ARTS, CULTURE, AND ENTERTAINMENT

An In-Depth Analysis of the Facts, Origins and Trends of Arts, Culture, and Entertainment in California
ABOUT CALIFORNIA 100

The California 100 Initiative envisions a future that is innovative, sustainable, and equitable for all. Our mission is to strengthen California’s ability to collectively solve problems and shape our long-term future over the next 100 years.

California 100 is organized around 15 policy domains and driven by interrelated stages of work: research, policy innovation and engagement with Californians. California 100’s work is guided by an expert and intergenerational Commission. Through various projects and activities, California 100 seeks to move California towards an aspirational vision—changing policies and practices, attitudes and mindsets, to inspire a more vibrant future.

This California 100 Report on Policies and Future Scenarios was produced as part of California 100’s research stream of work, in partnership with 20 research institutions across the state. California 100 sponsored grants for data-driven and future-oriented research focused on understanding today and planning for tomorrow. This research, anchored in California 100’s 15 core policy domains, forms the foundation for the initiative’s subsequent work by considering how California has gotten to where it is and by exploring scenarios and policy alternatives for what California can become over the next 100 years.

The California 100 initiative is incubated through the University of California and Stanford.

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READ MORE ABOUT ARTS, CULTURE AND ENTERTAINMENT IN CALIFORNIA

For additional information, read the related report at California100.org.

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Lindsay Maple, M.P.P., M.Ed.
Deputy Director of Research, California 100
CALIFORNIA 100
RESEARCH PARTNERS

This Report is one of 15 reports that will be released in 2022 as part of the California 100 Initiative. We are proud to partner with the following research centers and institutes across California on our work:

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Report development, revisions, and publication by California 100

This report is partly based upon material produced by JoAnn Kuchera-Morin, Gustavo Rincon, and Jean Johnstone in materials submitted to and funded by the California 100 project. We have drawn from those materials in this report and we have used their conceptualization and their approach to this topic in this document.
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INTRODUCTION TO ARTS, CULTURE, AND ENTERTAINMENT IN CALIFORNIA

Artists are a vital part of every community in California, contributing broadly to our quality of life and making the unique contributions that make California a dynamic cultural and economic leader. Artists create films, video games, poetry, literature, theater, music, visual art, dance, architecture, sleek technological tools, and creative goods and items that both shape and reflect our diverse culture over time. These practices and tools help us make sense of the ever changing world around us and connect us to the heritages both visible and invisible in our communities. Art inspires us to think in new and innovative ways all while adding beauty and meaning to our everyday experience. Art therapies can alleviate the symptoms of serious traumatic brain injuries and mental health issues, the applicability of which has vast potential reach. Self-expression through art can assist all people, including non-professional artists, with learning how to cope with trauma, grief, and loss. In critical roles as activists and community leaders, art helps give shape to community identity and voice to community concerns and aspirations.

In California, as new technologies are ever prevalent, artistic work is now created, accessed, and supported in these different platforms and formats. Because creativity, innovative ideas, and creative processes have become increasingly valued by businesses, California is rich with opportunities for connecting the value engendered by art and artists to solve the most pressing issues of the day. As artists are recruited as creative talent into a range of commercial fields, California is shifting from the belief that arts are a discrete and separate sector to one that understands the value of artistic and creative principles, including critical thinking, creative innovation, and visual aesthetics. In 2020 alone, federal labor analysis shows that California led the nation in value that the Arts and Culture sector provided to the state, generating $225 billion, or 7.5 percent of the state’s total domestic product. Although this is a minor decline in value from the sector in 2019, considering the devastating effects that the COVID-19 pandemic had on the economy and particularly on artists and cultural workers, the sector’s value during 2020 demonstrates how critical arts, cultural, and entertainment industries are to California’s continued economic and cultural successes.

At the start of the COVID-19 pandemic in March 2020, society shifted its attention to art and entertainment in a new and sustained way. With the statewide shelter-in-place order for more than a year, Californians turned to streaming television services like Netflix, video games such
as Fortnite, and social media sites such as Instagram, Snapchat, and TikTok to occupy our time and provide us with connections in the virtual realm. Despite its importance in our society’s culture, even professional sports, such as the National Football League and the National Basketball Association, were forced to take a hiatus from the critical seasons around which many American pastimes are rooted. Moving forward, the advancements made in technology that allowed us to connect to one another even while staying at home and the art forms that developed out of necessity during those isolating months have demonstrated the speed at which art, culture, and entertainment can shift and transform in our society.

As the range of artistic media and cultural expressions has exploded in both access and content, driven by an increasingly diverse population, the imaginations of young people, and developments in technology, California has the opportunity to harness and cultivate this burgeoning creativity through our education systems in order to produce and retain local talent for the state. The growing cultural diversity of the state also increases the urgency of addressing issues of equity, access, and representation in the arts sector, particularly given California’s current proportion of white artists. In fact, recognizing the value artists can bring as thinkers, creators, and problem-solvers in generating solutions to the state’s most pressing challenges such as racism, climate change, and inequality requires partnerships across various levels of government, communities, and business to ensure the arts and artists receive support for their contributions as an integral part of California’s future.

**FACTS:** WHAT DO WE MEAN BY ‘ARTS, CULTURE, AND ENTERTAINMENT’ IN CALIFORNIA?

California is home to diverse contributors to the Arts, Culture, and Entertainment sector. Arts, Culture, and Entertainment as a category refers to a wide array of products, events, innovations, institutions, and practices with a variety of economic and cultural impacts. These distinctions are important insofar as they capture different data on employment, economic impact, philanthropic activity, or participation. The U.S. Bureau of Economic Analysis and other institutions collect data on employment, economic impact, philanthropic activity, participation, usage, and availability that informs our current picture of the status of these fields. We do not attempt to address each of the individual sectors distinctly within this report. However, to provide context as to the types of sectors active within the Arts, Culture, and Entertainment industry in California, we have outlined a mutually exclusive and comprehensive breakdown of the subsectors below as defined by experts in the field.
California law defines “creative work” as work directly relevant to the creation, development, production, and marketing of visual, performance, and literary arts, including painting, mural making, photography, music, performance art, acting, filmmaking, dancing, fashion design, graphic design, poetry, and all other forms of creative writing (LegInfo, 2021). The U.S. Bureau of Labor Statistics has two distinct, but relevant occupation groups for our discussion: “Arts and Design” and “Entertainment and Sports,” which we have described in Table 1 below.

<table>
<thead>
<tr>
<th><strong>Occupation</strong></th>
<th><strong>Job Summary</strong></th>
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<tbody>
<tr>
<td><strong>Arts &amp; Design</strong></td>
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<tr>
<td>Arts Directors</td>
<td>Responsible for the visual style and images in magazines, newspapers, product packaging, and movie and television productions.</td>
</tr>
<tr>
<td>Craft and Fine Artists</td>
<td>Use a variety of materials and techniques to create art for sale and exhibition</td>
</tr>
<tr>
<td>Fashion Designers</td>
<td>Create clothing, accessories, and footwear</td>
</tr>
<tr>
<td>Floral Designers</td>
<td>Arrange live, dried, and silk flowers and greenery to make decorative displays</td>
</tr>
<tr>
<td>Graphic Designers</td>
<td>Create visual concepts, using computer software or by hand, to communicate ideas that inspire, inform, and captivate consumers</td>
</tr>
<tr>
<td>Industrial Designers</td>
<td>Combine art, business, and engineering to develop the concepts for manufactured products</td>
</tr>
<tr>
<td>Interior Designers</td>
<td>Make indoor spaces functional, safe, and beautiful by determining space requirements and selecting essential and decorative items</td>
</tr>
<tr>
<td>Special Effects Artists and Animators</td>
<td>Create images that appear to move and visual effects for various forms of media and entertainment</td>
</tr>
<tr>
<td>Entertainment and Sports</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>----------------------------------------------------------------</td>
</tr>
<tr>
<td>Actors</td>
<td>Express ideas and portray characters in theater, film, television, and other performing arts media</td>
</tr>
<tr>
<td>Athletes and Sports Competitors</td>
<td>Participate in organized, officiated sporting events to entertain spectators</td>
</tr>
<tr>
<td>Coaches and Scouts</td>
<td>Teach amateur or professional athletes the skills they need to succeed at their sport</td>
</tr>
<tr>
<td>Dancers and Choreographers</td>
<td>Use dance performances to express ideas and stories</td>
</tr>
<tr>
<td>Music Directors and Composers</td>
<td>Lead musical groups during performances and recording sessions; write and arrange original music in a variety of styles</td>
</tr>
<tr>
<td>Musicians and Singers</td>
<td>Play instruments or sing for live audiences and in recording studios</td>
</tr>
<tr>
<td>Producers and Directors</td>
<td>Create motion pictures, television shows, live theater, commercials, and other performing arts productions</td>
</tr>
<tr>
<td>Umpires, Referees, and Other Sports Officials</td>
<td>Preside over competitive athletic or sporting events to help maintain standards of play</td>
</tr>
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A glance at these categories indicates the broad range of people involved in these activities. **Artists** include those who produce art for sale and for publications, fashion and floral designers, interior designers, graphic designers, music composers, writers, special effects creators and cartoonists, and industrial designers. **Performers** include those who sing, dance, play instruments, play sports, and act. **Directors and producers** create and organize films, ballet, television shows, live theater, commercials, products, and many other kinds of activities. And the purposes of these activities range from pure entertainment to communications to producing products and living spaces.
Although these two classifications cover a substantial amount of ground, occupations in other BEA classifications might also be included. Perhaps most importantly would be two other BLS classifications, parallel to those above, entitled “Media and Communication Workers” (announcers, journalists, public relations specialists, and writers and editors) and “Media and Communication Equipment Workers” (sound and lighting technicians, photographers, and video and film operators and editors). In addition, there are classifications with architects and those in computing who work in the digital media sector. In fact, the population of artists is growing and diversifying, and norms about who is considered an artist are changing. A 2016 report by the Center for Cultural Innovation states that:

“Although federal statistics can produce reliable counts of U.S. artists by a standard definition, there is a commonly held belief—among artists, cultural organizations, and some researchers—that the current categories are inadequate. Several factors thwart the ability to reach consensus, outside of federal data collection systems, about who should be considered an artist. For example, although artists are categorized as “professionals” in the U.S. occupational taxonomy, “artist” is not a designation owned exclusively by those with professional certification. There are no uniform standards that qualify artistic practice or use of the term “artist,” making it difficult to distinguish among different levels and kinds of artists.”

This statement generally suggests that our social norms for what is considered artistic practice and artistic work has changed over time, and the government’s official categories and designations may lag in capturing these evolving norms. Below, we attempt to define the economic value of artistic contributions to California, but we must also recognize that much of art’s value is difficult to quantify and assess through a point-in-time impact.

THE ARTS PROVIDE INHERENT VALUE TO CALIFORNIA AND THE NATION

In various studies, arts participation has been positively linked with emotional well-being, social and civic engagement, tolerance and receptivity, and other factors that can contribute to healthy lifestyles and communities (Americans for the Arts, 2018). National nonprofit Americans for the Arts has developed a “Social Impact of the Arts” explorer, which shares details and research
The Arts Provide Value Through Diverse Avenues

SOURCE: Americans for the Arts’ Arts and Social Impact Explorer.
demonstrating the ways in which the arts touch other aspects of our world. As the figure on page 15 illustrates, the arts affect our economy, infrastructure, health and wellness, education, and many other ways that we experience the world. We only address a handful of these impacts in this report, but readers should remember that the arts touch our lives at almost every turn.

Each spoke on the figure’s wheel provides insight into the transformative power that the arts can have in our everyday lives. The impact of the arts is far-reaching and integral to our society’s ability to connect to one another, learn from each other, and share our common and different values. The positive benefits of the arts are as varied and diverse as the arts themselves. From Native dances to rock music to painting used as therapy to community murals, we use the arts to make sense of the world around us and to tell a story about our heritages and our pasts.

In order to understand the impact of the arts in California, we must review both the economic and social outcomes that the arts produce. One of the distinctive features of the arts sector is the intermingling of an economically competitive, profit oriented sub-sector and a non-profit sub-sector that focuses on artistic, social, and personal goals. These two sub-sectors draw ideas, personnel, and inspiration from one another, and a healthy arts sector requires that both prosper, although as noted above, the current metrics meant to identify the quantitative and economic value are inadequate because they do not account for those artists and cultural producers that make art for their personal benefits and for the imprecise boundaries of what constitutes “art.” This report considers the health of both sub-sectors, and it begins with the very significant economic value of the arts before turning to other ways to evaluate them.

CALIFORNIA IS THE LEADING ECONOMIC POWERHOUSE OF ARTS, CULTURE, AND ENTERTAINMENT IN THE UNITED STATES

Interdependencies between the general economy and its arts and cultural sectors take many forms. The fields within arts and culture attract and enhance workforce talent as well as generate new products and media that contribute to everyday lives (Noonan, 2021). The U.S. Bureau of Economic Analysis (BEA) monitors the economic activity of the Arts and Culture sector throughout the country. BEA notes that culture can be defined in a variety of ways, including language, traditions, beliefs, and values. For the Arts and Cultural Production assessment, BEA defines arts and cultural production narrowly to include creative artistic activity—the goods and services produced by it, the goods and services produced in support of it, and the construction
of buildings in which it takes place (BEA, 2022). The arts and culture industry adds a substantial amount of value to the Gross Domestic Product (GDP). As the figure below illustrates, the arts industry contributes the third largest value to the United States' GDP only after healthcare and

![Value added to the U.S. GDP by Sector, 2017 (in billions)](chart)

**Figure 2: Value added to the U.S. GDP by Sector, 2017 (in billions)**

- **Healthcare and social assistance**: $1,462.4 billion
- **Retail trade**: $1,084.3 billion
- **Arts and culture**: $1,084.3 billion
- **Construction**: $887.8 billion
- **Transportation and warehousing**: $790.4 billion
- **Travel and tourism**: $612.4 billion
- **Outdoor recreation**: $563.9 billion
- **Utilities**: $427.2 billion
- **Mining and extraction**: $287.3 billion
- **Agriculture, forestry, fishing, and hunting**: $174.6 billion

**SOURCE:** Value added by industry, U.S. Bureau of Economic Analysis, 2017
retail commerce. The significance of this sector cannot be understated, and demonstrates how important the arts are to a strong economy.

California leads the nation in arts, culture, and entertainment output and production. In 2020, BEA analysis shows that California ranked first among all states in the total value that the Arts and Culture sector provided to the state, generating $225 billion for California. California was also second in the nation in the contribution of this sector to the overall GDP of the state (7.5%) behind Washington state (10.3%) and just ahead of New York state (7.3%). The national average was 4.2 percent (BEA, 2022).

The total value represents a minor decline in the arts and cultural sector’s contributions to the state from 2019, which saw a value of nearly $237 billion. However, considering the devastating effects that the COVID-19 pandemic had on the economy and particularly on artists and cultural workers, the sector’s production during 2020 demonstrates how critical the industries are to California’s success. Moreover, at 7.5 percent of the state’s total GDP, it generally matched the proportion of the sector’s contributions in 2019. Although this value has more than doubled since 2001 when the industry earned $94.1 billion, the arts and culture sector contributed about 6.7 percent to the state’s GDP at the time. Therefore, in real terms, the Arts and Culture sector has remained a steady and consistent contributor to California’s economic health and stability over the past few decades. Moreover, California’s arts and cultural production grew 5.5 percent between 2018 and 2019 compared to a national growth of 4.5 percent, which demonstrates the sector as a growing and sustained element of California’s economic and employment future.

