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Industry ROUNDTABLE

PRESENTED BY:


Hodgson Russ
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CREATIVE ECONOMY



Why is it important to have a creative economy? Are creative jobs growing, shrinking or stagnant? Will we become more diverse as the creative economy grows? Law firm Hodgson Russ and *Albany Business Review* recently convened a panel of seven business leaders at the Massry Center for Business at the University at Albany to answer these questions and others. Michael DeMasi, senior reporter at the *Albany Business Review*, moderated the discussion.

▶ MEET THE PANEL


ROBERT ALTMAN

Title: President and CEO
Company: WMHT Educational Telecommunications


DOUG BARTOW

Title: Principal and Design Director
Company: id29


AMANDA MAGEE

Title: Principal, Business Development
Company: Trampoline Design


JEFF MIREL

Title: Founder/Executive Vice President
Company: Albany Barn/Rosenblum Cos


TOM NARDACCI

Title: CEO and Founder
Company: Gramercy Communications/Troy Innovation Garage


ELIZABETH REISS

Title: CEO
Company: The Arts Center of the Capital Region


ALANA SPARROW

Title: Founder and Creative Director
Company: The Foundry for Art Design + Culture



What is your definition of the creative economy? What are some job titles that you think fit the description and what are some that don't fit the description?

ELIZABETH REISS: I think the creative economy is larger than people. It will include the design shops and arts agencies and all of the direct services we know of. But creative economy is spread into other businesses as a lot of companies will have in-house design departments or R&D departments, and I think we'll find those creative actions in those different divisions.

TOM NARDACCI: We're opening this co-working space for the creative economy and people come and they say, well, who's allowed? First off, it's a mind-set. It's people who think of themselves as creative. There's a classical definition: PR marketing, film, radio, arts, architects.

ROBERT ALTMAN: You can define it in a whole host of different ways. If you kind of come at it from why are we defining it as an economy and what can we do as a creative economy, then you tend to think of it as what are the groupings of industries or individuals that would benefit from the same kind of support services. I think you look at it from the back end about how you support these industries, and that gives you a window kind of as to what fits and what doesn't.

JEFF MIREL: I hate and love this question at the same time. You run the risk of either being too exclusive -- which I think is a problem that if you boil it down to artistic and cultural institutions, people sort of have that idea of people who make art. On the other hand, if you diffuse it out so much, the creative economy becomes another buzzword. And we have the same problem where we don't achieve a more global under-

standing of what value creative activity brings to an economy. You need to be taken seriously and you need to be able to define what it is that you do and how you do it in order to attract that capital.

DOUG BARTOW: Any time you're adding innovative thinking and ideas to what has traditionally been the regular economy in our area, you're providing part of the creative economy. It's hard to quantify who we are and what we're doing because you can't put a list together with the number of creative ideas you've output and the number of creative people you hire versus what have been traditional markers for business success with regard to bottom line.



What about the people that work in R&D? You have to be able to think outside of the box there to do research and come up with new products and perfecting them.

MIREL: This is what I was saying, that sort of dagger's edge of being too exclusionary or too accepting and therefore never really arriving at a definition and therefore not being able to quantify and justify. Yes, I think there's an element of creativity. There has to be. And we see it in tech here for sure. But I think it's important to sort of pull it in a little bit and think of it in terms of really sort of creative content, creative output.

BARTOW: I think when you said it's fluid, it's easy to confuse fluidity in a space with just nebulous gray area. It's hard to move everyone in. As a designer, the answer is, does what you're doing communicate. It's kind of a subset of everything we talked about. There's so much of an overlapping Venn diagram -- people who make art, people who make design, people who support art -- it's kind of like a nebulous. And there's a reason it hasn't been quantified. They're studying that.



There was this report that was issued that said there were 30,600 "creative jobs" in the region in 2013. Is your sense that those jobs are growing, shrinking, or stagnant?

ALANA SPARROW: Personally, I think those numbers are not entirely accurate. I don't think they're even



From left, front row: Alana Sparrow, Amanda Magee, Doug Bartow, Elizabeth Reiss; second row: Tom Nardacci, Robert Altman; third row: Jeff Mirel.

PHOTOS BY DONNA ABBOTT-VLAHOS

beginning to scratch the surface of the number of creative workers that we have in our region.

BARTOW: I looked at the descriptions and there were things missing. But the total number, is that what we want, or do we want a better understanding who people are working for and what they're doing? I would argue that half the designers in upstate New York are in-house. Big agencies have closed recently, and those people are filtering down and working for smaller companies. So the traditional model of advertising and design agency has changed.

REISS: I don't think there's a huge amount of overwhelming growth. I think it models the rest of our economy. As we entered out of a recession, we saw growth because we all did. And as we're stabilizing now, I think we're stabilizing there as well. I think we need to ask all of our workers to do more than they did yesterday.

