ARIZONA NEEDS TO DIVERSIFY ITS ECONOMY

THE LACK OF VIBRANCY in Metro Phoenix’s arts, culture and creative cluster impedes our ability to attract and retain workers in the fields of medicine, technology, design and bioscience.

These workers are critical for knowledge based businesses to expand their footprint and diversify Arizona’s economy.

Compared to eight other regions Arizona generally competes with for highly skilled and educated individuals, the Metro Phoenix area is rated the lowest in terms of vibrancy. Of concern is the comparatively low ranking given to the region by young professionals working here in sought-after fields.

INVESTING IN A STRONG CREATIVE CLUSTER has proven to be transformational in competing cities like Austin, Salt Lake City and Denver. They have simultaneously strengthened their creative communities while diversifying their economies by investing in the creative clusters of their economy. This transformation creates opportunities to diversify the economy by not only providing a strong return on investment, but by helping to attract and retain new businesses and knowledge workers to the area.

In a recent Forbes Pulse Opt-in survey of 1,000 executives, vibrant cultural opportunities were viewed as important by 74% of those surveyed. However, only 26% ranked Metro Phoenix as having a strong arts and cultural community.

ARTS, CULTURE & THE ECONOMY

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METRO PHOENIX REGION STATS

<table>
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<th>SECTORS</th>
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<td>PEOPLE EMPLOYED IN CREATIVE OCCUPATIONS</td>
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Denver created a special science and cultural facilities district (SCFD) with a .1% regional sales tax.

Arts and culture created $1.4 billion in metro area economic activity in 2005. Economic activity includes $785 million in audience spending, $597 million in operating expenditures, and $44 million in capital expenditures.

Economic activity for 2007 increased 19% over 2005. A catalyst for this economic activity was $42 million of SCFD funding. This “new money” – money that normally would not be spent in the metro area – equates to $392 million of economic impact in 2007.