California’s artists were hard-hit by the COVID-19 pandemic, with a loss of nearly 100,000 jobs in the arts and cultural sector between 2019 and 2020. In 2020, more than 680,000 workers—nearly 4 percent of the state’s total workforce—in California contributed to the sector. California continued to rank first in the nation in Arts and Cultural employment and total compensation in 2020 (BEA, 2020). In 2020, California’s average compensation for wage and salary arts positions was nearly $160,000, which exceeded the average for all salaried jobs in any industry throughout the state.

The figure on the next page shows the top five sectors within California’s thriving arts and cultural industries.
As Figure 4 on the next page shows, the majority of California’s arts and culture employees work in the entertainment and digital media subsector. Since 2008, the entertainment and digital media industries grew faster than any other sector, adding 188,000 workers over the last decade for a growth rate of 32 percent. The Otis Report from 2021 found that this increase represents more workers than the total net employment gain for the state’s creative economy over the same period (Otis Report, 2021).

**Figure 3** Top Arts and Cultural Industries in California (in 000s), 2020

- **Other information services**: $72,155,476
- **Motion pictures**: $30,953,758
- **Independent artists, writers and performers**: $23,279,574
- **Publishing**: $22,243,495
- **Broadcasting**: $18,034,219


**NOTE**: *Other information services refers to online publishing and broadcasting, including streaming services, news syndicates, libraries, and other web search portals.*
Only three industries within the arts and cultural sector experienced employment growth during the COVID-19 pandemic in 2020: Industrial design services (16.4%), Other information services (8.6%), and Sound recording (0.6%). The remaining arts and cultural subsectors all experienced employment losses during 2020, including the motion picture industry, which is the largest sector for employees in California. In fact, the motion picture industry experienced a 23.3 percent employment loss—from more than 135,000 employees in 2019 to fewer than 104,000 in 2020. The hardest hit industries included promoters of performing arts and similar events (-38.6%) and performing arts companies (-37.6%).
Who are California’s Artists and Cultural Workers?

Research from 2017 shows that 12 percent of all artists nationally perform their arts work as a second job (National Endowment for the Arts, 2019; Yang, 2021). More than half of those who “moonlight” work as musicians, designers, and photographers. The majority of “moonlighting” artists do their second jobs as self-employed workers, typically through freelance or gig work, compared with 30 percent of self-employed artists who are arts workers as their primary occupation (National Endowment for the Arts, 2019; Yang, 2021). (See our discussion of the challenges facing artists in the gig economy below.)

As the table on the following page shows, California’s artists are:

• Whiter than the state’s whole workforce,
• Somewhat younger than the state’s whole workforce,
• More likely to work less than 40 hours than the whole workforce,
• Better educated than the rest of California’s workforce, and
• More likely to be self-employed (or act as contractors).
### Table 2: Key Characteristics of Arts Workers, 2018

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<th>United States</th>
<th>California</th>
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<tr>
<td></td>
<td>Arts workers</td>
<td>Whole workforce</td>
</tr>
<tr>
<td><strong>Total in the labor force (thousands)</strong></td>
<td>3.7 million</td>
<td>191 million</td>
</tr>
<tr>
<td><strong>Total in the labor force (percent)</strong></td>
<td>1.9%</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Race or ethnicity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>72.9%</td>
<td>63.7%</td>
</tr>
<tr>
<td>Black/African American</td>
<td>6.6%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Latinx</td>
<td>11.2%</td>
<td>16.2%</td>
</tr>
<tr>
<td>AANHPI</td>
<td>6.3%</td>
<td>5.7%</td>
</tr>
<tr>
<td>American Indian and Alaskan Native</td>
<td>0.5%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Multiracial or other race</td>
<td>2.6%</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Younger than 25</td>
<td>14.0%</td>
<td>14.8%</td>
</tr>
<tr>
<td>25 to 44</td>
<td>42.8%</td>
<td>40.4%</td>
</tr>
<tr>
<td>45 to 64</td>
<td>32.1%</td>
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<tr>
<td>65 or older</td>
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<tr>
<td>Less than a high school degree</td>
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<td>8.8%</td>
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<tr>
<td>High school diploma/GED</td>
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<tr>
<td>Some college</td>
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<td>28.3%</td>
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<tr>
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<tr>
<td>Other creative degree</td>
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<td>Other degree</td>
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<td>87.6%</td>
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<td><strong>Hours worked</strong></td>
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<td>1 to 19 hours a week</td>
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<td>20 to 39 hours a week</td>
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<td>40 or more hours a week</td>
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<td><strong>Worker classification</strong></td>
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<tr>
<td>Employees (for primary job)</td>
<td>69.1%</td>
<td>90.3%</td>
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<tr>
<td>Self-employed (for primary job)</td>
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<td><strong>Sources of income among self-employed</strong></td>
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<tr>
<td>Wages from employers</td>
<td>22.2%</td>
<td>31.6%</td>
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<tr>
<td>Business income (non-W-2 wages)</td>
<td>64.6%</td>
<td>58.4%</td>
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<tr>
<td>Both employers and business income</td>
<td>13.2%</td>
<td>9.9%</td>
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</table>

**SOURCE:** Urban Institute’s calculations using the American Community Survey (ACS) five-year estimates, 2014-18. Urban Institute, 2021

**NOTE:** The workforce includes every person assigned an occupation, including people at work and those who may have left the labor force during this period, including experienced unemployed persons, retirees, and other leavers.

**NOTE 1:** “AANHPI” refers to people who identify as Asian American, Native Hawaiian, and other Pacific Islander. “Native American” refers to people who identify as American Indian and Alaska Native. “Latinx” refers to people who identify as Hispanic and can be in combination with any other race. For part-time and full-time workers, the ACS requests respondents to report the “usual hours worked” on their job. Because the ACS asked about the preceding year, many workers have held multiple jobs during that year.

**NOTE 2:** Fine arts degrees include people who obtained bachelor’s degrees and majored in fine arts (which includes visual arts, performing arts, commercial art, drama, film, photography, and art history). Creative degrees include architecture; communications and communications technology; culinary arts; and English language, literature, and composition.

**NOTE 3:** Most questions about work in the ACS concern the “primary job”—either the only job held at the time of the survey or the one where the respondent spent the most hours if they held multiple jobs simultaneously. But income questions ask about earnings from all employment in the preceding year, so workers can report from other sources that either preceded the primary job or were held simultaneously as a secondary job.
Entertainment and Digital Media Lead the Way

BEA analysis reveals that in 2020 the motion picture industry in California yielded approximately $31 billion in economic output alone. Given the production restrictions due to the COVID-19 pandemic, this value demonstrates the significant economic impact the industry has in the state. In recent years, streaming services and other emerging digital media have surpassed the motion picture industry in California as an economic powerhouse. BEA analysis for 2020 shows that streaming services—likely made ubiquitous due to California’s statewide shelter-in-place order—added more than $72 billion to California’s economy. In fact, as headquarters for the top two media companies in the world—Netflix and Walt Disney Studios (Investopedia, 2020)—California should be able to maintain its supremacy in the entertainment and digital media field, if it can retain and cultivate similar successes.

As technology has made incredible strides over the last few decades, the digital media industry has been the most successful at harnessing those new media through tools like Smart TVs and online streaming platforms. Although the COVID-19 pandemic disrupted life as we know it, the emerging digital media industry actually grew during 2020. BEA analysis—which terms this subsector as “Other information services”—shows an 18 percent growth in the industry’s value added to California between 2019 to 2020. In 2019, the digital media industry produced more than $61 billion in value, which rose to more than $72 billion in 2020. Similarly, although not quite as extreme, employment rose in the digital media industry during the pandemic. While other industries—such as the motion picture industry, which lost nearly one-quarter of its 2019 jobs during 2020—observed mostly significant losses, digital media added nearly 4,000 new jobs in California.
By definition, **emerging digital media** are new communication formats that have not yet become part of an established or traditional artistic medium. Part of the artistic exploration and experimentation that results in technological and scientific advancements may take decades to develop into presentable or usable art. Even then, the new medium is often continuously refined and iterated upon, such as the case with the emerging media of virtual reality and computer-generated imaging.

The figure on the next page shows the six main job categories within entertainment and digital media. The majority of these jobs fall within emerging digital media (45%) and film (18%). Example occupations in these sectors may include Data Processing and Custom Computer Programmers, Internet Publishing and Broadcasting, Artists, Artist Managers, and Motion Picture/Video Distributors. Other subsectors, such as Professional Services (including Marketing Researchers, Graphic Design or Photography) and Publishers (Newspaper Publishers), account for far fewer jobs (15% and 16% respectively), but are still integral to the industry as a whole (Otis Report, 2021).

**California’s Video Game Dominance**

Perhaps no other industry reflects the convergence of technology and entertainment as well as the video game industry, which had an economic impact greater than $90 billion across the United States in 2020 (Entertainment Software Association, 2021). Leading this growth was mobile video games, made ubiquitous by smartphones. The industry has expanded beyond entertainment; just like the rest of the applicability of the arts, video games are now developed for social impact, education, and medical care (Milken Institute, 2018). Between 2009 and 2016, revenue from the American video game industry more than doubled from $10.1 billion to $24.5 billion (Milken Institute, 2018).
California leads the way in the United States with more than 600 video game companies and nearly 220,000 jobs supported by the industry (Entertainment Software Association, 2020). The video game industry contributed $51.7 billion to California's gross domestic product in 2020 (ibid.). Between 2012 and 2015, the number of California video game establishments nearly doubled from 375 to 758. Los Angeles County alone had 24 accelerators, 26 incubators, and 104 venture capital firms at the time. Although some of these firms were part of larger companies, many were small developers attempting to gain ground (Milken Institute, 2018).
Due to the technology and innovation dominance of Silicon Valley, the majority of California’s video game companies are located in the Bay Area, as well as Los Angeles, which maintains supremacy in the entertainment realm. This concentration in both Los Angeles and the Bay Area highlights the significant role of entertainment and culture in the industry, beyond simply technology. Other dominant areas of industry activity include Orange County, Sacramento, and the metropolitan region of San Diego’s north county, with 71 companies and which hosts Comic-Con, the annual multi-genre entertainment and comic convention where video game companies have a large presence (Milken Institute, 2018).

Regional Breakdown of Arts, Culture, and Entertainment Employment in California

Southern California and the Bay Area have the largest concentration of arts employment, with a combined total of nearly 75 percent of California’s traditional employment and more than 86 percent of the state’s contract employment (Otis Report, 2021). The figure below shows the
breakdown of employment trends by region. We introduce some of the challenges facing the artistic workforce—particularly for contracted workers—in our later discussions.

Although 86 percent of California’s arts and culture economy is contained in the Los Angeles Metro Region and the Bay Area, the remaining regions offer opportunities for growth and expanding a diverse economy throughout the state. Although the broader San Diego and Imperial County region accounts for only 5 percent of the state’s arts and cultural employment, each industry sector within the region has rapidly grown. The entertainment and digital media industries were the fastest growing fields, adding more than 1,200 jobs in San Diego and Imperial Counties between 2010 and 2017. Similarly, the Central Coast and Capitol regions are dominated by the same industries as well. Alternatively, the Inland Empire’s creative industry is dominated by the creation of artistic goods, with nearly 40 percent of the region’s total creative employment (Otis Report, 2021). Despite the small concentration of creative industries in these regions, the lower cost of living and the opportunities for expansion may lead to growth in the field in coming years.

THE ARTS PROVIDE CRITICAL HEALTH BENEFITS TO CALIFORNIA RESIDENTS

As California 100’s Health and Well-Being reports note, the future of healthcare must focus on the social and structural determinants of health to allow for whole person and whole community healing. Part of these efforts must establish a focus on preventative care. Access to arts therapies, participatory arts models, and design-based practices can support individuals experiencing a diverse set of medical challenges, including mental health difficulties as well as dementia and Alzheimer’s. Research shows that participating in visual arts for as little as 10 weeks has been shown to increase the resiliency and neural connectivity of the brain (Bolwerk, 2018). This resiliency can result in increased self-awareness and better memory processing. More than 50 percent of U.S. hospitals now offer some type of arts programming (Wikoff, 2004), due to the acknowledged benefits recognized by medical professionals that the arts can provide to their patients. There is also a growing body of research that demonstrates that the arts can reduce healthcare costs. For example, Tallahassee Memorial HealthCare used a musician during the preparation period for pediatric CT scans and saved more than $560 per procedure (Sonke, 2012). If such a practice was implemented nationally, savings could exceed $2.25 billion (Americans for the Arts, 2018).
Aging Population

California is getting older. According to state projections, more than 9 million Californians will be over the age of 65 by the year 2030. This means that more than 20 percent of the state’s residents will be seniors within the next decade (Graying California, 2022). As the older population grows exponentially, we will need to adopt interventions that can prolong cognitive function, increase quality of life and socialization, and allow for alternatives for a pending shortage of family caregivers (Americans for the Arts, 2018). The arts are already known to be a strong preventative method for dealing with some of these issues, and will likely need to be more widely adopted to improve the health outcomes of our oldest Americans as the population grows.

In California, the Elder Care Alliance conducts arts-based, participatory research meant to include older adults, people living with dementia, and their care partners in all aspects of cultural life. The study—funded by the California Arts Council in 2018-19—focused on the underrepresented demographic of isolated older adults (California Arts Council, 2019). Other research finds that activities such as dancing and playing an instrument lower the risk of dementia. Older adults who do at least 11 cognitive or physical activities per month are 63 percent less likely to have dementia (Vergheese, 2006; Americans for the Arts, 2018). Similar to the findings highlighted above, researchers found that older adults who sang with a choir for a year visited their doctor an average of 2.5 times less per year than older adults who didn’t. This study showed that this preventative care and reduction in visits for older adults saved up to $500 per person, which may result in nationwide savings of more than $40 billion for the nearly 90 million older adults in the United States each year (Cohen et. al., 2006; Americans for the Arts, 2018).

Military Personnel and Veterans’ Mental Health

Just as the arts provide health benefits to older adults, arts have also been proven to help alleviate symptoms of post-traumatic stress and other ailments suffered by active military personnel and veterans. California is home to significant portions of the United States military with large populations spread throughout the state, most notably in San Diego county and in the Sacramento metropolitan area. Arts programs have proven benefits for veterans. Specifically, research found that two out of three soldiers who have been treated with art therapy say that it improved their symptoms of depression (Graves, 2008; Americans for the Arts, 2018) and 85 percent of military patients say that art therapy was helpful to their healing (National Endowment for the Arts).
Americans for the Arts have developed a framework specific to supporting military personnel through the arts through a national plan for action. This framework includes evidence showing that the United States military could save more than $1.7 billion in healthcare costs through evidence-based art therapies, which comprises savings of more than $1,000 per veteran (Americans for the Arts, 2013). California has various arts programs throughout the state to support veterans in their healing. For example, the Veterans Art Project in Vista offers free bronze and ceramics classes to veterans as a way to connect veterans with their community and to provide healing through the process of artmaking. In Los Angeles, the Veterans Project provides a unique style of movement meant to restore inner strengths that have been diminished by trauma and help participants transition back into civilian life.