AMANDA MAGEE: One of the threats to our economy is the instinct to cut marketing or promotion first. And what I'm seeing is a large number of people absorbing what would traditionally be creative tasks, and they are not creative individuals. So they get rid of the marketing person and suddenly the office coordinator is in charge of that because they have the programs.

MIREL: Just like every other industry, technology has had a completely earth-shifting impact on the way that a company can engage a marketing company or seek assistance from the creative industry. You look at a website like DesignCrowd. I can go on DesignCrowd and they market it as throw us your concept, we'll get 100 spec logos to you. That's our average return. So you pay a couple hundred bucks, you pull your concept out of there. There's none of that brand dialogue, there's none of that seeking.



How often do you find yourself talking to perspective clients who are trying to decide between hiring your firm to design a logo and marketing campaign, versus using one of the services that Jeff talks about?

NARDACCI: There's a national trend that, in public relations, the business that we're in at Gramercy, is growing. So every year, one of the top five or eight growing sectors is public relations. We've seen the shift at Gramercy in my 10 years from straight up, we're your publicist, we're working with the media, we'll get news interested in your stories, to, you know what, let's self-publish, let's create our own channels, let's create our own video streams with followers. Let's create our own media channels with followers. So I think in our industry, we see growth, and that's going to continue. ... We did an event a few months ago, a garage social. We had an event with whoever had reached out to us, whoever was interested in the Garage. We publicized and 200 people or so showed up. I'm walking over to Franklin Plaza thinking, well, I'm going to know everyone in the room. I knew about a third of the people there. So there's this whole class of creatives that I've never met. I think that also speaks to who is the creative economy and where are they coming from. There a lot of people out there in the world on their own doing work. Some that we've met now that we're shocked to hear that they live here in the Capital Region and they do their creative work here.



Why is it important to have a creative economy?

NARDACCI: I think one of the things that the creative economy does is it accelerates career redevelopment. Most creatives are interested in urban areas ... number one is urban redevelopment. I think that that's a

huge benefit. I think number two is this idea that the diversification of our local economy is a good thing. And I think about the guy who I work with on a regular basis who told me that his son graduated from RPI. Super excited and happy for him. He's moving to California for a job opportunity. If the creative economy is thriving and well, that your child – children – could actually stay here and work if they chose. They don't have to leave. So those are the three things: urban redevelopment, diversification in our economy, more money in the economy, and the third thing is brain drain.

REISS: I agree with everything Tom said. But what I would also say is, I think it's a loaded question because I actually don't even think we need to answer why is the creative economy important. It's an economy. All economies are important. I think the question really becomes why are we delineating the creative one? Why is there this urge to separate it? ... I still think that people get very nervous about their kids entering into these creative sectors. So I think part of it is us standing up and saying, no, wait a minute, you can make a living. It is a robust economy. It does exist. And so I think that we're just catching up to a life of branding that it's a taker, not a giver.



We all know the term "starving artist." I think it's most parents concern or worry that their child is not going to be able to support themselves if they follow that path. What is your counterargument?

REISS: So now this work that we're doing in identifying how to commodify it, where are the jobs that you can make a living, how might you transfer a BFA into a job, how, if you want to create work and stay in that model, how places like The Barn or other areas can help you learn how to commodify it. I think we have a lot of work in building a market.

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Alana, to what extent were you discouraged or felt discouraged for pursuing your livelihood because of fears about making a living?

SPARROW: Oh, I was never afraid. I was blind and dumb to the whole thing. Completely aloof. I would not fail. My father actually – I got a scholarship to art school and he flat refused. He didn't care that I had a scholarship to art school. He felt that I would not be able to earn a living afterward. So I should have been a lawyer in another life because I negotiated a deal that I would get a trade before I entered art school. So I went and got my cosmetology license. And it was the best thing I ever did because I worked cutting hair all through college and had more money than all my friends did, and then when I got out, I was able to land a job in New York cutting hair until I found the job in the creative economy. And I held onto that license for like seven years. I kept paying the fee even though I wasn't cutting hair at all. ... I do feel that a strong creative economy makes for a more creative community. And it filters into all other job sectors. Because if it's OK to be creative and to have creative people around us, and that's a good thing, then we see creativity happening across the board.



How many people have children? Any college age? Do any of your children say that they want to study fine arts? Did you in any way discourage that child?

ALTMAN: No. I've got one daughter who is a film studies major and now is a search engine optimization guru, and another daughter who was an Italian major who now writes film scripts. So no. I mean, I think we're setting up a sort of false dichotomy here. This is

not an amenity that allows the real economy to flourish. You know, it attracts people to the community. People who are working in businesses completely different from the creative economy may want to live here because there's a vibrant community. I think the issue of why do we separate it, why do we break it out, is for too long we thought of it only as an adjunct to the, quote-unquote, real economy, and not a very significant market segment itself.

