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"Natural" Cultural Districts and Public Policy

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This paper was a product of the partnership of Reinvestment Fund and PolicyMap; the City of Philadelphia Office of Arts, Culture and the Creative Economy (OACCE) and Department of Commerce; and the University of Pennsylvania, Social Impact of the Arts Project (SIAP) with support by the National Endowment for the Arts (NEA Our Town Program) and ArtPlace America.

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"Natural" Cultural Districts and Public Policy

Abstract
This paper reports on research on the development of “natural” cultural districts—clusters of cultural resources that emerge in particular neighborhoods as a bottom-up, unplanned process. It uses data on Philadelphia, Baltimore, and Seattle to answer the following questions:

- What social and economic benefits are associated with cultural clusters?
- What are the social mechanisms that connect community benefits to cultural clusters?
- How do we define “natural” cultural districts? Are there particular neighborhood features that foster formation of these cultural clusters?
- Can we distinguish particular types of “natural” cultural districts?
- What kinds of policy interventions are appropriate for different types of districts?

The analysis suggests that although we can demonstrate strong connections between the concentration of cultural assets and a wide variety of social benefits, economic spillover tends to be concentrated in places that are already advantaged. Thus, if we pursue strategies that promote creative placemaking purely as a market-based strategy, the outcomes are likely to increase the already growing gap between prosperous and poor residents and between advantaged and disadvantaged parts of the city.

Disciplines
Arts and Humanities | Public Policy | Social Welfare | Urban Studies and Planning

Comments
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Since the 1960s, many American cities have focused on developing cultural districts as a means of stimulating economic development. This paper examines one particular approach to the spatial dimension of the arts: the emergence of clusters of cultural activity in particular neighborhoods as a bottom-up process. In contrast to classical cultural districts, which are typically initiated by government or prestigious civic institutions (Johnson 2011), these clusters emerge through unplanned, organic processes. Although we recognize that no urban process is truly natural, we characterize these clusters as “natural” cultural districts to underline the grassroots character of this process.

This paper reports on research on the development of “natural” cultural districts in three cities: Philadelphia, Baltimore, and Seattle. It seeks to address five questions:

- What social and economic benefits are associated with cultural clusters?
- What are the social mechanisms that connect community benefits with cultural clusters?
- How do we define “natural” cultural districts? Are there particular neighborhood features that foster formation of cultural clusters?
- Can we distinguish particular types of “natural” cultural districts?
- What kinds of policy interventions are appropriate for different types of districts?

The study of “natural” cultural districts refines the recent interest in creative placemaking. “Creative placemaking animates public and private spaces,” according to Ann Markusen and Anne Gadwa (2010, 3), [and] “rejuvenates structures and streetscapes, improves local business viability and public safety, and brings diverse people together to celebrate, inspire, and be inspired.”

Markusen and Gadwa (2010, 6) argue that creative placemaking can occur at many different geographic scales. Based on a review of literature and a series of case studies, the authors find that creative placemaking “can occur at scales as large as a multi-state region and as small as a rural town or city neighborhood.” They demonstrate that building relationships across different sectors in the same locale is critical to arts-based development. Their study focuses on important elements of initiating or sustaining any project, including identifying initiators, focusing on distinctiveness, mobilization, and engaging the private sector and the arts community. Yet, inevitably in trying to demonstrate the connections among so many different projects, the policy implications of such an approach are bound to be limited to broad generalizations.

Even with only one type of creative place—“natural” cultural districts—we have discovered that there is considerable variation in structure and trajectory. Therefore, this paper proposes two ways of categorizing these “natural” cultural districts and a set of policy interventions and investment strategies associated with the different types of districts. First, we suggest that the composition of a “natural” cultural district influences its development. Districts dominated by
nonprofit cultural organizations or commercial cultural firms have different needs than those in which independent artists predominate. Second, districts vary by *the economic and locational advantages* they enjoy or lack. Although no cultural cluster has an easy time, some districts enjoy advantages (like a pool of well-off patrons or easy access to public transportation) that improve their chances of succeeding; while other districts lack these advantages and need to “exceed expectations” to sustain themselves.

The evidence in this paper is drawn from a study of “natural” cultural districts undertaken by the authors as part of the University of Pennsylvania’s Social Impact of the Arts Project (SIAP) in Philadelphia with comparisons to two other cities—Baltimore and Seattle. The multi-level study included a citywide examination of the three cities’ cultural assets (including nonprofit organizations, commercial firms, resident artists, and cultural participants).

SIAP developed census block group-level estimates of three types of cultural assets—nonprofit cultural organizations, commercial cultural firms, and resident artists. These three measures were then scaled into a single measure of the block group’s *cultural asset index*—our single best estimate of the level of cultural activity. Cultural asset index scores express the block group’s assets as a percent of the citywide average; a score of 100 is equal to the citywide figure while a score of 200 is twice the average. We were able to use estimates of the cultural asset index in 1997 and 2004 to examine how a neighborhood’s cultural assets at an earlier point are associated with subsequent community change.¹

**What social and economic benefits are associated with cultural clusters?**

Most studies of the economic impact of the arts on American cities have focused on the direct economic benefits of cultural organizations with respect to employment and consumption. Often these studies have had methodological flaws, in particular, not accounting for the substitution effects associated with cultural activity (Americans for the Arts 2003; 2007). A more substantive problem arises from the distribution of economic impacts across organizations of different sizes and their relationship to location.

The vast majority of direct economic impact of the arts is associated with a region’s major institutions. A neighborhood theater performance attended by a few hundred patrons pales by comparison to a blockbuster exhibit at a major art museum or gallery. Yet, it is precisely the neighborhoods that house these smaller cultural organizations that are the most distressed and benefit the most from cultural engagement (Guetzkow 2002).

