able to remain in Sacramento despite their love of the region's quality-of-life and the relevance of the proximity to the state capital. To make this sector work will require concerted investment, and the stops and starts of efforts like Sacramento's Urban Technology Lab have hurt its growth potential.
- Nonetheless, the capital (and the Capitol) is not going anywhere. With the right activation strategies, Sacramento has strong potential to be home to a new bevy of civic life innovators exporting creative solutions to urban locales all over the world.



# Other city models to explore

**Drawing from success beyond Sacramento**





## Raleigh, NC

Mid-sized state capital, similar average home price to Sacramento, known like Sac for strong presence of nature in urban environment, high QOL, passionate creative class. Similar world-class higher education presence. Raleigh has better unemployment rate.

- Nearby Charlotte—ranked #1 “most creative city” in the country by a 2022 Workamajig study—also an interesting model, ranking #1 in the United States for per capita investment in the arts with \$20 invested per person.
- **What to look into:**
  - Both Raleigh and Charlotte have both adopted unified development ordinances to “encourage development of artist live-work, rehearsal and performance spaces.”
  - Raleigh has adopted a strategy of including creative entrepreneurs and artists on all city planning boards and committees.
  - The Raleigh Arts Plan echoes this report's recommendations for dedicated "risk capital" funds for creative entrepreneurs and publicly subsidized arts journalism.

## Columbus, OH

Mid-sized state capital in a state with much larger cities. Similarly strong higher education presence. Very similar metro area populations, very similar median income and unemployment rates. Sacramento has significantly higher housing costs. Nearly identical projected future job growth. Sacramento significantly more diverse.

- The Columbus creative economy was hit harder than any other sector by COVID-19, which has spurred urgency and innovation in civic policies to bolster a sector that had been a major pre-pandemic contributor to the statewide economy (\$55bn in economic output, \$18bn in payroll).
- Thanks to the advocacy of Columbus-based Creative Ohio, Ohio passed HB45 in January 2023, allocating \$50m for the Ohio creative economy, third behind New York and California.



## Milwaukee, WI

Not the state capital but has a nearly twin city relation with capital (Madison) and a similar relation to Chicago as Sacramento does to the Bay Area. Very similar population & density, prominent river features, neighborhood diversity, and higher education presence.

- **What to look into:**

- Groups such as Imagine Milwaukee have a strong dedication to multicultural Milwaukee neighborhood identity, and their Partner Neighborhood Strategy Guide features a variety of excellent ideas for integrating creative economy bolstering efforts into neighborhood contexts.
- The Sherman Phoenix is a profound and exciting BIPOC-led development project that used a combination of investor and community fundraising (offering an innovative community ownership model for generational wealth building) to purchase and rebuild a former corporate bank that was fire damaged during protests in 2016.
  - This new space now houses exclusively BIPOC-owned creative businesses, art spaces, and an embedded incubator/accelerator program for burgeoning creative entrepreneurs (run by gener8tor, a “nationally-ranked venture capital firm and accelerator”).
  - The architecture firm that designed the Sherman Phoenix conversion, HGA, has a robust Sacramento office (with the second most licensed architects in the city) that designed The Cannery and worked with a blind architect to design a building for the UC Davis Medical Center, among others.
- Imagine Milwaukee's “Perfect Milwaukee Day” series is an elegant strategy for authentic economic promotion by creatives and for creatives and suggests the potential of similar proposals in Sacramento.





## Tulsa, OK

Not the state capital but has a similar underdog mentality with OKC as Sac with Bay Area. Similar income per capita, but Tulsa has stronger recent job growth. Sac is more racially diverse than Tulsa, but the Black population in both is a similar percentage of the overall population.

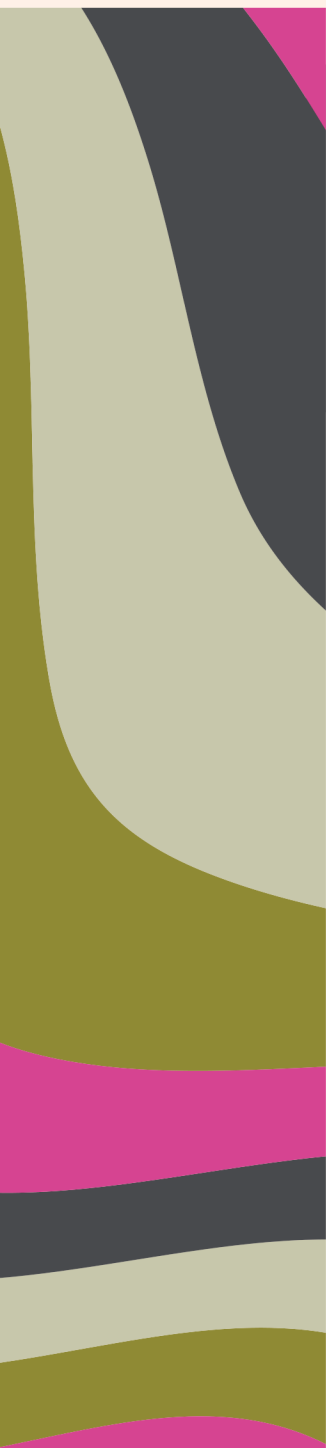
- **What to look into:**

- Recently, Tulsa has launched several radical revitalization efforts —the most well-known being its Tulsa Remote program that offers \$10,000 to eligible remote workers to relocate to Tulsa. But it has also adopted equally aggressive creative economy initiatives through its 2020 Vision Arts plan, most notably a payroll and rent support system funded through a voter-approved \$2.5 million dollar sales tax, Vision Tulsa, the “largest economic development capital improvements program” in city history.
- We recommend reading through the history of the original Vision 2025 plan (first implemented by voters in 2003 and renewed/strengthened in 2016). It's an excellent case study in civic planning success, with two elements we believe have particular relevance to Sacramento: 1) unique city/county/tribal government partnership, 2) citizen-directed processes, including a community-led "Battle of the Plans" event to encourage accessible grassroots development and socialization of ideas.

## We recommend

Summit with creative economy leaders from these cities to discuss strategies and branding toward a "right-sized American city creative renaissance," unifying national messaging around the strength of creative sectors as urban economic drivers.

Incorporate language from successfully funded federal government regional economic redevelopment efforts like the CHIPS Act and unify advocacy for the Creative Economy Revitalization Act.



