‘Natural’ Cultural Districts: Arts Agglomerations in Metropolitan Philadelphia and Implications for Cultural District Planning

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This paper and a companion paper by Laura E. Burnham, “Cultural Development in Suburban Philadelphia: Lessons for Community Planners and Arts Professionals,” were prepared for the Society for American City and Regional Planning History (SACRPH) 11th National Conference on Planning History, October 20-23, 2005, in Coral Gables, Florida. These were two of four papers prepared for a session, organized by Domenic Vitiello of the University of Pennsylvania, called “The Art of Urban Development: Cultural Planning and Politics in Three American Cities.” Unfortunately, the panel did not convene due to Hurricane Wilma.

SIAP’s Dynamics of Culture research was undertaken from 2003 to 2005 with support by the Rockefeller Foundation.

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Abstract
As older cities and towns retooled to accommodate post-industrialism, cultural districts have become popular strategies to promote tourism, revive downtowns, revitalize neighborhoods, and generally boost the local economy. While entertainment centers are hardly new to urban life, the cultural district as economic stimulus has become increasingly standard equipment in the planners' toolbox. The typical district is "a well-recognized, labeled, mixed-use area of a city in which a high concentration of cultural facilities serves as the anchor or attraction." Thus the cultural district is a strategy for simulating arts "consumption" and "event-related spending", but planning largely ignores the production needs of artists and cultural providers.

Generally, local government takes the initiative to define and create a cultural district through planning, legislation, and fiscal policy. Over 100 communities across the U.S. have planned cultural districts. The widespread practice of using of older, top-down models of urban policy, however, does not recognize the need to link cultural strategies with new urban realities and new models of social policy. This paper draws on SIAP's research on metropolitan Philadelphia to look at an alternative approach—that is, the dynamics of arts agglomeration or what the authors call "natural" cultural districts.

Disciplines
Arts and Humanities | Public Affairs, Public Policy and Public Administration | Sociology | Urban Studies and Planning

Comments
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Susan C. Seifert and Mark J. Stern
University of Pennsylvania
October 2005

SIAP’s Dynamics of Culture research has been generously supported by the Rockefeller Foundation.
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Appendix 2
Composition of the Cultural Sector, Metropolitan Philadelphia, 1996 and 2003
INTRODUCTION

As older cities and towns have retooled to accommodate post-industrialism, cultural districts have become popular strategies to promote tourism, revive downtowns, revitalize neighborhoods, and generally boost the local economy. While centers of the arts, culture, or entertainment are hardly new to urban life, over the past 25 years the cultural district as economic stimulus has become increasingly standard equipment in the planners’ toolbox. The typical district is “a well-recognized, labeled, mixed-use area of a city in which a high concentration of cultural facilities serves as the anchor or attraction.”

Thus the planned cultural district is a strategy for simulating arts “consumption.” Public benefit is measured in terms of “event-related spending”—in particular, hotels, restaurants, parking, refreshments, and souvenirs—which generate jobs, personal income, and tax revenue. Because their average event-related spending is nearly double ($38.05 vs. $21.75 per person), “non-locals” are more desirable cultural consumers than “locals.” Policy therefore favors capital investment in major cultural facilities that attract tourists and regional audiences. The economic impact of nonprofit arts audience-spending in 91 cities across the United States is estimated at $80.8 billion a year. Although spending by arts organizations (estimated at $53.2 million a year) is a secondary measure of impact, cultural planning largely ignores the production needs of artists and cultural providers.

Generally, local government takes the initiative to define and create a cultural district through planning, legislation, and fiscal policy. Currently, over 100 communities across the United States have created or are planning a cultural district. The widespread practice of using of older, top-down models of urban policy, however, does not recognize the need to link cultural strategies with new urban realities and new models of social policy. This paper draws on current research on metropolitan Philadelphia by the Social Impact of the Arts Project at the University of Pennsylvania (SIAP) to look at an alternative approach—that is, the dynamics of arts agglomeration or what we call ‘natural’ cultural districts.

Rationale and Approach

The 1980s spawned two schools of thought about the role of the arts and culture in the post-industrial urban economy. Both urban planners and economic geographers have focused on the multiplied economic impacts derived from the concentration of cultural activity in a particular place. The two views diverge, however, on the potential benefits

of arts districts and the role of the state in leveraging that potential. City planners and policy-makers call for public investment in cultural facilities and identifiable districts to attract a “critical mass” of entertainment consumers, whose spending supports service jobs and generates tax revenues.

“Los Angeles School” geographers, by contrast, see the promise of the cultural sector in its “flexible production agglomerations” characteristic of the “post-Fordist” economy. A key feature of the restructured economy is the replacement of large, integrated firms organized on bureaucratic principles with small, vertically disintegrated firms held together by social networks. These entrepreneurs cluster in particular locales to interact easily, remain competitive, and foster a “milieu of innovation”. For the L.A. School, rational planning is tied to the logic of twentieth century industrial capitalism. In the twenty-first century metropolis, the geographers argue, small specialist producers and “network enterprises”—not the state—should be driving the agglomeration process.4

A third perspective, that of arts professionals and cultural economists, intersects both schools of thought. The views of cultural policy-makers and nonprofit professionals, who argue for ongoing public and philanthropic support for capital and program initiatives as well as organizational sustenance, dovetail with trends in urban planning and policy. However, recent Rand studies on the state of the arts at the dawn of the twenty-first century echo the L.A. School’s description of the restructured economy. While established large and “middle-tier” nonprofit institutions are facing increasing challenges to sustain their operations; numerous small ethno-cultural, artist-based, and “amateur” arts organizations—tolerant of high risk and “creative destruction”—are a proliferating segment of the sector.5

In this study, we use the geographers’ perspective to look at arts agglomerations in metropolitan Philadelphia and propose the concept of a ‘natural’ cultural cluster as an alternative approach to cultural district planning. We suggest that a ‘natural’ district is a cluster of cultural activity that has evolved organically as a result of individual agents’ decisions—creators and participants, producers and consumers—to locate near one another. By contrast, planned cultural districts are the outcome of policy or active public intervention.

The paper discusses our agglomeration methodology, which involves: (a) assembly of a new integrated regional cultural data base for 2004 and (b) comparison with our 1996 regional cultural data base, enabling analysis of change over time. We present preliminary findings of cultural clusters based on analysis of the 2004 data and make comparisons with the geography of culture in 1996.6 Finally, we take a look at several cultural districts in the city of Philadelphia to illustrate the potential of ‘natural’ districts and some implications for cultural planning.

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Overview

The Social Impact of the Arts Project was initiated in 1994 at the University of Pennsylvania School of Social Work to address the lack of evidence on the arts and culture as a sector and their contribution to social and community life. Our research since that time has demonstrated that culture is integrally tied to processes of urban revitalization and civic engagement. Moreover, our framework has evolved—in light of the new urban reality, the changing context of policy-making, and the restructuring of the arts world—to view culture and creative processes as central to the well-being of communities. This is the rationale for our current research on the “Dynamics of Culture,” generously supported by the Rockefeller Foundation, of which this paper is a part.

This paper dovetails with the work of our friend and colleague, Laura Burnham, community cultural planner and Executive Director of the Abington Art Center in Jenkintown, Pennsylvania. In a companion paper, Burnham moves from SIAP’s analysis of metropolitan Philadelphia and urban case studies to take a close-up look at cultural development in suburban Philadelphia communities.7

The paper is divided into four parts. Part 1, the “Current Context of Cultural Planning,” will describe three major forces shaping the direction of culture and the potential of planning in the contemporary city: the new urban reality, the new context for social policy, and the restructuring of the cultural sector. Part 2 is a discussion of SIAP’s approach and methodology to the study of arts agglomerations. Part 3 is a presentation of preliminary findings regarding ‘natural’ cultural clusters in metropolitan Philadelphia. Part 4 concludes with a discussion of implications for cultural district planning.

