Creative Economy of Illinois: Impact and Assets

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TABLE OF CONTENTS

Arts Alliance IL

Working inside of the creative economy, we know well its extraordinary impact across our city and state. We know how it transforms the hearts and minds of the people of Illinois every day, connecting communities across differences. We also know the positive impact that it has on the development of our young people, the advancements in health and wellness it supports, how it makes our streets safer and our workforce stronger. These will be the subject of future research efforts.

Today, we focus on the power of arts, culture, and creativity as a driving force behind our economy. The creative industries have an outsized impact on our workforce and the overall economic development of our state, and now we have the data to prove it. We can share this impact far and wide, so that all across Illinois know the value of investing in creativity.

In this report, we are proud to quantify this scale, and answer the questions: How much does the creative sector contribute to the economies of Chicago and Illinois? What is its direct and indirect impact on jobs and our overall economy? How does this compare to other sectors?

This report demonstrates that arts, culture, and creativity mean big business in our state, and provides the data we need to continue making that case. The effort also represents a remarkable public-private partnership, bringing together economic development leaders, government agencies, nonprofit arts and cultural organizations, and private philanthropy in a shared commitment to leveraging and strengthening the arts as core economic assets.

We are proud to champion this work and the artists, organizations, and communities across Illinois that it represents. We look forward to hearing how you use this data, and to supporting your efforts to demonstrate the value of investing in our creative economy and the vibrant future of our state.

Sincerely,

Claire Rice
Executive Director, Arts Alliance Illinois

AA IL

Acknowledgements

Arts Alliance Illinois wishes to thank the generous supporters who made this work possible.

Anne L. Kaplan

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Introduction

Illinois has a rich and diverse creative landscape that extends far beyond the famous metropolis of Chicago. Vibrant arts communities across the state create an ecosystem that puts Illinois on the map as an arts and culture destination. For example:

- The city of Rockford has developed a growing arts scene, with galleries, public art initiatives and a thriving music community contributing to its cultural revival.
- Peoria has reinvented itself as a center for theater and performing arts, home to a respected professional theater scene and a lively independent music circuit.
- Springfield, the state capital, blends historical storytelling with creative enterprise, drawing on its deep connections to Abraham Lincoln's legacy to fuel heritage tourism, public art, and cultural programming.
- The state's many universities serve as incubators for creative talent in film, design, music, and the visual arts, feeding both local economies and national industries.

Illinois also has a strong literary tradition, having produced writers such as Gwendolyn Brooks, Carl Sandburg, and Ernest Hemingway, and the state continues to support emerging writers through a network of independent publishers, literary festivals, and arts organizations. The talent is there, but what was missing was the proof of the value of these industries.

Commissioned by Arts Alliance Illinois, this economic impact assessment serves as a definitive, data-driven analysis of the creative economy across the state. Recognizing the creative sector's significant contribution to Illinois' economy, this study was initiated to provide advocates, civic leaders, and corporate stakeholders with the robust metrics necessary to inform strategic decision-making and sustainable growth.

The core objectives of this work are to equip advocates across the state with evidence-based tools that support local funding and policy initiatives and establish a unified, data-driven assessment of the entire Illinois creative ecosystem. By aligning our methodology with national benchmarks, this report ensures that Illinois' creative sector is accurately assessed and positioned within the broader national economic context.

This assessment provides a comprehensive evaluation of the state's creative economy by quantifying its direct, indirect, and induced economic contributions. By analyzing key variables, including total output, employment levels, and Gross Value Added (GVA; total output minus costs, see Table 3), this report clarifies both the core operations of creative industries and the broader economic ripple effects that sustain communities across the state. Through this analysis, we aim to assist stakeholders in understanding the sector's overall economic significance, thereby facilitating informed planning and strategic investment initiatives that champion the sector's long-term prosperity and integration into the regional economy.

Understanding the Creative Economy Ecosystem

The creative economy functions as a highly interconnected network of individuals, enterprises, and institutions that collectively drive cultural value and economic growth across the state. Rather than operating in isolation, the sector relies on a variety of mutual economic dependencies, meaning that the growth and sustainability of core creative enterprises are directly linked to the health of supporting industries and the broader state economy.

To evaluate the economic impact of this sector, the ecosystem is comprised of three distinct, interdependent components:

- **Primary:** This category includes the highly visible **creative drivers** of the sector, such as independent artists, musicians, designers, and performers, alongside critical cultural infrastructure like theaters, galleries, museums, and live music venues. These entities serve as the primary engines of cultural production and public engagement.
- **Secondary:** This category includes the businesses that provide the **technical and operational infrastructure** necessary for creative output. This includes specialized IT and software suppliers, local transportation and logistics services, equipment manufacturers, and creative agencies specializing in marketing, finance, or legal services for the arts.
- **Tertiary:** This category includes government agencies, non-profit organizations, philanthropic foundations, and educational institutions. Together, these organizations provide the **regulatory frameworks, public funding, grants, and talent pipelines** required to sustain the workforce and foster innovation.

Analysis of the size and economic impact of Illinois' creative economy requires a comprehensive approach that accounts for all three tiers. Because these segments are economically linked, disruption within one tier creates a negative ripple effect throughout the supply chain. Conversely, targeted investment and policy support generate a multiplying effect, driving job creation, tourism, and revenue growth across both the creative industries and the wider state economy.

The creative economy operates differently from traditional corporate sectors because a vast portion of its primary cultural production relies on independent professionals, sole proprietors, and freelancers who do not operate out of a standardized storefront or commercial office. Standard industry datasets frequently miss these workers. To ensure a comprehensive assessment, this report supplements business establishment data with national occupational labor statistics. Cross-referencing these datasets allows the model to capture a complete economic footprint of both physical creative enterprises and the independent workforce, such as actors, writers, visual artists, and musicians, that sustains them.

Table 1 outlines the 12 specific industry classifications and sub-sector breakdowns that define the creative economy for this report.

Table 1: Creative Economy[1]

Industries Included in the Creative Economy	Components
Arts Education	Conservatories and universities with cultural & creative programs or business programs for the cultural & creative industries; public and private schools with cultural & creative programs.
Audiovisual & Interactive Media	Film & video production companies; film & video distribution companies; movie theaters, drive-in movie theaters; film & video post production companies; other motion picture and video services organizations; motion picture booking agencies & film restoration providers; radio networks; radio stations; television broadcasting networks; web hosting, video and audio streaming organizations; internet broadcasting organizations; computer software consultants and programmers for the cultural & creative sector; games and computer software publishers.
Books & Press	Books & press printing establishments; newspaper publishers; periodic publishers; books publishers; greeting card publishers; libraries & archives.
Cultural & Natural Heritage	Museums; restorers of art and museum collection objects; zoos & botanical gardens.
Design & Creative Services	Architect firms; landscape architect firms; interior designers; industrial design companies; graphic designers; costume, fashion and jewelry design companies; advertising agencies.
Festivals, Fairs, and Conventions	Performing arts festivals, fairs, and conventions; book fairs and conventions; design fairs and conventions; audiovisual & interactive media festivals, fairs, and conventions.

[1] Components in italics indicate segments derived from Occupational Employment and Wage Statistics (OEWS) data to accurately capture independent and decentralized workers.

Independent Creators & Performers	*Musicians & singers*; *music directors & composers*; *independent performers (magicians, acrobats)*; *independent performers (actors, dancers, and script writers)*; *writers & authors*; *independent film & video creatives (movie producers and directors)*; *independent radio & TV creatives (TV directors, radio DJs)*; *visual artists.*
Industry Support - Retail	Musical instruments & equipment stores; record stores; film & video stores; book stores.
Music Recording & Publishing	Music publishers; recording studios, producers & rehearsal rooms; record labels.
Other Professional & Business Support	Other commercial and administrative support organizations for the cultural & creative sector; general non-profit organizations for the cultural & creative sector; bookers & programmers; artists' managers; performing arts ticket offices; musical instrument manufacturers.
Performing Arts Companies & Venues	Performing arts companies (theater, dance, bands, orchestras); dedicated performing arts venues; arenas; dedicated live music venues; occasional venues.
Visual Arts & Crafts Support	Art galleries; auctions & dealers; craft stores.

Economic Impact Explained

To ensure the integrity and external validity of this assessment, the economic impact modeling relies strictly on the traditional three-tiered economic framework, measuring the *direct, indirect, and induced impacts* of the creative economy.[2]

[2] External consumer spending calculations, such as out-of-pocket audience expenses for off-site dining, local transit, and adjacent retail, were excluded from this model to maintain a conservative baseline and prevent the artificial inflation of secondary economic impacts, ensuring the assessment focuses strictly on the direct operations of the creative industries themselves.

Table 2. Economic Impact Dimensions

ECONOMIC IMPACT	DEFINITION
Direct Economic Impact	The direct impact is the economic value and employment directly generated by the economic activity of the creative economy.
Indirect Economic Impact	The indirect economic impact measures the ripple effects on the economy, focusing on value and job creation in sectors that form part of the creative economy's supply chain. It encapsulates the demand-driven benefits for supporting industries, such as advertising, legal services, and food and beverage suppliers, which are integral to the creative economy's operations.
Induced Economic Impact	Induced impact refers to the economic effects generated when the ecosystem's direct and indirect employees spend their wages on goods and services such as food, transportation, and entertainment in their daily lives. This spending stimulates further economic activity within the broader community.

This conservative approach was explicitly chosen to align this assessment with standard economic impact assessments conducted across other primary industrial sectors. By focusing exclusively on verifiable business operations, supply-chain business-to-business transactions, and the direct recirculation of employee wages, the report provides a baseline measure that is directly comparable to traditional corporate industries. Consequently, the metrics presented in this report offer a highly defensible, grounded assessment of the sector's footprint, recognizing that the everyday reality of the creative economy's ripple effect across Illinois communities is undoubtedly even larger than these conservative figures state.

The economic impact assessment takes the three dimensions above and, for each, measures the creative economy using three variables: employment, output, and Gross Value Added (GVA). These are the standard indicators used in economic impact analysis, and together they provide a comprehensive evaluation of the sector's performance, scale, and net contribution to the economy.

Table 3. Variables evaluated in the Economic Impact

VARIABLE	DEFINITION
Employment	The total number of jobs supported by the ecosystem, including full-time, part-time, and seasonal positions. This metric represents the total number of distinct roles rather than Full-Time

	Equivalents (FTE) or unique individuals, meaning one person holding two part-time roles within the ecosystem would count as two jobs.
Output	The economic value produced by the sales of goods and services in the ecosystem, like concert ticket sales, and broadcasting services, for example.
Gross Value Added (GVA)	The value the sector adds to the economy on its own, equal to output minus the cost of goods and services bought from other businesses, such as supplies, equipment, transportation, and legal services, for example.

