

1995-2007 STUDIES

Craft and the Economy of Western North Carolina

Craft is a significant economic generator for Western North Carolina through entrepreneurial small businesses of makers, craft-associated retail, the real estate value of creative class businesses, and as a cultural tourism attraction. Today's craft industry is dynamic founded in the heritage and appreciation of traditional crafts of the region. Craft was seen as a economic generator as early as 1897 with the establishment of Allanstand Cottage Industries, founded to improve the subsistence income by training and marketing the work of traditional weavers, basketmakers and woodworkers. Today Western North Carolina has the highest concentration of working studio craft artists in the country. They are recognized nationally for the quality of their work. The craft industry has demonstrated considerable serious implications for economic development throughout the region, from small rural towns to urban Asheville.

The following studies illustrate the importance of craft to the economy of Western North Carolina.

1995

The Determination of the Economic Contribution of the Craft/Handmade Industry in Western North Carolina, a 1995 study by Dr. Michael Evans and Dr. Dinesh Dave, of The John A. Walker College of Business, Appalachian State University, determined the total annual economic contribution of the craft industry in Western North Carolina was \$122 million. This was four times the contribution of burley tobacco industry, the region's largest agricultural crop. They reported an annual economic contribution made by 739 professional producers (approximately \$26 million), followed by 3,369 second income producers (approximately \$23 million). Exit interviews with the audience to the Southern Highlands Craft Fair provided the following profile – "The craft fair visitor family income is over \$60,000 per year. They spend an average of \$621 per year on 10 craft visits per year and \$93 on the exited craft show. Tourists from outside the state made up 45% of the respondents."

2000

Investigating the Impact of Penland School of Crafts on the Economy of Western North Carolina, a study conducted by the McColl School of Business at Queens College, Charlotte, North Carolina reported in October 2000 that the total economic contribution of Penland School on the local community of Mitchell and Yancey counties reaches \$6 to \$8 million annually. Penland's total annual contribution to the economy of western North Carolina ranges from \$43 to \$62 million. Penland's local impact is based on its annual expenditures, including its employment of staff, instructors and contractors, and the spending of its students. Individual student spending averaged \$250 at area businesses. Its regional impact also includes the employment and spending of specific artists in the region who have close ties to Penland and acknowledge its importance to their careers.

2001

The CODA Survey: The Impact of Crafts on the National Economy, reported that the national direct impact of sales from handmade crafts totals \$14 billion, in a follow-up 2001 national study by Evans and Dave of Appalachian State University. The craft industry was described as an "invisible industry" representing small entrepreneurial businesses, with 64% working alone in a studio in an estimated professional craft population of 126,655. The study cited the following industry comparison from The U.S. Census Personal Consumption Expenditures report of 1998:

\$13.8 billion for the Craft industry; \$29.5 billion airline tickets; \$13.2 billion fuel oil and coal; and \$2.4 billion tobacco.

2003

Roadmap for Tourism & Craft, a report by The HTC Group for the Appalachian Regional Commission reported that 65% of Americans include a Cultural Heritage component of their vacations and that in Appalachia, tourist spending contributed \$29 billion to the region's economy in 2001. "Tourism and craft rely upon unique, indigenous resources and people to sustain local economies. They are not subject to industrial moves across borders or oceans." Craft is a major element of Appalachia's cultural tradition and a significant community asset connecting all 13 Appalachian states. In 30 years ARC has funded a total of 81 craft projects at \$12.6 million. The benefits of developing and sustaining the craft industry include:

- New entrepreneurial opportunities for workforce
- Brand recognition for quality products
- Increased sales tax revenues
- Displaces lost manufacturing, agriculture and traditional industry jobs.

2003

The Blue Ridge National Heritage Area was designated by Congress in November 2003, in recognition of the unique character, culture, and natural beauty of the 25-county region of Western North Carolina. Contemporary and Heritage Craft is one of five core themes of the Blue Ridge Heritage Area. "The area has become the center of handmade art and craft in America, with a rich legacy of both traditional and contemporary craft schools and over 4,000 working craftspeople." Over \$10 million federal dollars over 10 years is designed to expand tourism in this area.

2004

The Creative Economy in Asheville demonstrated that 47% of the buildings in the 50 blocks of downtown Asheville were part of the "creative economy." This translated into the total annual real estate value – the rental value and taxable value – of the downtown creative core at \$61.7 million. The Geographic Information System map of 360 buildings and 1,150 addresses were provided by the Buncombe County's Tax Department. Focusing on the Super Creative Core (the term used in *The Rise of the Creative Class* by Richard Florida) the survey found 170 buildings, or 47% of downtown occupied by these unique businesses with a taxable value of the occupied space at \$398.3 million to local government.

2005

Asheville Hub Project, proposed by the Institute at Biltmore in 2005, identified design/craft as one of four economic clusters that should be supported for the future economic health of the region. The Design cluster premise: to become the primary vehicle for transforming a nationwide cottage industry cottage industry of artisans, craftpersons and artists into a marketing and production network. The Center for Craft, Creativity and Design is listed as one of the available assets to support this cluster.

2006

Measurement of the Economic Vitality of the Blue Ridge National Heritage Area, Section II, research completed for the Blue Ridge National Heritage Area by Evans, Dave, and James Stoddard of The John A. Walker College of Business, Appalachian State University and Dr. Ha of the Institute for the Economy and the Future, Western Carolina University, looked at visitor demographics, psychographics, spending and brand awareness. They compared overnight visitors to day trippers and found the income level of overnight visitors between \$50,000 and \$74,999 while day trippers reported income levels between \$25,000 and \$49,999 per year. The overnight visitor, with an annual income between \$100,000 and \$149,999 ranked craft activities as their number one preference in activities. The largest group of overnight visitors were 46-55 years of age. 50% of the overnight visitors responded they would be very likely to engage in craft

activities, with a reported average expenditure for arts and crafts of \$78.15, more than 10% of the total expenditures of \$747.07 for the visit.

2007

Creative Economy: The Arts Industry in North Carolina, a study by Regional Technology Strategies for the North Carolina Arts Council reported that creative enterprises infused more than \$3.9 billion into North Carolina's economy in 2006. Creative enterprises, is defined as those people and companies who produce and use art and design in their work. The Craft industry was a major component of the data collected for the western region of North Carolina.

UPDATING OF 1995 Study

2008

The Determination of the Economic Contribution of the Craft/Handmade Industry in Western North Carolina, A Replication and Extension of the 1995 study Dr. Michael Evans, Dr. Dinesh Dave, and Dr/ James Stoddard of The John A. Walker College of Business, Appalachian State University will replicate the 1995 research using the same methodology and the baseline established in the 1995 study. The UNC Center for Craft, Creativity and Design is coordinating the collection of data, in collaboration with major craft organizations in the region, including HandMade in America, Southern Highlands Craft Guild, Haywood Community College Professional Crafts Program, UNC Asheville Craft Campus, regional arts councils and organizations. The report will be released in July 2008.