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7 This paper and the paper by Laura E. Burnham, “Cultural Development in Suburban Philadelphia: Lessons for Community Planners and Arts Professionals,” were prepared for the Society for American City and Regional Planning History (SACRPH) Eleventh National Conference on Planning History, October 20-23rd, 2005, in Coral Gables, Florida. These were two of four papers prepared for a session, organized by Domenic Vitiello of the University of Pennsylvania, called “The Art of Urban Development: Cultural Planning and Politics in Three American Cities.” Unfortunately, the panel did not convene due to Hurricane Wilma.
1—CURRENT CONTEXT OF CULTURAL PLANNING

The New Urban Reality

The twenty-first century opened its eyes to a new urban reality. As the twentieth century drew to a close, the urban context within which the cultural sector operates was undergoing a fundamental change. Since the 1960s, our dominant model of metropolitan areas has been the ‘urban crisis,’ the view that cities could be sharply distinguished from suburbs by their economic and racial characteristics and that cities had become the primary location for the range of social problems from crime to disease.

Katz and Stern’s study of social change in the twentieth century has made it clear that the realities under-girding the ‘urban crisis’ metaphor are no longer as clear as they were two or three decades ago. For example, in 1970, suburbs virtually had a monopoly on the presence of married-couple-with-children families; by 2000 this clear urban-suburban split had disappeared.

Figure 1-1. Married couples with children as percent of all households, New York metropolitan area, 1970-2000 (shaded areas are over 50 percent)

In addition to the changes in domestic arrangements, the new urban reality is characterized by three significant demographic phenomena: the increase in diversity, the emergence of youth districts, and the increasing presence of immigrants. These demographic changes go hand-in-hand with the structural transformation from an industrial to an informational economy. Finally, the new urban reality represents a shift in the lens used to view the city: it replaces the “urban crisis” with a more balanced view of the city as a mix of decline and regeneration. As a policy perspective, the new urban reality replaces a deficit model of urban communities with a dynamic system that includes assets and strengths.

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Increasing diversity

During SIAP’s first phase of research in 1995-96, we were startled to discover that economically and ethnically diverse sections of the city were the center of cultural participation in Philadelphia. Our surprise did not come so much from the connection of culture to diversity as from the large number of Philadelphians who, according to the 1990 census, lived in diverse neighborhoods. The cognitive map of the city associated with the ‘urban crisis’ viewed ‘real’ neighborhoods as characterized by ethnic and class homogeneity. Yet, even by 1990, this image did not square with reality.

The 2000 census makes it clear that diversity is no longer the exception in metropolitan areas. For example, the proportion of Philadelphians living in an ethnically diverse neighborhood nearly doubled during the 1990s to 38 percent. Although the suburbs remained overwhelming white in 2000, the 15 percent of suburban Philadelphians who lived in an ethnically diverse block group represented a significant increase from the 1990 figure of eight percent. Among city of Philadelphia residents, by 2000 more than forty percent were living in an area that was either economically or ethnically diverse.

Emergence of youth districts

An unappreciated component of the ‘urban crisis’ of the mid-twentieth century was the rapid shift of the transition from childhood to adulthood that occurred after World War II. Early in the century, young people spent a protracted period in this life-cycle stage because they left school early but did not marry until their late twenties. The generation of young people that came of age after World War II, by contrast, swept through this transition in a few years. During the past three decades, the transition to adulthood has again stretched out, often lasting into an individual’s fourth decade.

Although the contours of this transition have been well-documented, its implications for the geography of cities have not. During the early postwar years, the quick passage from childhood to adulthood was typically associated with a geographical move to the suburbs. As the transition has lengthened, however, it has been accompanied by the growth of young adult districts in major American cities. Young adults, living either alone or in groups, are now found in many urban neighborhoods in concentrations of over thirty or forty percent. As the maps below of Chicago in 1970 and 2000 make clear, this pattern
was virtually unknown in cities three decades ago. Like the expansion of ethnic and economic diversity, the increased concentration of young adults provides a locus for both cultural production—including an influx of artists—and consumption.

Figure 1-3. Percent of residents 20-34 years of age, Chicago block groups, 1970-2000 (shaded areas are over 30 percent)

New immigration
The influx of immigrants from Asia and Latin America is perhaps the defining feature of the 1990s. This immigration has been disproportionately concentrated in metropolitan areas. Indeed, in many metropolitan areas, including New York, the U.S.-born population actually declined during the decade, meaning that immigrants composed more than 100 percent of all population growth.
<table>
<thead>
<tr>
<th>Metropolitan area</th>
<th>Population change 1990-2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Foreign born</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>554,589</td>
</tr>
<tr>
<td>New York</td>
<td>853,632</td>
</tr>
<tr>
<td>Chicago</td>
<td>540,896</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>104,910</td>
</tr>
<tr>
<td>Washington DC</td>
<td>342,356</td>
</tr>
<tr>
<td>Detroit</td>
<td>100,627</td>
</tr>
<tr>
<td>Houston</td>
<td>414,342</td>
</tr>
<tr>
<td>Atlanta</td>
<td>306,483</td>
</tr>
<tr>
<td>Dallas</td>
<td>356,645</td>
</tr>
<tr>
<td>Boston</td>
<td>143,658</td>
</tr>
<tr>
<td>Phoenix</td>
<td>295,653</td>
</tr>
<tr>
<td>Minneapolis</td>
<td>122,254</td>
</tr>
<tr>
<td>San Diego</td>
<td>177,450</td>
</tr>
<tr>
<td>St. Louis</td>
<td>32,010</td>
</tr>
<tr>
<td>Baltimore</td>
<td>58,469</td>
</tr>
<tr>
<td>Seattle</td>
<td>162,136</td>
</tr>
<tr>
<td>Oakland</td>
<td>235,704</td>
</tr>
<tr>
<td>Miami</td>
<td>273,196</td>
</tr>
<tr>
<td>Cleveland</td>
<td>14,620</td>
</tr>
<tr>
<td>Denver</td>
<td>151,765</td>
</tr>
<tr>
<td>Newark</td>
<td>119,344</td>
</tr>
<tr>
<td>Portland</td>
<td>120,004</td>
</tr>
<tr>
<td>San Francisco</td>
<td>113,530</td>
</tr>
<tr>
<td>Fort Worth</td>
<td>199,598</td>
</tr>
<tr>
<td>San Jose</td>
<td>225,927</td>
</tr>
</tbody>
</table>

Figure 1-4. Foreign born as proportion of population change, selected U.S. metropolitan areas, 1990-2000

This new wave of immigration has been critical to the new urban reality, including the revival of entrepreneurship in many neighborhoods and sectors. These new immigrants have also brought a renewed urgency to cultural expression as a variety of old and new ethnic groups view a common reality through a unique set of lens. By and large, the organizational expression of immigrants’ culture has occurred in the community and informal cultural sectors, providing these parts of the cultural world an importance that far outweighs their size and visibility.

**Local effects of the global economy**

Changes in the global economy suggest that a “supply-side” logic of cultural districts should be integrated into public policy. The literature on recent trends in “flexible production” has demonstrated that in the wake of “vertical disintegration,” related producers in particular industries choose to locate near one another. Piore and Sabel, for example, in the first statement of the flexible production paradigm, noted that the industrial districts of Northern Italy were characterized by many small specialized firms that work together through an intense set of social networks. In Japan, using a slightly

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different model, independent automobile component producers located near the major assembly facilities. Finally, in the United States, California’s Silicon Valley stands as the exemplar of the concentration of independent firms.

In his study of the design industries of Los Angeles, Allen J. Scott argues that clusters of arts firms emerge for three reasons. First, and most straightforwardly, clusters are often efficient. Casting agencies and set design studios want to locate near theaters because it makes life easier for each firm. Second, clustering encourages innovation. “Any localized network or complex of industrial producers,” Scott suggests, “can be seen as a structured set of real activities and potential opportunities because they are more likely than others to have the requisite knowledge and ability to act.” Finally, the clustering of competitors accentuates the costs and benefits of different ways of doing things. Motivated by efficiency and staying “in the loop,” producers find themselves needing to fine tune the proper balance of competition and cooperation. Thus, for Scott, clustering is a critical feature of cultural producers for both improving the quality of work produced and benefiting economically from the work.

Silicon Valley also provides an excellent parallel for the cultural sector. First, the concentration of producers is associated with the availability of trained labor. Stanford and other universities train the computer engineers and other personnel necessary to develop computers. Second, the very concentration of individuals and firms in one location spurs a cross-pollination of ideas and innovation. This leads to the development of “a milieu of innovation” which allows the initial comparative benefit of a particular place to reproduce itself. “What defines the specificity of a milieu of innovation is its capacity to generate synergy, that is the added value resulting not from the cumulative effect of the elements present in the milieu but from their interaction.”