Key Findings

Total Economic Impact

- Combining direct, indirect and induced impacts, the creative economy in Illinois supports 734,269 local jobs (12.2% of overall local employment in the state),[3] and generates a total output of $148.1 billion and a total Gross Value Added (GVA) to the state's economy of $88.8 billion.
- For every $1 of output generated by the creative economy, an additional $0.95 of output is created locally across other industries.[4] This output multiplier is comparable to that of the health care and real estate industries.

Contribution to the Tax Base

- The creative economy in Illinois generates a total of $20.6 billion in total tax revenue. While federal taxes comprise the largest share at $13.2 billion, the ecosystem contributes approximately $7.4 billion across state, county, and local jurisdictions, supporting essential public services.

[3] According to data sourced from the Bureau of Labor Statistics, the total overall employment baseline for the state of Illinois is 6,011,660. Employment figures reflect the annual average headcount of positions supported by the industry, combining full-time, part-time, and seasonal work. See Appendix A for more detail on the methodology used.

[4] Because this assessment deliberately excludes external consumer expenditures such as off-site dining, transit, and retail purchases, the true output multiplier for the creative economy is expected to be higher than reported. Consequently, these metrics represent a conservative baseline of the sector's total economic ripple effect across Illinois.

Direct Economic Impact

- The creative economy in Illinois directly employs 381,389 individuals (6.3% of the employment in the state), generating a direct output of $76.1 billion and a GVA of $45 billion. Nearly half (47.5%) of this direct output and two-fifths (40.7%) of direct employment is generated within the city of Chicago.[5]
- Among the analyzed industries, the highest direct output is generated by the Audiovisual & Interactive Media industry, with a direct output of $17.1 billion (22.5% of direct output in the ecosystem). Conversely, the highest direct employment is generated by the Arts Education industry, which directly represents 64,798 jobs (17% of direct employment in the ecosystem).

Indirect and Induced Impact

- **Indirect Impact:** Indirect impacts total $33.1 billion in output, $19.3 billion in GVA, and 158,127 jobs, reflecting the economic activity stimulated across the sector's supply chain.
- **Induced Impact:** Through the recirculation of wages into the local economy, the sector generates $38.8 billion in output and $24.6 billion in GVA, while supporting 194,754 jobs. This reflects the substantial economic ripple effects generated by workers' household spending across the state.

Comparison with Other Sectors[6]

- The creative economy, directly supporting 6.3% of the state's workforce, surpasses sectors like transportation (6.2%), construction (5.1%), and finance and insurance (4.4%), but is significantly smaller than sectors like healthcare (14%), manufacturing (12%), and educational services (9.9%).

Independent Creators & Performers

- The Independent Creators & Performers sector supports 14,098direct jobs and generates $1.5 billion in direct GVA.
- While 'independent performers (actors, dancers, script writers)' lead in both employment and GVA, 'independent film & video creatives' have the second highest impact, followed by 'writers & authors' and 'musicians & singers'.

[5] See the Chicago Economic Impact Assessment here: https://artsalliance.org/creative-economy/
[6] These figures are intended to offer a general frame of reference for the creative economy's scale. However, it is important to note that certain creative activities overlap with other industries, such as Retail Trade, Communication, and Educational Services. Because methodologies and classifications differ across these sectors, these comparisons are not entirely like-for-like.

Non-Profit Creative Organizations

- Non-profit organizations in the cultural and creative sectors[7] are a vital pillar of the creative economy, accounting for 15.4% of its total output. These organizations generate $22.9 billion in total economic output and support 123,256 jobs, with direct impacts accounting for $11.5 billion of that output and 67,780 jobs.
- Representing 1.1% of the state's total workforce, these organizations match the employment scale of other significant sectors: real estate (1.4%), arts education (1.1%), and utilities (0.7%).

Labor Income in the Creative Economy

- While the average annual wage for Illinois' creative economy reached $84,012 in 2026, slightly below the state's average wage, this figure masks deep systemic inequities between high-earning corporate/technological sectors and undercompensated cultural practitioners.
- Primary cultural workers, such as those in theater, music, and visual arts, earn well below the state's $50,796 living wage baseline, effectively subsidizing Illinois' tourism and cultural appeal through their own economic precarity.
- To prevent a severe talent drain and safeguard demographic diversity within the arts, policymakers must shift focus from aggregate averages to granular workforce data to implement targeted interventions like wage standards and subsidies.

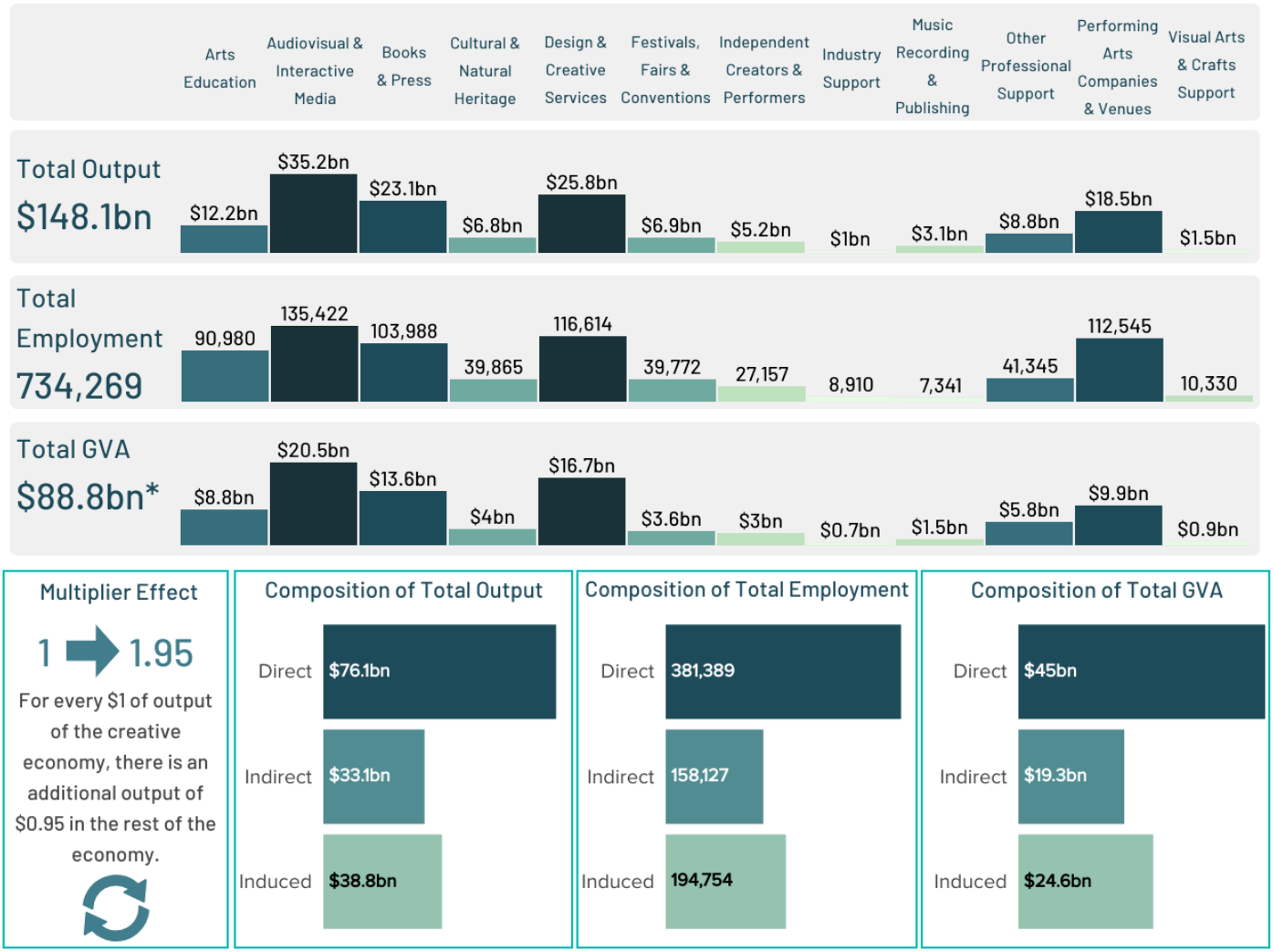
Specialization

- To measure Illinois' competitive advantage in the creative economy, this assessment calculates a Location Quotient (LQ), a metric where 1.0 represents the national average. Any score above 1.0 indicates a unique concentration and economic specialization, while a score below 1.0 indicates a deficit. Overall, Illinois' creative economy perfectly aligns with the national baseline, holding an aggregate establishment LQ of 1.0 and an employment LQ of 1.01.
- Looking strictly at registered businesses, while Illinois maintains a robust corporate, commercial, and institutional creative footprint (Design & Creative Services, Books & Press), the state faces a relative gap in Audiovisual & Interactive Media (largely driven by games and software publishing) and Visual Arts & Crafts Support, both of which sit well below national averages in both firm and employment density.
- While primary creative sectors boast a healthy number of local establishments, they operate on lean, highly decentralized business models with low permanent employment concentrations.

[7] This refers to registered 501(c) organizations, foundations, and associations that directly support or operate within the 12 core sectors that define the state's creative economy.

- By targeting state investments toward scaling interactive media, formalizing artisanal supply chains, and supporting independent business growth, Illinois can recapture lost market share, maximize regional output, and drive long-term job creation across its creative economy.

