



Social Impact of
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University of Pennsylvania
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**Working Paper #10:
The Geography of Cultural Production
in Metropolitan Philadelphia**

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SUMMARY

In previous work undertaken by the University of Pennsylvania Social Impact of the Arts Project (SIAP), we found that nonprofit arts and cultural organizations are concentrated in economically and ethnically diverse neighborhoods. This paper uses data on for-profit cultural firms to document whether they too cluster in these neighborhoods or if they have a different logic of agglomeration.

The literature on the impact of economic restructuring has implications for cultural organizations. One of the key features of this restructuring has been the replacement of large, integrated firms organized on bureaucratic principles with smaller, vertically disintegrated firms held together by social networks. As a result, firms cluster in particular neighborhoods to stay in touch more easily, to foster a “milieu of innovation” (Manuel Castells), and to remain competitive. Arts and cultural organizations have always displayed these qualities. Decisions about location are dictated by supply-side imperatives around agglomeration and by an interest in locating in neighborhoods that are accessible to cultural participants.

Understanding the dynamics of cultural agglomeration has gained new importance in recent years because of the popularity of cultural districts as economic development strategies. If cultural districts are to be successful, they need to be sited in neighborhoods that support both the supply- and demand-sides of this location logic.

This paper analyzes the concentration of both for-profit and nonprofit cultural organizations in metropolitan Philadelphia. The nonprofit inventory is a database of over 1,200 cultural providers, including incorporated and “informal” cultural providers, compiled by the Social Impact of the Arts Project in 1997. The for-profit database was derived in 1999 from a yellow-pages compilation of firms in a set of selected industries for the five-county region.

We analyzed the location of approximately 1,300 for-profit firms. One set of firms – including commercial theatres, theatre support firms (casting, props, etc.) and galleries – were clearly related to the more established nonprofit art world. However, a larger set of firms appears less connected to this world. Schools of dance, music stores, and schools of music often survive by “bundling” a variety of services. For example, many dance schools combine instruction in tap and ballet with aerobic workouts and karate. Music stores provide instruction, but they also sell and rent instruments.

In contrast to the nonprofit sector, for-profit firms are more likely to locate outside of Center City (downtown) and in the suburbs. In addition, although the location of for-profit cultural firms is correlated with economic and ethnic diversity, the strength of the relationship was not nearly as strong as among the nonprofit providers.

We used factor analysis to identify two dimensions of firm location. One factor – which we call the “established” factor – was highly associated with galleries, movie theaters, commercial theatres, theater support firms, and commercial design and graphic firms. The other factor – which we call the “populist” factor – is associated with dance schools, music schools, music stores, and art supply stores.

Supply-side considerations often encourage “established” for-profit firms and nonprofit cultural organizations to locate in the same neighborhoods. Their location is strongly correlated with economic and ethnic diversity and the presence of non-family households and more weakly connected to the population’s educational and occupational background. In contrast, “populist” firms are much less likely to locate in diverse neighborhoods and more likely to be present in white neighborhoods. Populist firms are less likely than established for-profit or nonprofit organizations to locate in neighborhoods with many other social organizations and with high rates of cultural participation.

The paper concludes with a description of five “natural” cultural districts in metropolitan Philadelphia with a focus on the mix of firms in each. It calls for further analysis of the synergies between the for-profit and nonprofit cultural sectors to understand how they share resources – especially audiences and artists – and what sustains these natural cultural districts. An informed urban policy could guide the planning of cultural districts so that they become not simply tourist destinations but also contribute effectively to arts and cultural production.

INTRODUCTION

In previous papers, the Social Impact of the Arts Project at the University of Pennsylvania School of Social Work (SIAP) has documented the concentration of nonprofit arts and cultural organizations in particular neighborhoods of Philadelphia and other metropolitan areas. We found that arts and cultural organizations located with particular frequency in economically and ethnically diverse neighborhoods. Furthermore, we found that these patterns of concentration were associated with higher levels of public participation in arts and cultural activities – that is, sections of the metropolitan area with many arts and cultural groups also had high rates of participation in regional arts and cultural organizations.

In this paper and Working Paper #11, we take up the issue of *why* these patterns are present. One possibility, of course, is that these patterns represent simply a supply and demand phenomenon; that the producers of arts and cultural organizations want to locate near their audiences. As we shall see, in particular situations at least, this appears to be the case. Yet, we want to begin in these two papers to ask another question – whether there are characteristics of arts production that lead to the concentration of arts organizations. Are there reasons why artists and arts organizations want to be located near one another in order to facilitate the production of art?

In Working Paper #11, we shall examine one route for answering this question: the social networks that develop in neighborhoods between arts and cultural organizations and other types of community and regional resources. In this paper, our research strategy is to document the presence of nonprofit and for-profit cultural organizations in the metropolitan area. Although SIAP began with a preoccupation with the structure of the nonprofit (including the ‘informal’ arts) sector, our recent work has convinced us of the need for a wider perspective in order to understand how arts and cultural production works. This paper represents our initial attempt to survey the location and composition of for-profit arts and cultural resources in metropolitan Philadelphia.

Urban Policy and the Geography of Cultural Production

The issue of arts and cultural resource concentration has taken on particular importance in urban policy in recent years because of the spread of arts and cultural districts in cities across the country. In Philadelphia, for example, the state and city have invested considerable resources in the development of a mainstream cultural district downtown on South Broad Street – the Avenue of the Arts – and a smaller district for African-American cultural organizations on North Broad Street.