**Prison Rehabilitation**

As an oft overlooked aspect of community health, arts programs provide solace, strength, and self-expression for incarcerated individuals seeking rehabilitation. A recent study on such programs in California found that:

> “Participation in the arts contributes to reentry goals because it presents opportunities for individuals to begin to redefine themselves, an important factor in desistance from crime. Arts also creates space for individuals to express themselves and learn to communicate, in a way that may facilitate their engagement and compliance with treatment and other services. Art teaches individuals to seek feedback, and to work together with others to produce something. Together, this increases individuals’ ability to cooperate with others, a skill that requires greater self-control and problem-solving skills.” (Garcia-Bunuel, 2019).

California supports several programs in its correctional system to provide art therapies. California Lawyers for the Arts found that participation in arts programs improved inmates’ abilities to understand their own emotions, feel safe expressing themselves, and communicate effectively, all of which are key factors in rehabilitation. Participants also reported lowered racial tension and improved relationships with each other and with guards throughout incarceration (Americans for the Arts, 2018).

Studies in California also showed that rates of parole violation for Arts in Corrections participants were 15 percent lower than nonparticipants six months after release. After two years, this differ-
ence climbed to 30 percent (Americans for the Arts, 2018; CDCR, n.d.). More than half of the Arts in Corrections participants reported that the self-confidence they gained in the arts programs motivated them to participate in other educational and vocational opportunities while incarcerated (Brewster, 2014).

**Arts in Corrections**

Arts in Corrections is a program partnership between the California Department of Corrections and Rehabilitation (CDCR) and the California Arts Council designed to have a positive impact on the social and emotional well-being of people experiencing incarceration by promoting healing and interpersonal transformation (Arts in Corrections, 2022). The program was relaunched in the 2013-14 fiscal year, and CDCR has invested $8 million into the program annually since 2015-16. Since 2019, the California Arts Council has awarded grants totaling more than $150,000 to the California Lawyers of the Arts to provide technical support to the program (California Arts Council, 2022). Arts programming available through Arts in Corrections spans the full spectrum of art disciplines with organizations offering instruction in visual, literary, media, performing, and cultural, folk, and traditional arts. As of June 2017, Arts in Corrections programming is provided at all 35 state adult correctional facilities (Arts in Corrections, 2021).

People experiencing incarceration have endured trauma and there are typically only minimal therapeutic opportunities available to this group. However, these therapies help incarcerated individuals to heal and effectively re-engage with society. Engagement in the arts assists them in coping and combatting ongoing trauma. Studies have found that Arts in Corrections enriches lives through healing, building long-term life skills and self-esteem, cultivating aspirations, and greatly improves participants’ mental health (Eason et. al., 2021).

**Reentry Through the Arts**

Reentry Through the Arts is a grant program funded through the California Arts Council that integrates arts programming with other community-based services that support reentry after incarceration. A study reviewing the program’s first year showed that it positively impacts the lives of formerly incarcerated individuals in California and shows promise as a strategy to achieve reentry success. The study reviewed the program’s impact on four outcomes defining reentry success and found that Reentry Through the Arts facilitated three of these outcomes: abstinence from drug use, employment, and positive couple relationships (Garcia-Bunuel, 2019).

Among many other positive outcomes, the evaluation also found that arts programming has a significant impact: more than three-fourths of participants reported a “great positive impact”
in their abilities to engage with their community, live a life free from re-offending, and improve their quality of life. Participants reported both improvement in developing relationships and in developing individual attributes that facilitated self-discovery and helped control reactions in stressful circumstances (Garcia-Bunuel, 2019).

Reentry Through the Arts is a promising approach that quickly demonstrated positive impacts in its first year. Statistically significant improvements in several pro-social skills and quality of life measures were observed among participants early on. Additionally, the program’s results inform broader questions about the threshold amount of arts that contribute to direct outcomes and can help articulate a theory of change for how arts programming can positively impact participants seeking to rejoin general society after incarceration (Garcia-Bunuel, 2019).

ARTS EDUCATION HELPS YOUNG PEOPLE LEARN AND PERFORM BETTER BOTH ACADEMICALLY AND SOCIALLY

Almost all Americans believe that the arts are vital to providing a well-rounded education and more than 90 percent say students should receive arts education throughout their elementary, middle, and high school years (Americans for the Arts, 2018). In fact, much research details the rich rewards and benefits of the arts in education. Many seminal studies over the last 30 years have elucidated this relationship, showcasing the economic, societal, and individual development gains of the school experience rich in arts education.

Research and education in the arts have an intricate connection to both the for-profit, consumer-centered entertainment industry and the broader social or civic sphere. They both create and support a market for arts, culture, and entertainment, as well as develop its products and its workforce. This feedback loop is an important mechanism in perpetuating consistent arts production and ensuring new opportunities for artistic growth. The need for continued research and education in the arts illustrates the balance and tension between the public and private good.

The rich and well-documented connections between the arts and education, both formal and informal, create a robust case for supporting arts education funding and arts education policy in every community (Americans for the Arts, 2018). Specifically, low-income students with high arts participation have a significantly lower dropout rate—nearly five times lower—and are twice as likely to graduate college as their low-income peers with no arts education (Catterall, 2012).
Additionally, afterschool arts programs save money. For every $1 spent on afterschool programs, local jurisdictions can save up to $9 by reducing social safety net and crime costs. These efforts also improve participating students’ academic performances and ultimately increase their earning potential (Americans for the Arts, 2018). Finally, the arts provide access for young people to become more civically engaged. Seventy-eight percent of young adults who had arts-rich experiences were more likely to vote or participate in a political campaign (Catterall, 2012; Americans for the Arts, 2018).

California has established statewide organizations working to ensure arts education access equitably throughout all regions. For example, the **California County Superintendents Arts Initiative** (CCSESA) is a statewide organization working to deliver high-quality educational support services to every district and community in the state. Through a system of 11 service regions, CCSESA provides an organizational mechanism for the 58 County Superintendents of Schools to design and implement statewide programs to identify and promote cost-effective and quality educational practices and services in the arts, meant to increase the support for their school districts.

### THE ARTS CONTRIBUTE TO CIVIC DIALOGUE AND ENVIRONMENTAL ADVOCACY

In a 2005 article entitled “What the warming world needs now is art, sweet art,” Bill McKibben questioned why the growing climate change crisis wasn’t yet part of the broader cultural discussion. He asked “Where are the books? The plays? The goddamn operas?” (McKibben, 2005). Since this outcry as to the scope and depth of the climate crisis we were nearing, artists have responded to these words with innumerable and invaluable artistic displays of our future. One of the most recognizable pieces of climate-based art is Isaac Cordal’s puddle sculpture, which was unveiled in Berlin, Germany in 2011. This sculpture shows a group of older, well-dressed men submerged in a puddle, their heads just underwater. Nicknamed “Politicians discussing global warming,” the artist explains that his work “refers to the collective inertia that leads us to think that our small actions cannot change anything” (Cordal, 2013). Anecdotal research shows that the use of the arts to illustrate complicated issues related to the environment can inspire thousands of people to take action who would not have otherwise (Kendler and Corr, 2016; Americans for the Arts, 2018).
The same artist also created “Waiting for Climate Change” sculptures on a Belgian beach in 2012. These small sculptures show individuals equipped with emergency protections and armed with their smartphones, but not taking any meaningful action to stop the impending effects of climate change on our world. They similarly become submerged as the tide comes in, showing the rising levels of water climate change will thrust upon us.

Similar installations have occurred in other coastal or water-prominent cities throughout Europe. Specifically, another climate change sculpture in the Grand Canal in Venice, Italy shows a pair of giant hands emerging from the water and reaching out to a nearby building. Titled “Support,” Italian artist Lorenzo Quinn created the piece to generate a sense of urgency for the rising water levels in the water-surrounded and reliant city (Ainley, 2017).

As climate migrants are forced to flee their newly uninhabitable homes, we must be prepared to receive new residents to the United States, and to California in particular. Climate change will disproportionately impact marginalized native populations with fragile, rich cultural histories that will require efforts to preserve and cultivate those cultural and artistic histories (Americans for the Arts, 2018). This acceptance and welcoming practice will both increase awareness of climate migration and will allow those migrants to maintain community cohesion. Artists, in reaction to such unease experienced by this diaspora, can respond with art driven by environmental and ecological issues across all mediums, which will in turn create new public knowledge, dialogue, and action (Americans for the Arts, 2018).

Researchers have found that artistic visualizations of complex scientific concepts help scientists understand the meaning of the data and devise next steps, in addition to helping the general public better understand such concepts (Wilson, 2002; Americans for the Arts, 2018). Moreover, because complex issues like climate change run the risk of disheartening people into inaction instead of inspiring them to be part of the movement, messaging is incredibly important. Research shows that providing examples of energy alternatives and personal actions to mitigate climate damage through artistic images can inspire feelings of success and empowerment in viewers (O’Neill et al, 2013; Americans for the Arts, 2018).

Research also shows that arts activities increase residents’ interest in getting involved in local issues and projects. In fact, 86 percent of civic engagement participants want to be involved in future projects, and after their involvement, people living where projects occurred were more than twice as likely to be civically engaged as those whose blocks did not have projects (Nicodemus, Engh, Mascaro, 2016). The arts also increase individual’s desires to participate in improving their community (Americans for the Arts, 2018): Following engagement in the arts, 63 percent of participants indicated that they had become more aware of and more interested in remedying local challenges (Matarasso, 1997).
As a nation of immigrants, America has had the unique opportunity to share and learn from a diverse diaspora of cultural histories and heritages from throughout the world. However, America has not always done well at preserving immigrant cultures, languages, or traditions, and we should be cognizant of our past injustices that have required many cultures—particularly Native communities—to assimilate by rejecting their own traditions. Particularly as climate migrants enter the United States over the coming years, we must be prepared to provide assistance and resources to help them retain their cultural heritages.

The majority of Americans believe that American culture is improved by immigrant cultures that arrive in the States from backgrounds across the world. In particular, Americans appreciate immigrant contributions to the quality of food, music, and arts that immigrants bring with them, and the proportion of Americans that value immigrant cultures has grown significantly over the past decade (McCarthy, 2018). Moreover, because art improves understanding as it empowers, artistically preserving heritage can help us reconcile difficult histories, encourage self-expression, and aid family healing in service to community empowerment and change (Abriendo Las Cajas, 2009; Americans for the Arts, 2018). It can also connect different cultures that use arts to make sense of the world.

Americans—and Californians—can often forget that our own exploration of our state and nation is considered cultural. In particular, when combined with tourism, arts and cultural heritage visits can have significant economic impacts. In California alone, we have diverse geographic and cultural beauty throughout our state. We can visit the redwoods of Yosemite National Park and the deserts of Death Valley within hours of one another. If we head west instead of south, we can reach hundreds of miles of coastlines along the Pacific Ocean. These diverse regions each have their own unique cultural and historical heritages, with something to offer for all interests and backgrounds. Nearly 70 percent of American travelers traveling more than 50 miles from home say they included a visit to an arts and cultural heritage site during their trip (Americans for the Arts, 2018).

Culture improves immigrants’ psychological well-being, which will be critical as climate migrants arrive on our shores. Specifically, immigrants who participate in culturally meaningful activities, including their indigenous arts, show improved psychological well-being, enhanced
positive emotions and feelings, and deeper social connections with others (Kim, 2015; Americans for the Arts, 2018). Perhaps more importantly for California’s future, immigrants are up to 19 percent more likely to take part in a variety of cultural activities that incorporate technology—particularly the use of television, mobile devices, or the internet to view artforms like classical music, salsa, ballet, contemporary dance, and theater (Novak, 2016; Americans for the Arts, 2018). As we discuss throughout this report, the importance of developing well-educated, technologically literate citizens to retain California’s dominance in our innovation fields, artists are a future workforce that the state must do more to cultivate. Immigrants that enjoy technology can help provide that workforce.

Engaging in cultural heritage and immersion improves academic success. Several decades of research confirm that well-implemented immersion in heritage language and culture improves language acquisition, enhances test performance, increases school retention and graduation rates, college entry, and increases parent involvement and cultural pride (McCarty and Lee, 2014; Americans for the Arts, 2018).

THE ARTS PROMOTE DIVERSITY, EQUITY, AND INCLUSION IN OUR WORLD

Diversity is one of America’s greatest strengths. Historically marginalized groups—Black, Indigenous, and other people of color; women; members of the LGBTQIA+ community; those people with access and functional needs, including disabilities; immigrants, and others—may benefit from the peripheral and fringe benefits that the arts can provide. Research shows that exposure to different cultures and characters representing these groups through media and other artistic forms can help to reduce sexist, racist, xenophobic, ableist, homophobic and other negative views (Kidd, 2013; Americans for the Arts, 2018). Exposure to characters from different backgrounds can allow us to better empathize with real people with those identities when we meet them, which can also lead to tolerance for those groups (Jacobs, 2015).

In addition to acceptance of diversity in our lives, the arts enrich our diverse communities as well. More than 75 percent of diverse, low-income, and highly disadvantaged neighborhoods that established new arts organizations between 2000 and 2010 saw reductions in income disparity that directly correlated to the organizations within those communities (Florida, 2016). As America continues to discuss the role of diversity, equity, and inclusion in our social fabric, it will be integral that we keep the role of the arts and of our diverse cultures at the forefront of that conversation.
As the growth in employment and wages in the entertainment and digital media industries showed in the earlier section on economics in the state, the arts in California are inextricable from the advances of technology. We see evidence of this connection as California’s arts and cultural impacts continue to grow. The majority of arts organizations agree that digital technologies have “played a major role in broadening the boundaries of what is considered art” (Thompson et. al., 2013). In fact, according to LinkedIn, the top tier of the technology industry is competing with one another for design talent. Facebook, Google, and Amazon have collectively grown their art and design staff headcount by 65 percent since 2017 (Maeda, 2017). Therefore, to ensure California’s continued economic growth and increase of talent in the state, we must nurture the connection between technology and the arts.

Although the arts have been inextricably bound with technological innovation for many centuries, California has directly observed the impact that a focus on the arts—particularly the digital arts—can play on this innovation. Basic research conducted in California has resulted in a profound effect on scientific and technological progress. California’s public and private universities have led the charge to perform interdisciplinary work between artists and engineers to advance technology and to improve the tools we use in our everyday lives. These innovators use generative art and design to parse complex systems, which has ultimately created a series of by-products that have been successfully consumerized, such as the iPhone.

As noted in an earlier section, emerging media, by definition, are new communication formats that have not yet become part of an established or traditional artistic medium. Part of the artistic exploration and experimentation that results in technological and scientific advancements may take decades to develop into presentable or usable art. Even then, the new medium is often continuously refined and iterated upon, such as the case with the emerging media of virtual reality and computer-generated imaging. The departments and programs that focus on emerging media are defining a new field where art is becoming an important driver in every area of STEM education. Art continues to evolve in new and unique ways that point to future growth with a new workforce of hybrids between digital media and human generation.