# Shades of the past, roots of the future

**Socializing economic  
development suggestions in the  
City of Trees**



# How can leaders rally disparate stakeholders?

When we talked to participants about Sacramento nicknames and city identities, there was a common theme of frustration about the recurring efforts over the years to impose a city brand “top down.”

Some participants pointed out that Austin’s infamous “Keep Austin Weird” slogan—while indeed a city marketing effort—worked because it made canonical a community-rooted ideology. Other participants cited past Sacramento community-led efforts like the short-lived Brandathon and lamented a lack of attendance by city officials.

However, despite these frustrations, there was another notable pattern: wistfulness for the classic Sacramento moniker “The City of Trees.” Though detractors and “farm-to-fork” advocates correctly pointed out that many cities declare themselves the “city of trees,” supporters have a more-than-legitimate claim: an MIT study found that Sacramento does in fact have the largest tree canopy in the United States (measured as “the amount of green perceived while walking down the street”) and the third largest in the world after Singapore and Vancouver, B.C.



How did Sacramento become the city of trees? Gold Rush era settlers found the summers “intolerably hot” and “planted shade trees that flourished in the rich soil at the confluence of the American and Sacramento rivers.” But even before these settlers arrived, the Indigenous people of the regional lands—the Nisenan, Maidu, Miwok, Miwuk, and Patwin—for generations established communities up and down the river, taking advantage of tree canopy for both architecture and organization.

As Sacramento grew, its trees became sentinels of civic pride. River captains anchored their boats to trees on the bank, and the Sacramento Bee ran tree obituaries on the front page. The “city of plains” became the “city of trees.” Despite (and because of) drought and climate change, trees are still going strong today, with the Sacramento Tree Foundation boasting about the city’s “million trees,” SMUD sponsoring a program that gives citizens 10 free trees, and the city’s 100,000 public trees providing over “\$10 million a year in value” by “filtering carbon dioxide out of the air, slashing energy consumption, intercepting millions of gallons of stormwater runoff, and substantially increasing property values.”

Of course, those million trees are not sprinkled equally: the areas with the lowest amount of tree canopy correlate with the neighborhoods of the lowest income levels and highest racial diversity, suggesting an arboreal consequence of historic redlining practices. Perhaps it’s no coincidence that local film director Phil D’Asaro’s followed up his 2015 exploration of economic decline in the Del Paso Heights neighborhood with “Made in the Shade,” a history of how Sacramento became (and stayed) the “city of trees.”

Participants in this research project also brought up this legacy of inequity while expressing their discomfort around the slogan. Frustration with sloganeering tended to settle on the discussion of who slogans exclude, which also came up with “farm to fork” and “city of festivals.”

But despite the complexity of this history, most everyone brought up—without prompting—the trees. With that in mind, we suggest that Sacramento’s “city of trees” identity provides a potent metaphor for translating and socializing economic ecosystem development agendas to promote more community involvement.







Creative entrepreneurs—and citizens in general —are more likely to rally behind inclusive metaphors than abstractions, especially if these metaphors are easy to physicalize, fun to extend, and provoke a pre-existing history of civic pride.

So if we consider Sacramento’s “city of trees” history as a potential metaphor for the future of its creative economy, we might be interested in the work of Indian eco-engineer and creative entrepreneur Shubhendu Sharma, whose company Afforestt grows “tiny forests” in vacant or abandoned urban landscapes at breakneck speed.

These rewilding projects (which Sharma calls “forestscaping”) grow biodiverse ecosystems in 3 to 10 years that would take, by natural course, hundreds of years.

Inspired by Japanese botanist Akira Miyawaki, the Afforest methodology —which has grown 144 forests in 45 cities around the world—is an open source variation on the Miyawaki Method, and it offers resonant metaphors for the task of growing creative economy ecosystems with similarly ambitious timelines.

**Selecting the right native seedlings:** The method relies on using only native plants with high “potential natural vegetation” or PNV, which is best understood as “the kind of natural vegetation that could become established if human impacts were completely removed over an extended period of time.” In other words, the forest becomes self-sustaining.

- Native seedlings in a creative economy ecosystem are entrepreneurs who already have strong histories and ties to the community, even if this means (as is the case for many Sacramento entrepreneurs) those returning home or joining families who have moved. Strong creative entrepreneurs export culturally authentic products, and that means authentic ties with their roots. Consider partnering with and empowering neighborhood CBOs to evaluate and aid entrepreneurs through a community-first strategy.


**Nurturing the soil:** Afforest makes fertile beds for its forests out of a diverse range of biomass materials that are “soft” and “full of nutrition” for easy root penetration. They also opt for microorganisms over artificial fertilizers: “native colonies of microbes and fungi” that comprise a “nutrient broth” (or “compost tea”) they dilute and add to the soil.

- Incubators and accelerators serve as the soil of economic ecosystems. Invest in existing incubation and accelerator programs that promote ease-of-access for entrepreneurs, offering connections with free businesses services (especially legal and accounting help; this echoes recommendation 3.2.5 of the Creative Edge plan), paying entrepreneurs to attend events, and authentically coordinate with existing community organizations and leaders.

**Protective mulch:** The Miyawaki Method promotes a mulching strategy that “mimics the composition” of local natural environments and “protects the bare soil from water loss by evaporation, from erosion, and from temperature extremes.” This mulch protects the trees’ ability to ward off disease and swap nutrients by protecting the fungal layer that enables inter-tree communication.

- Regional business networks—both formal and informal—protect nascent creative entrepreneurs during the fragility of early growth by providing constant communication and shelter from the “disease” of unforeseen circumstances. Empower existing organizations, guilds, and creative meetups through event promotion funding that supports a unified brand of Sacramento.



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- For example, to embrace Sacramento’s farm-to-fork identity, we suggest seeking to establish funding that would pay for local caterers and restaurants to provide food (with an easy application process) to creative industry meetups that meet a certain threshold of participation. Always encourage Sacramento to be a city whose best ideas come from gathering together.