The rationale for cultural districts has focused on consumption. Advocates have argued that cultural districts will increase cultural participation, and associated entertainment and retail consumption, among both metropolitan residents and tourists. By concentrating the resources in one locality, it is argued, each individual organization gains from association with other organizations. The cultural district serves as an amenity which simultaneously benefits the cultural groups and the city itself.

Little thought, however, has been given to the role of concentration for arts and cultural production. Our previous work suggests that organizations “naturally” locate

near one another in particular neighborhoods. What are the reasons for this *de facto* concentration, and how could “natural” districts inform public policy and planning of cultural districts?

Changes in the global economy suggest that a “supply-side” logic of cultural districts should be integrated into public policy. The literature on recent trends in “flexible production” has demonstrated that in the wake of “vertical disintegration,” related producers in particular industries choose to locate near one another. For example, Piore and Sabel, in the first statement of the flexible production paradigm, noted that the industrial districts of Northern Italy were characterized by many small specialized firms that worked together through an intense set of social networks (Piore and Sabel 1984). In Japan, using a slightly different model, independent automobile component producers located near the major assembly facilities (Scott 1988). Finally, in the United States, California’s Silicon Valley stands as the exemplar of the concentration of independent firms.

Silicon Valley provides the best parallels for the cultural sector. First, the concentration of producers is associated with the availability of trained labor. Stanford and other universities train the computer engineers and other personnel necessary to develop computers. Second, the very concentration of individuals and firms in one location spurs a cross-pollination of ideas and innovation. This leads to the development of a “milieu of innovation” which allows the initial comparative benefit of a particular place to reproduce itself. “What defines the specificity of a milieu of innovation is its capacity to generate synergy, that is the added value resulting not from the cumulative effect of the elements present in the milieu but from their interaction.” (Castells 1996: 390)

The arts are collective enterprises. Each individual artist is dependent on an array of services, personnel, audiences, and colleagues in order to produce his or her work. Yet, we do not have a very clear idea about the geographical consequences of these dependencies. *How* concentrated do arts resources need to be in order to work properly? (Becker 1982)

Geographer Allen J. Scott, in his study of the design industries of Los Angeles, argues that *clusters* of arts firms emerge for three reasons. First, at the most straightforward level, clusters are often efficient. Casting agencies and set design studios want to locate near theaters because it makes life easier for each firm. Second, clustering encourages innovation. “Any localized network or complex of industrial producers,” Scott suggests, “can be seen as a structured set of real activities and potential opportunities because they are more likely than others to have the requisite knowledge and ability to act.” (Scott 1996: 308) Finally, the clustering of competitors accentuates the costs and benefits of different ways of doing things. Motivated by efficiency and staying “in the loop,” producers find themselves needing to fine tune the proper balance of competition and cooperation. Thus, for Scott, clustering is a critical feature of cultural producers for both improving the quality of work produced and benefiting economically from the work.

In certain respects, SIAP’s work to date has demonstrated that the social networks developed by the arts are quite variable in their geography. Although community arts groups have a clear neighborhood effect, particularly around children’s arts

opportunities, patterns of participation for even small groups are often regional in scope. Documenting when space matters and when it does not is an important element in understanding how the arts and cultural world fits into the contemporary city.

This paper takes a first, essentially descriptive, look at how the for-profit and nonprofit arts industries appear geographically. After a brief description of our methods, we examine the composition of the for-profit arts industry. Then, using a geographical information system, we examine the distribution of for-profit and nonprofit arts organizations across the metropolitan area. We find that there are two distinctive patterns to the for-profit firms. One pattern—including theaters, galleries, and commercial and graphic design firms—is strongly related to the presence of nonprofit firms. The other pattern—relating to dance schools, music stores, and art supply stores—is independent of the nonprofits. We then look at a set of neighborhoods with particular concentrations of arts organizations to assess these “natural” cultural districts.

Data and Methods

Database development

This paper draws on several databases previously developed by the Social Impact of the Arts Project. Our inventory of nonprofit arts and cultural resources includes over 1,200 arts and cultural organizations in the five Pennsylvania counties of the Philadelphia metropolitan area. This paper makes use of one variable from the inventory that we had not previously used—the discipline in which a particular organization operates. SIAP coded this variable based on the organization’s description of its primary programs and services collected from grant applications and other public sources. For this paper, we have used the following 14 categories for arts discipline:

- craft and folk arts
- dance
- design arts
- history, humanities
- library
- music, music theater
- media arts, film
- multi-disciplinary
- opera
- service
- science, nature
- recreation
- theater, literary
- visual arts, photography.

The major new data source used in this paper is an inventory of for-profit arts organizations in the metropolitan area. This listing was derived from a commercial computerized yellow pages. Entries were checked against our nonprofit list, with those not found classified as for-profit. Using the revised Standard Industrial Code attached

to each record, we identified firms that engage in one of the following fourteen categories of business:

- art restoration
- art school
- art supply
- art studio
- audio studio
- cinema, movie theater
- commercial and graphic design
- dance school
- gallery
- music or art school
- music store
- photography
- theater
- theater support.

Data analysis

A major concern of this paper is geography. Therefore, as with the nonprofit inventory, we geo-coded the addresses of all firms in our for-profit cultural database. Entries that were matched by address or by zip code +4 were included in the database. Firms for which we had only a zip code match were excluded.