The arts are collective enterprises. Each individual artist is dependent on an array of services, personnel, audiences, and colleagues in order to produce his or her work. Yet, we still know very little about the geographical consequences of these dependencies. How concentrated do arts resources need to be in order to generate synergy?

**New Context for Social Policy**

**Changing relationships of government, business, and civil society**

American cultural policy—to the extent that one can even use that concept—was a product of the policy world of the 1960s. Occurring in the context of a rapidly expanding public sector, establishment of the National Endowment for the Arts and its associated agencies was based on a number of assumptions: a top-down model of cultural improvement; the ability of philanthropy to convince the public sector to expand its

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responsibility for funding culture; and a substantial increase in the subsidies available to artists and arts organizations. This led to “policies of institutionalization” which, in the words of Paul DiMaggio, focused on “encouraging small organizations to become larger and large organizations to seek immortality.”

Globalization, however, limits control by all levels of government and changes the balance among localities, states, and the federal government. Contemporary cultural policy, therefore, is framed by a broader redefinition of social policy in the context of changing relationships of government, business, and ‘civil society.’ From one perspective, the new policy world acknowledges the role of informal social relations in defining the legitimacy and effectiveness of social policy. Rather than serving as the primary agent of social policy, government—in this view—is simply one of a number of social entities that determine policy through an interactive process. Rather than directing social policy, government hopes to steer social outcomes in a particular direction. From another perspective, the change in policy paradigms is not about the declining power of government, but rather its use of new instrumentalities to carry out its will. This governmentality approach asserts that the purpose of neo-liberal social policy is to shape citizens who monitor and control themselves internally, rather than through external coercion or domination. In either case, it is clear that citizens have gained leverage over social policy that they did not previously possess.

**Policy-making as participatory process**

This redefinition of social policy changes the potential purpose and instrumentalities of cultural policy. At its core, culture cannot be created by government, a point made clearly by the efforts to do so of totalitarian governments. Culture is dependent on the ferment, efforts, and inspiration of ordinary citizens to give voice to their understanding of the world. So the new social policy regime provides an opportunity to shift the focus of cultural policy from serving government to aiding the indigenous efforts of citizens.

At the same time, as the initiative for cultural policy-making shifts from established centers of power to grassroots movements, the substance of cultural policy will be determined by a broader and more complex set of agents. In other words, cultural policy must be constructed *from the bottom up*. Finally, as we have learned from our ongoing research on the community cultural sector, cultural policy will become less an exercise in *rational decision-making* and more an *interactive process* as the range of established and new entities cooperate and contest the meaning of culture in American and global society.

**Changing Arts World**

**Restructuring of the cultural sector**

At the same time that the urban landscape and social policy context have undergone fundamental change, the cultural sector itself has been remade by a variety of market and social forces. In a recent series on the state of the arts at the turn of the twenty-first

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century, Rand has painted a mixed portrait of the organizational world of nonprofit arts. The upper tier of this sector has become enmeshed in our “winner-take-all” economy in which a select number of premier institutions gain control of a larger ‘market share’ of cultural expenditures. In many respects, large nonprofits operate in a market that requires them to act similarly to large commercial cultural venues in pursuing audiences and revenues. Meanwhile, after a 30-year period of expansion, mid-sized cultural organizations are struggling for stability and survival. In the context of limited options and declining resources, middle-tier organizations in particular have found it difficult to thrive under the increasing pressure by public and private contributors both to grow and become self-sustaining.

At the other end of the spectrum, American communities have seen a proliferation of small, voluntary organizations that cater to local or specialized groups. These groups—many of them part of the participatory, ‘informal’ cultural sector—are motivated more by the interests and commitments of their members and less by conventional organizational concerns like the strength of their boards or the growth of their revenues. Thus a new “organizational ecology” is reshaping the cultural sector. Instead of the traditional distinction between a nonprofit sector producing “high arts” and a for-profit sector producing “mass entertainment,” the contemporary arts world appears to be divided into large vs. small organizations that cater to broad vs. niche markets.

SIAP’s work on metropolitan Philadelphia also points to the restructuring of the cultural sector. On the one hand, we have documented a clear connection between socio-economic standing and the different strata of the cultural sector. The participation patterns of large, mainstream cultural organizations reflect social class and ethnic divisions. High socio-economic standing neighborhoods are more likely to have high mainstream participation. On the other hand, alternative and community participation are generally unrelated to social class. (See Figure 1-5.)

In previous work, SIAP has also suggested that small, community-based cultural organizations and participatory groups can be viewed as ‘irrational organizations’ in that they behave more like new social movements than like formal organizations. Unfortunately, these smaller cultural organizations suffer from their unconventionality. Funding agencies tend to misread their purpose and effectiveness because of the yardsticks used to measure these qualities. At the same time, the increased market discipline in which the mainstream cultural sector operates makes cooperation between established and community-based cultural groups more strained and difficult. This tension accounts for the weak links documented by SIAP between the community

17 Kevin F. McCarthy and Elizabeth Heneghan Ondaatje, From Celluloid to Cyberspace: The Media Arts and the Changing Arts World (Santa Monica, CA: RAND, 2002) ix.
Historically decentralized sector

The cultural sector in a fundamental way is uniquely adaptable to the new urban reality and redefinition of social policy. One of the key features of the economic restructuring has been the replacement of large, integrated firms organized on bureaucratic principles with smaller, vertically disintegrated firms held together by social networks. As a result, firms cluster in particular neighborhoods to stay in touch more easily, to foster an innovative environment, and to remain competitive.

In the United States, the arts and culture have evolved as a decentralized, community-based, “bottom up” sector. The provision of arts or cultural services have never been subject to the kinds of rational planning or public investment—and therefore the level of bureaucratization—characteristic of sectors such as education, health care, social services, or even recreation. Neither has the commercial arts been subject to large-scale private expansion with elaborate employment hierarchies. The economics of the arts—whereby automation and economies of scale do not apply to creative labor and original or live works of art—precludes profitability. Arts and cultural organizations are accustomed to the flatter and more flexible structures characteristic of firms in the new

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economy. Moreover, like the new-age firms, arts and cultural organizations make
decisions about location based on supply-side imperatives around agglomeration and an
interest in neighborhoods that are accessible to cultural participants.

**Limitations of ‘brick and mortar’ approaches**

Thus, given the structure of the arts world, significant investment in cultural facilities
might stimulate cultural tourism but is a limited tool for stimulating the productivity of
the local cultural sector. The economic necessities induced by a capital campaign and
mortgage payments will inevitably put a squeeze on artistic innovation and community
engagement. A new performing or exhibition facility can push even a large cultural
institution into commercial marketing via popular programming or a museum shop. For a
community arts center or artist-centered organization, new construction inevitably
increases financial strain—and the program fee or rental structure—in a way that
compromises the group’s social or artistic mission.

Artists, cultural organizations, and arts firms need affordable and flexible spaces and
infrastructure to spur creativity and productivity and maintain an innovative edge. As
noted above, artists—and thus the artistic portion of organizational operating budgets—
are immune to labor-saving economies. Moreover, the locational value added by artists
and cultural workers, especially to underused sites and marginal locales, further widens
the affordability gap. The provision of cultural spaces in the new urban economy will
require creative public policy and planning.\(^{21}\)

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\(^{21}\) In September 2005, Artspace Projects, Inc., a national nonprofit organization, has begun working with
the William Penn Foundation to assess art space needs in Philadelphia. See [www.artspacephiladelphia.org](http://www.artspacephiladelphia.org).
Approach

The new urban landscape, changing nature of policy-making, and restructuring of the cultural world have provided the rationale for SIAP’s current phase of research, from 2003 to 2005, which we call the Dynamics of Culture. When the Social Impact of the Arts Project began in 1994, we accepted the assumption that nonprofit cultural organizations should be placed at the center of policy research on the arts. However, these realities and a decade of research by us and others have challenged this assumption. Our approach to the Dynamics of Culture research has therefore been two-fold: one, a shift in perspective from an institutional to an ecological model of the regional cultural sector, which entails a look at multiple agents and the social networks that link them; and, two, a focus on connecting the regional cultural sector to the new urban reality.