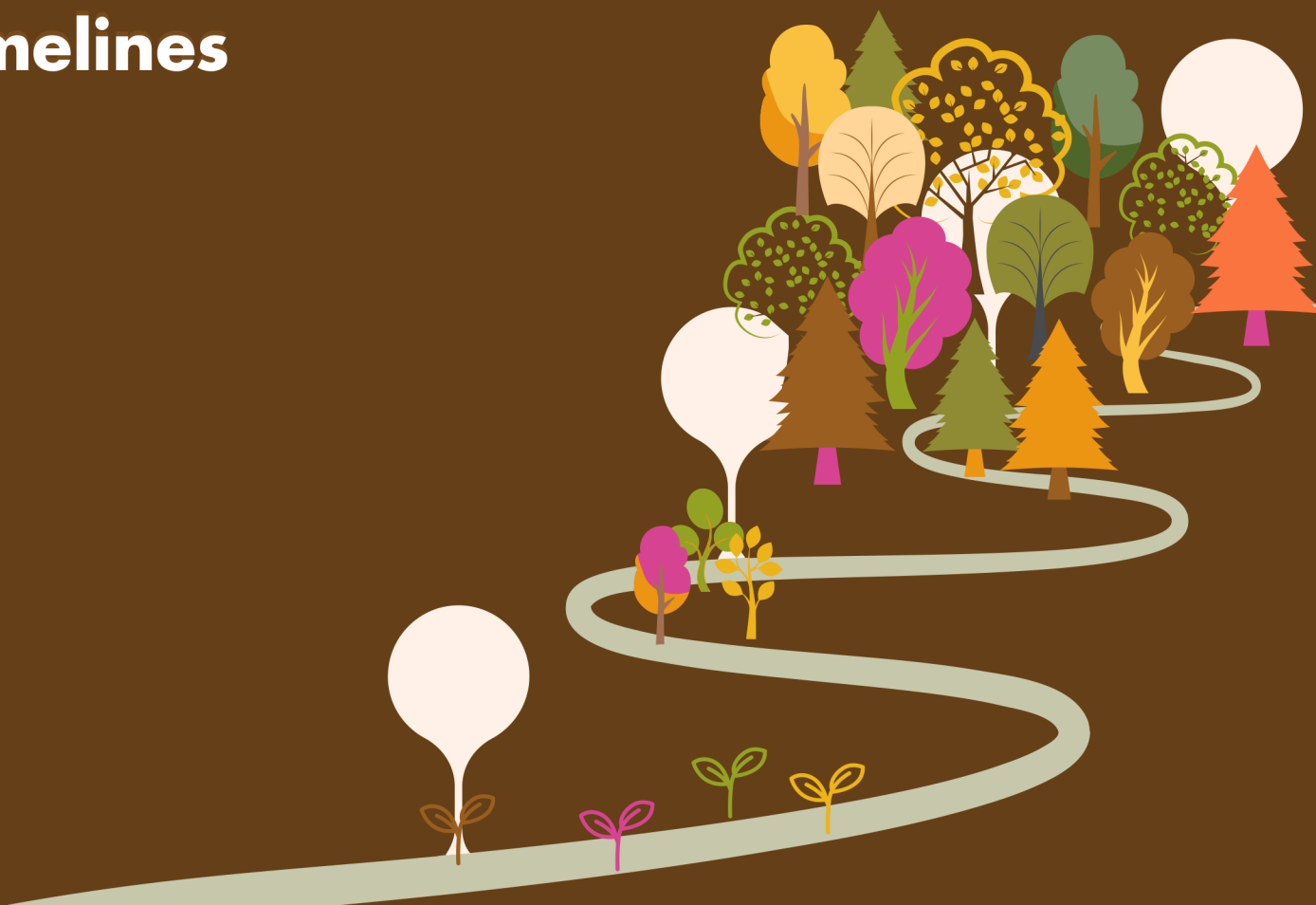
**Tend then leave:** Though the Afforest team does perform routine maintenance in the first few years of a new forest (watering and weeding), they never prune or trim trees because that counteracts the rapid growth they seek. If all goes well, they can leave a forest alone after about three years. And this “exit strategy” is key: fussing with a forest beyond the initial incubation stage actually inhibits growth.

- As we have discussed throughout this report, embrace risk in all lending efforts. With community-led efforts, develop new metrics that align “success” with Sacramento’s existing quality-of-life strengths. Consult with impact investment agencies to educate investors on how to see ROI in their communities, and invest in curators that specialize in the relationship between artists and patrons to encourage similar relations between creative entrepreneurs and investors.
- Where robust reporting is required, invest in services that alleviate the burden of this reporting on the entrepreneurs themselves; the most successful entrepreneurs with the biggest community impact are often not the same ones who are best at filling out paperwork.



# From sprout to grove

## Recommendations and timelines



# The California Sycamores

## Strategies for the next 6 months

- **Stay the course on strategies, especially successful accelerator/incubator efforts**
  - Sacramento creative professionals are tired of discussion and planning. They want action and activation. Look to the success of cities that stayed the course on long term visions despite initial public skepticism, such as Tusla (Vision 2025) and Columbus (ticket tax). Brand initiatives and efforts under the umbrella of Creative Edge and do not subdivide these efforts into bureaucratic oblivion. Weather and convert skepticism by making and marketing concrete changes in policies, programs, and funding.
  - Highlight and continue to fund recent success in the work of creative entrepreneur incubation/acceleration services, especially those that show a track record (whether through organizational history or local manifestation) of sustainable growth, jobs created, financial influx to entrepreneurs, and low failure rates. Partner with local marketing agencies to publicize these efforts and continue to build on them to show that business growth best occurs when efforts are supported beyond initial seed funding, “business coaching,” and “in trade” services.
  - Leverage the City’s resources and access to work as an umbrella in creative economy development, not an extraneous agent. Strive to scale up efforts currently succeeding within the community. Avoid redundancy. Internally audit what the City can and cannot do well and what community-grown organizations can do better. When supporting these community-grown efforts, do not confuse equality with equity. There are many organizations in Sacramento doing excellent work to develop the creative economy, but our interviewees voiced the belief that this work is often overlapping and sometimes mutually negating. Work aggressively on identifying and convening organizations and incentivizing collaboration. Our interviews suggest that the appetite for collaboration exists. Consider promoting the “crossover episode” as a metaphor for this work.