This paper argues that the economic impact of the arts on urban neighborhoods is a result of the social benefits of the arts. It is the arts’ capacity to animate public space and stimulate community engagement that lays the foundation for neighborhood revitalization. The arts’ contribution to economic resilience flows from its role in building the civic infrastructure of a community. In this section, we present a variety of evidence on these social and economic benefits.

**Public health**

Thanks to a collaboration of the City of Philadelphia’s health department and the University of Pennsylvania, we have access to an index of public health for the city. The index, described as a measure of *social stress*, includes census block group-level data on a variety of conditions,

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¹ For a more detailed discussion of the method, see Stern and Seifert (2010b).
including underweight infants at birth, births to younger teenagers, infant deaths, substantiated incidents of child abuse, and out-of-home placements for delinquency and other dependent children (Gross and McDermott 2009).

Not surprisingly, a number of these public health conditions are strongly related to socio-economic status. In order to correct for this effect, we controlled for the relationship of “social stress” to per capita income. The findings of this analysis were striking. The average social stress index in sections of Philadelphia with a low concentration of cultural assets was 0.2 standard deviations above the citywide average, while the index for neighborhoods that were cultural clusters was 0.5 standard deviations below the citywide average. The city’s cultural clusters, in other words, were much less likely to suffer from a variety of social ills that characterize urban neighborhoods, even after we control for the effect of income.

**Ethnic and racial harassment**

Philadelphia is in the midst of a major restructuring of its ethnic composition. Immigrants from Latin America, Europe, Africa, and Asia have entered the city in numbers not seen since the early twentieth century. At the same time, U.S.-born Latin Americans and Asian Pacific Islanders have moved to the city in increasing numbers in recent years.

These population shifts have a variety of positive effects. The increased diversity of neighborhoods means that a larger proportion of Philadelphians have learned to live with—even expect—that community life will be characterized by a mix of different peoples. Ethnic diversity often provides a set of crosscutting networks that reduce social isolation.

Yet, the shift of a neighborhood from homogenous to diverse can also carry with it a variety of negative side-effects. In Philadelphia, we identified a strong correlation between a shift to ethnic diversity and the number of incidents of reported ethnic and racial harassment in the neighborhood. Overall, a neighborhood that became ethnically diverse between 1990 and 2000 had more than twice as many incidents of ethnic and racial harassment per capita as the city as a whole in 2001. However, the relationship of increasing diversity and harassment in an area was modified by the presence of cultural assets. A block group that became ethnically diverse and had very few cultural assets experienced more than three times the citywide average number of harassment incidents per capita. In contrast, neighborhoods with many cultural assets that became diverse had only .47 incidents per 1,000 residents compared to a citywide average of .61 incidents per thousand. Culturally-engaged communities develop the capacity to address changing circumstances without resorting to violence and intimidation.

**Economic benefits**

In addition to the noneconomic benefits discussed above, we have discovered a set of persistent economic benefits that are associated with the concentration of cultural assets in a neighborhood. Between 1980 and 2000, for example, the presence of nonprofit cultural providers in a neighborhood was a good predictor of changes in poverty and population in Philadelphia (Stern and Seifert 2010b).

For the years between 2000 and 2005-09, we were able to document the relationship between cultural assets and changes in poverty in Baltimore and Seattle, as well as Philadelphia. We discovered that, as in earlier years, poverty declined most quickly in neighborhoods with a high
concentration of cultural assets. In Philadelphia and Seattle, virtually the entire decline in poverty was concentrated in neighborhoods with high concentrations of cultural assets. In Baltimore, where poverty fell more quickly than in the other cities, areas with the greatest number of cultural assets had the largest decline.

[INSERT TABLE 3 HERE]

In Philadelphia, we were able to examine the relationship of cultural assets to housing markets. This analysis occurred before the economic collapse of 2007. Given our appreciation of the housing bubble that occurred during these years, we should be skeptical about whether these data reflect real economic improvement or simply speculative activity. Still, compared to other cities, Philadelphia’s bubble and bust were both relatively mild. Indeed, according to the Federal Housing Finance Administration, at the end of 2011, the metropolitan area’s housing index was higher than it had been in early 2005 (U. S. Federal Housing Finance Administration 2012).

Given these cautions, we discovered that increases in property values during the early years of the last decade were strongly related to the concentration of cultural assets. In most of the city, between 2001 and 2006, median sale price increases average a bit under 40,000 dollars. During the same period, in block groups with the highest concentration of cultural assets, sale price increases were over 80 thousand dollars.

We are able to extend this analysis by using The Reinvestment Fund’s (TRF) Market Value Analysis (MVA). TRF used a variety of data to assess Philadelphia’s housing markets at the census block group level in both 2001 and 2008. Although the MVA categories used in the two years are not precisely comparable, it is possible to identify parts of the city that had clear improvement or decline in their housing market (Goldstein 2011).

The 2001 MVA used an eight-category scheme for rating a block group’s housing market from regional choice to reclamation. In 2008, the classification had changed somewhat. Three categories of transitional markets had been replaced by steady and transitional markets, while distressed and reclamation markets had been recast as two strata of distressed markets. Because of comparability concerns, we classified a block group as having an improving or declining market only if it changed by at least two categories.

The presence of cultural assets in a block group strongly influenced changes in neighborhood housing markets between 2001 and 2008. Among higher-status block groups (regional choice and high value), those that remained stable over the seven years had a cultural asset score that was four or five times the citywide average, while those that declined had much lower cultural asset scores. Among middling housing markets, the block groups that improved their status began with much higher asset scores, and those that declined began with much lower scores. For example, among transitional and steady markets in 2001, those that improved had a 1997 cultural asset index of 362—more than three times the citywide average; those that remained stable had a cultural asset score of 71; and those that declined had a score of 51. Finally, among markets that were distressed or reclamation in 2001, those that improved had cultural asset scores of 169 and 160, respectively, while those that remained stable or declined had scores well below the citywide average.