This approach builds upon and expands SIAP research to date using two strategies. First, the development of an integrated regional cultural data base using census block group-based geographic information systems (GIS)—our core methodology—enables us to link a variety of disparate cultural data and then to link these cultural data with other neighborhood-based information. Second, the replication of regional data base development enables us to look not only at the spatial and geographic implications of cultural phenomena but to take a longitudinal look at the dynamics of culture—that is, how the structure and geography of the cultural sector is changing over time.

Methodology—Case Study of Metropolitan Philadelphia

Development and replication of integrated regional cultural data base

1—Develop the components of a regional cultural data base. This simple objective has been a multi-year project. Below are the inventories compiled for SIAP’s regional cultural data base for the five-county area of metropolitan Philadelphia.\textsuperscript{22}

\textit{Nonprofit cultural resources}\textsuperscript{23}

SIAP has developed a 2003 regional data base of nonprofit cultural providers located in the five-county Philadelphia region as a basis for comparison with its 1996 nonprofit inventory. The inventory includes 501(c) 3 tax exempt organizations, public agencies, and non-chartered or voluntary associations with a primary mission in the arts, culture, history, or humanities as well as cultural

\textsuperscript{22} The five-county region includes Philadelphia County and the four suburban counties of Bucks, Delaware, Chester, and Montgomery in Pennsylvania. The New Jersey counties of metropolitan Philadelphia are not systematically included in the SIAP data base.

\textsuperscript{23} A full portrait of the cultural engagement cannot be limited to formal institutions and the division between for-profit and nonprofits. The latter designation is, after all, an artifact of the Federal tax code and is not an accurate predictor of actual behavior. The work of scholars like Alaka Wali and others has made clear that the informal cultural sector is the seedbed for much of what is new in the cultural world. Some of those seeds germinate into for-profit entities, like the remarkable trajectory over the past decade of spoken word expression. Others eventually become official nonprofit organizations. Still other participatory groups and voluntary associations remain active for decades without seeking formal status.
programs that are part of other nonprofit social organizations. The primary sources of information were: IRS nonprofit master files, the National Center for Charitable Statistics (NCCS), newspapers and periodicals, resource directories, granting agencies, and the World Wide Web.

Descriptive data include such characteristics as: mission, discipline, tax status, year founded, budget size, and location. The arts discipline categories used for agglomeration analysis are: craft and folk arts; dance; design arts; history and humanities; library; music and music theater; media arts and film; multidisciplinary; opera; arts service; science and nature; recreation; theater and literary; and visual arts and photography.

The 2003 regional nonprofit data base includes data on 1,475 cultural resources; the 1996 nonprofit data base includes data on 1,200 resources.

**For profit cultural firms**

SIAP has developed a 2003 data base of for-profit arts and cultural firms located in the five-county Philadelphia region as a basis of comparison with its 1996 for-profit cultural inventory. The information was derived from a commercial computerized yellow-pages telephone directory of businesses in the region.

Using the revised Standard Industrial Code attached to each record, firms were identified that engage in one of fourteen categories of arts-related business: art restoration; art school; art supply; art studio; audio studio; cinema and movie theater; commercial and graphic design; dance school; gallery; music or art school; music store; photography; theater; and theater support. Entries were checked against SIAP’s nonprofit inventory; those not found were classified as for-profit.

The 2003 regional for-profit culture data base has over 2,200 arts and cultural business listings; the 1996 for-profit data base has 1,500 listings.

**Participants in nonprofit cultural organizations and programs**

SIAP has developed a 2004 data base of individual participation in nonprofit cultural organizations as a basis for comparison with its 1996 inventory. The sources of data were the administrative records of a sample of regional cultural organizations. All types of participant categories were included—e.g., members, students, visitors, ticket-buyers, mailing lists.

The 2004 data base includes data on 600,000 individual residents of metropolitan Philadelphia associated with 75 cultural organizations. The 1996 data base

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25 Participant data collection is heavily dependent on the cooperation of the organizations from which SIAP requests data. With smaller organizations, in exchange for data, we offer to prepare a confidential report on the organization’s participation profile. In fact, even some more established organizations see this type of analysis as a fair trade for allowing us to use their data. In any case, all participant data is used anonymously and aggregated for statistical and geographic analysis only.
includes data on over 120,000 individual residents associated with 25 cultural organizations.

**Other social organizations**

In order to put arts and cultural organizations in perspective, SIAP developed a regional inventory of all types of nonprofit social organizations located in the five-county Philadelphia region. A 2003 social organization inventory was developed as a basis of comparison with our 1996 inventory. The primary sources of information for these inventories were: the IRS nonprofit master files, National Center for Charitable Statistics (NCCS), and social service directories.

In addition to arts, cultural, history or humanities organizations, the nonprofit social organization data inventories included the following: business/professional organizations, neighborhood improvement groups, religious congregations, social clubs, social/youth service organizations, special interest groups, and veterans groups.

Excluding arts and culture, the 2003 regional nonprofit social organization data base contains 16,000 listings in the above categories; the 1996 data base contains 14,000 listings.

**Artists and cultural workers**

SIAP has expanded its regional cultural data base with a sample of artists who reside in the Philadelphia metropolitan area. A 2004 mailing list of 4,000 artists living and working in the five-county Philadelphia region was compiled by a local agency that awards grants to artists working in the visual, literary, or performing arts.

According the 2000 U.S. census, there are nearly 17,000 individuals in the metropolitan Philadelphia area labor force who self report as an artist in one of seven disciplines. Ideally, SIAP’s regional cultural data base would include data on all self-reporting artists based in the region.

**Participants in for-profit culture**

Participants and consumers of for-profit cultural services and activities, although an important to a full picture of the regional cultural sector, remain a missing component of SIAP’s regional cultural data base.

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26 The decline of formal cultural institutions requires us to give new priority to understanding the role of artists and cultural workers and their social networks. Artists are a key component of the cultural sector in many ways: as the creative agents in production; as links between nonprofit and for-profit producers; and as links between producers and participants. However, they are a difficult group to document. Self-identified artists range from “amateurs” to art students to professionals, from traditional to self-taught to trained, and from emerging to established.
2—Use a geographic information system (GIS) to create an integrated, block group-based regional cultural data base.

There were two steps to the creation of an integrated, geographic data base. First, all records required location data (street address, city, state, zip code) that could be geo-coded (assigned longitude and latitude) and assigned to a unique census block group. Records with zip code data only were assigned randomly to a block group within that zip code.

Second, wherever suitable, data were converted to block group measures that allowed for more meaningful comparison and analysis. For example, we converted all cultural providers (nonprofit and for-profit) from points to buffers by assigning each site a one-half mile buffer zone. The number of cultural resources per block group, therefore, is not the actual number of providers located within that block group; rather it is the number of provider buffers that touch that block group. Thus the buffers are a measure of the proximity (about a 10-minute walk) of resources to household residents. Likewise, raw participation data were converted to “small area estimates” of cultural participation—that is, number of participants per 1,000 population by block group.

3—Link the regional cultural data base with census and other community data available at the block group level.

During its first decade, SIAP developed methods of using a GIS system to link cultural indicators to U.S. census data other data on urban communities. The 2004 Philadelphia regional cultural data base has been linked to 2000 census data as well as data from the 1990 and 1980 censuses.

4—Replicate development of the regional cultural data base at two (or more) points in time to enable analysis of the changing geography of regional culture.

We have replicated four components of the Philadelphia regional cultural data base for the years 2003 - 2004: nonprofit cultural providers, for profit cultural firms, regional cultural participation, and other social organizations. These four files have been made comparable to our 1996 data bases to allow comparisons across the eight-year period.

In addition, we converted all of our 1990 census data and our previous cultural indicators to 2000 census boundaries to facilitate comparisons across time.