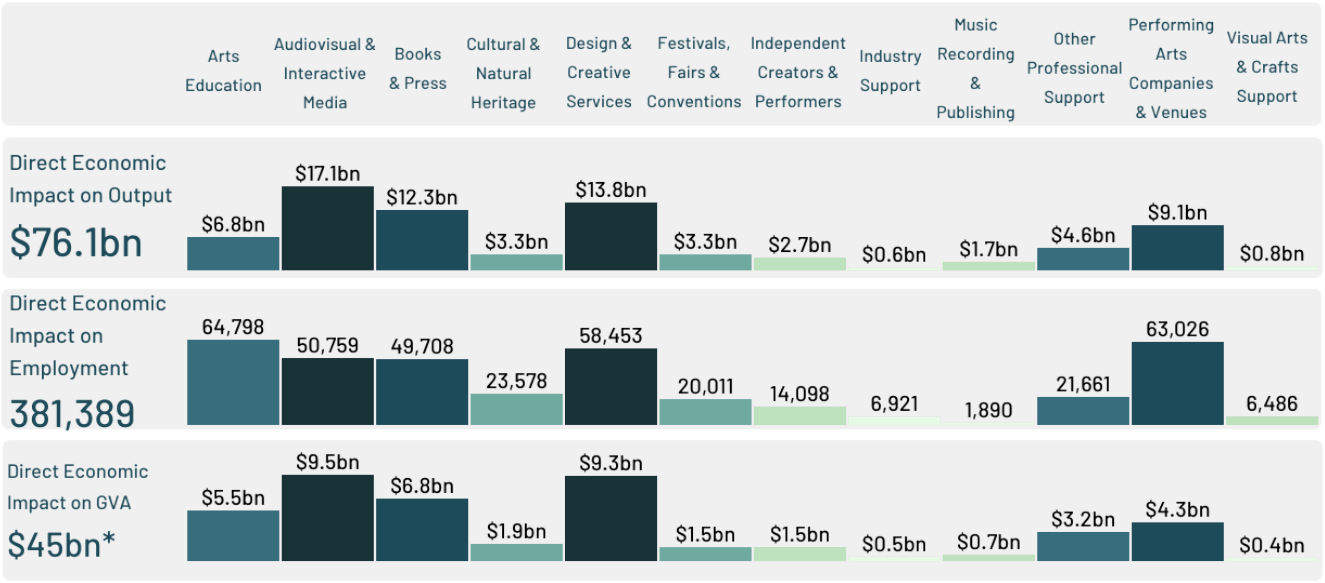
Figure 1. Total Economic Impact[8]



Source: County Business Patterns 2023, IMPLAN, Sound Diplomacy Research

[8] Note: figures may not sum exactly due to rounding. Where this is the case, the summed figures are marked with an asterisk.

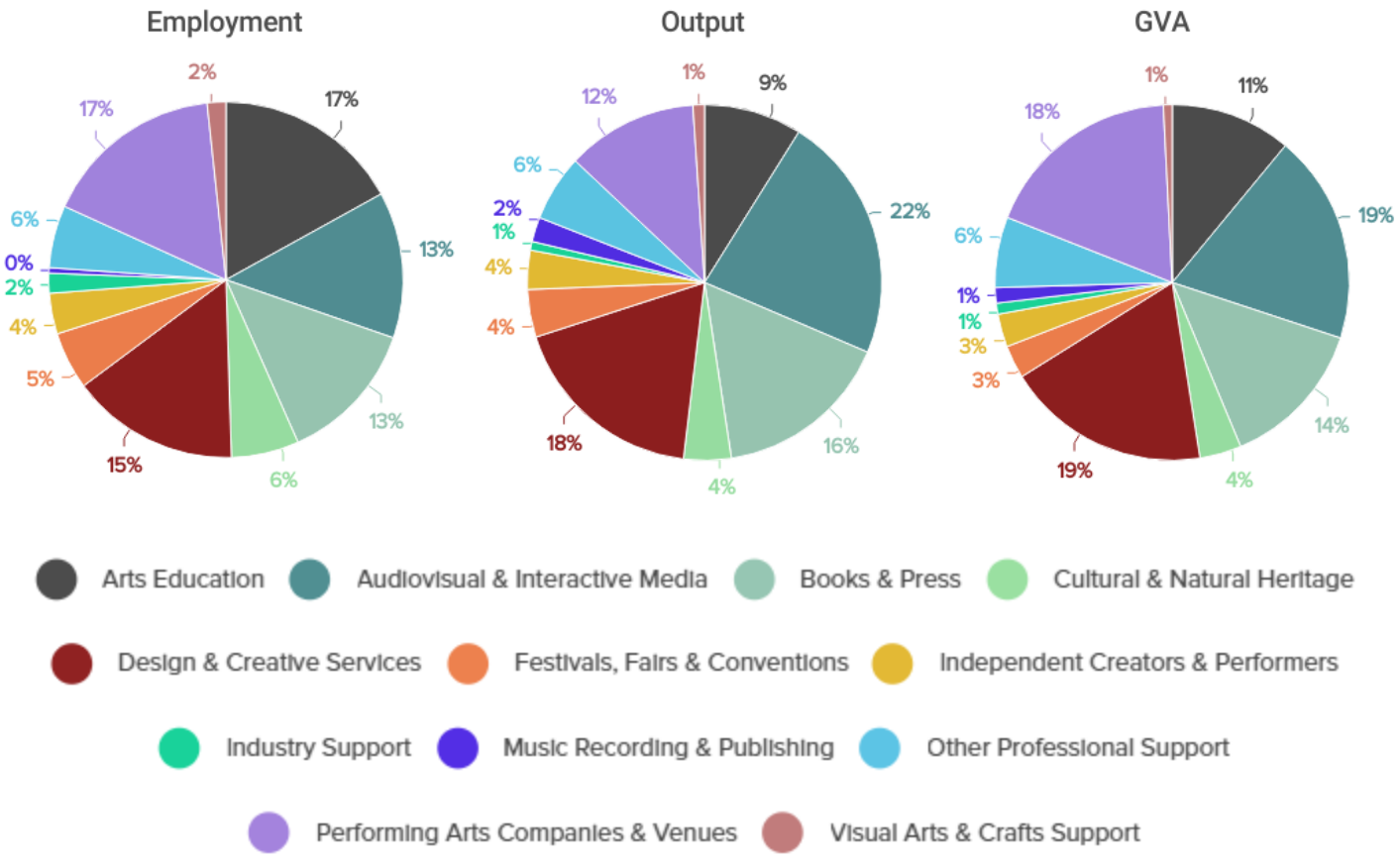
Figure 2. Direct Economic Impact[9]



Source: County Business Patterns 2023, IMPLAN, Sound Diplomacy Research

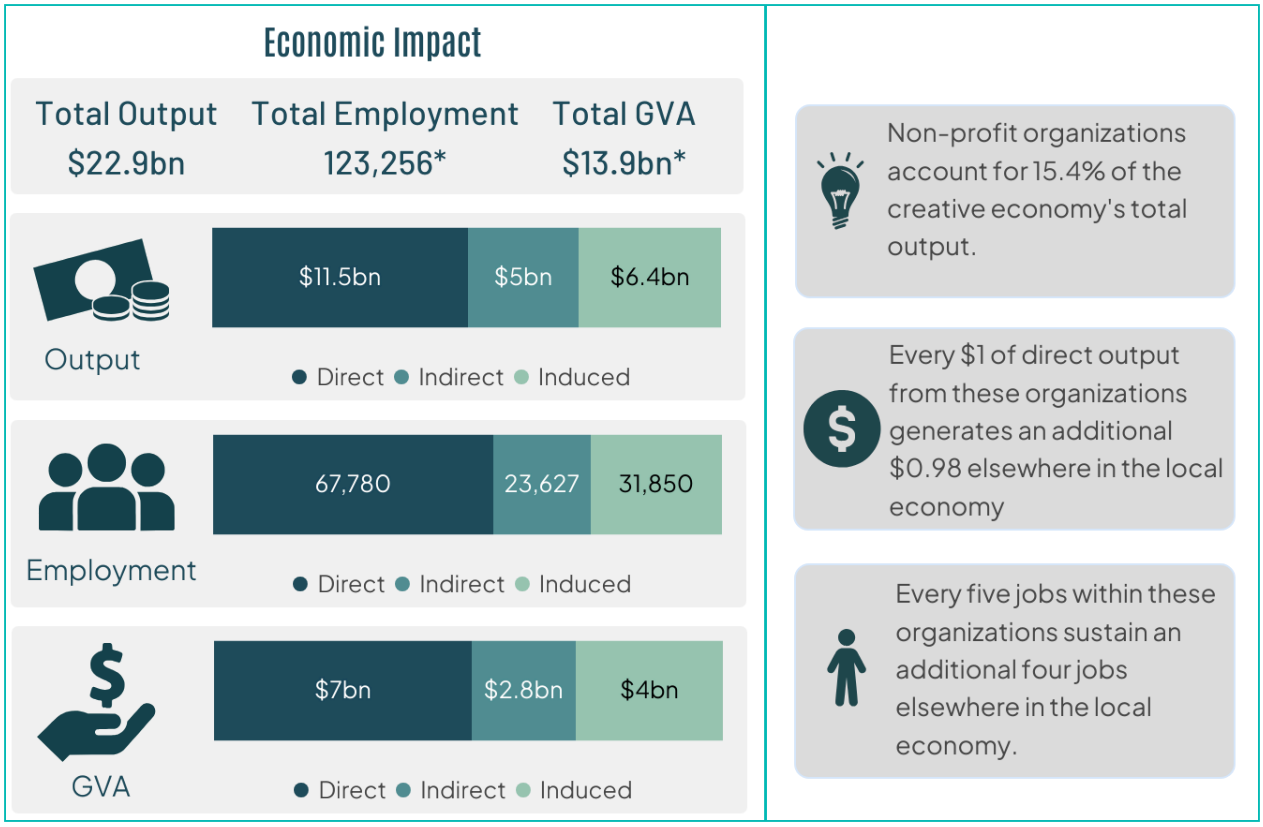
[9] Note: figures may not sum exactly due to rounding. Where this is the case, the summed figures are marked with an asterisk.

Figure 3. Direct Employment and Output by Industry



Source: County Business Patterns 2023, IMPLAN, Sound Diplomacy Research

Figure 4. Non-Profit Creative Organizations Economic Impact[10]



Source: County Business Patterns 2023, IMPLAN, Sound Diplomacy Research

[10] Note: figures may not sum exactly due to rounding. Where this is the case, the summed figures are marked with an asterisk.

Illinois Economic Impact

Overall, Illinois's creative economy supports 734,269 jobs across the state through direct, indirect, and induced effects, representing 12.2% of local employment in the state.[11] The ecosystem generates $148.1 billion in total output and $88.8 billion in total GVA. Table 4 summarizes the total economic impact of the creative economy in Illinois.

The results also indicate strong multiplier effects: for every $1 of direct output, an additional $0.95 is generated in the wider regional economy. This output multiplier is comparable to that of the health care and real estate industries (both sharing a 1.95 multiplier), while noticeably outpacing that of major traditional sectors such as professional services (1.88), agriculture (1.87), and accommodation (1.69).

Table 4. Illinois Creative Economy Economic Impact, Output, GVA and Employment[12]

TYPE OF IMPACT	EMPLOYMENT (NUMBER OF JOBS)	OUTPUT (BILLION $)	GROSS VALUE ADDED (BILLION $)
Direct	381,389	76.1	45
Indirect	158,127	33.1	19.3
Induced	194,754	38.8	24.6
Total Impact	**734,269***	**148.1***	**88.8***

Contribution to the Tax Base[13]

Combining direct, indirect, and induced tax effects across all levels of government, the creative economy in Illinois contributes **$20.6 billion** in fiscal impact. This total reflects the

[11] According to data sourced from the Bureau of Labor Statistics, the total overall employment baseline for the state of Illinois is 6,011,660. Employment figures reflect the annual average headcount of positions supported by the industry, combining full-time, part-time, and seasonal work. See Appendix A for more detail on the methodology used.
[12] Note: figures may not sum exactly due to rounding. Where this is the case, the summed figures are marked with an asterisk.
[13] For a detailed explanation of the metrics and frameworks examined within the fiscal impact analysis, see Appendix A.