- **Accelerate civic leader expertise in the creative economy and impact investment**

- Before civic leaders can confidently initiate creative economy education efforts for investors and entrepreneurs, it is vital there is a culture of expertise about the potential of the creative economy across relevant City departments. In particular, a widespread understanding of impact investing in relation to the creative economy is crucial.
- This education is important not only for policymakers and urban planners but anyone involved in the dispensing of funding, from grant application designers to grant application judges. While this report seeks to continue the work of all the plans and research mentioned at the beginning—particularly in distinguishing the differences and overlaps between creative industries and cultural amenities—we strongly believe that the more policymakers and City employees who are conversant in the creative economy, the better the growth the City will see.
- A good place to start is with the [three essay collections available online from Creativity, Culture, & Capital, published from 2021 to 2022](#). Thankfully these essay collections are full of compelling stories and interesting case studies—they're not dry reads. They also make sense to share and discuss with investors and entrepreneurs. Finally, we would note that the three subsectors of the creative economy spotlighted across these essays—chosen based on consumer demand trends—exactly overlap with some of Sacramento's creative economy strengths: 1) ethical fashion, 2) sustainable food, and 3) social impact media.
- From there, a good follow up is the OECD book we mentioned earlier: [The Culture Fix: Creative People, Places and Industries](#), also from 2022, particularly the chapters on [cultural participation](#), [jobs](#), [entrepreneurship](#), [regional and local development](#), and [funding](#). While there is a wealth of excellent pre-COVID literature, we are now in a COVID-inflected world and therefore recommend focusing on post-COVID literature.

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- Finally, we suggest convening regular creative economy strategy meetings between the Department of Convention & Cultural Services, the Office of Innovation and Economic Development, and the City Planning Division to align strategies and messaging around the role of the City in creative economy development, particularly impact investing. Avoiding interagency duplication (especially around Ecosystem Building Grants and Innovation Event Grants) and crafting strategies that support creative economy clusters are key. The Office of Innovation and Economic Development is also a good resource for learning about past City efforts to act as a startup investor via external nonprofits. We recommend launching these creative economy strategy meetings with a discussion of this [Urban Institute Guidebook on impact investing for local governments.](#)

- **Buy business services for local creative entrepreneurs at package rates:**


- Echoing similar recommendations in Creative Edge, we suggest that the City work with CBOs to buy hours at discounted volume rates from local business service providers and provide these services for free to entrepreneurs, including but not limited to: accountants, IP lawyers, and grant writers.
- Hire cultural workers to “art census” (see below) local creative entrepreneurs and focus on services they regularly struggle with. Creative Startups and Unseen Heroes can also provide more data on exact services needed based on Sacramento accelerator experience.
- We also suggest working with CBOs to research and explore recreating at larger scales any prior success of subsidizing or achieving collective rates for health insurance, childcare, in-kind services, and other vital day-to-day capacity building for creative entrepreneurs.

- **Educate and activate local investors:**

- As stated at the beginning, VC funding and deal counts in Sacramento have grown significantly over the last 5 years, even accounting for COVID. The investors and their dollars are in Sacramento, investing notably in ed tech, biotechnology, and financial services.

- But these investors are not yet aware of the potential of the creative economy. We recommend funding a multi-pronged outreach and amplification effort—led “bottom up” by local organizers, curators, and cultural amplifiers with a footing in the language of investment—to create new relationships around the creative economy with these investors.
- Work with venture labs, accelerators, and incubators—both locals and relevant nationals/globals—to convene, educate, and activate investors. Interviewees within or with access to the investor class suggested that investors are eager to hear stories about companies that foreground their intention to stay in Sacramento, but they lack education about the potential of the creative economy and feel wary about the stability of its revenue streams.
- Tap into art collectors as potential investors as well with education on classic patronage investment models. Interface with influential local curators to socialize this collector-as-investor model.
- Saturate all investor events with culture (music, poetry, food, art, dance) as co-hosts (cultural laborers should be mutual leaders, not court jesters) and invite successful creative entrepreneurs to discuss their journeys and the importance of initial seed funding. Fairly compensate all cultural workers and creative entrepreneurs involved for their time and labor.
- Finally, in working to attract and convert investors—especially traditional investors who are less concerned with impact investment metrics and more concerned with revenue streams—we suggest focusing on three stories:
  - **The future of consumers:** Earlier in this report, we discuss the radical ideological shifts that Gen Z is bringing to consumption, with more emphasis on creativity, political activism, and principle-driven sustainable lifestyles. Savvy investors are aware of these trends and are ready to act on them—within reason (i.e. while protecting their wealth).
    - Many investors value two paradoxical positions: risk aversion and staying “one step ahead.” At its worst, these behavioral tendencies devolve into trend-chasing, but at their best, they are symptoms of a healthy and optimistic futurism.



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- Regional investor cultures might lean more one way than the other—some interviewees we talked to suggested that Sacramento investors have a history of “waiting until the train has already left before getting onboard.” But all investors are by definition concerned with prediction, and investors can be convinced that tomorrow’s safest bet is not to be found in yesterday’s biases.
  - Instead, tomorrow’s success will belong to those who will live there, those who have already demonstrated the capacity to solve massive social and ecological problems by changing the way they fill and root their lives, who are determined to see their communities thrive, who are not banking on a past that never included them but are steering for a future where there is more equitable prosperity.
  - **The sway of legacy:** In a tumultuous world with evermore dire ecological realities, some investors are becoming increasingly reflective about their legacies and the worlds their wealth might be leaving behind for their young loved ones.
    - This is not a one sized fits all concern, and there has been recent investor pushback on environmental/social/governance (ESG) principles. But we did see this concern in our interviews, and we see this concern nationally—across age demographics but especially in the mindsets of millennial recipients poised for major financial inheritance in what has been called “The Great Wealth Transfer.”
    - Even if investors’ concerns around ESG are tepid or absent, there remains the bottom line concern of which investments will best protect their inheritors. And investors can be convinced there is no way to cling to wealth in a bygone world. Charly Kleissner, co-founder of Toniic, describes our present moment as a split into two roads. The first road, as Kleissner describes it, is one of pretending that we don’t need to change, a road that “cements existing power structures” and suffers the inevitable erosion of cement, leading to predictable “environmental and societal collapse.” Meanwhile, the second road “allows for the emergence of a regenerative financial and economic system serving humanity and the planet.”