**Analysis of arts agglomerations**

1—Map the geographic distribution and do a statistical analysis of each component of the cultural sector for which data are available:

- cultural producers—nonprofit cultural providers and for-profit arts and cultural businesses;
- cultural participants—patterns of participation in nonprofit regional and community-based programs; and
- individual artists—a key component of, and a link between, cultural producers and participants.
2—Use factor analysis, a data reduction technique, to identify areas of the city and region where cultural production and participation activity is already concentrated.
   o Define a cultural cluster—an arts agglomeration—i.e., the level of concentration and geographic boundaries of current arts and cultural activity.
   o Describe and compare the socio-economic and cultural sector characteristics of several cultural clusters and of changing agglomeration patterns over time.
   o Identify and compare regional cultural clusters in 2004 with those identified using 1996 data.
   o Refine the definition of cultural cluster and compare the new findings with the old.

3—Continue the statistical analysis to discover one or more patterns or common features among the block group variables.
   o Identify a set of arts agglomerations or concentrations of cultural activity for analysis.
   o Look for common features among variables—including cultural sector, demographic, and neighborhood characteristics.

4—Check statistical and geographic findings against “on the ground” experience, qualitative study, and historical review of these ‘natural’ cultural districts.

During the past two years, SIAP has carried out an ambitious expansion and replication of its regional cultural data base. We are in a good position to document the spatial implications of the regional cultural sector, how the geography of culture is changing over time, and how this geography affects the contemporary city.
Composition and Geographic Distribution of Cultural Producers

Nonprofit cultural organizations and for-profit cultural firms

Philadelphia’s nonprofit cultural sector boasts nearly 1,500 resources ranging from major regional institutions like the Philadelphia Museum of Art and the Philadelphia Orchestra to small, unincorporated groups often organized and run by a single artist. These organizations are present across the five-county region; only about 20 percent are located in the downtown Center City.

Between 1996 and 2004, the Philadelphia nonprofit cultural sector was marked by changes and continuity. First, there was a very high rate of turnover in organizations, with roughly a quarter of nonprofits that were present in 1996 disappearing over the next seven years. Yet, over the same period, there was some net growth in the number of nonprofit cultural organizations. Although nonprofit inventory increased by 275 organizations (from 1,204 to 1,471), part of the increase appears to be due to improvements in our search for small organizations and sites. Two nonprofit categories showed real increases: the number of cultural facilities (for performing and visual arts) and the number of non-arts participatory groups that run cultural programs. The largest decline was associated with cultural resource organizations. Furthermore, in spite of the high turnover, there were no startling changes in the places where nonprofits were located (Figure 3-2). As in 1996, economic and ethnic diversity were the most consistent predictors of the location of nonprofit cultural resources.

In 1996 the composition of the region’s 1,497 for-profit arts and cultural firms was quite different from that of the nonprofit organizations. Among the nonprofits, historical, musical, and theatrical organizations were the most common. Among the for-profits, by contrast, photography shops, commercial and graphic design firms, and dance and music schools were the most common. In contrast to the nonprofit sector, for-profit firms were more likely to locate outside of Center City (downtown) and in the suburbs. In addition, although the location of for-profit cultural firms was correlated with economic and ethnic diversity, the strength of the relationship was not nearly as strong as among the nonprofit providers.

In 1996, we found two patterns in the location of for-profit cultural firms. One pattern—which we called the “established” factor—included commercial theaters, movie theaters, galleries, theater support firms, commercial design and graphic design firms and was strongly related to the presence of nonprofit firms. The other pattern—which we called the “populist” factor—included dance schools, music schools, music stores, and art supply stores and was independent of the nonprofits. Supply-side considerations often encourage “established” for-profit firms and nonprofit cultural organizations to locate in the same neighborhoods. Their location was strongly correlated with economic and ethnic diversity and the presence of non-family households and more weakly connected to the population’s educational and occupational background.

In contrast, “populist” firms were much less likely to locate in diverse neighborhoods and more likely to be present in white neighborhoods. Populist firms were less likely than
established for-profit or nonprofit organizations to locate in neighborhoods with many other social organizations or with high rates of cultural participation.

In contrast to the nonprofit sector, during the same period, the for-profit sector appears to have gone through rapid growth. Overall, the number of firms in metropolitan Philadelphia increased by nearly fifty percent from just under 1,500 in 1996 to over 2,213 in 2003. The categories showing the largest increases were photography stores, audio studios, and galleries.

The expansion of the for-profit cultural sector was spread widely across the metropolitan area (Figure 3-3). If we look at changes in the number of establishments between 1996 and 2003, we find that both nonprofit and for-profit sectors increased most rapidly in the affluent neighborhoods of the metropolitan area. During the same years, both types of organizations expanded their presence in high- and low-income neighborhoods more rapidly than in middle-income areas (Figure 3-1). The changes in the for-profit sector appear to have blurred the distinction between ‘established’ and ‘populist’ for-profits; the 2003 analysis did not find the 1996 pattern.

Figure 3-1. Change in nonprofit and for-profit cultural sectors by average per capita income of block group, metropolitan Philadelphia, 1996-2003.

These findings, although preliminary, underline the point that studying nonprofit cultural organizations in a vacuum is a mistake. Our first look suggests that the for-profit and nonprofit cultural sectors share many features and are present in similar neighborhoods.
Geographic Distribution of Cultural Participants

Local residents and artists

Nonprofit cultural participation in Philadelphia reflected and reinforced broader social changes between the late 1990s and the early years of the twenty-first century. First and foremost, cultural participation was strongly related to the locations of cultural resources. In both years, sections of the region with many nonprofit resources had the highest level of cultural participation. What is notable about this pattern, however, is that participants by in large were associated with organizations outside their neighborhood. It appears that the presence of cultural organizations stimulates participation, but generally not with those local organizations.

In both years, two socio-economic variables were associated with high participation, but not in a consistent way. First, high-income neighborhoods (most easily measured using per capita income) were more likely to have high rates of cultural participation. Second, diverse neighborhoods—whether ethnically diverse, economically diverse, or diverse in household structure—had consistently high rates of nonprofit cultural participation. Yet, between 1996 and 2004, the new urban reality reconfigured the relationship of these variables to participation. First, cultural participation in the metropolitan Philadelphia region expanded in well-off neighborhoods and declined (at least in relative terms) in poorer sections of the metropolitan area.

The correlations between participation change and socio-economic status can be seen in a variety of variables. Increases in participation were correlated with average household income (.39), average gross housing value 1990 (.37), professionals and managers as percent of labor force (.38), as well as median family income, per capita income, and median value of housing. At the other end of the spectrum, participation increases were negatively correlated with low educational achievement (-.40), female-headed households (-.25), and poverty (-.21). In short, participation tilted decisively toward more affluent neighborhoods.

Yet, as participation became more associated with income, it became more closely tied as well to diversity. During the 1990s, as we have noted, a much larger share of Philadelphians lived in diverse neighborhoods. As a result, many more of the high-income neighborhoods that were increasing cultural participation during the 1990s were also becoming more diverse. As a result, the new urban reality simultaneously pushed cultural participation toward a stronger correlation with socio-economic status and maintained its relationship with social diversity.

Geographically, the concentration of cultural participation is clearly visible in Center City and the neighborhoods surrounding it. In addition, Northwest Philadelphia and two areas of Montgomery County—Abington and Lower Merion townships—were among the highest areas of overall cultural participation. (See Figure 3-4.)

Our measure of the concentration of artists is generally our least satisfactory. It represents the mailing list maintained by a grant-maker with a focus on the visual and literary arts but under-represented among the performing arts. Still, it is suggestive of where Philadelphia area artists reside.
A similar pattern of social variables and geography is clearly present among the artists. Like the location patterns of cultural organizations, firms, and participation, high-income and socially diverse neighborhoods had the highest concentrations of artists. (See Figure 3-5.)

A review of the distribution of nonprofit cultural organizations, for-profit cultural firms, cultural participation, and artists across the Philadelphia metropolitan area makes clear that there is a general consistency in the spatial allocation of these resources. These location patterns appear to derive from both supply-side and demand-side considerations, including access to audience, of cultural producers. What is clear is that these patterns cut deeply into the metropolitan area’s social geography and are connected to other aspects of social life, including socio-economic status and diversity.

**Cultural Clusters in Metropolitan Philadelphia, 1996 - 2004**

The consistent geographical pattern displayed by the four variables that we have examined—nonprofit organizations, for-profit firms, participants, and artists—affirms our premise that there are identifiable ‘natural’ cultural districts within metropolitan Philadelphia. In this section, we operationalize our definition and examine the location of these districts.