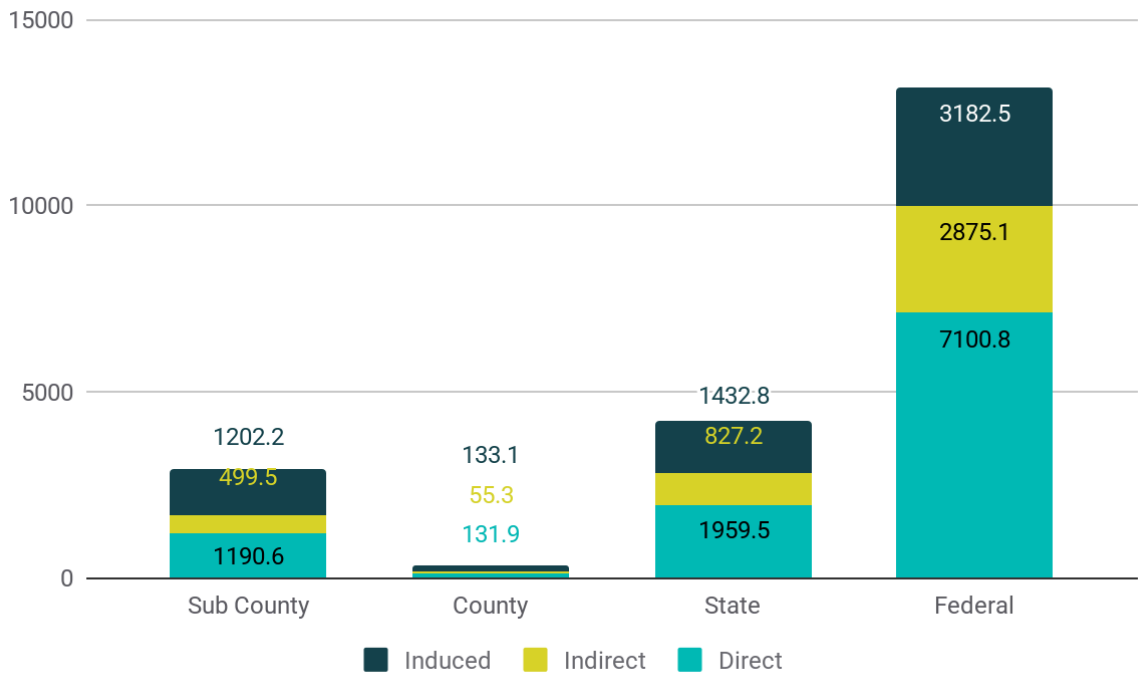
broad fiscal footprint created both by the ecosystem's core activities and also by supply-chain interactions and household spending (see Figure 5).

The ecosystem generates

- **$2.9 billion** in sub-county revenue[14]
- **$320.3 million** in county revenue
- **$4.2 billion** in state revenue
- **$13.2 billion** in federal tax revenue

Federal revenues represent the largest share of the total, reflecting the scale of labor income and business activity linked to the ecosystem.

Figure 5. Impact on Tax Base, $ millions



Source: County Business Patterns 2023, IMPLAN, Sound Diplomacy Research

[14] Sub-county revenues represent those which have been collected below the county tier. These include City/Municipal collections (local taxes, surcharges, business licenses) and Special Districts (independent taxing authorities for public services, such as school districts, fire protection, or transit).

Direct Impact

The direct impact is the economic activity that the creative economy generates through its own work, before counting any ripple effects on the rest of the economy. It covers what creative businesses and workers earn from their core activity: a theater selling tickets, a design studio billing clients, a museum charging admission, an independent artist selling work, or a recording studio paid for a session. In short, it is the money the sector itself produces and the jobs it directly sustains. This impact resulted in an output of $76.1 billion and a GVA of $45 billion, encompassing 381,389 jobs, 6.3% of the employment in the state.[15]

A comparative analysis with the concurrent Chicago study reveals that Chicago's creative economy generates nearly half of the state's direct creative output (47.5%) and accounts for approximately two-fifths of its direct creative employment (40.7%).[16] While Chicago represents a substantial urban anchor, the remaining majority of creative economic activity and jobs are distributed across the rest of Illinois. Rather than pointing to a single primary driver, the data underscores a highly interconnected statewide ecosystem fueled by multiple regional engines. Consequently, the macroeconomic health of Illinois' creative industries relies on a symbiotic relationship between Chicago and its robust regional networks, making a unified statewide approach to policy integration, infrastructure investment, and economic development strategies essential.

In terms of direct output, the three largest creative industries are:

1. Audiovisual & Interactive Media: $17.1 billion (22.5%)
2. Design & Creative Services: $13.8 billion (18.1%)
3. Books & Press: $12.3 billion (16.1%)

In terms of direct employment, the three largest creative employers are:

1. Arts Education: 64,798 jobs (17%)
2. Performing Arts Companies & Venues: 63,026 jobs (16.5%)
3. Design & Creative Services: 58,453 jobs (15.3%)

[15] According to data sourced from the Bureau of Labor Statistics, the total overall employment baseline for the state of Illinois is 6,011,660. Employment figures reflect the annual average headcount of positions supported by the industry, combining full-time, part-time, and seasonal work. See Appendix A for more detail on the methodology used and Appendix D for the full-time equivalent (FTE) figures.
[16] See the Chicago Economic Impact Assessment here: https://artsalliance.org/creative-economy/

Table 5. Illinois Creative Economy Direct Economic Impact by Industry[17]

INDUSTRY	EMPLOYMENT (NUMBER OF JOBS)	OUTPUT (BILLION $)	GROSS VALUE ADDED (BILLION $)
Arts education	64,798	6.8	5.5
Audiovisual & interactive media	50,759	17.1	9.5
Books & press	49,708	12.3	6.8
Cultural & natural heritage	23,578	3.3	1.9
Design & creative services	58,453	13.8	9.3
Festivals, fairs, and conventions	20,011	3.3	1.5
Independent creators & performers	14,098	2.7	1.5
Industry support – retail	6,921	0.6	0.5
Music recording & publishing	1,890	1.7	0.7
Other professional & business support	21,661	4.6	3.2
Performing arts companies & venues	63,026	9.1	4.3

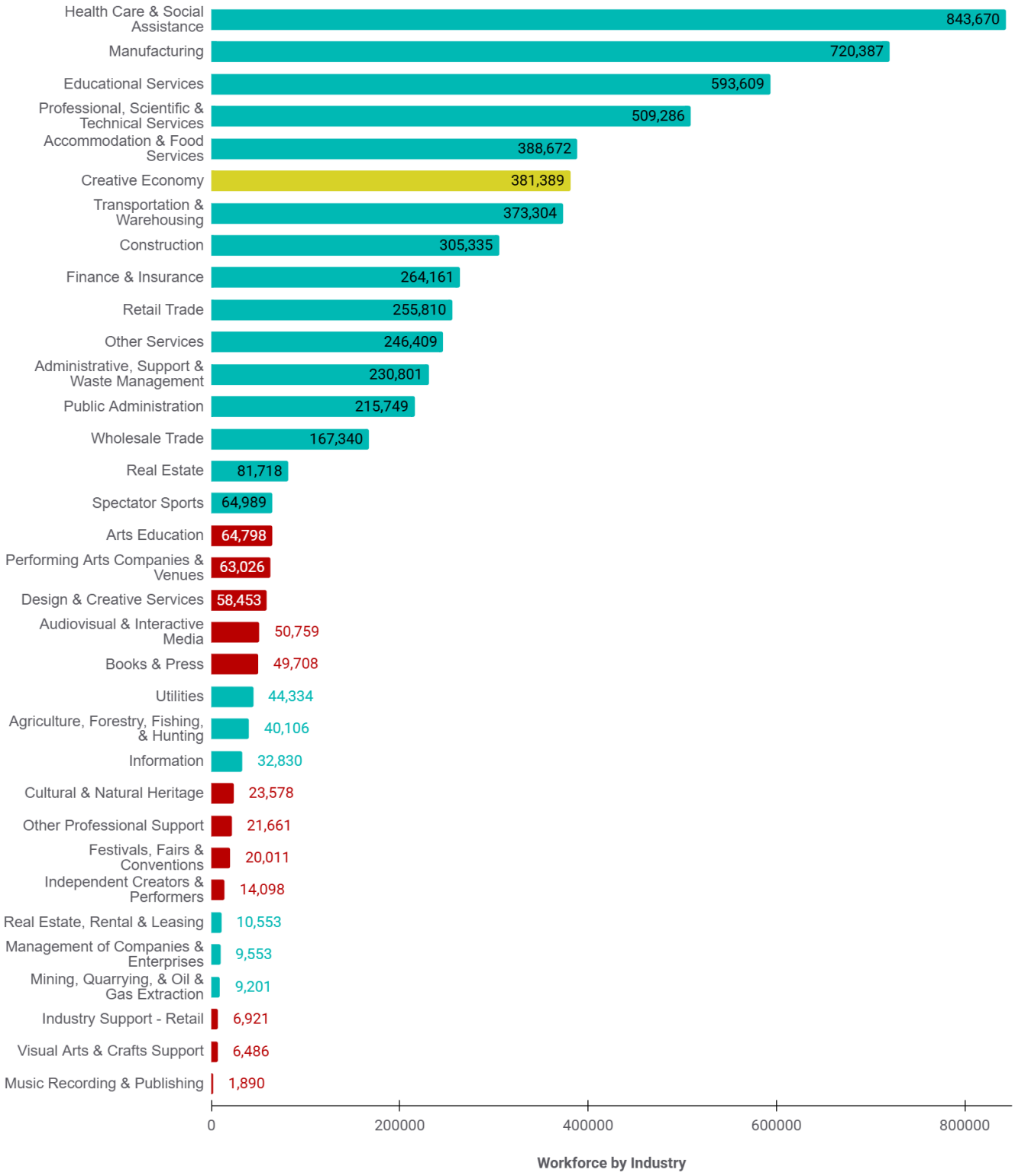
[17] Note: figures may not sum exactly due to rounding. Where this is the case, the summed figures are marked with an asterisk.