As in previous papers, we defined a one-half mile buffer around each nonprofit organization in order to identify groups that are located in proximity to one another. These buffers were then aggregated to the block group level (a census category) to determine which sections of the city were home to the most organizations. In addition to counts for the total number of cultural organizations (as we used in Working Papers #3 and #9), we calculated the number of organizations in each discipline near each block group.

Likewise with the for-profit data base, we drew one-half mile buffers around each firm and developed counts of buffers for each block group in the region. Counts were made for the total number of for-profits near a block group and for each of the categories of for-profit firm.

We then used factor analysis, a data reduction technique, to determine if the fourteen different types of for-profit arts firms conformed to a smaller number of patterns in their geographical distribution. The analysis revealed two major factors, which will be discussed in more detail below.

The counts of for-profit and nonprofit cultural groups were then linked to other information that we have on each block group – including 1990 census characteristics, number of (non-arts) social organizations, and rates of regional cultural participation.

Finally, we used the data to identify a set of exemplary cultural clusters, each of which show the range of organizations present in these naturally occurring cultural districts. A description of these case studies and implications for urban policy is presented in the last section of the paper.

FINDINGS

Composition of the Nonprofit and For-profit Cultural Sectors

Nonprofit arts and cultural organizations

As we have seen in previous papers, Philadelphia's nonprofit cultural sector boasts over 1,200 institutions ranging from the major regional arts organizations like the Philadelphia Museum of Art and the Philadelphia Orchestra to small, unincorporated groups often organized and run by a single artist. We have seen as well that these institutions are present across the region; only about 20 percent are located in Center City. They concentrate particularly in economically and ethnically diverse neighborhoods of the city.¹

In this paper, we concentrate on how these institutions are distributed by discipline. Nearly a quarter of the arts and cultural institutions in the city focus primarily on history. This includes the city's historical sites and museums, like the Elfreth's Alley Association, the Atwater Kent Museum that focuses on Philadelphia history, or the Civil War Library and Museum. The next most common disciplines represented among the region's institutions are performing arts groups in music and theater. Together, these three types of institutions comprise over half of all nonprofit arts and cultural organizations in the metropolitan region (Table 1).

Throughout the Philadelphia region, "very small" institutions—those with an annual operating budget of less than \$100,000—predominate. This is particularly notable among the three most numerous disciplines. Whereas 69 percent of all institutions are very small, more than 75 percent of all historical, music, and theater organizations are. With the exception of libraries and institutions devoted to the design arts or the visual arts, very small institutions make up a majority of groups in all disciplines (Table 2).

In our earlier work, we documented the relationship of diversity to the presence of arts and cultural groups. This relationship holds for virtually all the disciplines. For example, the average number of dance groups in block groups that were both ethnically and economically diverse is nearly five times the average for homogeneous block groups. Among multi-disciplinary organizations, the average "doubly" diverse block group has 2.7 organizations within one-half mile, while the average homogeneous block group only has 0.45 (Table 3).

We conducted a factor analysis to identify different dimensions of the geography of the different disciplines across the metropolitan area. However, the analysis identified only one clear factor. In other words, rather than clustering into two or more distinctive patterns, all of the disciplines in the nonprofit arts world conform to the same location pattern, one dictated by the diversity of the population.

¹ See "Representing the City: Arts, Culture, and Diversity in Philadelphia," Working Paper #3, Social Impact of the Arts Project, University of Pennsylvania School of Social Work, by Mark J. Stern (1997).

For-profit arts and cultural firms

Our yellow pages search identified 1,291 arts and cultural firms in the Philadelphia metropolitan area that were not part of our nonprofit arts and cultural resources inventory. The distribution of these firms by type is strikingly different from that of the nonprofit organizations. Among the nonprofits, historical, musical, and theatrical organizations were the most common. Among the for-profits, by contrast, photography shops, commercial and graphic design firms, and dance and music schools were the most common (Table 4).

Below is a review of the different types of firms identified in our search: photography; commercial and graphic design; dance schools; music schools and music stores; art supply, restoration, and studios; galleries and theaters; and cinema.

Photography

Photography is one of the most difficult categories to include in the for-profit database. Firms included range from fine arts photographers to more craft-like portrait studios to photographic processing outlets. The large number of firms identified may be a result of this heterogeneity.

Indeed, the distinction between art and craft may account for the high number of for-profit firms in a number of categories. On the one hand, it is hard to see how a Sears portrait studio or Hot Looks High Fashion Portraits fits into an orthodox notion of the arts and cultural sector. On the other hand, the decision to buy a camera and take photographs with it is one of the most common steps that ordinary citizens make to involve themselves in the creative process. In this respect, the operation of these for-profit firms is similar to shift from art to craft that Howard Becker identified in many professional arts training milieus, where the gaining of a particular level of technique takes precedence over the expressive side of the artistic process (Becker 1982).

Commercial and graphic design

The commercial and graphic design category again encompasses a variety of types of firms. This category includes, for example, many firms involved in professional design for advertising as well as a number of firms that produce graphics for the general population, such as Framing by Mindy and the Eagle Sign Company.

Dance schools and art schools

The large number of dance and art schools operating on a for-profit basis was one of the biggest surprises of our search. For example, the SIAP inventory classifies only 61 nonprofit organizations with a primary disciplinary mission of dance, yet nearly 200 for-profit firms identify themselves as dance schools. Perhaps more than any other discipline, the social organization of dance schools underlines the importance of viewing for-profit and nonprofit providers in a common analysis.