[TABLE 4 HERE]
What social mechanisms generate community benefits via cultural clusters?

Thus, we find that the concentration of cultural assets has a consistent association with both positive economic and non-economic outcomes in the three cities. Rates of ethnic and racial harassment, indicators of public health, declines in poverty, and improvements in neighborhood’s housing markets were all associated with neighborhoods with high concentration of cultural assets. Yet, the range and persistence of these patterns raise yet another question: what are the social mechanisms that connect these community benefits and cultural engagement?

Although cultural engagement has a clear impact on the economic fortunes of neighborhoods, it is hard to see how this impact is associated with the direct economic impact of the arts. After all, with relatively few exceptions, community cultural organizations have relatively small budgets. Scholars have made a more plausible case that the economic benefits of community arts derive from their non-economic benefits. The Arts and Culture Indicators Project (ACIP) at the Urban Institute completed in 2006 a long-term investigation of approaches to the study of the arts’ impact. ACIP concluded that in order to understand the arts properly at the community level, one needs to use a broader definition of culture that incorporates not only official nonprofit cultural organizations but also more informal cultural phenomena and the work of artists and businesses. The authors suggested that past work had paid too little attention to non-mainstream social groups and their contribution to cultural engagement. They argued that we should move beyond a focus on passive participation to include a more diverse and varied set of indicators, including those that track the presence of opportunities for cultural participation, actual participation, and the nature of cultural support systems. For ACIP, cultural participation incorporates amateur and collective art-making, youth-oriented programs both in and out of school, and public discussion about the arts in different sorts of media, as well as more conventional measures of attendance and visitation (Jackson, Kabwasa-Green and Herranz 2006).

A study of “small budget” cultural organizations in Chicago suggested more concrete strategies for measuring the impact of community-based arts groups on their neighborhoods. Specifically, the authors called attention to three domains of influence: access to resources, collective problem-solving, and building social relationships. Based on fieldwork in Chicago neighborhoods, they suggested that small arts organizations can serve as anchors of local business districts, repurpose older spaces, and benefit local young people by offering programs both in and out of school that provide arts training and access to technological and entrepreneurial skills (Gram and Warr 2003).

The authors suggested that the collective problem-solving dimension of cultural organizations includes helping neighborhoods address local problems through their convening capacity. In addition, these organizations can foster collaboration and provide a safe haven and opportunities to learn new skills. These capacities are particularly important in turning a potential neighborhood problem—under-occupied young people—into a community asset.

Finally, the Chicago study underlined the varied types of social relationships that can flow from relatively small arts and cultural organizations. They can make important contributions to leadership development and provide a structure for meaningful social interactions. Furthermore, they can provide means of incorporating excluded social groups—whether defined by race, immigration status, or other distinctions.
Taking off from this last point, several studies have focused on the role of informal social interactions in building the arts community and its connection to excluded groups. Two studies—one in California and the other in Chicago—underlined the role of informal connections in connecting immigrants to institutions in which they might feel marginalized. This last point was reinforced by a study in Philadelphia that found that immigrants are culturally active, but that they rarely channel cultural practices and creative activities through established cultural organizations (Wali, Contractor, and Severson 2007; Alverez 2005; Stern and Seifert 2010a).

Building on this scholarship, SIAP has developed a model based on community cultural ecology as a social mechanism through which cultural engagement generates social and economic benefits. The ecological approach suggests that, we focus on the range of community assets involved in producing, cultivating, and engaging the arts and culture; as well as the variety of contextual factors, including regional cultural institutions, non-arts community organizations, and policy- and grant-makers. It is the networks developed between and among these different elements, rather than the health of any particular organization, that lay the foundation for the cultural vitality of a community.

What is a “natural” cultural district?

Much of the impact of the arts and culture on community well-being is a result of neighborhoods with a high concentration of cultural assets, what we call “natural” cultural districts. The distinctive feature of these districts is that the initiative for their formation begins at the grassroots. Clusters emerge from the efforts of individual cultural drivers—artists and artisans, nonprofit groups, commercial enterprises, and residents—who are pursuing their own interests.

We use the metaphor of “natural” to distinguish these districts from conventional planned cultural districts, which typically follow a more top-down process of development. As demonstrated by Amanda Johnson (2011), an essential feature of a planned district is the process of mobilization, in which different players—typically city government, the business community, or private philanthropy—initiate an effort to gain commitments from other elements of the civic community.

Mobilization is important to “natural” cultural districts as well. Usually, the rationale for planned districts is narrowly economic. In some cases, the fear of disinvestment and decay motivate actors; in other cases, top-down districts arise as a means of cementing a set of anchor institutions to rationalize future development. In contrast, the development interests of “natural” cultural districts are likely to be more varied and less strategic. Clusters often evolve as a result of narrowly artistic decision-making. Depending on discipline or creative output, artists may want to locate near suppliers or audiences. Often artists, musicians, or theater professionals seek out places where other members of their profession either live or work. In other cases, community development concerns that are more about safety and security —like preventing youth violence, reclaiming parkland from drug traffic, or bridging divides between ethnic groups—may spark mobilization.

Eventually, of course, these neighborhood mobilization efforts may turn to systematic community planning processes or the enlistment of outside resources to aid the local effort. Connecting with external resources does not make a district any less “natural” but rather suggests that it has moved to a new stage of development. The bottom line is that local players, because of their own interests, are the drivers of the development process.
Because of the unique trajectory of “natural” cultural districts—bottom-up and inside-out—processes of intervention and investment are often complex. In particular, because these places typically arise out of the self-organized efforts of residents and workers, outside interests must discover rather than create them. In particular, “natural” cultural districts must be treated as vulnerable habitats, a point to which we return later in the chapter. Their success rests on the complex interaction of the elements of their cultural ecology. As a result, policy must be directed at cultivating these districts with sensitivity to this ecology.