As research and education expands around emerging media, many of these efforts focus on tying arts to engineering. Emerging media exemplifies our ability to process complex information and make meaning through the arts, now at a much greater scale. It is a tool to discern new
things about the world around us, which no other process can quite replicate. It places us both deeply within, and at once outside of, the information at hand, enabling a view like none other. Emerging media, and digital morphogenesis, allows us to undertake such a process with the massive amounts of data now available.

ACCESS TO ENTERTAINMENT HELPED US REMAIN CONNECTED DURING THE COVID-19 PANDEMIC

California has been a world leader in the arts for the past century, commonly trending in popular culture and active entertainment markets. With both Silicon Valley and Hollywood driving much of California’s economic strength from the arts and entertainment, the state frequently generates new digital platforms through which all Americans—not just Californians—can remain connected with family and loved ones. At the start of the COVID-19 pandemic in March 2020, society shifted its attention to art and entertainment in a new and sustained way. With the statewide shelter-in-place order for more than a year, Californians turned to streaming television services like Netflix, video games such as Fortnite, and social media sites such as Instagram, Snapchat, and TikTok to occupy our time and provide us with connections in the virtual realm. Moving forward, the advancements made in technology that allowed us to connect to one another even while staying at home and the art forms that developed out of necessity during those isolating months have demonstrated the speed at which art, culture, and entertainment can shift and transform in our society.

Streaming Services

New entertainment platforms have developed in recent years, dramatically changing the shape of the entertainment market and having an enormous effect on industry, workers, and audience alike. Streaming platforms such as Netflix and Hulu were popular pre-pandemic; however, Nielsen ratings for the first week of March 2020 at the onset of the shutdown report that households were streaming 85 percent more content than the same period in 2019. The 2021 Otis Report on the Creative Economy asserts that “streaming services are no longer just important; rather, they are essential in the eyes of consumers” (Otis Report, 2021).

During early COVID-19 pandemic lockdowns, streaming home entertainment became the primary option for entertainment from the outside world. Streaming services continued to provide new content in the early pandemic dark days, which distracted and delighted viewers facing an
ever-darkening world. As new content only trickled in, due to production shutdowns, the social zeitgeist around new shows and the cultural conversations that proliferated during that time provided viewers with the opportunity to connect to the outside world. For example, the cultural discussion around Netflix’s documentary Tiger King in March 2020 provided both heroes and villains for people to discuss with their families over Zoom.

**Figure 7** Share of Consumers Who Think Streaming Services are Indispensable by Platform

- Hulu On-Demand
- Satellite TV
- Youtube TV
- Free Sits/Apps
- Rental Shows/Movies
- Amazon Prime Video
- Cable TV
- Free Youtube Videos
- Netflix

**SOURCE:** Otis Report on Creative Economy, 2021; **DATA:** TiVo, nScreenMedia. Analysis by Beacon Economics.
Streaming services are now a primary media tool for multinational media corporations (Otis Report, 2021). In recent years, these companies have bundled their platforms via streaming sites to capture a large consumer share of the market. Between Disney+, HBO Max, ESPN, Hulu, Starz, Netflix, and all of the other sites, there will soon be as many streaming platforms as there once were available satellite channels. As Figure 7 shows, satellite TV now ranks near the bottom of preferred platforms through which to find entertainment.

**Video and Online Gaming**

California leads with 27 percent of the nation’s gaming industry, but the gap between California and the next four states–Texas, Washington, New York, and Massachusetts–continues to narrow (Milken Institute, 2018). Mobile video games represent more than half of the total video game market (Newzoo, 2022). The global video games market is expected to reach nearly $220 billion by 2024, even despite stagnant growth during 2021 (ibid.). Given the shelter-in-place shutdowns during 2020, when many people stayed home with only streaming services and online entertainment to fill their time, video and online gaming is the way that many people across the globe filled their time. Mobile video game users played an average of 1.3 games per day (Milken Institute, 2018). Additionally, the average video game player is between 35 and 44-years old and has been playing for 16 years (Entertainment Software Association, 2021).

The pandemic solidified the market for gaming—one that spans the entire industry of Arts, Culture, and Entertainment. Gaming encompasses sports, competition, and entertainment. Many experts and large companies have observed that one beloved character or storyline can launch an insular world in which fans want to live. The Harry Potter book series launched a series of motion pictures, a live theatrical performance, video games, amusement parks, and endless toys and collectibles. As virtual reality and social media expand our ability to connect to others from the comforts of our own homes, the industry will continue to shift as creators, studios, and entrepreneurs seek to capitalize on their work. Moreover, established corporations have brought significant intellectual property to mobile platforms. For example, in 2016, Pokemon GO was the first-of-its-kind augmented reality game, which provided hybrid opportunities for people to play in the real world. Pokemon GO was developed by the California-based company Niantic, an internal startup within Google (Mac, 2016; Milken Institute, 2018).

As with Pokemon GO, virtual, augmented, and mixed reality technologies are becoming increasingly commonplace in video gaming. Virtual reality is the artificial recreation of a world with which users can interact, whereas augmented reality superimposes an image on a user’s view of the real world. Mixed reality is a hybrid technology that takes place in both the physical
and virtual worlds (Milken Institute, 2018). Pokémon GO’s revenue for its first three months exceeded $600 million, making more money through the year than the entire VR gaming market in 2016 (Merel, 2017). Between 2015 and 2016, companies developing both virtual and augmented technologies grew by about 88 percent (Milken Institute, 2018).

Since its launch in 2004, Facebook purchased valuable social media sites to build an empire of social sites. The company formerly known as Facebook now owns Instagram, WhatsApp, and Oculus Virtual Reality among others. In October 2021, Facebook rebranded as “Meta” and reported its goals of establishing and dominating the metaverse. Meta’s CEO Mark Zuckerberg has asserted that the metaverse is the future of the web, a virtual expansive and immersive way to interact with each other and the Internet. With the growth and accessibility of virtual reality technologies, the metaverse may be a closer reality than we imagine. What will our society look like when we can engage civically, artistically, socially, and professionally from the privacy and comforts of our own homes?

Non-Fungible Tokens (NFTs) and Blockchain Platforms

The new technologies of non-fungible tokens (NFTs)—as well as blockchain platforms more broadly—have realigned the arts and entertainment markets in California, and throughout the world, to leverage the existing historical investments in technology advancements with emerging media and art. NFTs are typically referred to as a catch-all term for a type of technology used in the cryptocurrency space, but in reality, an NFT allows consumers to purchase an original and unique digital item from an artist or creator. NFTs can be anything digital, but a lot of the recent excitement has been around using the technology to sell digital art. NFTs have been recently used to collect digital sports memorabilia, to purchase viral digital art, and to share digital music videos directly from the artist. Although you can copy digital files as many times as you want, an NFT provides the buyer with ownership of the original work. To put it in terms of physical art collecting: anyone can buy a Van Gogh print, but only one person can own the original.

NFTs allow artists to sell work for which there may not otherwise be a market because NFTs connect artists directly with blockchain consumers who often see the digital arts as increasingly valuable. NFTs also have a feature that works like royalties—every time the NFT exchanges hands, the artist receives a percentage of the sale. In March 2021 alone, collectors and speculators spent more than $200 million on NFT artwork, nearly matching the total NFTs purchased in 2020 of $250 million. While critics have dismissed this craze as the new passing fad, some artists see NFTs as their first real foray into selling digital art, and with that opportunity comes
hope for many struggling or unseen artists. Because digital art is so freely available, it has long been undervalued, and artists have struggled to generate revenues from their work. With NFTs, artists can create and market digital art that still maintains a level of rarity, similar to traditional (and expensive) pieces of art.

Sports

Even the sports industry—one of America’s most valued forms of entertainment—has observed a large shift. The 2021 Super Bowl saw the lowest ratings it had seen in a decade. Regardless of the reasons for this decline, America’s national sports leagues are seeking new ways to engage fans and to maintain future dominance. Since the younger generations have shifted their attention to online streaming gaming sites, like Twitch and YouTube, traditional sports organizations have adopted esports elements of their brands. Esports is a video game competition, and the NFL, NBA, and MLB have all hosted esports competitions for their respective games. The modern esports boom has facilitated a rise in video games companies embracing the esports potential of their products. Even the International Olympic Committee acknowledged the growing popularity of esports in 2017 and has considered incorporating esports into the Olympic games.

As of 2022, California is a huge market for professional sports. California is home to:

- Five Major League Baseball teams (San Diego Padres, Los Angeles Angels of Anaheim, Los Angeles Dodgers, Oakland Athletics, and San Francisco Giants),
- Three National Football League teams (Los Angeles Rams, Los Angeles Chargers, and San Francisco 49ers),
- One Women’s National Basketball Association team (Los Angeles Sparks) and four men’s National Basketball League teams (Golden State Warriors, Sacramento Kings, Los Angeles Clippers, and Los Angeles Lakers),
- Three National Hockey League teams (Anaheim Ducks, Los Angeles Kings, and San Jose Sharks), and
- Three men’s Major League Soccer teams (Los Angeles Galaxy, San Jose Earthquakes, and Los Angeles Football Club) and two women’s teams in the National Women’s Soccer League (Los Angeles Angel City Football Club and San Diego Wave Football Club).
ARTS PARTICIPATION PROVIDES INDIVIDUAL AND COMMUNITY CONNECTIONS

As discussed in our earlier section on the economic impacts of the arts, many artists enjoy participating in artistic and creative endeavors without the goal of marketing or selling their work. Rather, art for the sake of art is an integral aspect of how we process and interact with the world. The National Endowment for the Arts Survey of Public Participation in the Arts attempts to quantify and recognize the breadth of artistic and cultural forms of expression individuals engage with throughout the United States. The 2017 Survey shows that U.S. adults engage with arts and culture in diverse ways across the country. Specifically, in 2017, 74 percent of U.S. adults—175 million people—used electronic media to consume artistic or arts-related content; 54 percent—133 million—attended artistic, creative, or cultural activities; and another 54 percent created or performed art (NEA, 2017). More than half of adults who attended artistic, creative, or cultural activities did so more than twice a year. In 2017, over half of all U.S. adults—54 percent—made art in the past year—the same share as had attended any arts event. A higher percentage of adults engaged in performing art (40%) than created visual art (33%) or creative writing (7%) (NEA, 2017).

This survey and other relevant studies recognize Americans’ growing desire to engage with the arts on their own terms. Prizing “the allure of control and choice,” Americans seek interactions that “are personally meaningful, immediate and relevant” (Novak-Leonard, Wong, and English, 2015). In 2008, one researcher (Tepper) referred to this new interest to engage with the arts on a highly personal level as the “curatorial me.” According to the National Endowment of the Arts, we exhibit our “curatorial me” preferences in many personal ways, such as by creating a music playlist, browsing a museum’s collection online, or streaming an opera performance (NEA, 2017).
IN MANY WAYS, CALIFORNIA RECOGNIZES THE BENEFITS THAT THE ARTS PROVIDE

IN THE PAST FIVE YEARS, CALIFORNIA HAS FUNDED MANY REGIONAL ARTS PROGRAMS THROUGH THE CALIFORNIA ARTS COUNCIL

State Support for the Arts

In 2021, California ranked 27th in per capita funding for the arts across the United States, appropriating only $0.87 per person for statewide arts programs (National Assembly of State Arts Agencies, 2022). California directly funds local and regional arts through a statewide Arts Council. The California Arts Council receives funding through the state budget allocation process, and awards grants to local and community arts organizations. The California Arts Council’s mission is strengthening arts, culture, and creative expression as the tools to cultivate a better California for all. The Arts Council administers grants and programs to support the state’s arts and cultural communities through the development of partnerships with the public and private sectors to enhance the cultural, educational, social, and economic growth of California. In 2021-22, the California Arts Council has stated that its goals are to prioritize grant funding to nurture and heal communities through the arts; keep the doors of arts and cultural institutions open; protect jobs in the creative field; and to preserve cultural heritage.

Although distinctly separate from the commercial digital media and entertainment arts that this report addressed in the earlier section quantifying the arts’ economic benefits, California’s public support for the arts appears significantly smaller than the economic value that the sector provides to the state. However, as the primary entity demonstrating California’s commitment to a vibrant artistic future, the California Arts Council serves a critical role as the state agency for the arts. In fact, California has substantially increased its arts funding through the California Arts Council recently. Specifically, the 2021-22 fiscal year state budget infused additional one-time funding for the Arts Council, including a $60 million one-time appropriation for the California Creative Corps Pilot Program. This program will support artists and local arts organizations with a focus on art campaigns related to relevant activism of the day: public health awareness, upcoming election opportunities, and social justice and community engagement.
This program requires the California Arts Council to provide grants in every county and to prioritize grants in low-ranking zip codes on the California Healthy Places index.

The California Arts Council has experienced a series of increases in its annual budget from the State General Fund since 2013. The vast majority of this budget goes directly into grants and contracts for regional and local community arts organizations, and some funding remains with the California Arts Council as operating costs. As Figure 8 below shows, the California Arts Council has become substantially better funded in recent years. As of late 2019, the agency

Figure 8

Although the California Arts Council’s Budget Has Grown in Recent Years, the State Has Not Created a Dedicated Funding Mechanism for this Agency

SOURCE: California Arts Council Budget, 2007-2021
had grown by 13 programs including approximately 860 grantees. However, the Council has acknowledged that it has experienced some challenges with staffing due to its sudden growth, particularly given the process by which staffing occurs within the state system (California Arts Council, 2020). In 2021-22, the state infused an additional $100 million in one-time funding for specific arts programs throughout the state. Some of this funding for California’s arts came through the federal American Rescue Plan stimulus program. Although these recent increases for the state’s arts agency are promising, until California develops a non-discretionary mechanism to ensure sustained funding for regional and local arts programs each year, it is likely that the arts will continue to be first on the chopping block during economic downturns, just as the California Arts Council’s budget shows following the Great Recession.

Grants Programs

Since 2017, the California Arts Council has awarded more than 1,900 grants totaling more than $65 million to a diverse group of programs throughout the state. In 2021 alone, the California Arts Council awarded 336 grants totaling $9.2 million to organizations throughout California. The majority of grant funding from the California Arts Council typically goes towards state and regional programs each year, followed by support for media arts programs and music programs. As of March 2022, the California Arts Council has awarded more than $12.7 million in grants throughout California, with a substantial amount of funding coming from the COVID-19 economic stimulus program, the American Rescue Plan.

In 2021, arts programs and organizations from 78 cities throughout the state received grant funding. Perhaps unsurprisingly, programs in San Francisco and Los Angeles received the majority of grants, at 98 grants totaling $2.5 million and 65 grants totaling $1.8 million, respectively. Berkeley, Oakland, and San Diego also had several programs that received no more than $400,000 total. The average grant amount awarded by the California Arts Council in 2021 was for nearly $29,000. The highest grant awarded totaled $145,000 for the California Lawyers for the Arts, and the smallest grant—of which there were many recipients—totaled $10,000.