- Investors can be convinced this emergence is already underway, with the tidal shift in the values and passions of tomorrow's consumers and the radical ways their desires for a more integrated, community-driven, and ecologically sustainable lifestyle will sway the global economy.
- **The power of the individual:** The history of art patronage traditionally heroizes the individual or the family unit. While new financial technology has made grassroots patronage more accessible than ever before, it would be a scarcity mindset trap for creative entrepreneurs to slide all their chips into Kickstarter and GoFundMe. Instead, strategies to encourage investment in creative entrepreneurs should appeal to investors who see themselves as individuals, who might not consider themselves "creative" but are proud of what amount to creative choices: seeing opportunities where others didn't, acting decisively where others stalled, and so on.
  - These individualistic investors often also appreciate the opportunity to be mentors in addition to patrons. Interviewees who fit this profile—or regularly interact with such individuals—discussed how this type of investor loves to see "behind the scenes," appreciates the made more when they've seen the making, and seeks the social capital of being an "early adopter" or "trial user."
  - And this desire is not limited to high wealth: all of those Kickstarter and GoFundMe contributors are individuals as well, and they are rarely pure altruists: when we invest in exciting stories, we want to be recognized as part of those stories.
  - Obviously, there is a push and pull: creative entrepreneurs should not sacrifice their visions to the pleasure investors derive from influence, whether those investors are high wealth individuals or crowdfund communities. But there is a powerful opportunity to court investment in the creative economy by appealing to individualist personas—those who have streaks of the adventurer, the pioneer, the soothsayer, the bootstrapper, the rebel.



- **Coordinate more closely with regional and county creative economy startup development work**

- In our research and discussion, we found robust and healthy startup ecosystems in the greater Sacramento MSA. However, the Sacramento suburbs lack the diversity of the city. Use these disparities as opportunities.
- Emphasize regional connections between regional creative entrepreneurs and support services, convening entrepreneurs around culture-saturated events and promoting local “field trips” to encourage cross-pollination and collaboration.
- Fund existing companies and organizations that have already demonstrated success and community trust to design, execute, and lead these “field trip” efforts.
- 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**

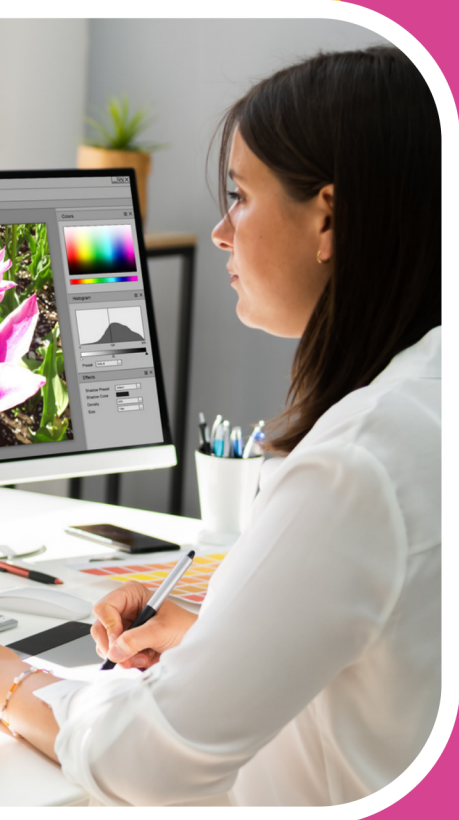
- Cultural workers and creative entrepreneurs are acutely sensitive and curious communicators who are well-positioned to lead community outreach work.
- Consider the example of artist Bryan Valenzuela’s “DreamSpeak” project in 2021 for UnchARTed at Arden Fair Mall. Working with marketing agency Uppercloud, Valenzuela asked the public to submit “hopes and dreams” via online comments. The text of these submissions was integrated—one handwritten word at a time, a kind of linguistic pointillism—into a store window sized portrait of a sleeping woman. From a distance, you see the larger figure. Up close, you read the individual words that make her up.
- This is a powerful art experience, but it’s also a compelling model for equitable data gathering from the community. The overwhelmingly positive reactions (more information available from Uppercloud) speak to community investment in the project.

- There was buy-in, there was passion, and there was a feeling of interconnectedness between everyone who participated—an oft-desired but elusive goal for public censusing, surveying, and data gathering efforts. The information was accurate and revealing, and people felt heard.
  - We recommend commissioning radical art-driven data gathering efforts to gain more sensitive insight into community desires and needs across large, diverse collections of citizens.
  - We would also like to stress that we do mean for cultural workers and creative entrepreneurs to design and implement these community engagement activities—not merely advertise them. We believe that creative design of these census, survey, polling, and outreach experiences will unlock more substantive community engagement. People will remember the way they answered a creatively designed survey experience, and they will feel more connected and involved with the efforts to follow up on that survey.
  - This effort could build on the success of current Creative Corps programs by installing permanent programs that meet City needs and involve cultural workers but cut down on the fatigue (both for applicants and City employees) of recurring grant application cycles.
- **Follow the advice of the Music Census:**
    - The Music Census suggests harmonizing strategies for renovating culture-suppressing permit policies without sacrificing community quality-of-life. Follow these strategies to saturate everyday Sacramento life (both day life and night life) with culture. This saturation of culture will reach potential investors and bring Sacramento’s vibrant creative community out of the underground and to the surface of mainstream life, creating an environment of plausibility for investment in creative entrepreneurship.

# The valley oaks

## Strategies for 6 to 12 months out

- **Include more creative economy representation in citywide planning**




- Every city planning effort and major city initiative should feature leadership and input from creative professionals. The Creative Edge plan sets out this need for creative leadership in all parts of city planning, but we also suggest combining the presence of a creative economy leader with a creative economy investor, incubating more interaction between entrepreneurs and investors in contexts of leadership, fostering better relations and shared senses of purpose.
- Work with any local organization efforts—such as the Sacramento Chamber’s Cap-to-Cap program—to ensure there is always a creative economy representative.
- Encourage local PBIDs to include creative entrepreneurs in their leadership and planning efforts to balance the needs and desires of current property owners—all over the City but especially downtown, which the Downtown Sacramento Partnership’s Economic Development Director has called “everyone’s neighborhood.”
- Further encourage/incentivize/and build policies that compel PBID programming to support the placekeeping and diverse community representation efforts of creative entrepreneurs.
- As mentioned at the beginning of this report, UNESCO global data shows that a healthy creative economy is key to long term urban economic resilience and diversity. When local economic development leaders and property owners consider their legacies, their grandchildren’s lives, and the futures they have the power to shape, they should look to creative economy leaders who are historically adept at stewarding sustainable and inclusive futures.