Many of the dance schools are in fact fitness centers. Such names as Gwendolyn Bye Dance & Fitness Center and Busy Bodies suggest that a number of firms focusing on fitness and recreation include dance classes, presumably of the high-energy kind, in their course offerings. A number of dance studio chains, including the venerable Arthur Murray, continue to attract patrons as do many independent dance studios. Finally, the

metropolitan area is home to many “dance academies” and similar firms that appear to be directed at the training of children and youth in established dance styles.

The proliferation of dance schools also tells us something about the reorganization of the arts and cultural sector in the post-NEA era.² A great deal of attention has been given recently to the “unincorporated” sector of the arts world as researchers look to “start up” groups as a sector that is often invisible in cultural policy debates. Yet, in a world in which the availability of philanthropic support for individual artists is perceived to be in decline, many artists may turn to for-profit pursuits as a means of support. A review of for-profit dance and art schools suggests that many dancers and artists, in the absence of philanthropic or government support of their work, turn to commerce as a means of support. In this respect the “unincorporated” (or what SIAP calls the “informal”) sector serves as a transitional zone between official nonprofit organizations and for-profit arts and cultural firms.

Indeed, our study of the nonprofit arts sector makes the distinction between for-profit and nonprofit even fuzzier. It appears that many, perhaps even a majority of, nonprofit arts and cultural programs pay their “staff” as contractors or consultants. In some cases an individual artist is listed for a class and paid based on the number of students that he or she attracts. In other situations, the classes are in fact individual lessons, making the connection between the number of students and compensation even more direct. In other words, an individual artist could run a class at a nonprofit in the morning, at a for-profit dance studio in the afternoon, and rehearse as part of an unincorporated dance company in the evening.

Music schools, music stores, and audio studios

The many for-profit music schools and stores in the metropolitan area represent a slightly different pattern. While many dance studios “bundle” dance classes with other “fitness” related activities, the music stores leverage an interest in instrumental music with the sale and rental of musical instruments. More than a few parents have trundled their son or daughter to a local music store in order to rent a guitar or violin for them. Typically, these stores have a “lessons available” sign in the window which represents a network of musicians with whom they have a contractor relationship. As with the dance studios, these stores are likely to have an eclectic mix of genres. Rock and other popular music probably are their major profit centers, but classical and band music are also likely to be represented. Perhaps more than the dance studios, a major focus of their work is with children and teens. As with dance studios, the for-profit music schools and stores represent one connection between the informal arts world and more established for-profit firms.

Art supply, restoration, and studios

Arts supply stores represent a straightforward arts support role: providing the materials necessary for visual arts production. Yet, they too often bundle services with this commercial mission. Names like “Creative Urge” and “Innerglow” suggest that these firms are interested in marketing an entree into the creative process as well as selling paints and clay. In addition, many of the stores are involved in arts and crafts

² The establishment and expansion of the National Endowment for the Arts spans from the years 196- to 198-.

and fine arts lessons as well as providing the materials. Finally, at the upper end, many of the stores in this category are seriously involved in the restoration and maintenance of original works of art.

Galleries, theaters, theater support

Many of the categories already discussed operate at some distance (sociologically speaking) from the non-profit arts world. Galleries and theaters, in contrast, represent a much more clear symbiosis between the for-profit and nonprofit arts worlds. The goal of many performing and visual artists is to gain access to these for-profit venues. Having an exhibition at a nonprofit arts center or a part in a play at a community theater is typically one means of gaining the attention necessary to attain this goal. In this sense, these categories are more professionally oriented than the others that we have examined.

At the same time, this is not *all* that theaters and galleries are about. In addition to their link to the established world of art, many of the theaters and dramatic groups cater to a more amateur and participatory audience. Such groups as the Old Academy Players and the Village Players of Hatboro put on productions that are similar to those in the incorporated nonprofit sector. Indeed, the community theater scene which has a strong presence in many suburban communities is largely missed by established nonprofit databases.

The theatre support category is perhaps the most professionally oriented sector in our classification. Ticket agencies, equipment and prop firms, and casting agencies all clearly are directed at servicing the for-profit and nonprofit theater scene.

Cinema, movie theaters

We have included cinema in this review, even though its relationship to the art world is problematic. Certainly, most movie theaters included restrict themselves to first-run major studio films. At the local level, there is little evidence that the movie theater chains have any relationship to other parts of the art world. Still, it is difficult to write cinema out of the arts and cultural world without some explicit judgment about the nature of the content of the arts products. Since in other contexts—for example, the world of folk culture—we have gone out of our way to be inclusive, it seems reasonable to maintain this same methodological commitment with respect to popular culture.

Distribution of Cultural Producers Across the Region

Comparison of nonprofit and for-profit arts

The most obvious distinction between the nonprofit and for-profit arts and cultural providers is the balance of urban and suburban sites. Sixty-four percent (64%) of nonprofit organizations are located in the city of Philadelphia; only slightly over a third are located in the four surrounding counties. By contrast, among the for-profits, fully seventy percent (70%) are located in the suburbs; the city houses a relatively small share of all for-profit arts firms (Table 5). Although Center City remains an important center of for-profit firms, less than ten percent of all for-profit firms are located downtown, compared to 20 percent of nonprofit arts and cultural organizations.

As we would expect, the three most professionally oriented sectors – theater, theater support, and galleries – the for-profit firms most likely to be located in the city. Still, just over half of these establishments are based in Philadelphia. At the other extreme, fewer than twenty-five percent of music schools, art schools, and commercial and graphic design firms are based in the city.