State-Local Partners

The California Arts Council defines a local arts agency as “the official county-designated organization that supports arts and local cultural activity in service to individuals and communities throughout an entire county” (California Arts Council, 2020). The state provides annual support
Local Arts Partners Fill Critical Support Roles for Communities in California

- **97%** use the arts to address community development issues such as social, education, or economic challenges.
- **81%** expect the demand for their services to increase over the next two years.
- **77%** provide arts education programs and/or services to the community.
- **63%** manage one or more cultural facilities (e.g., performance or exhibition spaces, arts centers, galleries, incubators).
- **53%** work in partnerships with local chambers of commerce.
- **50%** have adopted a diversity, equity, and inclusion statement.
- **47%** work in communities that have integrated the arts into a community-wide planning effort such as a local government master plan or a community foundation’s regional needs assessment.

**Source:** California Arts Council, 2020.
for these organizations through the State-Local Partnership grant program. State grants are designed for general operating support and average $40,195 annually per organization (California Arts Council, 2020).

California has 53 designated State-Local partners. Of those 53 agencies, 43 are nonprofit organizations and 10 are government units. Five counties do not have a designated State-Local Arts Partner: Alpine, Glenn, Kings, San Joaquin, Stanislaus (California Arts Council, 2020). As Figure 9 shows, these partner organizations serve a diverse purpose and fill a needed role in supporting arts throughout California.

As of late 2019, more than 2,000 individuals worked either full- or part-time at the 53 State-Local Arts Partners throughout the state. These partner organizations had more than 2,500 volunteers participating in their work in 2019 as well. Nearly 90 percent of the programming provided by the State-Local Arts Partners allowed for free admission for local and community residents, with more than 2.2 million individuals in attendance at these events. For all of the programming—both paid and free—offered by these partners, local events generated more than $2.4 million in revenues during 2019 (California Arts Council, 2020).

State-Local Arts Partners contribute significantly to the local economy in their communities, particularly through their salaries and benefits, which go to local residents, and through facilities costs for their organizations. In 2019, State-Local Arts Partners had more than $92 million in total direct expenditures in California (California Arts Council, 2020).

CALIFORNIA CULTURAL DISTRICTS

California is exceptionally diverse; no race or ethnic group constitutes a majority: 39 percent of state residents are Latino, 36 percent are white, 15 percent are Asian or Pacific Islander, 6 percent are African American. Although professional employees tracked through the Bureau of Economic Analysis data are more likely to be white than other industries, overall, California’s arts and cultural offerings throughout the state reflect this diversity.

In an attempt to support and enhance this richness, in 2015 the Legislature passed a law to establish criteria and guidelines for state-designated cultural districts throughout the state. The bill authorized the California Arts Council to certify these cultural districts through a competitive application process. In 2017, the California Arts Council announced 14 cultural districts that serve as California’s inaugural state-designated Cultural Districts. These districts highlight the thriving cultural diversity and unique artistic identities within local communities across California.
The California Cultural Districts program aims to leverage the state's artistic and cultural assets. Aligning with the mission and values of the California Arts Council, the districts celebrate the diversity of California while unifying under an umbrella of shared values—helping to grow and sustain authentic grassroots arts and cultural opportunities, increasing the visibility of local artists and community participation in local arts and culture, and promoting socioeconomic and ethnic diversity. Districts also play a conscious role in tackling issues of artist displacement, particularly given the impact of the COVID-19 pandemic on California's artists and cultural workers.

A Cultural District, as outlined by the program, is a well-defined geographic area with a high concentration of cultural resources and activities. Each of the districts will receive the designation for a period of five years, per state legislation. Designation, under this pilot launch of the program, includes benefits such as technical assistance, peer-to-peer exchanges, and branding materials and promotional strategy.
Figure 11  California’s 14 Cultural Districts are Spread Throughout the State

SOURCE: California’s Cultural Districts.
A report on California’s Arts Ecology from 2011 identified the existing arts nonprofits by region. At the time, the authors determined that arts nonprofits throughout the state reflected California’s ethnic and racial diversity as well as its immigrant character. As the figure below shows, 22 percent of California’s arts and culture nonprofits focused on ethnic, folk arts, and multidisciplinary arts work (Markusen, 2011).

**Figure 12  Arts and Cultural Nonprofits by Region**

<table>
<thead>
<tr>
<th>REGIONS</th>
<th>Ethnic, folk arts &amp; multidisciplinary</th>
<th>Humanities, legacy &amp; other museums</th>
<th>Performing arts</th>
<th>Music</th>
<th>Media, film/video, broadcasting &amp; publishing</th>
<th>Visual arts</th>
<th>Arts &amp; culture support</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Coast &amp; North State</td>
<td>17%</td>
<td>27%</td>
<td>16%</td>
<td>9%</td>
<td>11%</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>Northern Central Valley</td>
<td>19%</td>
<td>35%</td>
<td>10%</td>
<td>11%</td>
<td>6%</td>
<td>5%</td>
<td>14%</td>
</tr>
<tr>
<td>Sacramento Metro</td>
<td>19%</td>
<td>23%</td>
<td>17%</td>
<td>13%</td>
<td>9%</td>
<td>4%</td>
<td>14%</td>
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<tr>
<td>Sierra</td>
<td>17%</td>
<td>35%</td>
<td>14%</td>
<td>11%</td>
<td>5%</td>
<td>6%</td>
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<tr>
<td>Bay Area</td>
<td>25%</td>
<td>17%</td>
<td>15%</td>
<td>13%</td>
<td>10%</td>
<td>4%</td>
<td>14%</td>
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<tr>
<td>Central Coast</td>
<td>16%</td>
<td>26%</td>
<td>14%</td>
<td>15%</td>
<td>8%</td>
<td>7%</td>
<td>14%</td>
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<tr>
<td>San Joaquin Valley</td>
<td>28%</td>
<td>26%</td>
<td>10%</td>
<td>13%</td>
<td>5%</td>
<td>6%</td>
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<tr>
<td>Los Angeles Metro</td>
<td>21%</td>
<td>16%</td>
<td>19%</td>
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<tr>
<td>Inland Empire</td>
<td>16%</td>
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<td>14%</td>
<td>6%</td>
<td>5%</td>
<td>13%</td>
</tr>
<tr>
<td>South Coast &amp; Border</td>
<td>19%</td>
<td>24%</td>
<td>16%</td>
<td>13%</td>
<td>7%</td>
<td>6%</td>
<td>15%</td>
</tr>
<tr>
<td>Statewide</td>
<td>22%</td>
<td>20%</td>
<td>26%</td>
<td>13%</td>
<td>9%</td>
<td>5%</td>
<td>14%</td>
</tr>
</tbody>
</table>

**SOURCE:** Markusen, Ann; Gadwa, Anne; Barbour, Elisa; and Beyers, William, et al. September 2011. *California’s Arts and Cultural Ecology.* Markusen Economic Research and The James Irvine Foundation.

**DATA:** National Center for Charitable Statistics, Cultural Data Project.
CREATIVE WORKFORCE ACT OF 2021

In October 2021, California passed the California Creative Workforce Act of 2021. The Legislature explained that there must be greater opportunities for employment, earnings, and job training experiences for creative workers in the state, if California is to retain its premier position in arts and culture, and fully realize the social, cultural, and economic benefits of the creative industries. California passed the Creative Workforce Act of 2021 with the stated goal of increasing access to broad and diverse arts and cultural resources in the state, thus equipping California with the tools needed to lead the country in mobilizing artists and the arts sector.

The California Creative Workforce Act of 2021 establishes creative arts workforce development as a state priority rooted in equitable opportunities for career exploration and participation in creative work for individuals and communities who may have faced barriers to such work due to low levels of public and private investment. The Act requires the California Arts Council to consult with the California Workforce Development Board to design and award a grant program to promote equitable employment opportunities for creative workers throughout the State. Establishing and recognizing the State’s need to develop and expand career opportunities for creative workers may demonstrate an opportunity to increase focus and participation in the arts sector in coming years.

CALIFORNIA REQUIRES ARTS EDUCATION IN VARIOUS FORMS

As of January 2019, arts education is a required part of the California curriculum from kindergarten through 12th grade in five disciplines: dance, media arts, music, theater, and visual arts. California’s arts standards seek to promote artistic literacy through arts as communication, as creative personal realization, as cultural and historical connectors, as a means to well-being, as community engagement, and as a profession (California Arts Standards, 2019). Schools may also provide arts education through afterschool programs and summer programs. The state funds the After School Education and Safety program ($646 million annually) and the Expanded Learning Opportunities Program, which was recently established in 2021-22 at $1.8 billion (LAO, 2021).
California’s Arts, Media, and Entertainment Workforce Training Initiative

California has attempted to expand educational offerings to prepare public secondary students for careers and opportunities in the arts through its Arts, Media, and Entertainment program. The California Department established this technical training program in 2005 to prepare students to join the global workforce and become the creative communications leaders for the 21st century. Unlike other educational opportunities for the arts, the Arts, Media, and Entertainment program provides “hands-on” technical training for students, meant to give them practical vocational skills for use in the workforce. In 2019, the Arts, Media, and Entertainment industry sector served 231,000 students, making it the largest Career Technical Education (CTE) sector in the state.

California CTE Model Curriculum Standards focus on developing students’ knowledge, skills, and practical experience specifically in preparation for work in the field after graduation, unlike other arts classes which do not include a career readiness component. Within the Arts, Media, and Entertainment industry sector, the California Department of Education defines four workforce pathways for students to pursue:

1. Design, Visual, and Media Arts
2. Performing Arts
3. Production and Managerial Arts
4. Game Design and Integration.

The Arts, Media, and Entertainment Workforce Training Initiative aims to support the need for diversity, equity, and inclusion in the entertainment industry. Its website explains that, by connecting public high school career technical education programs to youth apprenticeships and career training opportunities in the entertainment industry, studios and hiring entities can help provide access for young people from under-resourced communities. The workforce initiative has targeted the sectors of Commercial Music and Professional Audio; Animation, Game Design, and Visual Effects; and Set, Stage, and Live Event Production for these apprenticeships.

Further, in February 2020, the Arts, Media, and Entertainment industry sector announced the first State-sponsored Hip Hop Education grant program called the Hip Hop Education and Equity Initiative (H2E2). H2E2 aims to establish a statewide network of qualified Hip Hop and urban cultural educators and provide resources, mentorship, and support for teaching artists and industry professionals in partnering with public schools. Additionally, H2E2 seeks to support partnerships between the existing Arts, Media, and Entertainment programs and Hip
Hop teaching artists to create a model for Hip Hop-focused programs throughout the State with credentialed and qualified teaching artists. The H2E2 Initiative was established to address teacher shortage and retention issues in high-need schools by establishing a pipeline for aspiring teaching artists, advisory partners, and Hip Hop professionals interested in becoming credentialed educators and industry partners in career technical education programs in the arts, media, and entertainment industry sector and beyond. The initiative aims to establish resources and create opportunities that build culturally responsive programs that teach relevant skills and competencies to help students graduate high school and equip them for college and careers in creative industries.

The California Department of Education has partnered with the California Film Commission to provide career readiness opportunities for California’s students enrolled in the technical training program. Through this partnership, film and video production companies provide a variety of “career readiness” opportunities for students and teachers. The California Department of Education’s standards state that this work will help create a workforce pipeline for the future:

“Of all the career industries, the Arts, Media, and Entertainment sector requires perhaps the greatest cross-disciplinary interaction because the work in this sector has a propensity to be largely project-based, requiring both independent work and interdependent management skills for career success. New technologies are also constantly reshaping the boundaries and skill sets of many arts career pathways.”

CALIFORNIA CONTINUES TO DEMONSTRATE ITS TECHNOLOGY SUPREMACY THROUGH ITS HIGHER EDUCATION RESEARCH INSTITUTIONS

California has remained a strong leader in arts research through its higher education institutions. Computers are the essential tool for this new form of art. The growth of information technology companies in Silicon Valley and throughout the state indicate that California has the opportunity to further secure its position as a leader in the intersection of art and technological advancement. Because much of this growth is linked to research performed in the various universities and national laboratories throughout the state, California may expand its leadership by spreading this technology to other areas of the state. As Virtual and Augmented Reality,
Gaming, and Computer-Generated Imaging (CGI) technologies continue to advance, California’s continued research and advancement in the corresponding fields will be critical to its success.

Many colleges and universities in California offer research and educational opportunities for careers in emerging and new media. As these fields have grown in California to provide employment and career opportunities for the 21st century, specialized art, game design, and virtual/augmented reality schools have become established centers of opportunity in California. For example, Walt Disney launched the California Institute of the Arts (CalArts) in northern Los Angeles County. CalArts offers Bachelor of Fine Arts degrees in specific concentrations: Graphic Design, Experimental Animation, and Sound Design. Similarly, the California Institute of Technology (CalTech) is a science and engineering institute that offers large-scale research facilities, including Virtual and Augmented Reality research.

California boasts public institutions that also work to advance technological innovations through an intersection of arts and science. The University of California (UC) is one of the largest public research institutions in the world with 10 campuses and three national laboratories. Most of these campuses perform graduate level research for the Arts, specifically in emerging media. For example, the Graduate Programs in Media Arts and Science at the UC campuses focus closely on the arts as an important driver for research in emerging media. UC Santa Barbara’s Graduate Program in Media Arts and Technology (MAT) focuses on scientific visualization of materials at the nano-scale. The M.S. and Ph.D. degrees in MAT “provide for an interdisciplinary experience, building on a core set of skills and knowledge, with an emphasis on research and collaboration in digital media systems, content, and interaction.” Students in these programs may focus on specific areas of emphasis, such as Multimedia Engineering, Visual and Spatial Arts, and Electronic Music and Sound Design, according to their backgrounds and career interests.

Many of the UC’s programs also focus on virtual and augmented reality research. Virtual and augmented reality development has encouraged employment and economic growth throughout the state around this new field. For example, UC San Diego’s School of Engineering offers a Virtual Reality App Development certificate Program. This program explores existing virtual reality technology, writing virtual reality software, and creating virtual reality applications. Undergraduate Computer Science students at UC San Diego have access to the Immersive Visualization Lab and Virtual Reality Lab, the first of its kind at an American university. With virtual reality headsets everywhere, the school calls the lab “a cross between a classroom and a tech pavilion at the annual Consumer Electronics Show in Las Vegas” (UCSD, 2017).

Similarly, private universities in California continue to fund advances in technology tied to arts research. Stanford has engaged in groundbreaking collaborations with Silicon Valley compa-
nies, such as Bell Labs and Xerox Parc. Stanford’s Center for Computer Research in Music and Acoustics connects its Engineering department with advanced signal processing research in audio and human computer interaction. Stanford also has its Virtual Reality & Immersive Technology program, which is the “first clinically focused academic endeavor dedicated to studying immersive technologies” such as AR/VR “in mental and behavioral health settings in a broad range of disciplines” (Stanford, 2022). The program also manages the Virtual Reality & Immersive Technology Clinic, which “incorporates the most current and emerging methods of virtual and augmented reality treatments into traditional cognitive behavior and mindfulness-based therapies, taking a holistic, customized, and personal approach to each patient” (Stanford, 2022). The University of Southern California (USC) also performs critical research in film and new media as well as Human-Computer Interaction through its Institute for Creative Technologies. USC’s Institute for Creative Technologies designs and explores programs utilizing virtual and augmented reality to assist veterans in countering the effects of post-traumatic stress.