Visual arts & crafts support	6,486	0.8	0.4
Total direct impact	**381,389**	**76.1**	**45***

The creative economy generates more direct jobs, forming a higher percentage of the state's total employment, than these sectors: transportation (6.2%), construction (5.1%), and finance and insurance (4.4%). In comparison, the biggest employers in the state are healthcare & social assistance (directly employing 14% of the state's workforce), manufacturing (12%), and educational services (9.9%).[18]

[18] These figures are intended to offer a general frame of reference for the creative economy's scale. However, it is important to note that certain creative activities overlap with other industries, such as Retail Trade, Communication, and Educational Services. Because methodologies and classifications differ across these sectors, these comparisons are not entirely like-for-like.

Figure 6. Direct Employment by Industry, Illinois*



Source: ACS, Sound Diplomacy Research

**This is a visual representation of employment by industry in the state of Illinois, each creative sector on the graph individually (in red) is a proportion of the direct creative economy employment (381,389 jobs, in green).*

These figures are intended to offer a general frame of reference for the creative economy's scale. However, it is important to note that certain creative activities overlap with other industries, such as Retail Trade, Communication, and Educational Services. Because the methodologies and classifications differ across these sectors, the data is not directly comparable. Consequently, the sum of the individual industries in this graph exceeds Illinois' total employment figure of approximately 6 million (Source: datausa.io).

Note that employment figures derived from household census models like the American Community Survey (via DataUSA) reflect a conservative baseline that undercounts the true workforce footprint of several industries, most notably Agriculture, Real Estate, Transportation, and other industries that rely on gig or informal employment. Because the survey classifies individuals strictly by their primary, highest-hour job, it omits the significant portion of the workforce that maintains a different primary career for stable income or benefits while operating family farms or businesses, working freelance contracts, or running secondary business enterprises. Furthermore, these primary-job reporting structures frequently undercount seasonal, part-time, and non-salaried multi-generational family operations.

Indirect Impact and Induced Impact

The calculation of the indirect economic impact involves examining changes in output and employment generated by the suppliers of the creative economy, which includes local businesses in Illinois that provide them with goods and services. This estimation also takes into account economic exchanges with suppliers in sectors such as advertising, transportation, maintenance, legal services, communication, and other business-to-business functions. In total, these supply chain interactions generate $33.1 billion in output, $19.3 billion in GVA, and support 158,127 jobs across the state.

The induced economic impact reflects the additional economic activity stimulated by the household spending of workers whose employment is directly or indirectly connected to the creative economy. These expenditures include housing, food, transportation, retail purchases, and other everyday consumption patterns. Induced effects amount to $38.8 billion in output, $24.6 billion in GVA, and 194,754 jobs supported throughout the regional economy.

The indirect and induced effects, combined, contribute approximately $72 billion in additional economic output, $43.8 billion in GVA, and 352,881 jobs beyond the sector's direct employment. These figures illustrate the extent to which the creative ecosystem drives economic activity not only through its core operations, but also through the broader network of industries and households it influences.

The results also highlight significant multiplier effects.[19] The total output multiplier of 1.95 indicates that every $1 of direct output generates an additional $0.95 elsewhere in the local economy. This output multiplier is comparable to that of the health care sector (1.95) and real estate sector (1.95).

Similarly, the employment multiplier of 1.93 suggests that for every direct job in the creative economy, nearly one additional position is supported through indirect and induced economic activity. This employment multiplier is comparable to that of the real estate sector (1.90) and construction services sector (2.00).

Independent Creators & Performers

The Independent Creators & Performers sector represents the decentralized workforce of independent cultural professionals operating as sole proprietors or contractors, including independent musicians, performers, authors, visual artists, and independent media production creatives.

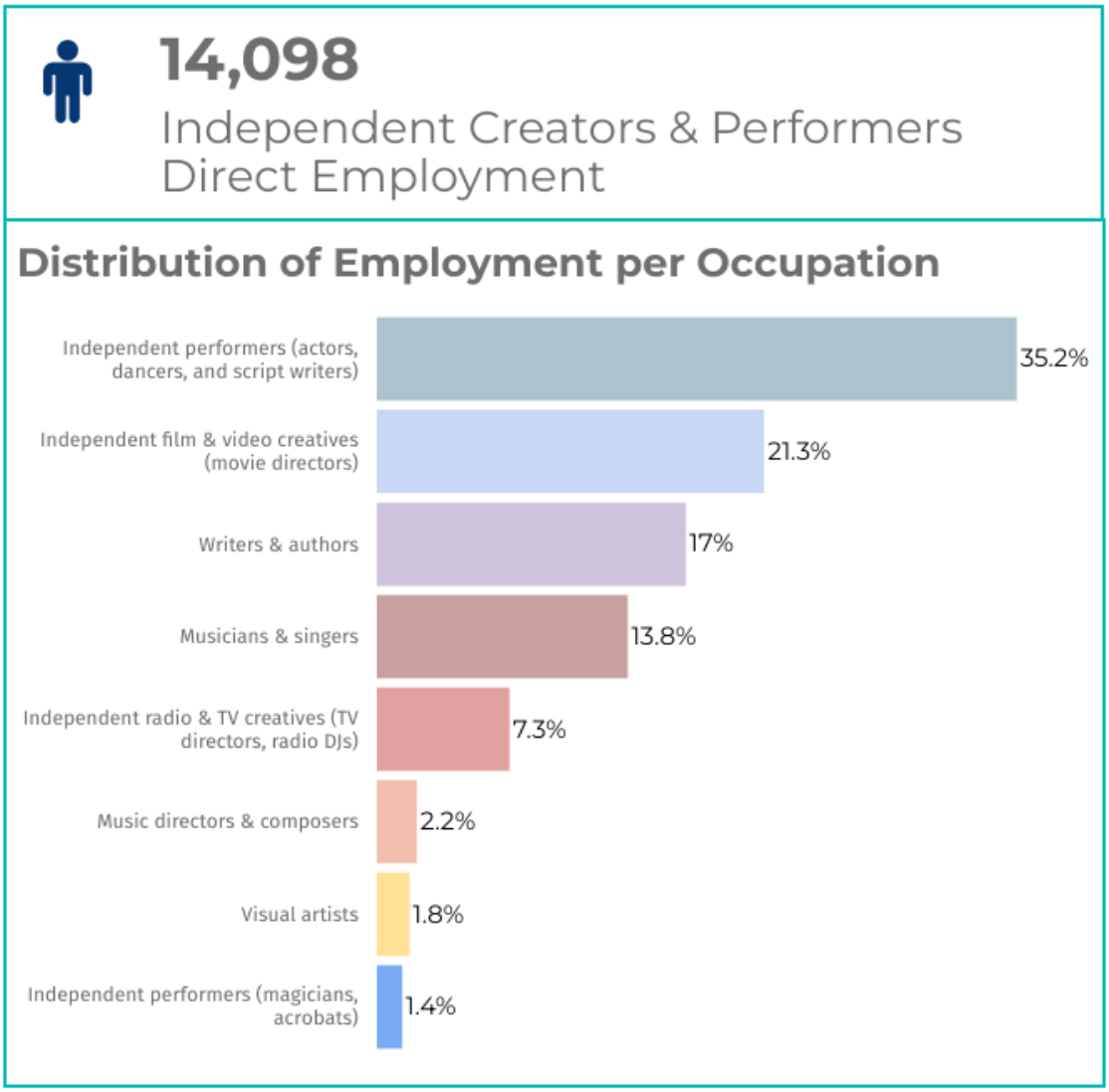
A key challenge in quantifying the economic impact of the primary creative sector is that independent creative workers are frequently excluded from establishment-based industry datasets. To address this and provide a comprehensive overview of the impact of this sector, this report uses Occupational Employment and Wage Statistics (OEWS) data, isolating specific occupational codes to provide more detail for the economic footprint of this decentralized workforce.

Note that OEWS data accounts exclusively for individuals meeting formal, tracked employment criteria. The true statewide population of visual artists, performers, musicians, and independent creators is expected to be significantly larger, as these figures do not fully capture informal, self-employed, or secondary income-generating activity. More information on the methodology can be found in Appendix C.

Figure 7 outlines the distribution of direct employment by occupation, while Figure 8 illustrates the contribution of each occupation to the industry's direct value added:

[19] Because this assessment deliberately excludes external consumer expenditures such as off-site dining, transit, and retail purchases, the true multipliers are expected to be higher than reported. Consequently, these metrics represent a conservative baseline of the sector's total economic ripple effect across Illinois.

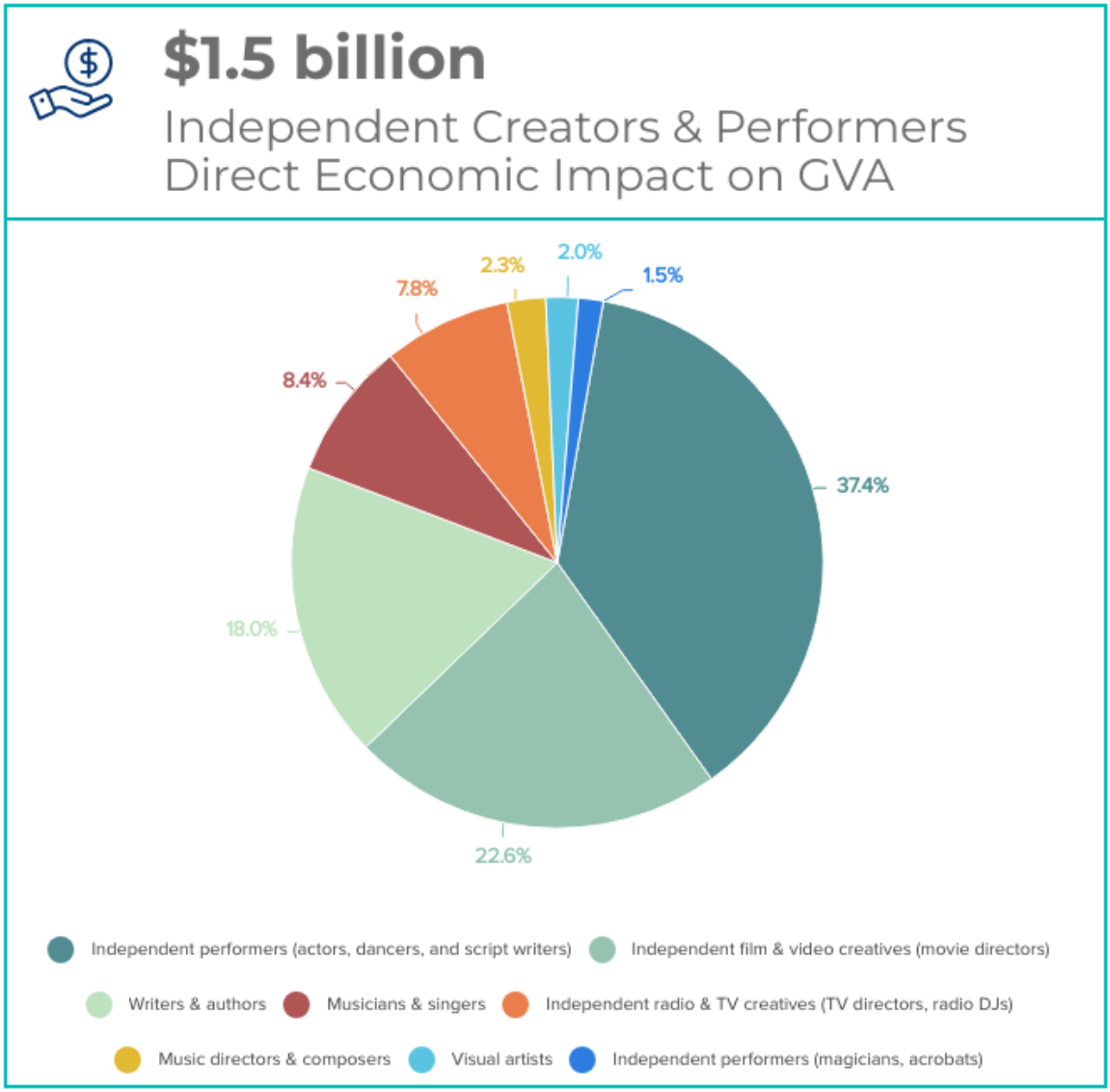
Figure 7. Direct Employment by Independent Creators & Performers Occupation[20]