For-profit arts and cultural firms tend to be located in demographically diverse sections of the metropolitan area. Yet, the dominance of diverse neighborhoods is not nearly as great as among nonprofit groups. As in previous papers, we have classified all block groups into one of four categories: economically and ethnically diverse (“doubly diverse”); economically diverse only; ethnically diverse only; or homogeneous.³ A “doubly diverse” block group is likely to have about twice as many for-profit arts firms as a homogeneous block group, compared to a factor of six for the nonprofit arts.

In our earlier work, one of our conclusions was that African American and Latino sections of Philadelphia are not “disadvantaged” with respect to the number of nonprofit arts and cultural organizations located near them. For example, the average African-American block group has nearly twice as many nonprofits located within one-half mile as the average white block group. The average for Latino block groups – 6.9 organizations – is also substantially higher than the white figure.

The distribution of for-profit arts and cultural firms, however, reveals a more typical pattern of disadvantage. Black and Latino sections of the metropolitan area have about half as many for-profits located near them as white block groups. Although diverse block groups tend to have more for-profit firms, the difference between ethnically diverse block groups and homogeneous white block groups is not nearly as strong as among nonprofit organizations. In short, in contrast to the nonprofit sector, the for-profit arts scene is located predominantly in homogeneous white neighborhoods (Table 6).

Geographical patterns of for-profit arts

As we have noted earlier, the different disciplines included in our nonprofit arts and cultural data base showed no distinct geographical patterns. Nonprofit visual arts programs are located in the same neighborhoods as drama or multidisciplinary programs. However, when we conducted a similar factor analysis of the location of for-profit firms, two very different patterns emerged. One sector of the for-profit arts world displays a close connection to the nonprofit arts world in terms of location, while another sector displays a very different location pattern. For reasons that we shall explain below, we have identified these two patterns as the “established” pattern and the “populist” pattern (Table 7).

³ Census tracts are comprised of block groups, which are typically 6 to 8 city blocks. Our definition of economic diversity is a census block group with a poverty rate higher than the citywide average (17 percent) and with a proportion of the civilian labor force in professional and managerial occupations that is higher than the citywide average (21 percent). We classified block groups as ethnically homogeneous – black, white, or Latino – if more than 80 percent of the population belonged to the dominant group. Otherwise, a block group was defined as ethnically diverse.

The “established” pattern

The first geographic pattern identified with for-profit arts firms we have labeled established (Figure 1). It is established in two senses. First, it summarizes the patterns of many categories of the for-profit art sector that are related to professional arts worlds. Galleries, theaters, and theater support all load heavily on this factor. The location of movie theaters and commercial and graphic design firms are also related to this pattern.

The second sense in which this pattern is established is the strong geographical association of these firms with the established nonprofit arts sector. (The correlation between the number of factor 1 establishments and the number of nonprofit establishments is .76.) In other words, those neighborhoods with many nonprofit arts and cultural organizations are likely to have high scores on the “established” for-profit factor as well.

The “populist” pattern

We have labeled the second geographic pattern identified with for-profit arts firms “populist” because of two features (Figure 2). First, this factor relates to a set of participatory activities – dance schools, music schools and stores, and arts supply stores. Second, it is poorly connected to both the established for-profit distribution (by definition the two are not correlated) and the nonprofit distribution (the correlation is .45).

In recent years the term “populist” has come to carry several connotations. To begin, populist is identified with “popular.” At the same time, it is often used to connote a group or activity that is relatively marginal to the “establishment” (for example, in the appeal of Ross Perot to political outsiders). In both senses, the term populist appears to apply to this set of activities and neighborhoods. This is the sector of the arts world represented by the “working- and lower-middle-class urban enclave” of Greenpoint, Brooklyn that is explored by David Halle in *Inside Culture* (1993).

A map of the neighborhoods associated with the two factors makes clear their connection to the nonprofit arts scene. The “established” factor is heavily concentrated in Center City, Northwest Philadelphia, and the “Mainline” of Montgomery County – precisely those neighborhoods most associated with the nonprofit arts scene. (See SIAP Working Papers #3 and #6 for more detail.) Although the “populist” factor includes Center City and sections of South Philadelphia, a majority of the communities identified with this pattern lie outside of the nonprofit arts core. Neighborhoods in the lower part of South Philadelphia and Northeast Philadelphia, as well as many suburban communities, are identified with the populist for-profit arts scene.

Neighborhood characteristics of for-profit arts

Neighborhoods that are associated with the established and populist for-profit factors differ from one another and from neighborhoods with many nonprofit arts organizations. Given the role of profit among for-profit enterprises, it is no surprise that economic status is a more significant determinant of their presence in a community. Both for-profit factors show a moderate but positive correlation with both median family income and per capita income. By contrast, the presence of nonprofit cultural groups tends to be associated with lower economic standing (Table 8).

The “populist” factor stands out from the “established” factor and nonprofit neighborhoods with respect to poverty. Whereas established for-profits and nonprofit arts organizations are more likely to be located near poor neighborhoods, “populist” arts firms are more likely to locate near neighborhoods that have lower poverty than the rest of the metropolitan area.

The educational and occupational characteristics of the three types of neighborhoods are similar. In all three, the proportion of residents with a bachelor’s degree and the proportion in managerial occupations are likely to be above the average for the metropolitan region.

The most striking difference among the three indexes is race. Both the established for-profit factor and the nonprofit index are associated with neighborhoods that have fewer whites and more African-Americans, Asians, and Latinos. Populist arts enterprises, however, are more likely to locate in white neighborhoods. In particular, the populist for-profits are unlikely to locate in African-American neighborhoods.