What neighborhood features foster formation of “natural” cultural districts?

Through our research in different cities, SIAP has identified a number of features that lay the groundwork for “natural” cultural districts. While not all of them are necessary in all cases, their presence increases the odds that a cultural district will emerge. In particular, we have found that geographic location, character of available space, and composition of the residential and working population are predictive of cultural district formation.

Geography matters

The cultural ecology of “natural” cultural districts has a complex relationship to metropolitan land markets. Typically, these districts emerge outside of downtowns or city centers because smaller cultural firms and artists can’t afford downtown rents. At the same time, they are sensitive to issues of access for connecting to audiences, patrons, and producer networks. This balance results in the emergence of “natural” cultural districts that are close to, but not in, downtowns (Scott 1996).

Seattle provides a particularly interesting example of this process at work. A decade or more ago, several neighborhoods within downtown—Belltown, for example—were centers of cultural activity. In recent years, many downtown neighborhoods have become less accommodating for cultural organizations and artists. Instead, a set of neighborhoods circling downtown has emerged. Beginning in Pioneer Square and SoDo (South of Downtown), the so-called crescent arcs through Chinatown/International District to the Central District neighborhoods, Capitol Hill to Lake Union.

This tendency shows up as well in statistics on the concentration of cultural assets by distance from downtown. In all three cities we studied, the average block group with the highest concentration of cultural assets was just under two miles from the center of the city.

Housing tenure matters

Generally speaking, in all three cities, there is a strong relationship between economic standing and the percent of renters in a block group. However, parts of the city with high concentration of cultural assets have much higher proportion of rental units at all income levels. In Baltimore, for example, in the average block group in the top fifth of the income distribution, 35 percent of housing units were renter-occupied. If the block group also had a high number of cultural assets, the percentage rose to 49 percent, 14 percentage points higher. The comparable figures for Philadelphia and Seattle were 9 and 26 percent, respectively. Across the three cities, if we control for income, neighborhoods with the highest concentration of cultural assets had a renter percentage that was 21 percent higher than that for comparable neighborhoods without as many cultural assets.
The strong association between renters and cultural districts makes sense. Renter districts are more mobile, providing more opportunities for people to move in and out. The fluidity of the housing market can also indicate more opportunities for businesses to find the spaces they need. Most importantly, however, a high percentage of renters is associated with the most important characteristic of these neighborhoods—social diversity.

**Diversity matters**

In recent years, scholars have gained a new appreciation for the role that social diversity plays in urban neighborhoods. For the arts, however, social diversity has long been a crucial dimension of community life. Even in the 1990s, when our image of cities was still dominated by “city trenches” that divided neighborhoods by race and social class, ethnically and economically diverse neighborhoods were at the center of the cultural community.

**Economic diversity**

We have discovered that three dimensions of social diversity are associated with the concentration of cultural assets—economic, household and ethnic. Economic diversity refers to neighborhoods with higher than average proportions of both poor people and professionals and managers than the typical neighborhood. We refer to these as pov-prof neighborhoods. As Table 5 suggests, sections of the three cities that were economically diverse in both 2000 ad 2005-09 had cultural asset scores that were twice the citywide average. Areas that were diverse in one year or the other had scores that were somewhere between the stable diverse and stable homogeneous parts of the city.

[P[INSERT TABLE 5 HERE]

Pov-prof neighborhoods are not all the same. One type is composed of African American neighborhoods that continue to house both poor and professional populations. Although the economic differentiation of African American neighborhoods has been widely commented on, members of the black middle class continue to be much more likely to live in neighborhoods with high poverty (Sampson 2012). Another type of stable pov-prof neighborhood is composed of funkier districts that are home to a truly diverse set of households. Finally, the less stable pov-prof neighborhoods are more likely districts undergoing change, although the direction of that change may vary. In Baltimore, for example, about three-quarters of pov-prof block groups that became homogeneous saw their poverty rate decline, and one quarter of those that became pov-prof saw their poverty rate decline.

**Household diversity**

One type of neighborhood diversity that is often overlooked is associated with the composition of households. Here we define a neighborhood as household diverse if it has a high concentration of young adults and of non-family households. Of course, the census definition of non-family household has become more controversial in recent years, because it includes a number of types of households—like unmarried couples—that may consider themselves families.

Parts of the city with high concentrations of household diversity have much higher cultural asset scores—typically three times the citywide average. In Seattle, the difference is not quite as large, but even there household diversity is one of the best predictors of a neighborhood’s cultural asset index.
Ethnic diversity

Ethnic diversity has historically been associated with high levels of cultural assets. In a 1999 study of four U.S. cities, we found that ethnically diverse neighborhoods had a concentration of cultural organizations that was higher than the citywide average (Stern and Seifert 1999).

In recent years, however, the nature of ethnic diversity has changed significantly. Using Philadelphia as an example, at the beginning of the 1990s only about one-fifth of Philadelphians lived in an ethnically diverse neighborhood. By 2010, more than one-half did so. During the same period, the increased Hispanic and Asian Pacific Islander populations have expanded the types of diverse neighborhoods. The one exception to this expanded diversity has been the continuing high concentration of African Americans who lived in homogeneous African American neighborhoods.

Yet, as the number of diverse neighborhoods has expanded greatly, their association with a concentration of cultural assets has declined somewhat. Most notably, based on earlier studies of Philadelphia, we have concluded that the gap between black and Hispanic neighborhoods, on the one hand, and white and diverse neighborhoods, on the other, has increased over the past fifteen years. Furthermore, although in previous decades, the presence of cultural assets in a diverse neighborhood was associated with it remaining diverse; during the first decade of the twenty-first century, that association disappeared. Neighborhoods that are both economically and ethnically diverse, however, continue to be the homes to a large share of cultural assets. These sections of the cities have cultural asset scores that are between 150 and 220 percent higher than the citywide averages.