MIREL: That's the thing I blanch at, the concept of the starving artist. I can't say more than what everyone else did to underscore the point that, what entrepreneur isn't starving?

BARTOW: If you're doing what you love to do and you're passionate about it, generally, making money isn't the No. 1 objective. Certainly, you need to stay solvent to stay in business. But for me, creative control and what we do, from my standpoint, has always been the No. 1 thing.



Amanda, can you tell us about your career track?

MAGEE: I am from the West Coast and I got to the East Coast by way of a scenic carpentry job for the Williamstown Theatre Festival. I stayed there for four years and am able to say I won a Tony for best regional theater production manager. So how I got into this, I met someone. And I had a job offer at a theater in Bellingham, and he had a job offer at a medical marketing firm in Boston. And logistically, it was cheaper to go to Boston. Then 9/11 happened. We did not want to be in a city. So we had a job offer in Saratoga. And then we saw a financial and personal opportunity to cre-

ate a marketing design communications firm, because it really was an underserved market. ... Our first client was the Double H Ranch, which really informed our mission. And to what Doug said, we turned down some work or discovered along the way that the work wasn't what we needed to be doing because it wasn't fulfilling. And the paycheck wasn't enough to justify putting ourselves or our staff through that process.



When GE announced they were moving their corporate headquarters to Boston, the biggest rationale they had was that they wanted to be where young, innovative, creative type people live. We've got numerous colleges and universities. So is it a strength or a weakness that our identity is divided among numerous towns and cities?

MIREL: At the end of the day, I look at it as a strength. It starts from a very tactical, creative economy observation, which is if I'm, for instance, a working musician, I've got three, four – I'm up in Saratoga – I've got five urban centers I can go to on any one night and play to a disparate audience. And they're all accessible and I don't have to pay a lot for gas to get to them. ... I think in terms of weaving these different centers of population together, it's evolutionary. What I think is exciting is that the creative economy in many ways is at the heart of that changing dialogue. And frankly, I think the cities are going to grow more. More people are seeking an urban experience, so the fact that we have multiple urban experiences to sell is pretty compelling.

ALTMAN: I think the Balkanization of this region and its lack of clear identity is a barrier to growth. That's not to say that there's not vitality in having distinct and



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different neighborhoods in the region, urban cores if you call them. But I think we suffer from not having a coherent regional identity. And as somebody who moved here from elsewhere, as many of you did, it sounds like – it still gets me.



When you're traveling and people ask you where you're from, what do you say?

ALTMAN: I live in Columbia County. So I say I live outside of Albany, upper Hudson. Capital Region wouldn't mean anything to them. And Tech Valley, I've never met anybody who understands that term.

BARTOW: But it's a discussion. It's not an answer. Oh, you're there. No, no, actually I'm a little bit north of there.



There's been more racial and ethnic diversity in our area over the past 10 to 20 years. Nevertheless, we're still predominantly white when you look around the room. Is there a correlation between a vibrant creative economy and a diverse racial population? My second question is, will we become more diverse as the creative economy grows, or are we not diverse enough for the creative economy to thrive?

SPARROW: I would say, if you look at the demographics of the most highly creative cities and communities across our country and around the world, they are diverse. That is one thing that they all share is that diversity. And part of what that is is it's celebrating the difference. I'm the Mexican in the room. I'm the one minority in the room. And that's often times how a creative feels, is that if you're the artist in the room, you're the odd guy out. And we do see a lot of that within this region. But people that have stifled their creativity because we're thought of as this parochial community. And I wasn't joking. When I came to the Capital Region in 1991 from New Mexico because I was told that the region has a strong influence of the city, in 1991, there was nothing here. And we definitely have grown, and that has changed and it's better. But I've seen people over the last 10 years that were the stuffiest stuffed shirts I've ever seen in my life, and they're active members in our creative economy now. They're thinking differently. They're more accepting of ideas and this sort of thing. And I think it's that paradigm shift that happens. Everybody in this room has some level of creativity in them, but we have to create opportunities and a stronger foundation for that to be able to flourish and so that we have more tolerance and we have more diversity here where people feel they belong. Because right now, it doesn't feel that way. It feels very divided.

MAGEE: One thing. I do think that it is going to become a bigger threat to us. My kids are 8, 10, and almost 12, and I see an almost tedious emphasis on multi-culture representation in the worksheets. They have these names my kids can't say, but what they're doing is -- you know, my kids have only known an African American president, they're seeing a female nominee, they have transgender kids in their classrooms. They have a different expectation of integration. And I think that if we continue to feel that what we have is enough, we will be terribly threatened in say 10 years when they come around. But the other side of that is I don't think we have a particularly welcoming environment for diversity, however you define diversity. And in the same way, you can't have 20 people in a community sustain an independent boutique that charges more. You can't have those same 20 people be enough to say, yeah, you're going to be welcome. You're going to feel good here. So I think it's troubling if we don't at least acknowledge that we lack significant diversity.