Neighborhoods in which the established for-profit sector is strong share institutional characteristics with nonprofit neighborhoods. Both tend to locate in areas that have a high number of other types of nonprofit social organizations. The correlation between established for-profit arts and the total number of social organizations (.68), while lower than that for nonprofit arts (.93), is much higher than that for the populist factor (.43). In addition, both established for-profit neighborhoods and those with many nonprofit arts organizations have higher rates of regional cultural participation (based on 1996-97 estimates) than do the populist neighborhoods (Table 9).

Finally, the “populist” pattern of for-profit arts firms does not share the “established” or the nonprofit relationship with economic and ethnic diversity (Table 10). Although the populist factor was slightly more associated with ethnically and economically diverse block groups than with homogeneous sections of the metropolitan area, the differences were considerably smaller than for the other arts sectors. The measure of association (*eta*) for the populist factor was only .08, well below the .29 and .18 for the nonprofit and established for-profits respectively (Table 10).

In summary, the geographical analysis leads to the conclusion that, to understand the dynamics of arts and cultural production and participation, we should not focus on the distinction between for-profit and nonprofit. A considerable section of the for-profit arts world conforms to the geography of the nonprofit sector that we have investigated in earlier papers. These firms are located in neighborhoods that are ethnically and economically diverse, have higher than average educational attainment, and are home to many other types of social organizations. It is the other part of the for-profit arts world – a sector that is poorly connected to the professional world of arts but which represents a considerable amount of cultural participation – that is distinctive. The populist art world stands in marked contrast to our earlier work and as a challenge to those who wish to formulate cultural policy in the coming century.

Case Studies

The statistical analysis has identified a set of patterns in the clustering of for-profit and nonprofit arts and cultural organizations in metropolitan Philadelphia. This section will highlight a set of neighborhoods in the region that illustrate these patterns. We have identified six neighborhoods to examine in detail in order to understand the composition, mix of firms, and overall character of these “natural” cultural districts (Table 11).

Four of the six districts selected as case studies are in the city of Philadelphia—South Philadelphia, Germantown, Olney, and Old City. Two are suburban—Doylestown in Bucks County and West Chester in Chester County (Figure 3). The six neighborhoods vary greatly in their socio-economic characteristics (Table 12). Two of the districts, Doylestown and Old City, are distinctly more prosperous than the others and the metropolitan region generally. At the same time, South Philadelphia, Germantown, and Olney have higher poverty rates than average. Four of the six districts are predominantly Caucasian. Only Germantown, where 83 percent of the residents are African-American, and South Philadelphia, where a third of the residents are black, stand out in this regard. Olney is the only neighborhood with substantial numbers of Asian-Americans and Latinos.

Economic and ethnic diversity also vary across the six districts. Only Doylestown is completely homogeneous economically and ethnically. Like the region generally, city neighborhoods are more likely to be diverse than suburban areas. A large proportion of the residents of Old City and Germantown live in economically diverse neighborhoods—one with both a large proportion of managers and professionals and higher than average poverty. Olney is the most ethnically diverse neighborhood; 84 percent of its residents live in an ethnically diverse block group. Surprisingly, West Chester is decidedly more diverse than most suburban areas. Nearly half of the residents of West Chester live in ethnically diverse neighborhoods, and 14 percent live in economically diverse block groups.

Old City (Center City)

Old City, located near the original settlement of the city, is a professionally oriented cultural district *par excellence*. Twenty-nine (29) non-profit cultural organizations are located within its borders and another fifteen (15) are located within one-half mile. In addition to its strong nonprofit presence, Old City has 12 for-profit cultural firms within its borders and another 32 within one-half mile. With such a large number of for-profit and nonprofit cultural providers, Old City is strong in virtually all categories. Because of its historical location, Old City lies within one-half mile of over forty historical sites and institutions, ranging from the African American Museum in Philadelphia to the American Flag House and Betsy Ross Memorial. Yet, in recent years, this historical presence has been complemented by an emphasis on more contemporary performing and visual arts. Headlong Dance Company, the Vox Theater Company, and the Muse Gallery are all located in the neighborhood.

This presence in the nonprofit sector is matched by the presence of a large number of relatively “established” for-profit cultural firms. Six theaters, four galleries, and a number of theater support and art restoration firms are located within one-half mile of

the neighborhood. Although there are a number of “populist” for-profits as well, including several music stores, this sector is largely missing from the neighborhood.

Germantown (Northwest Philadelphia)

Germantown and Olney, two ethnically diverse neighborhoods in Northwest and North Philadelphia, present a very different profile. Germantown is one of the centers of nonprofit cultural institutions in the city. Like Old City it has a wealth of historical sites and museums owing to its role in the Revolutionary War (the battle of Germantown took place at the Cliveden mansion which now hosts an annual reenactment) and its development during the late nineteenth century as a “summer resort” for wealthy Philadelphians. In recent years, the neighborhood has become home to a variety of cultural institutions serving the large African-American population as well as the integrated sections of Northwest Philadelphia. Prints In Progress, the Multicultural Resource Center, and the Center in the Park are representative of the area’s more contemporary cultural presence.

Although it is a center of nonprofit cultural institutions, Germantown does not have a strong presence in the “established” for-profit arts sector. Several commercial and graphic design firms and several theater support firms are located near Germantown, but the neighborhood’s real for-profit strength is in the “populist” sector. Four dance schools, three music schools and art schools, and a number of photography outlets are located within the neighborhood. Geographically, the lower end of Germantown is more tilted toward the nonprofit and “established” for-profit sector while the upper part of the neighborhood is dominated by more “populist” cultural firms like the Maplewood Music Studio and the Brenda Lee Dance Studio.