Taken together, the available data suggest that cultural engagement is a distinctive form of social engagement. Cultural institutions, even those that see themselves as serving a single neighborhood, appear to create networks of participation that cross boundaries of ethnicity, social class, and geography. Consistently over the past decade, we have found that the typical community-based cultural organization draws 80 percent of its participants from outside of its immediate neighborhood. This provides an opportunity for “bridging” social capital that is not associated with other forms of community engagement.

Can we distinguish particular types of “natural” cultural districts?

Not all “natural” cultural districts are alike. Their cultural ecology, economic status, and geography all influence their development. SIAP is in the midst of examining how these districts are differentiated in Philadelphia, Baltimore, and Seattle. For now, our results should be taken as preliminary. Specifically, we are investigating two ways of distinguishing different sorts of cultural districts. One—based on composition—examines the balance of different cultural resources within a particular district. The other examines the economic and locational advantages of a neighborhood and how these influence its emergence as a cultural district.

Cultural composition of districts

As discussed above, we have tracked the presence of three types of cultural assets—nonprofit cultural organizations, commercial cultural firms, and resident artists—in defining “natural” cultural districts. Yet, although we can talk about the aggregate presence of cultural assets in a particular neighborhood, it is clear that the relative balance of these resources plays a role in how a district develops. It may be that an imbalance of resources—a situation where one type of asset dominates a neighborhood—may be more vulnerable to changes in its environment than a more varied district.
As a starting point for differentiating districts by their cultural ecology, we have examined the dominance of a particular resource in a neighborhood by calculating the proportion of all resources that each of our three assets represents. For example, what proportion of all assets do nonprofits, artists, or enterprises make up?

[INSERT FIGURE 3 HERE]

In applying this approach, we discovered that the two districts on which we have focused in Philadelphia have dramatically different cultural ecologies. Figure 3 examines these two districts—Callowhill/Chinatown North and South Philadelphia—from the standpoint of commercial culture. As the map shows, Callowhill/Chinatown North has a very high concentration of commercial cultural firms with other types of resources lagging behind. In contrast, South Philadelphia shows a more varied pattern, with some areas having a high concentration of commercial firms and others in which they are much less of a factor.

The map shows, as well, that each district’s composition is influenced by its broader context. The strength of commercial firms in Callowhill/Chinatown North reflects a pattern that dominates much of the eastern part of Center City Philadelphia and connects the area to another commercial cultural hub to the north and east. By contrast, South Philadelphia marks a shift from the commercially dominated Center City pattern, to the more varied ecology of outlying neighborhoods to its west and south.

[INSERT FIGURE 4 HERE]

The nature of this diversity is underlined by comparing the dominance of commercial firms with that of artists. In this map, we see again that Callowhill/Chinatown North is similar to much of Center City, in which resident artists play a relatively minor role. In contrast, South Philadelphia includes several areas in which the presence of resident artists is quite strong and others in which they are less so.

Is the contrast between a “mono-cultural” district like Callowhill/Chinatown North and a diverse district like South Philadelphia relevant for describing the histories of these areas? Again, our conclusions are tentative, but we have discovered through interviews that cultural workers in Callowhill/Chinatown North express misgivings about its sustainability as an arts district. Its closeness to Center City and, perhaps, the dominance of commercial cultural firms suggest that relatively minor changes in the area—increased property values and rents, improved amenities—might cause a dramatic shift in the gritty character of this former industrial district.

The dominance of a single type of cultural resource may weaken the resilience of the district to external changes. This might explain why a proposal to convert an elevated train right-of-way into an urban park—in an area with limited vegetation and no green space—became a heated and controversial issue in 2011. Its opponents believed that development of the “viaduct” could cause a dramatic change in the perception and economics of the district, which they found threatening.

In contrast, our interviewing in South Philadelphia seemed consistent with our hypothesis that a diverse cultural ecology increases the resilience of a cultural district. Although some of our informants worried that the same patterns—increased competition for space and rising rents—would harm its viability, the tenor of our discussions more often focused on continuities in the area’s history. Just as South Philadelphia became home to many immigrant groups and their cultural expressions during the early twentieth century, it has again become a center for the arts and culture of immigrants, this time from Mexico, China, and Southeast Asia. Indeed, some of
the same institutions that supported the incorporation of an earlier generation of immigrants—like the Samuel S. Fleisher Art Memorial—are again playing this role with the newest residents of these neighborhoods.

As we have noted, this research is preliminary. Still, the findings suggest that more attention should be paid to the composition of cultural clusters and its role in building resilient and sustainable cultural districts.

**Economic and location characteristics of districts**

Districts are influenced not only by the concentration and composition of cultural assets. Cultural hubs are located in particular social and geographical settings as well. As noted earlier in this paper, the geography and social context of a neighborhood influences the likelihood that it will emerge as a cultural cluster. At the same time, these factors are far from deterministic. On the one hand, across the three cities, we have identified areas that “beat the odds,” that is, they become cultural hubs in spite of economic and spatial disadvantages. On the other hand, we can also use the method to identify neighborhoods that share advantages with existing cultural districts but have not yet attracted significant cultural assets.

In order to test this line of thought, we conducted an analysis of the role of a set of economic and spatial conditions on the likelihood that a neighborhood will have a concentration of cultural assets. Using multivariate analysis, we estimated the impact of three specific variables on the concentration of cultural assets—per capita income, percent renters in a district, and distance from downtown. Because per capita income and percent renters were so highly correlated, we used a measure of renter-occupied units corrected for the income measure. Using these three variables, we were able to “explain” between 32 and 63 percent of the variance in our cultural asset index. We were least successful in Baltimore, where our corrected renter measure had only a minor predictive power and most successful in Philadelphia where all three variables had a robust influence. In Seattle, interestingly, per capita income had a small, albeit statistically significant, effect on cultural assets.