The first step in our analysis was to aggregate these four data bases into a single geographical data base, linked through the census block group. We created a data base that identified the number of organizations, firms, or artists that were located within two-tenths of a mile of each block group and the number of cultural participants within each block group. This procedure was repeated for both the 1996-97 and 2003-04 data.

The next steps involved using factor analysis, a multivariate data reduction technique: first, to identify cultural clusters and, second, to look for common features within those clusters. In other words, among the block groups that are part of a cultural cluster, (looking at all variables) are there one or more patterns of block group characteristics? Third, compare findings in each year (1996 and 2004) to determine if patterns have changed over the seven-year period under study.

The preliminary findings are relatively straightforward. The statistical analysis identified only one geographic pattern in the clustering of cultural organizations, firms, participants, and artists in metropolitan Philadelphia. As we would expect, the sections of the metropolitan area most associated with the individual variables received the highest score from the factor analysis as well.

Each block group received a standardized factor score for each year’s analysis, with a mean of zero and a standard deviation of one. We defined a cultural cluster—more or less arbitrarily—as block groups that had a factor score that was one standard deviation above the mean. This produced cultural clusters that included 274 block groups in 1996 and 301 block groups in 2004 (approximately eight percent of 3,400 block groups in the five-county area). In both years, these clusters included approximately six percent of the total population of the metropolitan area (about three million people).

For the most part, the same areas were included in these cultural clusters in both years. Center City and the neighborhoods immediately to the north, west, and south of Center
City were included in cluster areas. Outside of Center City, Northwest Philadelphia (Germantown, Mount Airy, and Chestnut Hill) and Montgomery County (Lower Merion and Abington townships) had the highest concentration of cultural resources. Smaller areas were located in Swarthmore in Delaware County and New Hope in Bucks County, both well-known ‘arty’ areas. (See Figure 3-6.)

The areas that remained in a cultural cluster in both years had a very consistent social profile. Among all cluster residents, 78 percent lived in the city, and only 21 percent lived in the suburbs. This compares to 40 percent of the entire metro area’s population that lived in the city. Although only three percent of the metro area’s population lived in areas that were both economically and ethnically diverse, nearly 19 percent of the residents of stable clusters lived in these ‘doubly diverse’ block groups. Nearly half of the population of stable clusters lived in upper-income areas, compared to only 20 percent of the entire metro area’s population. (See Figure 3-7.)

Although—given our somewhat arbitrary definition—we probably should not make too much of the changes in the cluster composition, there are several patterns worth noting. Most importantly, the areas that entered a cluster between 1996 and 2004 were much less likely to be diverse and much more likely to be high-income than those that had been in the clusters in 1996. For example, while nearly half of the residents of the stable clusters lived in an ethnically or economically diverse block group, only 22 percent of the residents of block groups that entered clusters lived in a diverse block group. Those who entered the clusters were generally whiter and richer than those who had been there earlier. (See Figure 3-8.)

As we have said, the major finding is one of stability. Two-hundred and forty-eight (248) block groups were in the clusters in both years; only 53 block groups became new clusters, and 26 exited clusters. The map of these natural cultural districts looked generally the same in both years. Still, to the extent that the map did change, it tended to add white, high-income block groups and drop more diverse block groups. The core pattern did not change, but it drifted in a clear direction.

The above findings are preliminary but demonstrate the types of analyses and observations that are made possible by the assembly of SIAP’s regional cultural data base. Further analysis of Philadelphia area arts agglomerations will involve a close-up look at the neighborhoods identified as cultural clusters: their socio-economic characteristics, the mix of firms and composition of the local sector, and fine-grained changes over time. Overall, the study of arts agglomerations calls for further analysis of the synergies between the for-profit and nonprofit cultural sectors to understand how they share resources—especially participants and artists—and what is necessary to sustain these ‘natural’ cultural districts.
Figure 3-2. Nonprofit cultural organizations within one-fifth mile of block group, metropolitan Philadelphia, 2003
Figure 3-3. For-profit cultural firms within one-fifth mile of block group, metropolitan Philadelphia, 2003
Figure 3-4. Cultural participation, small area estimates by block group, metropolitan Philadelphia, 2004

Participants per 1,000 residents

- 2 to 40
- 40 to 90
- 90 to 150
- 150 to 500
- 500 to 1000
Figure 3-5. Artists within one-fifth mile of block group, metropolitan Philadelphia, 2004
Figure 3-6. Cultural producers, participants, and artists, metropolitan Philadelphia, factor analysis by block group, 1996 and 2004
Figure 3-7. Cultural clusters, metropolitan Philadelphia, stability and change 1996 - 2004

Change in cultural cluster status, 1997-2004

- Never in cluster
- Exit
- Enter
- Stable cluster
Figure 3-8. Total population living in cultural clusters 1996 and 2004, by metropolitan location, ethnic composition, ethnic composition, and income strata.
4—IMPLICATIONS FOR CULTURAL DISTRICT PLANNING

Understanding the dynamics of arts agglomerations has gained importance in recent years because of the popularity of cultural districts as an economic development strategy. Below we highlight four implications for cultural planning from our arts agglomeration study of metropolitan Philadelphia.

- Build from strength—invest in existing clusters rather than start from scratch and move from the bottom-up rather than top-down.
- Look for bio-diversity—clusters with different types of institutions—and opportunities to leverage synergy.
- Look for flux—areas that have exited or entered a cultural cluster and/or that are undergoing demographic change.
- Don’t neglect supply for demand—remember that cultural production and consumption reinforce one another.

These observations build upon the perspectives that have guided the research: one, the new urban reality and corresponding paradigm shift from a deficit-based to an asset-based model of urban communities; and, two, an ecological model of regional culture, which assumes the interdependence of the community and regional cultural sectors and of urban and suburban communities. We will conclude the paper by illustrating the above implications via a tour of city of Philadelphia cultural districts.27

Build from strength—invest in existing clusters rather than start from scratch and move from bottom-up rather than top-down.

Two cultural districts in downtown Philadelphia—the Avenue of the Arts and Old City—illustrate the difference in approach. Philadelphia’s Avenue of the Arts, which won the American Planning Association’s 2005 National Planning Award, is billed as the region’s premier cultural and entertainment district.28 The Avenue of the Arts, a one-mile corridor along South Broad Street from City Hall to Washington Avenue, represents two decades of public planning and investment to resuscitate and expand an existing downtown cluster of regional cultural institutions—including the Philadelphia Orchestra, the Academy of Music, and the University of the Arts—as a strategy to revitalize the Center City economy.

The Avenue of the Arts district was initiated by the City of Philadelphia with planning led by the Philadelphia City Planning Commission. Quasi-public and nonprofit organizations—specifically, the Central Philadelphia Development Corporation, the

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27 The descriptions of four districts—Avenue of the Arts, Old City, 40th Street, and Norris Square—draw from documentation of the University of Pennsylvania, Third Annual Urban Studies Public Conversation Series, 2003-04, Arts in Place: Philadelphia’s Cultural Landscape.

28 The American Planning Association (APA) selected the Philadelphia City Planning Commission's plan, Extending the Vision for South Broad Street — Building Philadelphia's Avenue of the Arts in the 21st Century, as the 2005 winner of the national Outstanding Planning Award for Implementation. The plan was highlighted in the March 2005 issue of Planning magazine.
Center City District, and the Avenue of the Arts Inc.—have also served as planning and implementation agents. Initial investment involved federal and state support for a new streetscape to restore “mid-20th century grandeur” to the boulevard and identify the area as a district. Subsequently, the opening of several small theaters and the new Kimmel Center for the Performing Arts has added 4,000 theater seats to the district (for a total of 11,000 seats). The cultural redevelopment has helped boost office building occupancy and conversion of vacant office buildings to housing. According to the APA Awards Committee statement, over $120 million in public funds were used to leverage an additional $1 billion in public and private sector investment along the corridor.

Center City District executive director Paul Levy has noted that creating an arts scene “was a necessary but not sufficient” condition for Center City revitalization. A combination of factors—including major investment in convention and tourism facilities, marketing, as well as streetscape and safety—have contributed to downtown’s upswing. However, says Levy, despite the multi-million dollar Avenue of the Arts investment, Philadelphia continues to lose too many jobs to the suburbs. We still a need to create good jobs and stimulate business in Center City.