- **Establish neighborhood-based creative business pitch parties and contests that build to property ownership**

- One idea with popular traction among participants for socialization of ideas was a series of neighborhood block parties or special events that incorporated the arts (fashion, food, music, visual art, poetry, dance, and so on) as the means of presenting research and plans. There was also a common perception that there might be less creative economy community engagement with any event billed with a “bureaucratic title” such as a “community forum.”
- To avoid the fatigue around discussion vs. action, we recommend billing these events as pitch parties around pressing questions (especially environmental and housing questions) that might translate into business opportunities. Encourage friendly neighborhood-by-neighborhood competition to galvanize community pride. Build models that culminate in collaboration to maintain community unity. For example, all neighborhood winners might have to come together in the end to form one or two collaborative business ideas.
- Offer tangible rewards, including connection with investors and robust incubation/acceleration services. For example, through public/private partnerships with local retail spaces, winners might gain short-term “proof of concept” leases. Incentivize conversion to ownership throughout the process while maintaining a healthy level of cyclical activity—avoid the trap of cyclicity vs. permanence.
- Seed efforts like this with the creative entrepreneurs who already exist: for branding, for event production, for marketing, for cultural labor. Model fair pay and workplace safety for cultural workers.

- **Address access barriers in applications and reporting both internally and externally**


- Interviewee after interviewee strongly expressed that Sacramento risks losing its most dedicated creative entrepreneurs if funding application and reporting systems do not improve.

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- Sacramento creative entrepreneurs have their heads down in their passions and their zeal for improving their communities. They are working 25 hour days and do not feel they have the time to learn how to navigate complex application processes, both for City funding and for RFPs from major local opportunities in medical, educational, and government creative work contracts.
  - The City can help. Begin by contracting outside services with creative economy experience to radically redesign the City's own funding application processes with an eye toward equity at every level. City employees are as burdened by existing processes as potential applicants, and a dedicated redesign led by creative entrepreneurs from the Sacramento community could holistically serve all parties.
  - This could represent a significant funding undertaking, and it could be difficult to justify the costs necessary for an effective redesign. We recommend this work be wrapped into an initial project for a Creative Entrepreneur Liaison position (see below) who could begin by researching and interfacing with CIOs who've successfully revamped application systems in other cities and states.
  - Finally, a successful City redesign could serve as a flagship project and a jumping-off point for promoting easier RFP processes and more support for local creative entrepreneurs across regional institutions. Sacramento creative entrepreneurs are excellent candidates for creative work RFPs and service contracts at state agencies, major universities like UC Davis, major healthcare facilities like Sutter Health, and major tourism services coordinated by Visit Sacramento, to name a few. We recommend providing more education for local creative entrepreneurs to pursue this work and encouraging smaller creative entrepreneurs to collectivize and collaborate to offer more healthy competition with the larger agencies that routinely win these contracts.

- **Improve storytelling for all inward and outward facing efforts**

- Make Sacramento creative professionals and entrepreneurs the centerpiece of new campaigns on what it means to live and innovative in Sacramento. Populate the city with the products of these campaigns and stress their locally made origins to circumvent community fatigue around “outside artist” cultural/creative products. Make these products a combination of advertising and interaction. Look to the success of models like UnchARTed in Arden Fair.
- Fund robust advertising outside of Sacramento. Buy booths and advertising and organize delegations of local creative professionals to attend and promote Sacramento at SXSW, Miami Fashion Week, Penny Arcade Expo, Augmented World Expo, Treefort, and others. Consult with local creative professionals to best define which conferences. Leverage existing experiences to cultivate a diverse array of local ambassadors. For example, local nonprofit Sol Collective successfully launched a collaborative record label and media outlet at SXSW in 2015, and TBD Fest also regularly hosted SXSW showcases while it was in operation.
- Leverage the robust collaborative spirit of the Sacramento creative community by establishing an urgent forum of local creative stakeholders to settle on one theme for the question of “who is a Sacramento creative?” We suggest some combination of the following: 1) Sacramento is more diverse, 2) Sacramento quality of life is higher, and 3) Sacramento means it when they care.
- Then contract an array of local design and marketing firms to work in tandem with firms they both have and have not worked with to tell these stories in unique ways across the city that involve direct leadership and participation with neighborhood-level organizations.
- Research Sacramento creative entrepreneurs with strong, authentic social media followings (focused especially on shortform video platforms like TikTok) and subsidize positive storytelling about what it’s like to live in Sacramento. Work with storytellers whose “influencer” status is not based exclusively on lifestyle but rather their community’s meaningful connection with their creative organizing, outputs, and cultural joy.



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- Finally, be sure to market toward Sacramento’s creative diaspora. The region is doing well at attracting outside talent, but the rate at which Sacramento’s creative diaspora is returning is much smaller than the rate at which the city is attracting newcomers.
  - This should concern civic leaders because the return of creative diaspora is a key strategy for igniting creative economy growth by nourishing your local creative entrepreneurial ecosystem with relevant human capital, people who already possess a deep understanding—and appreciation—for Sacramento’s unique regional identity.
  - All diaspora are valuable, including retirees and former locals coming home for holidays and cultural events. Creative entrepreneurial opportunities—with their inherent connections to local heritage and the pride of homegrown innovation—fit perfectly into campaigns that seek to alert those who have left your region that exciting things are happening back home.

- **Subsidize arts journalism:**

- An urgent need for the return of substantial arts journalism was one of the most common refrains among all our interviewees. From entrepreneurs to investors, there was consensus that Sacramento’s need for arts journalism borders on the desperate.
- Call for and subsidize independent arts journalism across a variety of mediums. Host symposiums with current and former arts journalists in the city to fan innovation. Publicize arts journalism taking place across digital media platforms, and publicize longform arts journalism efforts. Research the viability of the California Journalism Preservation Act and the success of other city-subsidized arts journalism efforts.

# The incense cedars

## Strategies for 12 to 18 months out


- **Establish a City liaison for creative entrepreneurs**

- Establish a liaison position in the Department of Convention & Cultural Services dedicated to assisting creative entrepreneurs with City policies and procedures, especially around event permits, funding application assistance, and navigating property issues.
- Though City officials have toiled admirably to perform these tasks on top of their official workload, there is simply too much work for these duties to be relegated to a secondary part of an existing job description.
- For the most part, we have strongly advised contracting capable and authentically connected outside firms to ease the burden on City offices and activate the expertise of the private sector (whether firms or nonprofits).
- But when it comes to navigating the City's own rules, regulations, processes, and culture, we believe a dedicated role within the Department of Convention & Cultural Services would best serve the growth of Sacramento's creative economy.
- This would obviously be a sizeable financial and labor commitment for the Department of Convention & Cultural Services, and we recommend one of the duties of this position being the pursuit of regulation reform that might eventually render such a position unnecessary or greatly reduced.
- The need for a liaison to help creative entrepreneurs navigate bureaucratic labyrinths does beg the question: why not just get rid of the labyrinths?