The Entertainment Software Association found a strong correlation between the number of video gaming studies programs and the number of video game firms in a state (Milken Institute, 2018). According to The Princeton Review, as of 2022, USC in Los Angeles is the top school for undergraduate game design in the U.S. Two other California institutions are in the top 20: the University of Silicon Valley in San Jose and the Laguna College of Art and Design in Laguna Beach. For graduate level game design programs, USC remains in the top four schools, joined by UC Santa Cruz, the Laguna College of Art and Design, and the New York Film Academy in Burbank within the top 25 graduate programs. Some lower-cost state schools and community colleges are adding programs as well. In fall 2016, Santa Monica College implemented a new bachelor’s degree program in interaction design, a four-year degree which costs just over $10,000. Santa Monica College boasts that top Los Angeles tech and entertainment companies affirmed the need for their interaction design program, including Microsoft, Warner Brothers, Disney, Fox TV, and Amazon Web Services (Santa Monica College, 2022).

By defining the field of emerging media as basic research for advanced technology and innovation, California will continue to secure its leadership in this area. One of the important challenges is catalyzing and sustaining the role of strategic government investments in this advanced technology and basic research. Government investments must be part of the mix of public, private, and philanthropic investments for educational, economic, and workforce benefits connected with the arts in its role as emerging media. Another challenge is clarifying and defining the interrelationships between university research, commercialization and commodification of new products, and regional economic development through the new industries developed around new media.
STILL, CALIFORNIA’S ARTS AND CULTURAL SECTOR FACES MANY CHALLENGES

CALIFORNIA’S ARTS, CULTURE, AND ENTERTAINMENT REALM SUFFERS FROM FRAGMENTATION

Because of its expansive and complex nature, the arts, culture, and entertainment sector suffers from severe fragmentation. Work in these areas span the visual arts, architecture, music, poetry and the performing arts of dance, music, opera, and theater. Because creators in the field work in both the public and private realms, their experiences may vary greatly in their economic outcomes and the type of work they do. Because of this diversity and variation, it is often difficult to speak about “the arts and entertainment” as one cohesive unit or topic. We consider some of the more significant challenges created by this fragmentation below. However, each individual style or type of art may present these issues differently. Moreover, fragmentation within the arts may affect different artists and cultural workers, particularly Black, Indigenous, and other artists of color, in nuanced and specific ways.

Although Arts Nonprofits Once Served Local Communities, the Purpose of and Funding for Nonprofits is Dwindling

Nonprofits support a great deal of art and entertainment such as ballet, modern dance, opera, community enrichment programs, symphonies, jazz, theater, concerts, art museums, and many other artistic areas. It was once believed that government support for nonprofits would “offset market failures and address issues of equitable access to public goods” (The James Irvine Foundation, 2006). However, given the supremacy of the commercial entertainment industry as one sector of the arts in California, this rationale is difficult to accept in today’s modern world. The James Irvine Foundation’s report on Critical Issues Facing the Arts in California from 2006 notes:
“After four decades of expansion and diversification in the number and type of nonprofit cultural providers, encouraged by funding from government, foundations, and individuals, the United States’ nonprofit cultural sector now faces serious challenges to its future viability. One of the main threats is a shift in the way the public values culture, both in style and in substance.”

Although individuals still engage with arts activities at a personal level, the report found that audiences at nonprofit arts organizations were generally flat or shrinking, due to the oversaturation of cultural institutions in the field (The James Irvine Foundation, 2006). This oversaturation is marked, given that nonprofit arts organizations compete both with one another for audience participation and community engagement, but also with the entire scope of commercial and alternative leisure and entertainment options available.

In 2011, California had nearly 11,000 arts and cultural nonprofits throughout the State (Markusen, 2001). As noted in the section on California Arts Council’s grant programs above, the California Arts Council awarded 336 grants (to about 3% of the nonprofits in the state) totaling $9.2 million to organizations throughout California in 2021, but this is merely an average of $27,000 per organization – hardly enough to support anything more than a small number of events. Although no more recent analysis has been performed to quantify the remaining number of arts nonprofits in California over the past decade, other research shows that arts nonprofits have been struggling and dwindling due to external forces, particularly given the impact of the COVID-19 pandemic on arts organizations as well as artists directly (Abruzzo et. al., 2020).

Recent Changes to Employment Law Will Negatively Impact Artists Working in the Gig Economy and for Some Nonprofit Organizations

Artists and cultural workers are employed by a variety of organizations in two main capacities, either as employees or as contractors. Contract employment is high in the Arts, Culture, and Entertainment sector overall, particularly in the sectors shown in the figure below. The 2021 Otis Report on the Creative Economy found that contract employment occurred more frequently than wage and salary employment, particularly in the entertainment and digital media sectors as well as the architecture and related services fields (Otis Report, 2021).
Artists, and others who work in the arts, cultural, and entertainment industries, have been particularly affected by the pandemic’s economic effects on the arts and cultural sector and the sector’s reliance on nonstandard work arrangements. The COVID-19 crisis has exacerbated economic insecurity for arts workers with substantial effects on employment and work and estimated economic losses of more than $14 billion to the arts and cultural sector nationally (Yang, 2021). Artists who work as independent contractors often share characteristics of economic vulnerability with other independent contractors in low-paid work (Yang, 2021), demonstrating a need for greater worker protections and social insurance for these workers—a discussion of which has been on California’s radar for years. Addressing this issue may also enhance access to the arts as a profession for a broader and more diverse group of workers.
**GIG ECONOMY:** Refers to a work environment where labor is structured around temporary employment, contracts, and projects ('gigs'). Instead of receiving hourly or salaried compensation, workers are paid by one-time projects or tasks.

Although people often think of platform companies like Uber, DoorDash, or TaskRabbit when they think of the “gig economy,” the term is rooted in the iconic short-term contracting work that artists and other arts workers have long performed. The original gig workers, musicians and other performing artists have historically lacked a consistent relationship with a single or
static employer. However, this new gig economy has demonstrated the need for California to update and clarify how workplace laws apply to evolving work relationships.

When working as employees, individuals receive wage and hour law protections (e.g., minimum wage, overtime, rest and meal breaks, etc.). The employer withholds payroll deductions and taxes, sharing the tax burden with the employee. Employees are guaranteed a regular method and timing of payment and receive legally mandated benefits and protections (e.g., Worker’s Compensation insurance, Unemployment insurance, State Disability insurance, and paid sick leave). Moreover, employees qualify for protections under the Fair Labor Standards Act, the Americans with Disabilities Act, and the Civil Rights Act. Finally, employees are granted the ability to unionize. However, none of these protections or benefits are awarded to contractors. In fact, under most circumstances, independent contractors must pay additional personal taxes in order to protect themselves within these programs usually provided by the employer (Yang, 2021).

California is home to many businesses that classify their workers as independent contractors rather than employees. New app-based “gig economy” companies have exposed long-standing concerns about business models that rely on a misclassification of workers. Because businesses can reduce labor costs by about 30 percent by classifying workers as independent contractors rather than employees, those companies have an incentive to do so. Studies from the National Employment Law Project showed that between 10 and 30 percent of audited employers misclassified workers between 2017 and 2019 (NELP, 2020), which meant that these employees did not receive the benefits they deserved. Specifically, the California Economic Development Department (EDD) identified more than 4,000 misclassified workers in the music industry between July 2018, and December 2019. Over the same time period, nearly 2,000 workers in the theater industry had been misclassified (NELP, 2020). In addition, U.S. Treasury economists have found that self-employment has risen by about 30 percent since 2001, and nearly all of that increase is from the growing number of self-employed workers who appear to be either independent contractors or misclassified workers (Jackson et. al., 2017).

In an effort to reduce these misclassifications, California began establishing worker protections for contracted workers in 2018. Specifically, in April 2018, the California Supreme Court established the “ABC test” in order to determine whether a worker was an employee or an independent contractor in its ruling in Dynamex Operations West v. Superior Court of Los Angeles. Through this ruling, the State Supreme Court set the precedent that workers should be presumed to be employees, rather than the other way around (Dynamex, 2018). The only way a hiring employer could consider a worker to be an independent contractor instead of an employee would be through proving each part of the ABC test. Following the Dynamex ruling, California codified the ABC text into law through Assembly Bill 5 (AB 5) in September 2019. The exact language of the ABC test in California law is as follows:
(A) The person is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

(B) The person performs work that is outside the usual course of the hiring entity’s business.

(C) The person is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed (LegInfo, 2019).

Analysis has found that some work relationships for independent contractors in both nonprofit and for-profit spaces will not meet the ABC test, such as in theater or dance companies that exercise substantial control over the performance of the work, which means that workers in those spaces must typically be treated as full employees (Yang, 2021). Because of the high costs to employers—and therefore to the potential employees for whom these employers must now provide benefits—AB 5 has taken clear steps to ensure that worker misclassification, particularly in arts-dominated work, is not ignored.

To address the potentially difficult threshold to meet under the ABC test, the Legislature sought to clarify AB 5 by enacting AB 2257 in 2020 to exempt numerous occupations and business relationships from the ABC test, including professions such as physicians, veterinarians, and lawyers, as well as creative jobs such as architects, performance artists who set their own terms of work, recording musicians, and certain writers and photographers (LegInfo, 2020; Yang, 2021). Because this clarification did not exempt app-based rideshare or delivery drivers, California voters voted on Proposition 22 to exempt app-based drivers from the worker classifications under AB 5. The controversial proposition passed with more than 58 percent of the vote in November 2020 (California Secretary of State, 2020).

Despite the efforts of AB 5 to provide for worker protections, many freelancers, including artists and writers, have raised concerns about the effects of the law on their work. Specifically, freelance artists fear that jobs may leave California, short-term gigs may disappear, and organizations may close because hiring entities cannot afford to put arts workers on their payrolls (Yang, 2021). California’s back-and-forth debates over employment classification standards have highlighted our need for innovative solutions that promote independent contractor work, prevent misclassification, and allow industries to come into compliance upon using contracted labor in order to continue to afford operating (such as the nonprofit arts sector). Well-protected independent work is vital for many artists, arts workers, and other creative freelancers to achieve
greater financial security, find work-life balance, and create opportunities to work in flexible ways that promote creativity (Yang, 2021).

The Platform Economy Has Created New Opportunities and Challenges for Artists and California

PLATFORM ECONOMY:
Platforms are a new organizational form based on a relationship between the platform and the ecosystem of firms dependent on the platform, and users who interact and transact through it (Deloitte, 2019).

Social media and online platforms have changed (and will continue to change) the ways artists engage and interact with audiences. These platforms are replacing traditional intermediaries, and allow artists to build communities around their work or to sell their work directly through an online marketplace. In some cases, these platforms are actually growing new–or previously untapped–markets for artwork. Etsy reported that 1.6 million artists were selling on its platform in 2014, offering 35 million items, and directly attracting 24 million buyers (Center for Cultural Innovation, 2016).

However, despite this direct artist-to-consumer contact, many challenges in the field persist. The Center for Cultural Innovation’s 2016 report Creativity Connects: Trends and Conditions Affecting U.S. Artists outlines some such concerns. First of all, the report points out that the availability of vast amounts of digital content has undermined the traditional compensation structures of fields with reproducible products, such as music, photography, literature, and journalism. This vast digital availability of content has also generated new challenges related to intellectual property rights for artists who work in these areas. Specifically, although artists may benefit from digital platforms that facilitate their access to audiences, these platforms are typically designed with consumers, rather than artists, in mind as the primary users (Erickson and Cook, 2016; Huttler, 2016). As a result, they prioritize providing content at low cost and often do not pay artists well or allow them to determine how their work will be used.
In addition, technology has opened up new opportunities for self-employment with online platforms that enable artists to distribute and sell their art to a broader audience. As technology has spurred new opportunities for arts workers to pursue the arts through self-employment, it has also meant these workers have fewer opportunities to accrue benefits and receive protections as full-time workers. The growing diversity of work relationships makes it increasingly vital to create a more inclusive social contract to ensure it supports everyone who works by extending the benefits and protections awarded to full-time employees to all workers (Yang, 2021).

Additionally, platforms like TikTok and YouTube give the illusion of neutrality because anyone can upload content, and oftentimes receive thousands of views. However, many of the old systems of power distribution have migrated into the new technological world (Figlerowicz, 2016). Although there are occasional viral hits, corporations continue to exert control over most of what gets seen, distributed, promoted, and shared at scale. While companies like Meta, TikTok, Spotify, and Netflix benefit from the “long tail” of products finding niche audiences, these sales do not typically provide a living wage for the artists themselves (Center for Cultural Innovation, 2016).

California’s K-12 Public Education Fails to Provide Access and Opportunity Through Its Arts Programming

Compared to other similar states and even its own standards, California does not provide adequate arts education in K-12 public schools, despite the benefits to student achievement and success. In California, nearly 60 percent of K-12 students are not enrolled in required arts education (California Arts Education Data Project, 2022) (see Figure 16 on page 65). This access issue is significantly worse than some other states. In fact, only 26 percent of California’s students have access to the level of arts education required by California standards (California Arts Education Data Project, 2022). Since 2014, access to required arts education courses has dropped nearly 5 percent throughout the state. Rural counties have the lowest levels of arts education access, as the figure shows. For students of color, English language learners, rural, and low-income students, the disparities are more severe. Schools with high numbers of Black and Latino students are also less likely to provide access to arts education courses (ACLU Arts Justice Report Card, 2022).
Only one in five public schools in California has a dedicated teacher for traditional arts programs like music, dance, theater, and art, or newer media for the arts, such as computer graphics, animation, coding, costume design, and filmmaking (EdSource, 2022). As unstable funding has affected California’s public schools, over 70 percent of all school principals said that inadequate funding was a significant barrier to providing arts education to their students (Initiative Petition #21-0036, 2021).

Through national surveys, employers list complex problem-solving, critical thinking, and creativity as their top three desired skills (World Economic Forum, 2016). Students learn these skills particularly well through arts education. However, as California falls behind in providing adequate arts education to students, California may not have a sufficient workforce to fill the need for arts-based employment throughout the state. As a result, California may lose its

**Figure 15** California Has Relatively Low Rates of Arts Enrollment Compared to Other States

<table>
<thead>
<tr>
<th>State</th>
<th>Arts Enrollment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>39%</td>
</tr>
<tr>
<td>Arizona</td>
<td>68%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>69%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>70%</td>
</tr>
<tr>
<td>Ohio</td>
<td>73%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>75%</td>
</tr>
</tbody>
</table>

**Source:** ACLU SoCal.
dominance in the creative economic and cultural workforce of the future. As other countries focus on arts education and cultural discourse, the United States—and California specifically—may lose its place as the world leader. Moreover, California residents interested in pursuing careers in the arts and entertainment industries may not have the skills necessary to do so, and may be replaced by higher-performing foreign-born employees.

California has begun to acknowledge this deficiency and is taking steps to improve arts education access throughout the state. In November 2022, Californians will vote on the Arts and Music in Schools–Funding Guarantee Accountability Act measure to decide whether the state should provide nearly $900 million to arts education in public schools.