By contrast Old City, part of Philadelphia’s original settlement along the Delaware River, is a model of an artist-driven and market-based cultural district. Once a busy commercial waterfront and later a thriving industrial and wholesale district, Old City declined after World War II as industry moved out of the city center. By the early 1970s, vacant industrial and commercial loft buildings had begun to attract artists interested in low rents and large spaces, and “a thriving arts district began to take root.” During the 1980s, the area saw an influx of galleries, theater and dance companies, artists’ cooperatives and workshops, design firms and showrooms, and history museums. Meanwhile, the area was attracting developers, who converted historic industrial structures into apartment buildings, as well as offices, wholesalers, shops, bars and restaurants. Between 1980 and 1986, the population of Old City nearly quadrupled, from 650 to 2,400 people. Since the 1990s Old City has seen even more growth and residential, retail, and restaurant development that has catered increasingly to affluent markets. With the rise in rents and property values, many of the pioneer artists and entrepreneurs have been forced to move out of Old City.

29 A related Philadelphia story is the movement of artists into and out of South Street as a result of clearance and relocation associated with the Crosstown Expressway. In the late 1960s Rick Snyderman, a self identified “cultural entrepreneur” founded a nonprofit on South Street called Urban Community Alternatives to fight the City’s planned Crosstown Expressway, which would have required demolition of all buildings between Lombard and Bainbridge Streets from the Delaware River to the Schuylkill River and thus the eradication of the South Street artists’ community. Through this group and others, including the Painted Bride Art Center, the arts played a critical role in “saving” South Street. Priced out of South Street by rising rents due (ironically) to the area’s popularity as an “artsy,” hip place for entertainment, dining, retail, and residential development, these enterprising artists and youth moved to Old City and decided to position it as a cultural district. Or, as Rick put it, they “willed” Old City to become a cultural district. (From Arts in Place.)
Two nonprofit organizations have played key roles in the evolution and success of Old City as an arts district—the Painted Bride Art Center and Old City Arts Association. The Painted Bride, an artists’ collective founded on South Street in 1969, purchased a building and moved into Old City in 1981. The Bride helped to anchor Old City and solidify its identity among artists as the new “South Street.” Its 250-seat theater and gallery and its commitment to vanguard arts and social change helped link emerging artists with local audiences and communities.

Old City Arts Association, comprised of over 50 member organizations and businesses, was founded in 1991 to collectivize the efforts of individual artists and entrepreneurs and identify Old City with the arts. In its first year, Old City Arts launched “First Friday,” a monthly arts community open house and continues to mail a brochure regularly to thousands of people. First Friday spin-offs benefit the district’s galleries and artists as well as its growing retail and entertainment businesses. Old City Arts provided the seed money to launch the Philadelphia Fringe Festival, which started in 1997 and has since expanded into an independent $1 million citywide festival.

The City of Philadelphia is now using the Old City Arts Association brochure as a marketing strategy for its conventions. According to Rick Snyderman, owner of Old City’s Snyderman Gallery, local government has only just begun to tap the potential of the arts.

Look for bio-diversity—clusters with different types of institutions—to increase potential synergy.

40th Street, a fledgling arts district in the University City area of West Philadelphia, is a case study in “bio-diversity” in that the number and variety of organizations, programs, and activities continue to multiply in large part due to an ever-widening circle of artists and participants. The 40th Street corridor, from Chestnut to Locust Street, has long had a mix of retail and eating establishments that serve the University of Pennsylvania and nearby neighborhoods of West Philadelphia. 40th Street has also long been a tense transitional zone between established African-American neighborhoods and the expanding university community.

Essentially, the University of Pennsylvania spawned a set of preconditions for the emergence of an organic cultural district. In the 1990s Penn initiated a plan to assist the revitalization of the University City neighborhood using several strategies: upgrading neighborhood safety and cleanliness; providing new retail amenities; and increasing home ownership, education and business opportunities for the residents of West Philadelphia. The opening of several 40th Street establishments over the past five years has served as a catalyst for a district and its move toward the arts: the The Rotunda arts center, a Freshgrocer and market, the Bridge Cinema, the renovated Walnut Street branch of the Free Library of Philadelphia; and the 40th Street Artists in Residence.

In 1999 former Penn student Andrew Zitcer and collaborators started a group called The Foundation and opened The Rotunda—an abandoned historic church owned by Penn—to community arts initiatives and artists. The Rotunda is conceived as a cultural meeting ground, a twenty-first century community center. “There is something about the place that makes you want to make something of it. If it were nicer or smaller, it would already be something else.” In fact, The Rotunda alone has become a generator of cultural bio-
The Rotunda sees itself serving an “underground community” of “niche cultures and sub-cultures” and fostering “permeability between arts and artists.”

The advantage of Penn’s involvement is that where the university is willing to intervene, it can control the market. Because the University of Pennsylvania is so large (it is Philadelphia’s largest employer) but not government, it is able to internalize the externalities that flow from the creation of a district. In the words of former President Judith Rodin: “Ten years ago, few thought Penn had the guts to stick its neck out for its neighbors. Today, we realize that by putting our money and reputation on the line to help revitalize University City, the neck we saved might well turn out to have been our own.”

Figure 4-1. See The Foundation website, www.foundationarts.org

The Rotunda, Summer 2005

As a community gathering place for the promotion of arts and culture, The Rotunda seeks to bring together the Penn student community with the people of West Philadelphia and the greater Philadelphia area. We of The Foundation work from the belief that art is a catalyst for social change, and that arts events can lead to the formation of meaningful Penn-West Philadelphia/citywide partnerships.

The events presented here range from rock, electronic, jazz, and hip hop, to world fusion, ambient, punk, activist, spoken word, theater, panels, film, exhibits, dance, education, and various experimental forms of art and performance. National, touring acts often perform side by side with local artists, thereby strengthening Philadelphia’s varied and historic music scenes.

Events are open to the public for free, with donations encouraged. As an alcohol-free, smoke-free venue, The Rotunda provides a valuable social alternative for young and older alike. In addition to public events, The Rotunda is used as a meeting, rehearsal, and workshop space for Penn student clubs as well as various West Philadelphia and citywide organizations.

Weekly Events:
- Empress Thandi: Mondays, 7:15pm, yoga
- 40th Street Summer Series: Saturdays, 2-5pm, various visual and performing arts activities

Monthly Events:
- Andrew’s Video Vault: 2nd Thursdays, Cult classics, experimental films, new works.
- Philadelphia Science Fiction Society: 2nd Fridays, science fiction and fantasy in literature, the arts, and popular culture.
- Melange Theatre “Live”: 2nd Sundays, vast array of theatrical performances, including opera, puppet theater, dance, comedy, jazz, and more.
- Gate to Moonbase Alpha: 3rd Fridays, Electronic, ambient, and experimental music, plus video and performance art.
- Urban Writers Support Group: 3rd Sundays, subject to change, peer support and critique. Open to all writers.
- Holistic Moms Network: Final Wednesdays, holistic parenting.
- Girls’ DJ Open Spin: Final Saturdays, open spin.
- Big Idea Promotions: Varies, wide array of rock music.
Look for flux—areas that have exited or entered a cultural cluster and/or that are undergoing demographic change.

One drawback of our method is that it focuses on the absolute magnitude of organizational agglomeration and participation, rather than scaling it to particular community contexts. As a result, it tends to miss emerging natural cultural districts, especially those in lower-density residential neighborhoods. This is a shortcoming we need to address in future work.

A more sensitive definition of agglomeration should include a number of neighborhoods in Philadelphia. In the core of Philadelphia’s Latin American community, centered on North Fifth Street and Lehigh Avenue in North Philadelphia, a variety of cultural organizations and artists have self-consciously sought to create El Bloque de Oro (the Golden Block) as a cultural district serving the community. Taller Puertorriqueno (the Puerto Rican Workshop) and the Asociacion de Musicos Latino Americanos (AMLA) have served as the nonprofit anchors for this district. AMLA with the Hispanic Association of Contractors and Enterprises (HACE) have spearheaded development of a cultural facility that would serve both nonprofit and for-profit cultural activities. La Colectiva, an artists’ collective, has linked local artists and residents through the monthly Noches de Arte en El Barrio (Art Nights in the Barrio) on second Friday evenings. Every September cultural organizations and businesses partner to sponsor the annual street festival, Feria del Barrio.