The next step of our analysis involved identifying over-achieving neighborhoods, that is, parts of the cities whose cultural asset index was higher than we would have predicted based on these factors. We then looked at sections of the city based on the contrast between their cultural asset index and this corrected index. Doing so created a typology with three distinct types of districts:

- **High market cultural districts**: “Natural” cultural districts that have higher asset scores than their socio-economic and locational advantages would predict.
- **Market cultural districts**: “Natural” cultural districts with high asset scores that are consistent with their socio-economic and locational advantages.
- **Civic clusters**: Disadvantaged neighborhoods in terms of socio-economic status and location that “outperform” their predicted asset score.

Figure 5 shows the relationship of the Cultural Asset Index to a scale of three measures of economic and location advantage—per capita income, corrected renter-occupied percent, and distance from city center—for Philadelphia.
The three types of districts identify three distinctive cultural ecologies. The high market districts identify sections of the city with a vital and visible cultural scene, often located near the city center. Market districts more often than not are adjacent to the high market areas, close in both geography and economic status. Civic clusters are the least visible of the three. The casual visitor will typically question whether these are cultural districts at all. Because their cultural assets (smaller organizations and individual artists) often occupy indistinct or downbeat structures, they usually don’t have the street-level “look” of the other districts.

[INSERT FIGURE 6 HERE]

In Baltimore, for example, the high market areas of the city are for the most part located along the central north-south spine. The market areas are often “in-fill” between obvious centers like the Inner Harbor, Mount Vernon, Fels Point, and Johns Hopkins University. Finally, the civic clusters are more scattered. Neighborhoods like Highlandtown—one of our case study areas—lie relatively far from the north-south spine; although, in the case of Highlandtown, it is adjacent to an old industrial district with a number of cultural assets.

What kinds of policy interventions are appropriate for different types of districts?

Differentiating types of “natural” cultural districts has descriptive and analytical purposes. It allows us to give a more detailed description of the features of cultural clusters and to provide a framework for seeing their similarities and differences. In addition, the typology provides a starting point for policy interventions that might benefit one district or another.

**Cultural composition—complex and single-asset ecology**

It stands to reason that the composition of a cultural district would influence the relative effectiveness of different types of interventions. The types of incentives that might change the behavior of nonprofits are obviously different from those that would motivate commercial cultural firms. Similarly, independent artists would respond to some changes in the social and economic environment that would have little relevance for organizations.

Perhaps the most obvious distinction here relates to **tax incentives**. A number of states have developed mechanisms for establishing designated arts and entertainment districts. In Maryland, for example, such districts provide for three types of benefits:

1) property tax credits for new construction or renovation of certain buildings that create live-work space for artists and/or space for arts and entertainment enterprises;

2) an income tax subtraction modification for income derived from artistic work sold by “qualifying residing artists”;

3) an exemption from the Admissions and Amusement tax levied by an “arts and entertainment enterprise” or “qualifying residing artist” in a district (Gillick 2012).

All of the benefits associated with these districts are in the form of tax incentives. Clearly, for districts with a high concentration of **tax-exempt** arts organizations, these benefits are irrelevant. The artists’ benefits may be difficult to use because the work must be sold in the district by an artist who also lives in the district.

Districts that are more dependent on commercial firms might be particularly dependent on the quality of city services. Sanitation, streetscaping, zoning, license and inspection functions are notoriously uneven in many cities, yet they both communicate much about districts and
Given the current state of the economy and policy-making, the easy path of cultural district development is through market mechanisms. If we could enjoy the benefits of creative equity investment. For example, the Callowhill/Chinatown North district has currently attracted increased attention as a commercial cultural district, but the experience of walking through the district continues to be characterized by litter and dumping, uneven sidewalks, poor lighting, and barren streetscapes. An effort to establish a neighborhood improvement district in the area failed in 2011 but is likely to be revisited in the future.

What to do about artists poses one of the most difficult challenges. There is a widely held perception that artists play a transitory role in cultural district development. They identify undervalued non-residential space and turn it into living and working spaces. Real estate and development interests take note of their activity and bid up prices that eventually drive the artists to relocated elsewhere. In Baltimore’s Station North district today, many residents and organizations accept this scenario fatalistically as the inevitable outcome of current “sweat equity” investment.

If arts districts are to stay artists’ districts, the key appears to be ownership. Cultural organizations and artists who are willing and able to purchase property can stabilize a district and insure their continued presence. Programs that prepare independent artists and nonprofit groups for property ownership in terms of both knowledge and credit could serve multiple roles in helping to sustain cultural districts.

**Economic and location characteristics—market districts and civic clusters**

Categorizing cultural districts by their relative market and location position also poses a set of challenges for social policy. As we have noted, areas of the city with higher concentrations of cultural assets tend to be associated with a set of social and economic benefits. However, the character of these benefits is not uniformly distributed.

In Philadelphia, for example, we have noted the association between the incidence of racial and ethnic harassment and the presence of cultural assets. If we break down these data by our market/civic typologies, we discover that civic clusters demonstrated among the lowest-rates of harassment. Indeed, it appears that the non-economic benefits associated with the concentration of cultural assets are present in civic, market, and high-market districts.

**[INSERT TABLE 6 HERE]**

In contrast, civic clusters do not share market districts’ capacity to translate these social benefits into economic benefits. For example, between 2001 and 2008 in Philadelphia, two-thirds of market districts and one-half of high-market districts enjoyed substantial improvement in their housing markets. However, only 14 percent of civic cluster block groups saw their housing markets improve, just slightly above the figure for the rest of the three cities (10 percent).

We can use this analysis to identify one more group of neighborhoods—those that share the advantages of market and high-market cultural districts but do not possess the same level of cultural assets. In many cases, these areas already possess more than the average number of assets, but not the critical mass necessary to transform them into cultural districts. A set of targeted interventions could enable these areas to become cultural districts and potentially enjoy the associated social and economic benefits.