Olney (North Philadelphia)

Olney’s nonprofit sector, too, is based on historical institutions but of a different nature than those found in Old City or Germantown. The Portuguese American Rosary Society of Our Lady of Fatima and several other church-based cultural programs are complemented by a number of ethnically-based service organizations that offer cultural programs including the Hmong United Association, the Philadelphia Portuguese Club, and the Women’s Federation for World Peace. The bulk of Olney’s cultural providers, however, are “populist” for-profit firms like the Yi Myong Sook Music Studio, Jan’s Dance Studio, and the Eastern School of Photography.

South Philadelphia

South Philadelphia is perhaps the most complex of the six neighborhoods to describe. South Philadelphia – which stretches from the southern limits of Center City to the public housing complexes and refineries that abut the airport – is really divided into a number of discrete sub-districts. Because of its propinquity to Center City, the upper part of South Philadelphia – including the Queen Village and Bella Vista neighborhoods – have large numbers of all types of cultural organizations. Fleisher Art Memorial and the Settlement Music School anchor the nonprofit cultural community that includes over thirty (30) music organizations and twenty (20) theater groups.

Yet, as one moves farther south, away from Center City, both the established for-profits and nonprofits become less numerous. The bulk of lower South Philadelphia, as

a result, is the home of more populist cultural firms. For example, no fewer than 12 for-profit dance schools, 14 music stores, and four music and arts schools are located in South Philadelphia. Joanna Studio of Dance and Venutis Music Store and Studios represent this other face of culture in South Philadelphia.

Doylestown (Bucks County) and West Chester (Chester County)

Like most suburban cultural districts in the Philadelphia metropolitan area, Doylestown and West Chester are both dominated by the for-profit sector. Yet, they present distinctive profiles. Doylestown has a much higher number of nonprofit arts and cultural institutions that complement its for-profit sector. In addition, sections of Doylestown include both established and populist for-profit arts firms, while West Chester's for-profit sector is dominated almost entirely by more populist firms.

Doylestown

Doylestown is the site of many of Bucks County's non-profit cultural institutions. The county historical society and its museum, the Dance Theatre of Pennsylvania, and the Bucks County Symphony all are located in the borough and its surrounding township. In addition, a number of child-oriented cultural institutions – including the Young Singers of Pennsylvania and the Children's Cultural Center of Bucks County – are located in Doylestown.

Several galleries and the County Theater constitute the "established" sector of for-profit firms. In addition, the area has a number of dance schools, such as Candy's Gotta Dance Studio and the Budzynski Studio of Ballet; music and art schools, such as McCrosey Music Store and Studio and Music Together of Doylestown; as well as a number of photography firms.

West Chester

West Chester, located west of Philadelphia in Chester County, houses only six nonprofit organizations and nineteen (19) for-profit firms. Of the nineteen, commercial and graphic design and graphic arts firms were the most numerous. Eight graphics firms, including a number of commercial and graphic design firms and studios, were complemented by four art schools and two dance schools.

CONCLUSION

This paper began with a set of questions about the geographic implications of the social organization of the arts. It suggested that the arts and cultural industry conforms to a logic of clustering that characterizes many “flexible production” industries. It posed the question of whether the currently popular planned cultural districts as economic engine could draw any lessons from the natural occurring cultural districts created by this clustering.

We discovered that there are indeed a number of clusters of arts and cultural producers within the Philadelphia metropolitan area. This geographic analysis did not discover any subgroups within the profile of the nonprofit cultural sector. Those sections of the metropolitan area with many nonprofit institutions were as likely to have historical sites as visual arts institutions, theaters as multi-disciplinary centers. The socio-economic characteristics examined in earlier papers – economic and ethnic diversity, high rates of cultural participation, high educational achievement – were correlated with this single nonprofit sector.

In the for-profit sector, by contrast, we found a sharp division. One dimension of for-profit arts – which we labeled “established” – was linked to a set of firms that are institutionally connected to the nonprofit sector. Another dimension of for-profit arts – which we labeled “populist” – represents a sector of the cultural industry, such as dance schools and music stores, that is distinctly unconnected to its other parts. Typically associated with homogeneous and white sections of the city, the “populist” sector represents a dimension of arts and cultural activity that is largely missed by other research strategies.

The relative invisibility of the populist arts sector poses a significant challenge to the emerging field of cultural policy. The mainstream cultural community has been dogged for years by the charge that it is elitist. One response to this charge has been to expand the emphasis in the arts community on diversity and multiculturalism. As our previous work has demonstrated, this emphasis is well-founded; it is precisely those economically and ethnically diverse neighborhoods in the metropolitan area that provide the most fertile ground for arts and culture. They house more cultural organizations than other parts of the region, and they are among the neighborhoods with the highest rates of cultural participation.

Yet, in spite of the benefits of a concerted focus on diversity and multiculturalism in the arts, this strategy has been only partially successful at overcoming the lack of fit between arts and culture and the social profile of the region. Even a cursory examination of a map of cultural institutions or participation reveals that many of the middle-class homogeneous sections of Philadelphia are – by this standard – culturally deprived.

One contribution of this paper is to underline that more cultural activity exists in these parts of the region than a review of the nonprofit sector would lead us to believe. Many of the hundreds of dance schools, art schools, music stores, and photography shops that constitute the “populist” cultural sector are located in communities that rarely register on nonprofit indexes.