**Figure 16** Even the Highest Arts Enrollment by County Shows That California Does Not Provide Enough Access to Arts Education for Students

**SOURCE:** California Arts Education Data Project, 2022.
CALIFORNIA HAS REDUCED STATE FUNDING FOR PUBLIC RESEARCH INSTITUTIONS, WEAKENING OPPORTUNITIES TO PROMOTE TECHNOLOGICAL ADVANCEMENT THROUGH THE ARTS

As this report identified in the section beginning on page 36, California’s arts are inextricably linked with its innovation and technological advancement efforts. However, due to the state’s reduced appropriations for higher education over time, California lags behind peer states, such as Massachusetts, Colorado, and Virginia, in its science, technology, engineering, and mathematics (STEM) degree production. While the state ranked 8th in the Milken Institute’s “State Technology and Science Index” for human capital investment in 2020, it is increasingly challenging to obtain a higher education degree because of the high cost of tuition and living in California (Milken Institute, 2020). Without this critical funding, technological advancement in emerging media and new workforce pathways may become privatized and inaccessible as opportunities to solve modern and future challenges of the day.

State higher education funding has declined as a share of the budget over the past four decades. Higher education spending accounted for 18 percent of the state budget in 1976–77, but forty years later, higher education funding had fallen to 12 percent of the budget by 2016–17. These funding cuts have been felt most strongly at the University of California, where funding per student fell from slightly more than $23,000 to about $8,000. Funding per student in the California State University system has also fallen by about 25 percent since 1976–77.

In 1988, California passed Proposition 98. This law requires a minimum portion of the state budget to be allocated for K–14 education. Before Proposition 98, each of the three higher education systems received nearly equal shares of state funding. By 2015–16, the University of California and California State University systems were sharing about 40 percent of the state funding, while 60 percent was allocated to the community colleges. This has caused a serious reduction in funding for graduate research, particularly at the University of California. Specifically, graduate student funding is non-existent through government grants with the exception of funding from research grants.

With these continuous budget cuts from the state, universities rely upon faculty to bring in extramural funding to operate the campuses. The sciences receive the lion’s share of funding from major research funders, including the National Science Foundation (NSF), National Institutes of Health (NIH), the Department of Energy (DOE), and the Department of Defense (DOD) through the Defense Advanced Research Projects Agency (DARPA). Since the universities are dependent on the faculty to fund students through extramural funding, the STEM disciplines...
are the most successful in accruing enough funding to have a workforce of graduate students for research, which then funds the educational departments as well. The University of California has a 55.5 percent overhead charge to every government funded grant, and as a result, functions on this overhead as operational support. Because this leaves very little opportunity for arts researchers to receive funding, arts research and education is in a precarious position. Despite the tremendous growth of new departments focused on the Media Arts, particularly at the University of California, it is not clear whether they will have long-term support.

**HIGH BARRIERS TO ENTRY FROM COSTS AND STUDENT LOAN DEBT PARTICULARLY IMPACT ARTISTS OF COLOR**

Many Californians—particularly those from low socioeconomic backgrounds—face challenges to entering the field as full-time artists or cultural workers. Many artistic disciplines require higher levels of education than other lower-paid positions that may be easier to enter. Specifically, many artistic spaces require bachelor’s degrees and expect employees to also have obtained master’s degrees as well (Yang et. al., 2021). More than half of California’s artists have a bachelor’s degree or higher (51%), compared with 24 percent of the state’s overall workforce (ibid.). However, the costs to achieve these levels of education are a barrier to entry that prevent many artists from ever entering the field, particularly artists of color. For example, a 2013 report on inequality in arts training describes results of more than 66,000 arts alumni and found that 76 percent of Black alumni and 72 percent of Latino alumni accrued student loan debt to attend their institutions, compared with 52 percent of white alumni (Strategic National Arts Alumni Project, 2013; Yang et. al., 2021).

These barriers also contribute to a lack of racial and ethnic diversity compared with the overall labor force in some arts occupations, particularly in California (Yang et. al., 2021). In its 2017 annual report, the Strategic National Arts Alumni Project found that two financial measures were substantially linked to both satisfaction and feelings of connection with one’s institution: (1) whether alumni took out student loans to fund their education and (2) to what degree student debt impacted their career and educational choices (SNAAP, 2017). The survey found that alumni whose student debt had a major impact on their decisions rated their overall educational experience lower than those who did not incur such debt (ibid.). In this survey, Black artists reported that access to loans was the most needed resource lacking in their careers as opposed to white, Latino, and Asian respondents, who all rated publicity and recognition as their most
common need to participate in their artistic field (ibid.). These responses indicate that student loan debt may continue to reduce the participation of Black, Indigenous, and other artists of color from entering the field.

In July 2019, some of California’s Native and Indigenous artists participated in a community-led meeting with the California Arts Council to identify challenges and plan for a future convening. During that discussion, participants identified pervasive challenges surrounding personal and community identity, namely erasure and invisibility in the California artistic sphere (California Arts Council, 2019). Participants particularly shared that they experienced the low cultural competence of some funders and potential collaborators, as well as cultural appropriation by non-native artists (ibid.).

**ORIGINS OF CALIFORNIA’S ARTS HISTORY**

**CALIFORNIA’S RICH HISTORY OF DIVERSE CULTURES**

The following section provides a series of vignettes about California arts history in order to indicate its diverse influences and sources. It is not, nor could it be in a small number of pages, a history of arts in California, but it does provide a sense of the richness of California’s cultural and artistic history.

**EARLY CALIFORNIA THROUGH THE GOLD RUSH**

The California Gold Rush of the 1850s is still seen as a symbol of California’s modern economic style, which includes a pioneering spirit committed to generating technology, social ventures, entertainment, and innovations that are frequently followed all around the globe. In fact, the Gold Rush led to many of California’s efforts to protect its cultural heritage, geographic landmarks, and artistic contributions. In 1862, leaders conceived of the first state park at Yosemite
“set aside [natural lands] purely for the purpose of preservation and public enjoyment” (California State Parks). The land preserved by California was eventually returned to the federal government in 1906 to become part of the surrounding Yosemite National Park. In 1901, following local calls for preservation of California's redwood trees, the state purchased the 2,500 acres to establish Big Basin Redwoods State Park, the oldest state park.

Mission Basilica San Diego de Alcala as a California Cultural Heritage Site

Although Spain originally explored California during the 1500s, it did not colonize the state in earnest until the 18th century. By 1823, Franciscan priest Junípero Serra and other expeditions under the Spanish banner had founded 21 missions between San Diego and Sonoma as a way to advance and secure Spain's colonial borders. Unfortunately, the missions serve as a colonial erasure for many of California's native and indigenous tribes. Spain established these missions to convert the indigenous population to Christianity.

**Mission Basilica San Diego de Alcala**

![Mission Basilica San Diego de Alcala](source: Bill Gracey, Creative Commons. National Park Service: San Diego Mission de Alcala.)
California’s first mission—**Mission Basilica San Diego de Alcala**—was founded on July 16, 1769. The Mission was relocated to its present site in 1774 to be closer to the American Indian (Kumeyaay) villages, which were a reliable source of water and good land for farming. After skirmishes between the Franciscans and the local tribes, the mission was rebuilt over the next decades. The United States military used the mission to house its cavalry from 1850 to 1857 following the end of the U.S.-Mexican war, but President Abraham Lincoln restored the lands to the church in 1862.

Latino Californians have always been among the largest cultural groups in the state. The names of many Californian cities are of Native and Hispanic origins. Hispanic architecture styles can continue to be seen throughout California and are distinctive displays of California’s history.

**LATE 19TH CENTURY THROUGH WORLD WAR II**

**California Impressionism**

From the late 1800s through the Great Depression, the painting style of the California impressionists flourished. Due to the beautiful California landscape, these artists painted the mountains, coastlines, deserts, and rolling hills iconic to California’s geography. Later termed “the California Plein-Air” painters in the 1970s to describe this particular artistic movement, these artists generally painted in a bright, colorful palette with broad brush work reflecting some influence from French Impressionism and Post-Impressionism. After 1915, when San Francisco hosted the Panama-Pacific International Exposition, many European impressionist masters shared their art with California’s artists (Richman-Abdou, 2018). Art colonies in places like Carmel-by-the-Sea and Laguna Beach, as well as in cities like San Francisco, Los Angeles and Pasadena, and prestigious arts organizations like the California Art Club among others allowed these artists to quickly popularize the style throughout the state. The California Impressionist style waned gradually during the early years of the Great Depression, mirroring the shift away from American Impressionism in the arts sphere more broadly.

**Hearst Castle as a California Cultural Heritage Site**

Although his family purchased the 40,000 acres of ranchland in 1865, it wasn’t until 1919 that publishing and broadcasting visionary William Randolph Hearst began to conceive of what would ultimately become Hearst Castle. He expanded his family’s acreage, eventually owning more than 250,000 acres of land along the Central Coast in San Simeon, California. To develop
a European-style castle atop a hill overlooking the coast, Hearst hired renowned Bay Area architect Julia Morgan. Between 1919 and 1947, Julia Morgan oversaw the construction of the 165 room grand estate, including indoor pools, on-site zoo, and arts collection. Julia Morgan's distinctive California-style of architecture can be seen at many buildings throughout the state, but is most notable for Hearst Castle.

**Figure 18**  
**Hearst Castle's Indoor Pool, Designed by Julia Morgan**  

[Image of the indoor pool at Hearst Castle]

**SOURCE:** Hearst Castle / CA State Parks Facebook page, retrieved from KTLA.

**MODERN CALIFORNIA CULTURE**

As a landing point in the United States for many immigrant groups—particularly for immigrants from East Asia, Southeast Asia, and Latin America—California’s arts and culture has been greatly influenced by these groups and their cultural heritages.
Mexican Mural and Chicano Art Movement

The Mexican Mural Movement preceded and ultimately led to the Chicano Art Movement throughout Southern California between the 1920s and 1960s. The Mexican Mural Movement was born in Los Angeles in the early 1920s, led by three of Mexico’s greatest 20th century artists: Jose Céleme Orozco, Diego Rivera, and David Alfaro Siqueiros. Throughout the city, muralists depicted traditional working class Mexicans blended with Mexican nationalism. At the time, Mexican immigrants had tripled the city’s population, reaching nearly 97,000 by 1930 (Guerrero, 2018). The artist leaders believed in the act of protesting through art and were determined to represent their ideals throughout art in Los Angeles. Los Angeles commissioned Siqueiros to paint a mural depicting happy men, parrots and palms with fruit falling into people’s mouths in 1932. At the time, the United States was deporting Mexican immigrants and Mexican-Americans throughout the Southwest via railroad cars. America’s working class was experiencing other violent suppression as police busted union efforts and Black men were sentenced to prison unfairly in racially motivated trials. Siqueiros created a mural to reject the request for a happy middle class in favor of his true observations of American at the time entitled “Tropical America: Oppressed and Destroyed by Imperialism” (“América Tropical: Oprimida y Destrozada por los Imperialismos”). The mural scandalized officials, who ordered it to be removed (Guerrero, 2018). However, Siquieros’ commitment to creating art that reflected the true experience of Angelinos and Mexicans throughout the region expanded the Mural Movement and ultimately led to the Chicano Art Movement of the 1960s.

The Chicano Movement began in the early 1960s as a way for Mexican-Americans to organize a sociopolitical movement to support the civil and political rights of the Chicano community throughout southwest America. Specifically, the Chicano movement addressed police brutality, civil rights violations, lack of social services for Mexican-Americans, the Vietnam War, educational issues and other social issues (Goldman, 1991). When the National Farm Workers Association was formed under the leadership of César Chávez, Dolores Huerta, and Gil Padilla to unionize Mexican-American labor forces in California, the Chicano Movement became nationally recognized. Through distinctive Mexican-style art, symbols such as the black eagle, as well as unique poster and union art, the social issues faced by Mexican Americans and other Latin American immigrants became largely recognizable, even though the workers themselves generally remained invisible (Hutchinson, 2013).

Chicano art, created by the community and typically depicting members of the community, has a strong ability to create a dialogue about social issues affecting Mexican Americans and
Mexican immigrants while empowering Chicanos to create and pursue their own solutions. Geography, immigration and displacement are common themes in Chicano art (Mesa-Bains, 1993). Artists frequently use their art to illustrate the historical heritage of Mexicans and indigenous peoples throughout the American Southwest, the human rights abuses of undocumented immigrants, and militarization along the border.

Many Chicano artist-activists create art meant to challenge xenophobic stereotypes about Mexican-Americans and to bring awareness to America's broken immigration and law enforcement system. Their art is also meant to mobilize and encourage viewers to take action. In line with the efforts of the National Farm Workers Association, another common artistic theme is the labor exploitation of Mexican Americans in agricultural, domestic work, and service industry jobs, particularly of undocumented people. Such artistic movements—inspired by their history and heritage of political activism—continue throughout California to this day.

Silicon Valley and California’s Technology Boom

Silicon Valley developed from the intersection of several contributing factors including a skilled science research base housed in area universities, venture capital, and U.S. Department of Defense spending. The merging of arts and entertainment with digital technologies has allowed California to become the leader for artistic innovation. Creative and innovative developments in areas such as virtual reality, computer generated imaging, and immersive video games continue to demonstrate the critical nexus between the arts and technological advancement. California’s role in advancing these innovations are a major driver of California’s economic growth.

California’s Modern Cultural Institutions

California is home to many prestigious and historical cultural institutions. San Francisco was an early cultural landmark on the West Coast. In fact, the San Francisco Ballet is the oldest ballet in the United States, having been established in 1933. San Francisco's civic leaders established the San Francisco Symphony in 1911 to help reestablish the city’s previously thriving cultural life following the 1906 earthquake and fire. Inaugurated in 1923, the San Francisco Opera is the third oldest opera in the nation after the Metropolitan Opera and the Cincinnati Opera, and will celebrate its centennial next year. The San Francisco Museum of Modern Art was established in 1935 as the first museum on the West Coast dedicated solely to 20th century art. In Los Angeles, wealthy art collectors funded the creation of institutions such as the Getty Museum in 1953, the
Los Angeles County Museum of Art (LACMA) in 1965, and the artist-founded Museum of Contemporary Art in 1979. Other critical cultural institutions throughout the state include the Oakland Museum of California, the California Museum in Sacramento, the California Indian Museum and Cultural Center in Santa Rosa, and the Museum of the African Diaspora in San Francisco, among many others.

ENTERTAINMENT, FILM, AND DIGITAL MEDIA IN CALIFORNIA

In the early 20th century, Thomas Edison’s Motion Picture Patents Company in New Jersey created a trust containing all of the major film companies in the United States. Since Edison owned most of the major U.S. patents relating to motion picture cameras at the turn of the century, he attempted to create a de facto monopoly of Edison machines throughout the film industry. Eastman Kodak owned the patent on raw film stock and, similar to Edison, refused to sell stock to non-members of the Motion Picture Patents Company. Therefore, the Motion Picture Patents Company was the only studio with the materials and machines needed to film, effectively eliminating the opportunities for non-members to enter the industry.

Displeased with the Motion Picture Patents Company’s exclusivity, many independent filmmakers moved their operations to Hollywood. This distance from New Jersey essentially prevented the Motion Picture Patents Company from enforcing their patents and allowed a new film industry to settle in Southern California. Mild weather conditions and a variety of locales throughout the region encouraged other studios to establish themselves in Hollywood, and it quickly became the dominant force for the emerging film, motion picture, and entertainment industry that still thrives today. The major film studios of Hollywood are the primary source of the most commercially successful and most ticket-selling movies in the world.