**[INSERT FIGURE 7 HERE]**

Given the current state of the economy and policy-making, the easy path of cultural district development is through market mechanisms. If we could enjoy the benefits of creative
placemaking simply by allowing markets to operate more efficiently—for example, by improving city services—promoting culture-based community development strategy would be easy.

However, these data suggest that advocates of creative placemaking may have a more difficult task than they imagine. Although we can demonstrate strong connections between the concentration of cultural assets and a wide variety of social benefits, economic spillover tends to be concentrated in places that are already advantaged. Thus, if we pursue strategies that promote creative placemaking purely as a market-based strategy, the outcomes are likely to increase the already-growing gap between prosperous and poor residents and between advantaged and disadvantaged parts of the city.

**Conclusion**

In her classic work, *The Death and Life of Great American Cities*, Jane Jacobs (1961) noted that vital urban neighborhoods thrive on multiple types of diversity. Yet, these types of urban diversity—physical form, social composition, and street activity—are vulnerable. She warned that neighborhood diversity is subject to “self-destruction.” For Jacobs, preserving diversity is a key to maintaining resilient urban neighborhoods.

Among the forces that can destroy diversity, Jacobs (1961, 316) noted, are “the tendency for both public and private money either to glut or starve development and change.” In particular, Jacobs drew the distinction between *gradual* money that allowed a district to develop at a pace that did not destroy the diversity that allowed it to flourish and *cataclysmic* money that drives out diversity.

Jacobs’ insights—although a half-century old—are particularly relevant to today’s interest in creative placemaking. Many “natural” cultural districts are vulnerable. They can fail because they attract either too little or too much public or private investment. As with natural resources, they should be treated as *vulnerable habitats* that require stewardship.

Given the dominant political and economic forces facing many older American cities, it is likely that policy-makers will pursue short-sighted strategies that could undermine the forces of community regeneration. Yet, the evidence suggests that a longer-term strategy would provide benefits that are more widely shared by members of urban communities.

The short-term strategy is clear enough. Cities could focus on supporting and enhancing market and high-market districts, which already enjoy stronger economic status. The “near market” districts that enjoy the economic and locational advantages of these areas but don’t yet possess the same concentration of cultural assets might also be targeted for special attention. These investments are more likely to deliver quicker pay-offs in the form of increased property values and tax revenues.

This approach fits into a variety of trends already present in contemporary urban public policy. It builds on the recent interest in drawing a “creative class” to cities as the key to increasing economic competitiveness (Florida 2002). It is consistent with many philanthropic strategies, which equate nonprofits’ fiscal probity with social effectiveness. A short-term approach also fits into a general “winner-take-all” view of economic prosperity, a tendency that is more present in the arts and culture than in many other sectors (Stern 2005).

The outcome of a market-based strategy would likely fit into our classic model of the transitory arts district. The diverse, funky districts that attract artists and other cultural enterprises will become targets for the cataclysmic money to which Jacobs’ refers. In some districts, high-end
retail, condominiums, and entertainment venues will displace the real cultural assets. Cities will use the array of current policy tools—tax abatements, credits, and improvement districts—to improve some parts of the city, while a majority of neighborhoods languish.

A longer-term strategy would build on the social and economic benefits that cultural engagement generates in all types of cultural districts, including civic clusters. It would define cultural engagement broadly to include both conventional notions of high art, popular culture, and the folk traditions of all groups that inhabit the contemporary city. Rather than using government and philanthropy to reinforce market forces, a long-view policy would compensate for market failure and promote social equity. Over time, the strategy would promote social inclusion and the productive utilization of all of the city’s fiscal, human, and social capital.

Civic clusters remain an easily overlooked element of the regional cultural ecology. As we’ve noted, these neighborhoods often face considerable disadvantages in terms of location and economic standing, but promote community capacity in neighborhoods that often lack it.

Norris Square, in eastern Philadelphia, provides an example of the challenges faced by these neighborhoods. A group of women formed Grupo Motivos in the early 1990s to reclaim Norris Square Park from the drug trade. The women have created six community gardens that feature vegetables and flowers, murals, and cultural artifacts representing Puerto Rican and African cultures. To educate the second- and third- generations about their multi-cultural heritage, Grupo Motivos runs environmental education and cooking workshops. Facing daunting odds, the residents of the neighborhood have resuscitated the civic life of their community, through a combination culture, horticulture, and community organizing. Yet, despite their success, the residents of Norris Square—like those of many civic clusters—have found it difficult to attract public and philanthropic support, because they are not seen as a “real” cultural district.

Our findings do not provide an authoritative endorsement of either of these approaches to creative placemaking. For cash-strapped cities, strategies that promise a quick fix are likely to carry the day. That victory, however, is likely to be pyrrhic for the cultural community, because it will undermine many of the conditions that have allowed the arts to flourish in urban neighborhoods and will identify the arts with strategies that promote exclusion and privilege over social inclusion and shared prosperity.
References


Jackson, Maria Rosario; Kabwasa-Green, Florence; and Herranz, Jr., Joaquin. 2006. Cultural Vitality in Communities: Interpretations and Indicators. Washington, DC: The Urban Institute.