Source: County Business Patterns 2023, OEWS 2023, IMPLAN, Sound Diplomacy Research

[20] To ensure accuracy, the 'independent performers (actors, dancers & script writers)' occupation has been adjusted to prevent double-counting with individuals employed directly by performing arts companies (included in the Performing Arts Companies & Venues sector). Please refer to Appendix C for further detail.

Figure 8. Direct GVA by Independent Creators & Performers' Occupation



Source: County Business Patterns 2023, OEWS 2023, IMPLAN, Sound Diplomacy Research

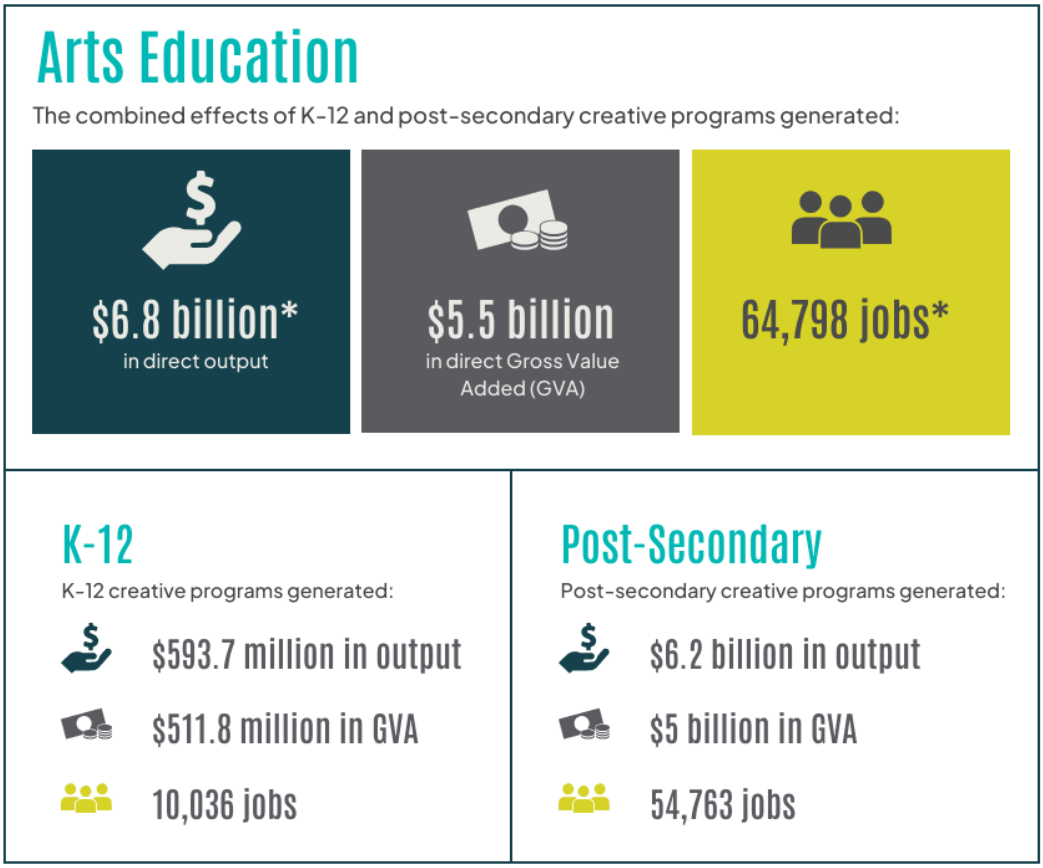
Arts Education

The arts education sector serves as the foundational talent pipeline for Illinois's broader creative economy, ensuring a steady influx of skilled professionals into the creative industries to ensure long-term sustainability. In terms of scale, Arts Education is a

significant economic driver, directly employing 64,798 individuals and generating $6.8 billion in direct output and $5.5 billion in direct GVA.

To better understand the specific dynamics of this category, Figure 9 outlines the sectoral contributions of K-12 creative institutions and specialized conservatories and universities. This breakdown clarifies how foundational creative literacy in schools complements the high-level professional training provided by the state's higher education programs.

Figure 9. Direct GVA and Employment, Arts Education in Illinois[21]



Source: County Business Patterns 2023, IMPLAN, Sound Diplomacy Research

[21] When interpreting the employment figures for the post-secondary sub-sector, the reported 54,763 jobs encompass a broad range of professional roles within the state's higher education infrastructure. This total includes all faculty members, instructors, and researchers directly associated with creative and cultural academic programs. For the K-12 sub-sector, this figure does not include the large number of general education schools that may offer individual drama, music, or art classes as part of a broader curriculum. It focuses exclusively on public and private schools where the core institutional mission is centered on cultural and creative education. Creative academic programs refer to direct, practice-based training in the arts (e.g. fine arts, music performance, creative writing, and theater), whereas cultural academic programs encompass the business, administrative, and operational frameworks of the sector (e.g. arts administration, entertainment law, music business, and museum studies).

Non-Profit Creative Organizations

Non-profit organizations in the cultural and creative industries[22] account for 15.4% of the total output of the creative economy in Illinois. Collectively, these organizations generate $22.9 billion in total economic output, $13.9 billion in GVA, and support 123,256 jobs. Table 6 summarizes the direct, indirect and induced effects of these non-profit entities.

Table 6. Non-Profit Creative Organizations Economic Impact, Output, GVA and Employment in Illinois[23]

TYPE OF IMPACT	EMPLOYMENT (NUMBER OF JOBS)	OUTPUT (BILLION $)	GROSS VALUE ADDED (BILLION $)
Direct	67,780	11.5	7
Indirect	23,627	5	2.8
Induced	31,850	6.4	4
Total Impact	**123,256***	**22.9**	**13.9***

The direct impact reflects the economic value created through the core activities of non-profit creative organizations. This impact results in $11.5 billion in output, $7 billion in GVA, and 67,780 jobs. These organizations directly employ 1.1% of the state's workforce. This share of the workforce is comparable to established industries such as real estate (1.4%), utilities (0.7%), and the arts education industry (1.1%).

Combined, indirect and induced effects contribute $11.4 billion in additional economic output, $6.8 billion in GVA, and support 55,476* jobs throughout the regional economy.

Non-profit creative organizations share similar multiplier effects to the wider creative industry, with an output multiplier effect of 1.98. This means that every $1 of direct output from these organizations generates an additional $0.98 elsewhere in the local economy. This output multiplier is comparable to that of the construction sector (1.98) and the public transport sector (1.97).

[22] Specifically, this refers to registered 501(c) organizations, foundations, and associations that directly support or operate within the 12 core sectors that define the state's creative economy.
[23] Note: figures may not sum exactly due to rounding. Where this is the case, the summed figures are marked with an asterisk.

The employment multiplier is slightly lower, with a value of 1.82, meaning that each job within these non-profit organizations effectively sustains almost one additional job elsewhere in the economy. This employment multiplier is comparable to that of the real estate sector (1.9) and the accommodation sector (1.59).

Labor Income in the Creative Economy

In terms of wages, in 2026 the annual average income of workers in the creative economy in Illinois reached $84,012, which was slightly below the average salary in the state ($88,578). However, it masks deep systemic inequities. The sector is fundamentally divided into high-yield corporate/technical creative industries and historically undercompensated cultural practitioners. The sector's seemingly robust average is disproportionately driven by highly commercialized, tech-integrated, and corporate-facing sub-sectors. Specifically, Audiovisual & Interactive Media leads the ecosystem with an average annual wage of $149,225, followed by Other Professional Support at $115,436, and Design & Creative Services at $107,480. These industries benefit from strong corporate business-to-business demand, scalable digital assets, and centralized media infrastructure, which effectively pull aggregate output, and consequently the average wage, upward.

A starkly different economic landscape emerges when evaluating the fine arts, performance, and primary cultural sectors. Workers in Independent Creators & Performers ($43,832), Performing Arts Companies & Venues ($42,018), Industry Support ($38,312), and Visual Arts & Crafts Support ($37,482) earn salaries that fall drastically below the ecosystem's average. A closer look at the Independent Creators & Performers sector reveals that musicians earn an average of $40,587 per year, while other performers and visual artists average $44,353 per year.

When these figures are contextualized against the broader state economy, a critical vulnerability is exposed: the cost-of-living baseline, or living wage, for Illinois is established at $50,796. Consequently, every core cultural and performance-based sub-sector operates at a severe deficit relative to basic self-sufficiency. The cultural amenities that drive Illinois tourism, hospitality, and urban desirability are effectively being subsidized by the economic precarity of the creators themselves, who must routinely navigate underemployment or the gig economy to survive.

This wage asymmetry carries macroeconomic implications for the long-term sustainability of the state's creative infrastructure. The vast earning differential between commercial digital media and the traditional fine arts threatens a severe 'talent drain', incentivizing skilled creators to either migrate to states with lower living costs or abandon cultural production entirely in favor of more corporate or commercial roles. Furthermore, because

core creative occupations fail to yield a living wage, entry into these fields increasingly becomes a privilege restricted to those with independent financial safety nets, stifling demographic diversity and equitable representation.