Yet, this is a sector that gets very little respect from the more established sectors. “Candy’s Gotta Dance Studio” or “Herb’s Hobby and Crafts” are rarely seen as a serious part of the social organization of arts and culture. They do not represent “cutting edge” or experimental art. They are located in unfashionable neighborhoods. They suggest a pandering to popular tastes that is often distasteful to the patrons and purveyors of the more established arts.

Yet, there are many reasons to take the populist sector seriously. First, it represents a significant source of employment for the artists of a region. As we have noted, in the Philadelphia metropolitan area only about sixty nonprofit organizations have a disciplinary identification with dance while nearly two hundred “dance schools” are in operation. Second, the populist sector represents a level of participation that is generally higher than that of many nonprofit institutions. With the exception of the region’s community arts centers and service organizations, many nonprofits restrict “participation” to passive viewing of art exhibits and performances. While taking a tap dance class at a dance school may not constitute high art, it represents a level of active participation that is rarely exceeded by the region’s nonprofits. Finally, in a more political vein, the socio-economic profile of neighborhoods with many populist cultural firms is precisely that of those least likely to support established arts and cultural activity.

Indeed, the most important lesson to be learned from this investigation may be to pay attention to the unfashionable “populist” sector. Cultural district supporters have not been uninterested in profit-making activities. Indeed, it is the potential multiplier effect of arts and culture for “upscale” restaurants and shops that provides much of the arts’ attraction to boosters. Yet, in their pursuit of well-heeled locals and tourists, cultural district proponents pay little attention to pedestrian forms of cultural activity that are taking place right under their noses. Although Philadelphia’s downtown “Avenue of the Arts” has many for-profit cultural firms within its vicinity, there is virtually no strategy for incorporating these firms into the life of the district in a way that attempts to mirror “natural” cultural districts. From both the standpoint of the production and consumption of arts and that of the politics of arts and culture, this appears to constitute a significant oversight.

As the field of cultural policy begins to take shape, its advocates are searching for the right models from other arenas of public policy. This paper suggests that the history of “industrial policy” from the 1980s may provide a useful analogy. During the 1980s, there was an active debate about the role of government in the restructuring of the “postindustrial” economy. One perspective – with an eye toward Japan, Inc. – recommended that government take an active role in “picking winners” that would then receive preferred tax and investment treatment. In contrast, the ultimately victorious perspective argued for deregulation and letting the market decide which technologies and enterprises would succeed.

The subsequent histories of the American and Japanese economies seemed to vindicate the deregulators. Japan, Inc – based on the cooperation of politicians, bureaucrats, and monopolies – seemed to founder in its adaptation to the informational economy while America used deregulation to regain dominance in a number of high-

tech fields. For free marketers, the lesson was clear: the market will always make the right choices, and bureaucracies will always make the wrong ones.

Yet, the lesson to be drawn from this history for arts and culture needs to be fine-tuned. The American approach to industrial policy did not succeed because the market was infallible. Its success derived from the fact that, when a new phenomenon is poorly understood, “rational planning” is likely to be ham-handed. By trusting the market, American policy makers pushed decision-making to those in milieu of innovation that were most likely to be in a position to make the “right” decisions. These entrepreneurs were also willing to accept a high level of “creative destruction” and uncertainty – two qualities that more politically-driven development is likely to avoid. In his review of the design industry of Los Angeles, A. J. Scott reached a similar conclusion. Scott describes a “bottom-up” approach as:

“... directed to improving total stocks of agglomeration economies and hence to simulating the entrepreneurial and creative capacities of all local firms [This] approach, too, is one that acknowledges the possibility of, and seeks to facilitate, many kinds of unexpected and unpredictable outcomes (new firm formation, technological and organizational improvements, new kinds of product developments, and so on) as agglomerative forces accelerate through time.” (Scott, 1996: 317)

Like industrial policy in the 1980s, cultural policy in the 1990s is still largely flying in the dark. We still have only the faintest notion of how the cultural world is organized, who is involved, and what social networks sustain it. In this atmosphere, it is unlikely that those at the top of the cultural policy hierarchy – government, corporations, and foundations – are in a position to “pick winners” on a regular basis. The fact that investors and grantmakers have been preoccupied with support of major, established nonprofit institutions – to the exclusion of smaller nonprofit, for-profit, and informal sector enterprises – underlines that cultural funding is unlikely to create districts that are sustainable *both* as economic enterprises and as centers for innovation and creativity. A bottom-up approach that encourages smaller-scale efforts and accepts the inevitable “low batting average” that a high-risk strategy is likely to produce might provide a more efficient and sustainable means of ensuring the health of the cultural sector.

This paper has only begun the process of incorporating the for-profit cultural industry into cultural and urban policy analysis. A fuller study would gather more systematic data about the role of these firms in both the production and consumption of the arts. The scale of their operation, how they connect to artists and nonprofit cultural institutions, and the profile of participants they attract – all need to be included in a fuller investigation.

Still, this preliminary analysis makes the point that there is a *there* there. The for-profit arts sector represents an important dimension of the cultural life of the region. Moreover, this sector is clearly an important contributor to the clustering of firms within particular cultural districts throughout the metropolitan area. Many for-profit cultural enterprises reflect and reinforce the spatial organization of production that we found in the nonprofit sector, while others demonstrate a set of distinctive spatial qualities. In future papers, we shall begin the task of charting this sector’s influence in a more systematic way.

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