TABLE 1—Social Stress Index by Cultural Asset Index (quintiles), 2005-06, Philadelphia

<table>
<thead>
<tr>
<th>Cultural asset index 2004 (quintiles)</th>
<th>Social stress score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest quintile</td>
<td>0.447</td>
</tr>
<tr>
<td>20-39th %</td>
<td>0.153</td>
</tr>
<tr>
<td>40-59th %</td>
<td>0.107</td>
</tr>
<tr>
<td>60-79th %</td>
<td>-0.035</td>
</tr>
<tr>
<td>Highest quintile</td>
<td>-0.656</td>
</tr>
<tr>
<td>Total</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: SIAP

Notes. For calculation of social stress score, see Gross and McDermott (2009). Scores are standardized with a citywide mean of zero and standard deviation of 1.
TABLE 2—Incidents of ethnic and racial harassment per 1,000 residents in 2001 by Cultural Asset Index (quintiles) in 1997, Philadelphia block groups

<table>
<thead>
<tr>
<th>Cultural asset index 1997 (quintiles)</th>
<th>Became ethnically diverse, 1990-2000</th>
<th>All block groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest quintile</td>
<td>2.07</td>
<td>1.13</td>
</tr>
<tr>
<td>20-39th %</td>
<td>1.79</td>
<td>0.70</td>
</tr>
<tr>
<td>40-59th %</td>
<td>1.60</td>
<td>0.56</td>
</tr>
<tr>
<td>60-79th %</td>
<td>0.73</td>
<td>0.45</td>
</tr>
<tr>
<td>Highest quintile</td>
<td>0.47</td>
<td>0.38</td>
</tr>
<tr>
<td>All block groups</td>
<td>1.43</td>
<td>0.61</td>
</tr>
</tbody>
</table>

Source: SIAP
TABLE 3—Change in poverty rate (2000 to 2005-09) by Cultural Asset Index 2010, selected cities’ block groups

<table>
<thead>
<tr>
<th>Cultural asset index 2010 (quintiles)</th>
<th>City</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Baltimore</td>
<td>Philadelphia</td>
<td>Seattle</td>
</tr>
<tr>
<td>Lowest quintile</td>
<td>-1.0%</td>
<td>2.2%</td>
<td>0.4%</td>
</tr>
<tr>
<td>20-39th %</td>
<td>-0.5%</td>
<td>3.7%</td>
<td>2.7%</td>
</tr>
<tr>
<td>40-59th %</td>
<td>-0.6%</td>
<td>2.1%</td>
<td>2.2%</td>
</tr>
<tr>
<td>60-79th %</td>
<td>-4.1%</td>
<td>1.8%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Highest quintile</td>
<td>-2.5%</td>
<td>-3.5%</td>
<td>-1.8%</td>
</tr>
</tbody>
</table>

Source: SIAP

Note: General linear model results controlling for per capita income.
TABLE 4—Average Cultural Asset Index score (1997) by housing market status (2001) and change in housing market status (2001-08), Philadelphia block groups

<table>
<thead>
<tr>
<th>Change in housing market status</th>
<th>Market value analysis 2001</th>
<th>Housing market improved</th>
<th>Housing market remained stable</th>
<th>House market declined</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional choice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transitional Up</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transitional steady</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transitional down</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distressed, stressed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reclamation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All block groups</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SIAP, TRF
Note: Citywide average=100.
### TABLE 5—Cultural Asset Index 2010 by change in economic and household diversity 2000 to 2005-09, selected cities’ block groups

<table>
<thead>
<tr>
<th>Change in economic diversity</th>
<th>City</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Baltimore</td>
<td>Philadelphia</td>
<td>Seattle</td>
<td></td>
</tr>
<tr>
<td>Never economically diverse</td>
<td>86</td>
<td>96</td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>Became homogenous</td>
<td>138</td>
<td>110</td>
<td>135</td>
<td></td>
</tr>
<tr>
<td>Became diverse</td>
<td>133</td>
<td>108</td>
<td>143</td>
<td></td>
</tr>
<tr>
<td>Stable diverse</td>
<td>253</td>
<td>193</td>
<td>210</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in household diversity</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Never diverse</td>
<td>84</td>
<td>84</td>
<td>77</td>
</tr>
<tr>
<td>Became homogeneous</td>
<td>110</td>
<td>252</td>
<td>109</td>
</tr>
<tr>
<td>Became diverse</td>
<td>152</td>
<td>172</td>
<td>102</td>
</tr>
<tr>
<td>Diverse in both years</td>
<td>329</td>
<td>303</td>
<td>180</td>
</tr>
</tbody>
</table>

Source: SIAP

Note: Citywide average=100.
TABLE 6—Change in housing market 2001-08 by type of cultural district, Philadelphia block groups

<table>
<thead>
<tr>
<th>Type of cultural district</th>
<th>Change in housing market</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Improved</td>
<td>Stable</td>
</tr>
<tr>
<td>High market</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td></td>
<td>56</td>
<td>58</td>
</tr>
<tr>
<td>Percent</td>
<td>48.3%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Market</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td></td>
<td>91</td>
<td>42</td>
</tr>
<tr>
<td>Percent</td>
<td>66.9%</td>
<td>30.9%</td>
</tr>
<tr>
<td>Civic</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>110</td>
</tr>
<tr>
<td>Percent</td>
<td>13.7%</td>
<td>84.0%</td>
</tr>
<tr>
<td>Not NCD</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td></td>
<td>119</td>
<td>1013</td>
</tr>
<tr>
<td>Percent</td>
<td>10.3%</td>
<td>87.6%</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td></td>
</tr>
<tr>
<td></td>
<td>284</td>
<td>1223</td>
</tr>
<tr>
<td>Percent</td>
<td>18.4%</td>
<td>79.4%</td>
</tr>
</tbody>
</table>

Source: SIAP, TRF
FIGURE 1—Schematic representation of neighborhood cultural ecosystem

Source: SIAP
FIGURE 2—Seattle’s “crescent” of cultural districts surrounding downtown

Source: SIAP
FIGURE 3—Commercial cultural firm ratio, Philadelphia

Legend
Philadelphia block groups
Commercial culture ratio
Low
Average
High

Source: SIAP
FIGURE 4—Resident artist ratio, Philadelphia

Source: SIAP
FIGURE 5—Scatter plot of Cultural Asset Index with economic and location advantage scale

Source: SIAP
FIGURE 6—Types of cultural districts, Baltimore

Source: SIAP
FIGURE 7—“Near market” districts, Baltimore

Source: SIAP