Rather than looking at overall economic prosperity figures for Illinois, stakeholders and policymakers should examine localized, granular work-force data, such as the empirical trends tracked via the Chicago Arts Census Data Dashboard, to design targeted interventions, including workforce subsidies, affordable creative spaces, and equitable wage standards, thereby stabilizing the financial foundation of the entire creative ecosystem.

Location Quotients

Table 7 presents the Location Quotient (LQ) figures for both establishments (physical businesses) and employment in Illinois. The LQ[24] is calculated by comparing the ratio of an industry's presence in the regional economy (e.g. its share of employment or establishments in Illinois) to the same proportion at the national level. This comparison provides insights into the relative importance of that industry within the local context:

- LQ = 1: signifies that the industry's presence in Illinois is proportionate to its presence in the national economy. The industry is neither more nor less concentrated in the region compared to the nation as a whole.
- LQ < 1: indicates a lower concentration of the industry in Illinois. This could suggest that the region may be less competitive in that industry or that there are fewer resources or demand for that industry locally.
- LQ > 1: reveals a local specialization in that industry. This can signify a competitive advantage, possibly due to local resources, workforce skills, infrastructure, or historical development patterns.

Table 7. Location Quotients by Industry

	ILLINOIS	
INDUSTRY	LQ ESTABLISHMENTS	LQ EMPLOYMENT
Arts Education	1.03	1.36

[24] Also see: https://www.bea.gov/help/faq/478 . For a formula on calculating the LQ's please see Appendix E. Because these LQs are calculated using business data, these values reflect only registered business locations and do not account for independent freelancers, sole proprietors, or individual creative workers. Therefore, the Independent Creators & Performers sector is not included in this analysis.

Audiovisual & Interactive Media	0.79	0.69
Books & Press	1.10	1.32
Cultural & Natural Heritage	0.83	1.18
Design & Creative Services	1.23	1.30
Festivals, Fairs, and Conventions	0.97	1.63
Industry Support - Retail	0.92	1.21
Music Recording & Publishing	1.01	0.74
Other Professional & Business Support	1.06	1.04
Performing Arts Companies & Venues	1.05	0.72
Visual Arts & Crafts Support	0.81	0.62
LQ of the Illinois Creative Economy	**1.00**	**1.01**

Source: QCEW (2024), Sound Diplomacy

The creative economy in Illinois exhibits a diversified and balanced structure. On average, Illinois mirrors the national baseline for the creative economy with an establishment LQ of 1 and an employment LQ of 1.01. However, the ecosystem is not uniform.

Illinois maintains robust clusters in support and service-oriented creative sectors. Employment concentrations often outpace establishment counts, suggesting that Illinois businesses in the creative economy are generally higher-capacity or more heavily staffed than their national counterparts. The ecosystem performs particularly well in 'bridge'

industries - sectors which support other businesses (e.g. festivals, professional/commercial support). This suggests Illinois is a hub for enabling creative output rather than solely being a hub for isolated artistic creation.

Arts Education: This industry maintains a healthy establishment LQ of 1.03 and a strong employment LQ of 1.36, highlighting it as a reliable driver of employment and a stable regional cluster. The discrepancy between these two figures suggests that, on average, Illinois-based arts education institutions are more heavily staffed than the national average, resulting in a higher employment concentration relative to the number of establishments.

Audiovisual & Interactive Media: With an establishment LQ of 0.79 and an employment LQ of 0.69, this industry is currently under-represented compared to the national average. This suggests an opportunity for targeted growth, as the Illinois market is not currently capturing the volume of activity seen in competing regions. The data shows that this trend is largely driven by games and software publishing; this area in particular stands out as a critical area where targeted investment could help close the competitive gap.

Books & Press: This sector shows strong performance with an establishment LQ of 1.1 and an employment LQ of 1.32, indicating it is a robust, well-established cluster with a high capacity to sustain employment.

Cultural & Natural Heritage: While the establishment LQ is 0.83, the employment LQ is significantly higher at 1.18. This indicates that although there may be fewer unique businesses, the existing ones are large, high-capacity organizations that provide a significant share of the regional creative workforce. This is consistent with Illinois' unique landscape, where major cultural institutions like The Art Institute of Chicago, the Field Museum, and Brookfield Zoo provide the scale necessary to support a significantly higher concentration of jobs than the number of firms would otherwise suggest.

Design & Creative Services: This sector is the best performing out of the creative industries, with an establishment LQ of 1.23 and an employment LQ of 1.30. These figures demonstrate a thriving industry with a deep, competitive local presence in both firm count and job density.

Festivals, Fairs & Conventions: Despite an establishment LQ slightly below parity at 0.97, its employment LQ is significantly higher at 1.63, suggesting it is a major anchor for the regional economy, likely driven by large-scale festivals such as Lollapalooza and Sueños Festival.

Industry Support – Retail: This industry shows a lower establishment density with an LQ of 0.92 but a strong employment concentration with an LQ of 1.21, suggesting that the market is served by fewer, larger, or more productive retail entities rather than a high volume of small shops. This also likely accounts for a significant online presence; many of these

businesses may have a smaller physical footprint (reflected in a lower establishment count), but hire a large team to manage websites, digital sales, and the logistics behind them.

Music Recording & Publishing: With an establishment LQ of 1.01 and an employment LQ of 0.74, this sector features a business footprint that perfectly mirrors the national average, but with a notably lower concentration of labor. This disparity indicates a highly decentralized local industry.

Rather than being anchored by high-capacity operations like major record labels or massive publishing houses, the sector is now driven by smaller, leaner operations, independent creators, or boutique studios. These entities match national averages in sheer business count but operate with significantly smaller staffs or rely heavily on freelance talent, sustaining a much lower permanent workforce than the number of local establishments would typically imply.

Other Professional & Business Support: With an establishment LQ of 1.06 and an employment LQ of 1.04, the sector is well-balanced and effectively aligned with national trends.

Performing Arts Companies & Venues: With an establishment LQ of 1.05, Illinois features a slightly higher concentration of both performing arts companies and physical spaces (such as arenas, live music venues, and theaters) than the national average. This demonstrates a solid, well-distributed network of creative organizations and infrastructure across the state.

However, the lower employment LQ of 0.72 highlights a lean structural model. This footprint suggests that the local landscape is heavily shaped by independent companies, boutique creators, and smaller or community-based venues. These entities maintain a robust presence in terms of business entities and spaces but operate with leaner permanent staffs, relying instead on project-based contract talent, touring acts, or part-time workforces to drive operations rather than large-scale corporate payrolls.

Visual Arts & Crafts Support: With an establishment LQ of 0.81 and an employment LQ of 0.62, this sector is currently under-represented. This low concentration suggests potential for artisanal growth or the creation of local markets to support craft-based businesses.

Appendices

Appendix A. Methodology

The economic impact analysis is based on official secondary sources and statistics, complemented by primary research conducted by Sound Diplomacy. It provides a reliable measure of the economic importance of the creative economy in Illinois on three scales: direct, indirect, and induced impact.

The economic impact calculation is based on the Input-Output Model (I-O), which explains how production is determined by the total amount of products and services demanded in the economy. The model identifies how individual industries rely on inputs from other sectors, generating a chain reaction that produces multiplier effects throughout the region. Through this structure, intersectoral impacts are estimated, along with the way sales and purchases circulate across economic activity. For the direct impact, data on the workforce, number of establishments, and average output per worker are used to calculate output, labor income, Gross Value Added (GVA), and employment.

Classifications

To define and frame the creative ecosystem in accordance with available official data, Sound Diplomacy uses **the Classification of Economic Activities of the North American Industrial Code System 2017 (NAICS),** which is the standard used by federal statistical agencies in classifying business establishments to collect, analyze, and publish statistical data related to the U.S. economy. Sound Diplomacy uses this data to calculate the value of the economic activity in Illinois that can be attributed to the creative economy. For more information, please see Appendix B - 2017 NAICS Activities for the creative economy.

Geographical Scope

This assessment's geographical scope is the state of Illinois.

Data Sources

The economic impact results correspond with data from 2023 due to most official data sources having a three-year delay. While 2023 remains the primary baseline for the economic impact model, 2024 data from the Quarterly Census of Employment & Wages is used to calculate Location Quotients (industry specialization). Because Location Quotients are independent of the core impact calculations, incorporating this more recent data ensures the report provides the most current and comprehensive assessment of Illinois's creative economy.

Six main data sources have been used to conduct the economic impact analysis.

Table 8. List of Data Sources

DATA SOURCE	DETAILS
County Business Patterns: 2023	This source allows the calculation of the number of establishments and employees in the ecosystem.
Occupational Employment and Wage Statistics 2023	This source allows for quantifying the workforce within specific occupations integral to the creative economy.
Quarterly Census of Employment and Wages 2023 & 2024	This source provides complementary data for the number of employees in the ecosystem. It is the source for the Location Quotients provided in this analysis. Since 2024 is the most recent available data from this source, this is used in LQ calculations. QCEW 2023 data is used to calculate benchmarks for the performing arts sector (see Appendix C).
IMPLAN 2023 Data (software and regional I-O accounts) – Illinois	Provides industry-specific production functions, regional trade flows, multipliers, labor income, value added components, and fiscal accounts (federal, state, county, and sub-county). Used to estimate direct, indirect, and induced economic effects across the state of Illinois. All monetary results expressed in 2026 dollars using IMPLAN deflators.
American Community Survey 2020–2024	This source provides data on jobs and other economic activities associated with the ecosystem across several characteristics.
Mapping Dataset	The mapping dataset provides ancillary data that allows Sound Diplomacy to identify missing data points.

Economic Variables

Output values presented in this report represent the total gross value of goods and services produced by the creative sector, serving as the broadest measure of overall economic activity. Output is a measure of gross sales or transactions rather than net wealth created; it encompasses the entire market value of industry production, which means it includes both the value of the final creative products sold and the cost of all intermediate inputs (such as raw materials, third-party software, utilities, and vendor services) purchased to create them. Because it captures every transaction along the supply chain, Output contains inherent 'double-counting' by design - for example, counting both the wholesale purchase of digital audio equipment by a recording studio and the final retail price of the studio's production services.

