



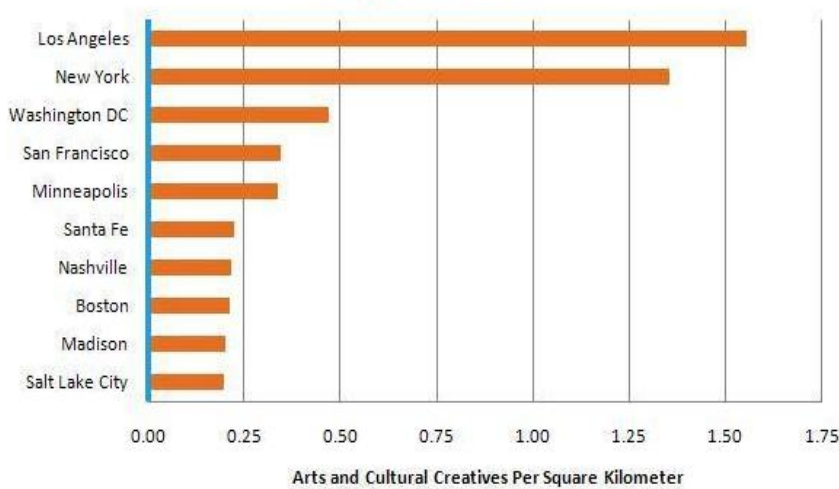
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LA Biz Observed

[There's hope for L.A. - We ain't such dogs as we think we are!](#)

[Mark Lacter](#) • September 16 2010 12:03 PM

Top 10 Arts and Cultural Creative Density Overperformers



As I've pointed out many times, the L.A. economy is very big and very complicated. Yes, it's true that unemployment is crazy high and much of the area remains mired in a housing slump. But this is still the place where people come to create and innovate. That's what Richard Florida is pointing out in his research on artists and cultural "creatives." From theatlantic.com:

Metros with higher proportions of employed artistic and cultural workers also have higher incomes, higher rates of innovation, and higher housing prices. The reason is not that artistic and cultural creatives are more likely to launch new businesses or invent new products, but that their location in an area signals that a community is open to diverse groups of people who are open to new ideas and self-expression.

Florida measures the number of artistic and cultural creative workers per square kilometer and finds that L.A. is in the top spot, followed closely by NY. No other metro area comes close. It's not a new revelation - last year the Otis College of Art and Design and the Economic Development Corp. of L.A. County released a [little-noticed report](#) on the creative economy of the Los Angeles region. From the introduction:

Nearly one million employees work directly or indirectly in the creative economy of Los Angeles and Orange counties. That's one in every six jobs in our region! Last year, even partly in recessionary times, Los Angeles area firms in the creative economy earned an estimated \$121 billion in revenues, while those in Orange County accounted for an estimated \$18 billion. State and local governments received an estimated \$5.1 billion in taxes tied to these activities. The creative sector holds its own with the two broadly recognized regional economic leaders -- tourism/hospitality and international trade.

All of which helps explain why the real estate market remains quite strong in certain parts of L.A., and why local entertainment industry employment is up almost 19 percent for the 12 months ending in August. Back to Florida:

So to what degree is the density of artistic and cultural creatives associated with key regional economic outcomes? Our correlation analysis suggests that the connection is strong. The density of artistic and cultural creatives is closely correlated with regional income (.614), wages (.622), output (.533), and innovation (.431).