- **Pursue more innovative funding products**

- Though inflation is improving, this is a critical time to forge innovative solutions, as global markets remain volatile, with interest rates continuing to climb and loan approval rates continuing to decline, hampering small business growth. Small businesses cannot rely on traditional loan structures, and historically underserved communities have never been able to rely on bank loans, which perpetuate systemic inequality through discriminatory credit score models.
- Implement more innovative financing models that go beyond service contracts and grants. Work closely with local CDFIs to innovate community-specific creative economy opportunities.
- Build on [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.
- Carefully study the [Innovative Finance Playbook](#), a comprehensive 2022 collaboration between [Blueprint Local](#), the Nowak Metro Finance Lab at Drexel University, and the US Economic Development Administration ("EDA"). [Here is an important primer on the project](#). Here are products we specifically suggest for Sacramento:
  - [Alternative underwriting for incubation phase creative entrepreneurs](#): These are term loans with a twist: they do not rely on "historically discriminatory features such as asset-collateralization and individual borrower credit metrics."
    - What does this mean in plain English? Credit scores suffer from systemic racism. According to a report by the Stanford Institute for Economic Policy Research, BIPOC entrepreneurs have lower credit scores than non-BIPOC entrepreneurs, but the credit score model is racially biased, replicating systemic inequalities in arenas such as home ownership, and often 5 to 10 percent incorrect for minority borrowers.

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- That means a difference between, for example, a 660 credit score and a 700 score—and a difference between approval and rejection.
  - To get around this, alternative underwriting “foregoes the elements of collateral and credit score entirely, in exchange for an intense focus on individual borrowers’ competencies, business plans, cash flow, and potential trajectory.” We recommend pursuing these models through partnerships with local CDFIs, which have historically been pioneers in this product.
  - Revenue based loans for accelerator phase creative entrepreneurs: These are “flexible loans with no fixed interest rate” that provide entrepreneurs with capital “in exchange for a percentage of the company’s ongoing revenues.” These loans might best be packaged for creative industry companies that do not “fit the VC model” but do generate revenue and have a path to “sustainable profitability.”
  - Redeemable equity to attract significant investment in creative entrepreneurs ready to scale: This is a more complex product best researched directly instead of paraphrased, but the gist is this: it’s an equity agreement where the investor purchases shares in the company, but the “investee company agrees to buy back or redeem investors’ shares over time through dividends tied to revenues or free cash flow.”
    - This is a flexible product that maximizes founder equity control—especially important for entrepreneurs in the creative sector—without sacrificing dividends for the investor, allowing for a situation where the investor can be pleased by the social impact and cultural capital they accrue from investing in the creative business without hampering that business’s ability to scale.
  - Explicitly name and embrace the potential of risk in these funding products. Work with creative professionals and community organizations to define “responsible exits” and non-market-based ROIs for all parties. Drive education by routinely hosting summits by impact investors who understand the unique risks of the creative economy and the unique (and difficult to capture) ROIs as well.

- To wit, [carefully read this important 2023 case study about why the Kresge Foundation’s social investment in the Woodward Corridor in Midtown Detroit worked where so much other Opportunity Zone-focused impact investing has failed.](#)
- Work closely with City Auditors and other relevant government accountability offices from the beginning of the process to ensure maximum viable flexibility of these products from launch, avoiding pitfalls and scalebacks down the road that might arise from a lack of due diligence.
- As a form of community audit, establish oversight committees of local creative entrepreneurs and cultural workers to QA the results of these funding products. Look to the successful aspects of the of Measure U participatory budgeting process as a model.
- Other California-based loan models to study:
  - [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](#), which primarily works with historical underrepresented venture funds but also directly with startups. Their first investment was in Unshackled Ventures, an immigrant founded venture firm that invests in immigrant founders. The iBank has stated that the goal of Expanding Venture Capital Access is make VC funding more inclusive.
  - [The Los Angeles County Semia Fund](#), run by Action for the City, a flexible loan program (\$500 to \$50,000) with an array of character-based products to help marginalized entrepreneurs build their business assets and credit scores and avoid predatory lending schemes. These loans uniquely serve their community by not requiring a bank account or SSN/ITIN.



- **Establish a permanent creative and cultural economy funding mechanism**

- We concur with Creative Edge’s recommendation to explore the transient occupancy tax (ToT) as one part of a diversified approach to creative and cultural funding. Sacramento tourism has rebounded from COVID and is rising. Sacramento is showing success in its “city of festivals” strategy. Popular appetite exists to celebrate and capitalize on this success.
- However, we do not recommend relying on any single tax as a sole funding mechanism—this leaves creative and cultural funding in a precarious situation both financially and politically.
- Begin to raise collective action around these efforts by convening groups to discuss policy changes that might achieve broad consensus.
- For example: workplace safety for cultural workers. Our earlier example of muralists painting in 110 degree heat was seeded from our interviewee discussions, and we think this is an excellent way to go after an “easy win” that could gather and energize diverse creative and cultural players, engendering a confidence that could spur energy toward “bigger wins” like fair pay for cultural workers and a permanent funding mechanism for the creative and cultural economy.
- Seed all storytelling efforts mentioned earlier with advocacy toward this goal. Note that true “advocacy” might be legally impossible for City entities, but this work can take place through public advocacy activation. Insist on the urgency of a permanent funding mechanism as an existential crisis for the identity of the city.
- Without a permanent creative/cultural funding mechanism, Sacramento risks—to put it bluntly—becoming a bedroom community for Bay Area tech exodus. This would be a new kind of suburban doom for a Zoom-era world of pandemic dangers and climate change precarity. Sacramento creative professionals—especially Gen Z entrepreneurs—are passionate and fully aware of this depressing prospect. Encourage and enable their activism and community-focused passion around this issue.