The Golden Age of Hollywood

Upon arriving in Hollywood, studios quickly began exploring new technologies and opportunities to advance the motion picture industry. By the end of World War II, Hollywood had led America into the Golden Age of Hollywood, including the first Academy Award ceremony, new techniques to improve film quality, and the highest levels of audience attendance in history. By 1939, film was the 11th largest industry in the United States and two-thirds of Americans
attended the theater at least once a week during World War II (Saylor Academy, 2012). With the expansion of a ubiquitous medium available to nearly all Americans, motion pictures quickly demonstrated that movies mirror culture, often reflecting our own ideals back to us while shaping and integrating themselves into our cultural zeitgeist.

For example, the first “modern” American silent film—*The Birth of a Nation*—was released in 1915 out of a Hollywood studio, with the majority of filming taking place throughout Southern California. Although it is now recognized as “the most reprehensibly racist film in Hollywood history,” and has been acknowledged as one key factor driving the revival of the Ku Klux Klan, *The Birth of a Nation* experienced huge commercial success across the nation and profoundly influenced the burgeoning film industry. In addition to the new techniques that the film generated for the growing Hollywood motion picture industry, *The Birth of a Nation*, perhaps most importantly, demonstrates just how often art captures our moral and ethical beliefs at a particular moment in time. It serves as both a mirror and as a tool shaping those beliefs as a society.

*The Birth of a Nation* contained many new artistic techniques, such as color tinting to set the story’s mood, following a modern climatic plotline, blending history dramatically with fiction, and featuring its own musical score written for an orchestra. The director also pioneered new camera techniques including close-ups, fade-outs, and a staged battle sequence made to look like thousands of participants were involved.

In the decade following *The Birth of a Nation*, movie studios exploded following large revenues and commercial success. Major studios such as Paramount, Universal, Warner, 20th Century Fox, and Metro-Goldwyn-Mayer flourished amidst post-World War I America. War damage in Europe during WWI weakened the then-dominant European film industry, allowing Hollywood studios to drive the industry’s boom. Hollywood adopted new technologies to incorporate sound into films in the late 1920s, which ushered in a new film style: the talkie. When Hollywood released *The Jazz Singer* in 1927, the silent era of films ended. At the height of their popularity in the mid-1940s, Hollywood studios created nearly 400 movies each year, with an estimated audience of more than 90 million Americans each week (see Figure 19).
Parallel to the dominance of the motion picture industry, Walt Disney established his animation studio in Hollywood in 1923, which would ultimately become Walt Disney Pictures following early success. The popularity of Mickey Mouse enabled Disney to expand his studios quickly. The studio’s early success culminated with the release of *Snow White and the Seven Dwarfs*, the first feature-length animated film, in 1937. By 1939, *Snow White* became the highest-grossing film of its time until the release of *Gone With the Wind* that same year (Gabler, 2007).

**TV Killed the Movie Star**

Following World War II, movie studios experienced two devastating blows: a 1948 Hollywood Antitrust Case changed how Hollywood movies were produced and distributed, and television
became the dominant form of personal entertainment. As the American middle class flourished in the 1950s and 1960s, American families gathered around their new personal television sets. Hollywood, therefore, had a new medium through which it could reach audiences, but this shift threatened the dominance of motion pictures for the first time.

Between the 1950s and 1980s, television and film surpassed radio as the most popular mass media in America. Television became integral to modern life, providing access to nightly news sources and the ability to witness momentous events, such as the John F. Kennedy assassination in 1963 and the moon landing in 1969. Between 1950 and 1965, nearly every household in America had a personal television set, as the figure shows.

**Figure 20**  
*Televisions Became Ubiquitous in a Relatively Short Period of Time*

![Bar chart showing percentage of households with TV from 1950 to 1965.](source)

**SOURCE:** Saylor Academy, 2012.
Modern Film and Television Exemplars

The 1990s saw the rise of the technically spectacular blockbuster with special, computer-generated effects. The capabilities of special effects were enhanced when studios began manipulating film digitally (Saylor Academy, 2012). Early examples of this technology can be seen in Terminator 2: Judgment Day (1991) and Jurassic Park (1993). Films such as Independence Day (1996), Titanic (1997), and The Matrix (1999) also employed a range of computer-animation techniques and special effects never before seen by audiences and meant to attract more viewers to the big screen. Toy Story (1995), the first fully computer-animated film, and those that came after it, such as A Bug’s Life (1998) and Toy Story 2 (1999), displayed the improved capabilities of computer-generated animation.

HOW THE UNITED STATES AND CALIFORNIA FUND PUBLIC ART

There are three broad categories of arts funding in the United States (National Endowment for the Arts, 2012).

1. Direct public funding through the National Endowment for the Arts and through state and regional arts agencies,

2. Other public funding either direct or indirect through various federal departments, and

3. Private sector contributions from individuals, foundations, and corporations.

The National Endowment for the Arts (NEA) is an independent federal agency that acts as the designated arts organization of the U.S. government. In 2018-19, California received about $1.3 million from the NEA, which comprised about 5 percent of the California Arts Council’s annual budget (California Arts Council, 2020). This total shows that NEA funding has contributed less than $0.10 per capita of California’s arts funding over the past decade (see Figure 21 below). We discussed the California Arts Council’s budget in our earlier section; we discuss the history of the California Arts Council below.
Private contributions make up the lion’s share of contributed income for arts organizations and cultural institutions (NAASA, 2017). This third revenue stream flows from individual and corporate donors and from charity foundations, and it flows more smoothly because of incentives in the U.S. tax system (NEA, 2012). Because donors receive tax deductions for donations to arts organizations, private donations comprise the most significant form of arts support in the United States. The NEA explains:
“As a term, 'tax incentive' is singularly appropriate; for every dollar the U.S. Treasury forgoes per tax deduction, donors are motivated to give private not-for-profits an additional donation in the range of 80 cents to $1.30” (NEA, 2012).

Corporations have received tax breaks for supporting the arts since 1936, which results in diverse types of corporations making annual arts donations. As with individuals, corporations, foundations, and private organizations contribute more to the arts when they receive tax benefits for doing so.

**California Arts Council**

As noted in our earlier discussion, the California Arts Council received a significant increase in state appropriated funding for fiscal year 2021-2022. In addition to the funding from the National Endowment for the Arts and private contributions, the California Arts Council is the primary funding mechanism for supporting arts organizations in the state.

California first created a 15-member California Arts Commission in 1963, even before the federal government established the National Endowment for the Arts in 1965. However, in 1975, the Dixon-Zenovich-Maddy California Arts Act established the California Arts Council, consisting of 11 appointed members, which dissolved the 15-member commission. This act also authorized the council to accept federal grants and unrestricted gifts, donations, bequests, or grants of funds from private sources and public agencies for the purposes of encouraging artistic awareness, promoting the employment of artists, and providing for the exhibition of art works in public buildings, among others.

**CALIFORNIA’S ARTS EDUCATION HISTORY**

The 1970s witnessed multiple policy decisions that resulted in California’s weakened arts education of today. First of all, the Ryan Act of 1970 eliminated required training in the arts for elementary/multiple subject school teachers. Then, in 1978, Californians passed Proposition 13, which retooled education financing throughout the state and relied on Sacramento to supplement local funding for public schools. In the decades of unstable and inconsistent state funding for public education, arts education has typically been the first set of programs eliminated from cash-strapped public schools, particularly in low-income communities.
The California State Board of Education adopted Visual and Performing Arts Content Standards in January 2001, describing what every student should know and be able to do in the visual and performing arts in grades pre-K through 12. The standards include dance, music, theater, and visual arts, and are divided into five strands within each discipline: artistic perception, creative expression, historical and cultural context, aesthetic valuing, connections, relationships and applications. As discussed in an earlier section, in 2019, California expanded these standards to require arts education for all K-12 grades. These newly expanded standards incorporated “Media Arts” as a fifth artistic discipline.

In 1999, the University of California and California State University systems adopted a requirement for all applicants to have completed at least one year of visual and performing arts in order to be eligible for admission. This requirement went into effect in 2003 and has resulted in a growing divide between access for higher education, considering the low rates of arts education access throughout the state.

In response to the state’s adoption of content standards in the arts, elementary teacher education programs in California are now required to provide a minimum level of arts methods coursework as of December 2004. According to the California Department of Education, there are 8,305 full-time credentialed teachers of the arts, teaching more than 1.4 million students in discipline-specific arts classes, representing only 23 percent of the state’s 6.3 million students. The 35-year gap in elementary teacher preparation in the arts from the time of the Ryan Act (1970-2004) created an entire generation of classroom teachers with little or no arts experience to draw upon from their own K-16 education or pre-service training.

TRENDS: THE STATE’S APPROACH REMAINS FRAGMENTED AND WITHOUT CLEAR STRATEGY

Although funding for the California Arts Council has seen significant growth following the end of the statewide shelter-in-place orders, California has still not established any stable funding mechanisms to ensure that public support for the arts and cultural sector remains during economic downturns. Moreover, California continues to lack a cohesive statewide policy to guide the strategic approach to supporting the arts and cultural realm. Therefore, California cannot be sure that it has maximized public and private investments at the state, regional, or communi-
ty levels. Because responsibility at the state level is fragmented (i.e., the California Arts Council does not oversee arts education in the state), few agencies are focused or committed to ensuring the long-term success or sustainability of the sector.

Without a defined set of guiding principles, California risks missing opportunities to create public-private partnerships throughout the state. Instead, regional, local, and community arts organizations must rely increasingly on individual private and corporate charitable contributions and partnerships. This piecemeal approach may result in weak arts and cultural opportunities in regions of the state without a strong corporate presence, and may also ultimately result in an unintended privatization of traditionally public arts support.

In particular, declining support for nonprofits throughout the state, especially given the impact of the COVID-19 pandemic on participatory arts attendance, may weaken the state’s comprehensive approach to resources for arts and artists. Nonprofits provide an incredibly diverse set of access to various artforms—music, theater, dance, traditional and folk arts, visual arts, and many more—without which many communities in California may not have exposure to these artistic forms. With the exception of grant funding from the California Arts Council, nonprofits are increasingly reliant on private charitable contributions and corporate support despite the critical role that these organizations provide to increasing arts participation for their communities and for providing access to the arts. In an effective and comprehensive approach to the arts, California will need to identify and support the value that arts nonprofits provide to the field in partnership with other arts contributors.

**LAWS AND REGULATIONS FOR WORKER PROTECTIONS AND BENEFITS THROUGH ONLINE MEDIA**

The platform economy provides artists with direct-to-consumer opportunities, entirely facilitated through the virtual world. With these new technologies, artists can make their art more easily accessible and can market their work for free. However, work performed through the platform and gig economies does not provide artists with worker protections available to traditional employees. California has attempted to regulate employment through these app-based platforms, with varied success. However, it has not found solutions for unforeseen circumstances that these new technologies may provide. For example, California has not established new laws or regulations related to copyright protections related to intellectual property, under which
artwork (i.e., new music, creative goods, short films, etc.) would fall. Because California’s bureaucracy moves much more slowly than new technologies are created and disseminated, California should turn its gaze toward the future and partner with experts to establish comprehensive and prescient policies.

QUALITY OF LIFE AND AFFORDABILITY IN CALIFORNIA FOR ARTS EMPLOYEES

California is a desirable place to live, especially for individuals in the technology and creative industries. However, California has one of the highest costs of living in the nation and the state’s housing affordability crisis shows no signs of alleviation, especially in the largest employment areas for arts and entertainment of Los Angeles and the Bay Area where housing is the most

Figure 22 California has Lost Lower- and Middle-Income Adults to Other States

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<td>Lower income</td>
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<tr>
<td>Middle income</td>
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<td>-50,000</td>
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<tr>
<td>Higher income</td>
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**Source:** PPIC blog, March 2022, based on American Community Survey data.

**Note:** Income categories based on official federal poverty levels, which vary by family size. Lower income is defined here as double the poverty level (less than $52,400 for a family of four). Middle income extends from two to five times the poverty level ($52,401 to $131,000).
expensive. As income inequality in California continues to grow, artists—particularly those middle-wage earners—may leave the state to lower costs of living.

California is already losing talent to states that offer high wage jobs and a lower cost of living. During the COVID-19 pandemic, California saw major businesses flee the state for cheaper destinations, which continued decades of population decline in the state. The Public Policy Institute of California found that since 2010, about 7.5 million people moved from California to other states, while only 5.8 million people moved to California from other parts of the country. According to Department of Finance estimates, the state has lost residents to other states every year since 2001.

Because California’s artists are more likely to have graduated from four-year universities, many owe significant levels of student loan debt. This debt is particularly troublesome for artists of color in California, who often experience other barriers to entry for pursuing the arts as a professional career. As the platform economy makes it easier for artists to work from anywhere, California must address its affordability crisis to be competitive in any industry, particularly for artists not earning the competitive wages afforded to those arts workers in the technology or digital media industries.

THE ROLE OF NFTS IN ART

As artists lean into the financial opportunities afforded to them through NFTs, the potential for the bubble to burst is real. Moreover, despite the benefits to artists, NFTs are not entirely a democratization of digital art: it costs money and requires technical skills in order to sell an NFT. Many critics and artists are particularly concerned that young artists of color will be left out of the opportunities that NFTs provide. However, a 2021 poll found 25 percent of Black Americans and 15 percent of Latino Americans have purchased NFTs, compared to 8 percent of white Americans. Moreover, legal experts have noted that the existing copyright laws do not account for this kind of new technology, which may lead to challenges in the future. In fact, some artists have had their work stolen and marketed as NFTs without their permission. NFTs also require a tremendous amount of raw computing power, which leads to environmental concerns. Most of the server farms where NFTs and crypto/blockchain are processed are powered by fossil fuels. Regardless of the concerns, many advocates believe that cryptocurrencies and blockchain platforms could be here to stay, and will transform our society and world—beyond just the arts—in unforeseen ways.
REDUCED WORKFORCE PIPELINE DUE TO LACK OF ARTS EDUCATION

Many of California’s industries, particularly those hiring arts and design workers to join their ranks, expect their employees to have strong levels of advanced training. Oftentimes, this training begins in our state’s public elementary, middle, and high schools, but California has not provided equitable access to arts education throughout the state. Without strong training, California may not produce qualified applicants to contribute their artistic and creative talents to our thriving arts, culture, and entertainment industries. Without talent, companies may leave the state, resulting in a drain on one of our most economically beneficial sectors. For example, one report interviewed a company that had invested heavily in development studios in Louisiana, but would not expand on account of a talent shortage. The report explains that the state’s production tax credit initially attracted the company, but because the state had not provided the education necessary for students to excel in the industry, there was a shortage of qualified local applicants. The company suggested that Canada was a strong example of workforce development done well because Canada invests in infrastructure and talent.

California has acknowledged the need to cultivate a stronger workforce pipeline in the state through its technical education programs (e.g., the Arts, Media, and Entertainment technical education program) and with the Creative Workforce Act of 2021 meant to identify the creative workforce as one of the state’s priorities. The state has also begun to acknowledge its deficient arts education offerings and is taking steps to improve arts education access throughout the state. In November 2022, Californians will vote on the Arts and Music in Schools–Funding Guarantee Accountability Act measure to decide whether the state should provide nearly $900 million to arts education in public schools.
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