Yet, the efforts to develop a cultural district at Fifth and Lehigh have been challenged by the dynamic character of the city’s Latin American community. Philadelphia’s predominantly Puerto Rican community has experienced rapid diversification with the arrival of an increasing number of Mexicans and Central Americans. At the same time, the growing Latin American population has increasingly relocated to the north and east, resulting in a decline in the population of the area immediately around Fifth and Lehigh.

The Norris Square community in Kensington has employed a place-making strategy centered on gardens and murals to transform a neighborhood that had been a center of the city’s drug trade. The Norris Square Neighborhood Project has combined its arts program with a variety of environmental and youth programs. In addition, neighborhood residents have used the gardens as a community-organizing strategy, recruiting women in the neighborhood through its Grupo Motivos initiative.

While these efforts have had a visible impact on transforming the neighborhood, Norris Square has faced a surprising challenge. A real estate boom emanating from the Northern Liberties neighborhood to its south has already been felt in Norris Square. Combined with the aggressive efforts of the City of Philadelphia’s Neighborhood Transformation Initiative to demolish abandoned houses and recycle lots, property values in the area have increased rapidly over the past five years. Now, the residents of Norris Square face both a threat to their gardens and to their homes as developers eye ‘vacant’ land and landlords raise rents.
Don’t neglect supply for demand—remember that cultural production and consumption reinforce one another.

The arts agglomeration findings, though preliminary, have demonstrated the interdependence of cultural production and consumption. Cultural providers (aka/ “producers”)—both nonprofit and for-profit—tend to locate in neighborhoods similar to those where cultural participants (aka/ “consumers”) live. Residents of culturally-resource rich neighborhoods are more likely to be culturally active and to leave their local community for culture. Artists tend to live in the same neighborhoods that attract cultural organizations, businesses, and participants. The dominance of this geographic interdependence—as well as its association with high socio-economic and socially diverse neighborhoods—was an identifiable pattern in metropolitan Philadelphia in both 1996 and 2004.

Previous SIAP research reinforces these findings. We have consistently found that neighborhood characteristics are a powerful predictor of an individual’s participation in cultural activities. Notably, the number of cultural resources located within one-half mile of a resident’s block group predicts—as reliably as his or her educational attainment—that resident’s rate of cultural participation throughout the region. Moreover, community cultural programs have a regional draw—approximately 75 percent of participants in community arts come from outside of the neighborhood in which the program is located. In short, the presence of cultural providers and cultural participants is mutually reinforcing both within communities and across the region.

If cultural districts are to be successful and contribute to the long-term vitality of the local culture industries, they need to be sited in neighborhoods that support both the supply- and demand-sides of the location logic. We need to learn more about the location strategies and workspace requirements of artists as well as the cultural organizations and businesses that are conduits among artists and communities. Planning should guide cultural districts to support artists and creative professionals, contribute effectively to the art worlds essential to production, and become not only tourist sites but local and regional resident destinations.

As yet there are no clear guidelines for the arts and cultural planning of the contemporary city. But as a start we would do well to pay attention to today’s urban history—in particular, the organic processes of change and the movement of social capital as well as economic capital—and rethink old models. It is time for planners to assemble a new set of tools that can encourage and sustain local collective creativity within the global informational economy.
APPENDIX 1

“Culture Clash: Has the business model for arts institutions outlived its usefulness?” by Douglas McLennan

This article appeared in The Wall Street Journal of Saturday, October 8, 2005, on page 11.

Over the past two decades, America's culture industry has been on an expansion tear, spending billions on new facilities. Thousands of communities around the country have invested in the arts for reasons ranging from civic pride to economic development. There has never been so much culture in such variety so readily available to so many. Given the boom, one might think this is the best of times for the culture business in America.

And yet, as the ways we produce, distribute and consume culture are being reinvented by technology, long-established business models are straining at the seams. In an increasingly crowded marketplace, the culture industry is fracturing into thousands of special-interest niches, and yesterday's assumptions about building large audiences and making a sustainable business model don't necessarily apply to today's realities. Traditional commercial movie, recording and publishing-industry models are all under attack. Noncommercial culture producers -- symphony orchestras, museums, theater, opera and dance companies -- are suffering from a persistent low-grade flu in the form of eroding audiences, sharply rising expenses and increased competition that may mask more serious structural problems. It may be time to wonder: Has the nonprofit business model for the arts outlived its usefulness?

Since the late 1950s, the nonprofit model has been the engine of patronage in America. Here's how it works: Typical arts organizations don't come close to earning enough to support themselves. Nonprofit tax status allows them to solicit donations in return for tax write-offs, thereby encouraging corporations and individuals to donate. Grants from government and foundations are used to leverage even more donations. It's been phenomenally successful, spurring a massive expansion of arts activity for the past half century. The arts grant has proved highly effective at providing incentives to government, foundations, corporations and individuals to fund the arts.

And yet the ground on which that model was built is shifting perceptibly. As the arts landscape has become more crowded, and competition for both attention and money has grown more intense, the nonprofit model has become less efficient as a means of raising working capital. Arts groups are spending more time and resources chasing fewer dollars. Their artistic activities are increasingly vulnerable to the whims of finicky funders and the public's addiction to anything with "Impressionist" in the exhibition title or "Beethoven" in the program. Corporations that once were strongly motivated to support the arts out of a sense of public good increasingly see arts funding as an exchange of services capable of delivering a tangible return like any other transaction. Foundations are more agenda-driven than ever (whether it's good for the recipient or not). And government has scaled back its support.

Adding to the burden, in recent years operating expenses have soared -- running the many new and enlarged buildings, staff costs and insurance among them. Institutions have passed some of these costs on to consumers ($200 opera tickets, $25 King Tut tickets, and the Museum of Modern Art's famous new $20 admission fee).
Going forward, while donated income might increase incrementally, it can't grow by the magnitude needed to support new overbuilt levels of arts activity. And the already cumbersome nonprofit structure is likely to get even more so if Congress passes -- as is widely anticipated -- some nonprofit version of the Sarbanes-Oxley law requiring more layers of reporting and oversight.

What to do? Many nonprofits are already playing with a for-profit mentality, coyly stepping up to the line separating it from nonprofit practice -- sometimes even stepping over it while hoping nobody notices. Major museums mount fashion exhibitions that are sponsored by industry players. Public TV and radio run promo spots that they call "underwriting" rather than the "ads" that they are. Boston's Museum of Fine Arts rents out its collection to a Las Vegas casino.

At the same time, earned income plays a significant role in nonprofits' operations. Some museums have such large retail operations they sometimes seem more like upscale merchants than custodians of culture. Symphony orchestras hire themselves out for private gigs, museums rent out their spaces, and theaters (such as the Roundabout in Manhattan) sell off the naming rights to their venues.

Don't expect institutions like MoMA or the Los Angeles Philharmonic to announce an IPO anytime soon. But increasingly, for many arts groups, the nonprofit model has become a straitjacket, one they are struggling to escape. The scale of for-profit behavior by many nonprofit arts organizations today wouldn't have been allowed 20 years ago. Yet even stretching traditional nonprofit status to the point of breaking, the current model looks unsustainable, both financially and artistically.

We are living in an era when one business model after another is having to be reinvented. How long will it be before the demands of being nonprofit outweigh the benefits of a broken system?
Appendix 2

Composition of the cultural sector, metropolitan Philadelphia, 1996 and 2003

Nonprofit arts and cultural providers, Philadelphia five-county region, 1996 and 2003

<table>
<thead>
<tr>
<th>Category</th>
<th>1996 Number</th>
<th>1996 Percent</th>
<th>2003 Number</th>
<th>2003 Percent</th>
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<td>Performance group</td>
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<td>72</td>
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<td>4.8</td>
<td>52</td>
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<td>Film/video producer</td>
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<td>Historic site</td>
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<td>Educational institution</td>
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<td>Civic, community group</td>
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<td>Publication</td>
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For-profit arts and cultural firms, Philadelphia five-county region, 1996 and 2003

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<tr>
<td></td>
<td>Number</td>
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<tr>
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Total