Gross Value Added (GVA), sometimes referred to as *Value Added*, represents the net economic contribution of the creative sector to the regional economy and is the industry-level equivalent of Gross Domestic Product (GDP). Unlike Output, GVA isolates the unique value *added* specifically by creative entities by stripping away the cost of all intermediate goods and services purchased from other industries, thereby eliminating the distortions of supply-chain double-counting. Mathematically, GVA is the sum of four distinct components: Employee Compensation (wages, salaries, and benefits paid to W-2 workers), Proprietor Income (the net earnings of self-employed freelancers and gig workers), Taxes on Production and Imports (TOPI, which includes sales, property, and licensing taxes levied at the local, state, and federal levels, but excludes income taxes), and Gross Operating Surplus (corporate profits and capital depreciation). Consequently, GVA serves as the most accurate metric for evaluating the net wealth retained within the state or municipal borders as a direct result of creative operations.

Employment numbers presented in this report represent an annual average headcount of the total positions supported by the creative sector, rather than unique individuals or Full-Time Equivalents (FTEs). Under this framework, a single position held for a full year, two seasonal positions held for six months each, or a part-time role are all mathematically standardized as 1.0 job. Crucially, to provide an exhaustive footprint of the decentralized creative economy, this metric includes both traditional wage-and-salary corporate payroll employees (W-2 workers) and independent sole proprietors, freelancers, and gig workers (1099 contractors). For a detailed breakdown of the FTE employment figures by sector, see Appendix D.

Contribution to the Tax Base

In an IMPLAN-based economic impact analysis, the tax breakdown categorizes government revenues based on which level of government legally levies and collects the tax. IMPLAN does not just track taxes paid directly by the primary business, but also captures the fiscal ripple effect from the supply chain (indirect) and employee spending (induced). It traces tax flows from four core economic paying entities: Businesses, Employees, Proprietors, and Households.

The model organizes fiscal impact into four distinct, mutually exclusive geographic tiers:

Sub-County (Municipal & Special Districts): Captures revenues collected by government entities below the county tier.

- **City/Municipal**: General sales surcharges, local business licenses, or city property taxes.

- **Special Districts**: Independent local taxing authorities established for specific public services, most notably local public school districts, fire protection, or public transit authorities.

County: Estimates revenues collected strictly by county-level governments (e.g. Cook County). It excludes city or school district levies within that county, focusing on county property taxes and county-specific recording fees.

State: Captures all tax streams flowing directly to the state revenue (e.g. State of Illinois). This includes state personal income tax, baseline state sales and use taxes, state corporate income tax, and state motor vehicle licensing fees.

Federal: Estimates all revenues collected by the United States federal government, including federal personal income taxes, federal corporate profit taxes, customs duties, and federal excise taxes.

Appendix B: 2017 NAICS Activities for the Creative Economy

The research analyzed a list of NAICS codes related to the creative ecosystem, which can be found in the following table. It is important to note that some activities on the list were not exclusively related to the Arts and Cultural sector and had to be adjusted.

Information from various sources was collected and cross-checked to ensure that the impact measured resulted from activities related to the Arts and Cultural ecosystem, including the mapping conducted by Sound Diplomacy.

The industry classifications detailed in this appendix are mapped strictly at the six-digit NAICS level. While certain specialized data vendor indexes or sub-industry registries offer even deeper granularities, for example, isolating 'Restorers of art and museum collection objects' under a seven- or eight-digit extension like 711510–31, this report intentionally standardizes its analysis at the official six-digit baseline (711510 - Independent Artists, Writers, and Performers). This specific resolution was chosen because the six-digit tier represents the maximum uniform granularity supported across official federal datasets and standard economic impact modeling software. Adhering to this established standard ensures full data integrity, prevents classification mismatches, and guarantees that all economic calculations remain completely reproducible and defensible.

Table 9. Arts and Cultural Ecosystem NAICS Codes

	CREATIVE ECONOMY SECTOR	
NAICS codes	515120	Television broadcasting networks
	541512	Computer software consultants
	511210	Games and computer software publishers
	541511	Software programmers
	519130	Internet broadcasting organizations
	518210	Web hosting, video and audio streaming organizations
	512120	Film & video distribution companies

	512132	Drive-in movie theaters
	512131	Movie theatres
	512191	Film & video postproduction companies
	512110	Film & video production companies
	512199	Other motion picture and video services organizations
	512199	Motion picture booking agencies & film restoration providers
	515111	Radio networks
	515112	Radio stations
	519120	Libraries & archives
	32311	Books & press printing establishments
	511130	Books publishers
	712110	Museums
	711510	Independent artists, writers & performers (including restorers of works of art and museum collection objects)
	712130	Zoos & botanical gardens
	611310	Conservatories and universities with cultural & creative programs or business programs for the cultural & creative industries
	611610	Public and private schools with cultural & creative programs
	541810	Advertising agencies

	541310	Architect organizations
	541320	Landscape architect organizations
	541490	Costume, fashion and jewelry design companies
	541430	Graphic designers
	541420	Industrial design companies
	541410	Interior designers
	711320	Audiovisual & interactive media festivals, fairs, and conventions
	711320	Book fairs and conventions
	711320	Design fairs and conventions
	711320	Performing arts festivals, fairs, and conventions
	451211	Book stores
	443142	Film and video stores
	451140	Musical instruments & equipment stores
	443142	Record stores
	711310	Arenas
	711110	Dedicated live music venues
	711310	Occasional Venues
	711320	Bookers & programmers

	512230	Music publishers
	512250	Record labels
	512240	Recording studios, producers & rehearsal rooms
	711410	Artists' managers
	339992	Instrument manufacturers
	541	Other commercial and administrative support organizations for the cultural & creative sector
	561599	Performing arts ticket offices
	711120	Performing arts companies
	711110	Dedicated performing arts venues
	339910	Craft stores
	453920	Art galleries, auctions & dealers
	813910	Associations and nonprofits for the cultural & creative sector

Appendix C: Independent Creators & Performers

To ensure the integrity of the economic impact assessment and avoid the inflation of figures, the analysis distinguishes between performers employed directly by performing arts companies and independent performers. The following methodology reconciles data from the Quarterly Census of Employment and Wages (QCEW) and Occupational Employment and Wage Statistics (OEWS).

We utilized 2023 QCEW data to establish a baseline for employment proportions within the performing arts sector. To isolate theatrical employment, we filtered for specific North American Industry Classification System (NAICS) codes (primarily 711100 - Performing Arts Companies and 711110 - Theater Companies and Dinner Theaters) and produced an employment ratio.

Based on industry benchmarks regarding the staffing composition of theatrical production companies, we then applied a standardized assumption that performers comprise one-third of the total staff complement. This approach allows us to estimate the number of actors who are already captured under the umbrella of 'performing arts companies'.

The OEWS dataset provides a broad count of actors and performers, which inherently includes both individuals employed by firms (company staff) and independent contractors. To prevent double-counting between the Independent Creators & Performers and Performing Arts Companies & Venues sectors, we adjusted the OEWS total by subtracting the estimated company-employed theatrical staff calculated in the above step. This net figure ensures that actors employed directly by performing arts companies are only counted once (within the industry employment totals of the performing arts sector) and not as separate, independent entities.

It is important to note that employment data for performing arts companies encompasses both creative and support roles, including set design, costume, technical personnel (lighting and sound), choreographers, and general production staff. The performing arts companies mapped include theatrical, dance, and dance schools which conduct regular performances, bands, orchestras, and independent live event companies (e.g. wedding DJs, etc).

Additionally, OEWS data accounts exclusively for individuals meeting formal, tracked employment criteria. Consequently, these metrics establish a highly conservative baseline for the Independent Creators & Performers sector. The true statewide population of visual artists, performers, musicians, and independent creators, and therefore the economic impact, is expected to be significantly larger, as standard occupational surveys do not fully capture informal, self-employed, or secondary income-generating activities that characterize a major portion of the freelance creative workforce.

Appendix D: Full-Time Equivalent (FTE) Employment

While the primary body of this report presents an annual average headcount metric to capture the total geographic footprint of the creative economy, counting every W-2 and 1099 position as a single job regardless of hours worked, this appendix provides a more granular look at labor utilization through the lens of Full-Time Equivalents (FTEs).

Measuring employment via FTEs standardizes the workforce based on actual hours worked. One FTE equals a single, full-time employee working a standard schedule (typically 40 hours per week, or 2,080 hours per year). This baseline controls for the high volume of part-time, seasonal, and freelance roles inherent to the decentralized creative economy, offering a precise look at the economic labor volume dedicated to each sector.

Table 10 provides a detailed, sector-by-sector breakdown of total direct employment and direct FTE employment.

Table 10. Direct FTE Employment by Industry[25]

INDUSTRY	EMPLOYMENT (TOTAL)	EMPLOYMENT (FTE)
Arts education	64,798	58,948
Audiovisual & interactive media	50,759	48,220
Books & press	49,708	47,537
Cultural & natural heritage	23,578	19,632
Design & creative services	58,453	56,224
Festivals, fairs, and conventions	20,011	16,662
Independent creators & performers	14,098	11,739

[25] Note: figures may not sum exactly due to rounding. Where this is the case, the summed figures are marked with an asterisk.

Industry support – retail	6,921	6,041
Music recording & publishing	1,890	1,696
Other professional & business support	21,661	19,259
Performing arts companies & venues	63,026	52,478
Visual arts & crafts support	6,486	5,566
Total direct employment	**381,389**	**344,003***

Appendix E: Location Quotients

Location Quotients (LQs) are commonly used in economic impact studies, regional economic planning, and policy analysis. They provide insights into a region's economic strengths, weaknesses, and potential growth or investment areas by assessing the concentration of a specific industry in a region compared to the concentration in a larger reference region (here nationally). LQs can help to identify industries or sectors that are important to a particular area. They are useful for understanding the economic structure and specialization of a region.

The LQ compares the share of an industry (in this report) in terms of the number of establishments in a specific region to the share of the same industry in the nation. The resulting value indicates whether an industry is overrepresented (LQ > 1), underrepresented (LQ < 1), or proportionally represented (LQ = 1) in the area being analyzed.

- LQ > 1: Indicates that the industry is more concentrated in the region compared to the reference region. This suggests a specialization in that industry within the area.

- LQ < 1: Suggests that the industry is less concentrated in the region compared to the reference region. This implies a relative lack of specialization in that industry.

- LQ = 1: Implies that the industry's concentration is the same in the region as in the reference region. There is no significant specialization or deviation from the average.

The formula for calculating the Location Quotient is (example NAICS code 711130 - Musical Groups and Artists):

$$LQ_{ESTAB} = \frac{\frac{Local\ Number\ of\ Establishments\ in\ NAICS\ Code\ 71130}{Local\ Number\ of\ Establishments\ in\ All\ Industries}}{\frac{National\ Number\ of\ Establishments\ in\ NAICS\ Code\ 71130}{National\ Number\ of\ Establishments\ in\ All\ Industries}}$$