# The blue oaks

## Strategies for the long term

- **Make civic institutions radically available to creative research and development**
  - Sacramento has the opportunity to leverage its world-leading public sector institutions as clients and potential test environments for entrepreneurs who can grow globally exportable technology, solving local problems and scaling them to solve global problems, tapping into California's legacy of global leadership in tech, media, environment, and progressive civic policy. Rekindle the Sacramento Urban Technology Lab and the Civic Lab by involving local creative entrepreneurs.
  - Drive policies and relationships to open all civic to radically creative experiments. Start with city-scaled realtime 3D digital twins: host competitions to incentivize accurately modeled solutions to regional problems that are also global problems: flooding, urban agriculture, affordable housing.
  - Pursue public/private partnerships that allow for publicly accessible data and privately owned solutions. Cultivate creative entrepreneurs working on ethical and innovative opt-in data gathering/distribution models.
  - Look to local innovators in electrical grid management—such as Gridware—to design similar models for data grids. If, for example, individuals are subsidizing their electrical grid access by providing electricity via private solar panels, might this serve as a model for providing and accessing data?
  - Centralize not only creative but cultural professionals in all work around civic data. See above for examples of “artistic censusing.” Hire and invite artists to lead committees on innovative, inclusive, and culturally sensitive methods of data gathering and predictive modeling.




- **Pursue creative solutions to lack of affordable live/work space**

- Build on the success of local projects like WAL to unlock new creative industry live/work space that leads to ownership for creative entrepreneurs and cultural workers.
- Explore rent subsidies for creative entrepreneurship and cultural work. Explore the possibilities of incentivizing creative entrepreneurs and cultural workers to participate in the restoration and adaptive reuse of property that leads to ownership. Research collective ownership models and community accountability models that subsidize housing costs through provision of creative community-enhancing services.
- Convene creatives and neighborhood associations to explore policies to establish cultural oversight committees that incentivize adaptive reuse and disincentivize development models that displace artists and creative entrepreneurs.
- Research the local model of Surreal Estates and initiate conversations with the current members. Research the viability of partnering with the Sacramento Community Land Trust.

- **Host the largest and most exciting creative civic life conference in the world**

- With great weather, the largest tree canopy in the nation, track records of success in hosting and supporting large music festivals and other conferences, a wide array of experience economy strengths, the highest percentage of government jobs per capita in the state, and a burgeoning ecosystem of creative civic life entrepreneurs, Sacramento is ripe to host an innovative new civic life conference that combines (like SXSW) technology and culture.
- While “civic technology” might seem niche at the moment, the challenge of how we live (and thrive) together in cities is becoming more poignant every year, especially with the effects of climate change and the dematerialization of everyday life. People are becoming more and more interested in how to solve these challenges, and this is reflected in the economic growth of civic tech cited earlier.



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- This strategy dovetails with some of the goals of the California Mobility Center, and it also finds resonance in connections between Sacramento’s past and leaders in the civic technology sector. Former City employees have risen to powerful roles in technology companies, for example, leading the future on city-scale 3D modeling and AI-powered data prediction. Leverage these relationships to spearhead bold World’s Fair-level “proof of concept” technologies that can become tantalizing centerpieces of a major new recurring civic life technology conference.
  - Code for America—the nation’s largest organization for civic tech and the national chapter of the global Code For All network—recently sunsetted its local brigade program, which spawned a new network of civic technologists called the Alliance for Civic Technologists. Code for America’s annual summit trades off between Oakland and DC, with each city hosting the summit every other year. The Alliance is in a nascent stage. We suggest contacting both organizations to host offshoot events (Code For America) or plant the seeds to encourage an eventual permanent hosting home (the Alliance).
  - Sacramento is already home to *Gov Tech*, as previously discussed, which in 2023 hosted one of two Sacramento conferences featured in GovLoop’s Best Government Conferences of 2023.
  - Finally, Sacramento’s identity as the second most diverse metro area in the country positions it to be a *global* leader in civic life innovation. Make no mistake: envisioning an ambitious path to leadership in this area requires bold imagination. Sacramento is not DC, is not Los Angeles, is not New York City, is not Brussels. Nor should it want to be any of these cities. Instead, how can Sacramento win the future in a uniquely Sacramento way?
  - Economic globalization, however fitful, unequivocally continues, as the Harvard Business Review emphasizes in July 2023. For all the instability and uncertainty of world tensions—and the take-my-ball-and-go-home political reactionism of nearshoring, reshoring, friendshoring—trade continues. Co-existence continues.

- In fact, the mechanisms of coexistence are emerging as a market opportunity, as the official 2023 global economic strategy of the G7 is “de-risking, not de-coupling.” The question of how to de-risk tense trade relations so that tension doesn’t escalate to separation is, in fact, a question of coexistence. And the answers can be found writ small in everyday civic life.
- Every day, cities around the world struggle for solutions to how ever diversifying and increasing numbers of citizens can live, play, and work in harmony with a better distribution of quality life. Enter the Festival of City Life—only in Sacramento.
- A civic life festival that combines creative civic technological advancement, policy innovation, abundant local and imported culture, and showcases a Sacramento of radical openness and equitable neighborhood-based leadership as a successful case study for creative-minded civic entrepreneurs (or civic-minded creatives)—that kind of festival has the potential to be a global attraction without compromising (and in fact by leaning into) Sacramento’s unique identity.
- If Sacramento wants a shoot for the moon creative economy strategy that can expansively showcase all its creative industries and uplift the contributions of mission-driven creative entrepreneurs from historically marginalized communities, we recommend aiming to find a place under the trees for the city to start and grow into supporting the world’s biggest and most exciting Festival of City Life.

# Conclusion

Sacramento creative and cultural entrepreneurs are ready to lead. They are already leading, and they are leading in arenas—housing, environmental challenges—that might surprise observers with a limited perspective on the power of the creative economy.

The creative and cultural industries are not beautification engines: they are proven paths to community economic development and the potential of long-term prosperity for historically underserved populations.


**Sacramento creative entrepreneurs are placemakers, but they would be even better placemakers if they were supported as placekeepers.**

Sacramento creative entrepreneurs grow value across not just financial capital but other forms of capital that make a place worth living in: human, social, cultural, and natural.

As the only metro area in California currently experiencing unbridled growth, Sacramento is at a crossroads. **Who will Sacramento grow for? Who will Sacramento grow with?**

If Sacramento wants to embrace a future of neighborhood vitality, a fusion of culture and technology, and a legacy of heritage tourism and civic innovation, it must expand and sustain its efforts to support creative and cultural entrepreneurs.





**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.**



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# Thank you

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