MIREL: There's another extension of that. Again, take it

back to the city, but it's a regional problem. And that is that there is certainly diversity, but there's a lot of segregation across socioeconomic lines physically in the city. Look at downtown Albany as an example. We have some very poor neighborhoods that ring our downtown district. Arbor Hill is one of them and that's where The Barn is. I do personally subscribe to the premise that creative fertility arises from the diversity of experiences, but that doesn't mean you have to be poor to tell a good story. I think we have to look at three really key things here. We have to look at the question of equity. What is the access to capital for everyone? What is the access to education?

Then we have to think of it in terms of linear development. I take the example of downtown Albany and the Warehouse District. It's exciting. There's a buzz about the Warehouse District and there's a buzz about -- just putting the real estate development hat on -- there's a buzz about all the downtown redevelopment that's happening and the new apartments coming on-line. But walk from downtown to the Warehouse District. What are you going to do? You're going to cross over one of the most poor neighborhoods in the city of Albany. We talk about car traffic and the fact that we're very car-bound because we have to get from Schenectady to Troy and Albany. What about you have to take your car to get from downtown Albany to the Warehouse District, or at least you have that perception that you do. How do we get into those neighborhoods? How do we make those populations part of the physical fabric of this revitalization? I think the last piece of that is, we have to look very seriously at mixed income development.

So now, whereas it's great that you have a neighborhood sort of in between these two thriving neighborhoods in downtown Albany, but who's ever going to invest in that particular part of the neighborhood? When you start talking about mixed income development, now you're getting over those stigmas and actually starting to attract investment, which is driven by the bottom line. And from there, now everyone shares in the success of the neighborhood.

I actually don't even think we need to answer why is the creative economy important. It's an economy. All economies are important. I think the question really becomes why are we delineating the creative one?

ELIZABETH REISS,

CEO, The Arts Center of the Capital Region



How does The Arts Center overcome the challenges of competing in this very crowded field?

REISS: A couple of things. The arts, like any other sector, is crowded, but there's enormous differences within the sector. We are different from a symphony or a public television station or a museum, so it's not as crowded as you would think when you really look at how what we offer is different than anybody else. So I think that we want to remember that. I think that the arts has a variety of formats. There's making it, there's listening to it, there's watching it, there's studying it. And we're in the urge-to-make group. We're in the making group. And I think making is one of the most primal actions, to make art, to try to use your hands.



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And I think it's changed in the last couple hundred years. It surges and it dies down again. In the '70s, everyone was covered in macrame. I mean, you would sit down and be knitted to your chair. And then it goes away and it comes back again. But right now we're in this making phase. But it always is there. So I think that's an important trait to look at for The Arts Center. We have people from all times of their life wanting to come in and finally figure out if they want to make anything. And they're not going to be selling. They don't want to sell. They're coming at this from a very different point in their life of trying to sort something out themselves. And that's okay. Where we are crowded is how much money people have to spend and how much money they want to donate and how are we going to rise above that. Part of that is excellence. It's an easy way to say it but it's true. You have to be very good at what you do. And I think sometimes we lose sight of that. The best way to thrive is just to be very good at it. Another way creating trend, being ahead of it before anybody even knew to do it. The Arts Center, when you look at non-profits and you look at their earned income and you look at contributed income and you look at how we all survive and thrive, The Arts Center has much more earned income than a lot of our sister organizations, which means we're much more market driven. And that can be good and that can be challenging. Because how do you stay true to your mission while you're trying to remain market fresh?



Downtown Troy seems to be the epicenter right now of what's cool in the region. But what is downtown missing?

BARTOW: I don't think we have a lot of green space. That would be advantageous to getting creative people to not just set up shop there but to move there. But for me, we've been involved in Troy Night Out since its inception. It's a great event. It's the last Friday of every month. Right after that started, the disparity went the following Friday. So if you go there, if it isn't the last Friday, everything is closed. And that's because people who work there don't live there. So can we get people who not only work there and create that vibe and do the interesting things that make Troy attractive to live there? So for me, green space. I'd like to take a wrecking ball to the Troy Atrium and turn it into a green space. I just need about \$50 million. The Trojan historian, Don Ritter, once told me that Troy ran out of urban renewal money in the '70s. So any parking lot in Troy is what's left over of some glorious former building. They had to stop knocking buildings down. And right now, we're finally catching the glory of that area. So we have a lot going for us. We just need that creative class to say here's a place I want to live, not just work.