Berkeley Creative Economy Economic Impact Analysis

DECEMBER 2025

CVL ECONOMICS

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KEY FINDINGS

The City of Berkeley's creative economy represents a vital economic force that extends far beyond traditional notions of arts and culture. The creative economy consists of industries whose primary purpose is to produce or enable cultural expression, artistic content, design, and other creative goods and services.

It spans across eight distinct subsectors: Visual & Performing Arts, Architecture & Design, Entertainment & Digital Media, Publishing & Printing, Communication Design, Post-Secondary Arts Education, Creative Goods & Decorative Arts, and Fashion. Despite facing significant pandemic-related challenges, these subsectors continue to generate substantial economic activity, support thousands of jobs, and contribute meaningfully to Berkeley's fiscal health. This analysis examines how the sector has weathered the pandemic's disruptions and quantifies its current economic contributions. The findings summarized below provide essential data for policymakers, arts organizations, and community stakeholders working to chart a sustainable path forward for the arts and culture sector in Berkeley.

BUSINESS COUNTS

As of 2025, there are approximately 650 creative economy businesses in Berkeley (out of 12,800 total businesses), about 30% of which are nonprofit organizations.

There are 193 creative economy nonprofit organizations in the City of Berkeley. This share is notably high compared to the share of nonprofits across all industries (11%) in the city.

EMPLOYMENT TRENDS

In 2024, Berkeley's creative economy directly employed 8,186 workers, accounting for 7.3% of its total workforce of 111,640 jobs.[1]

Visual & Performing Arts is by far the largest subsector, accounting for more than half of all jobs (4,567 jobs, or 55.8% of the creative economy workforce). Other significant subsectors include Architecture & Design (908 jobs; 11.1%), Entertainment & Digital Media (791 jobs; 9.7%), and Publishing & Printing (562 jobs; 6.9%). Communication Design (495 jobs; 6.0%), Post-Secondary Arts Education (377 jobs; 4.6%), Creative Goods & Decorative Arts (325 jobs; 4.0%), and Fashion (161 jobs; 2.0%), comprise smaller shares but are still notable.

Nearly 70% of Berkeley's 8,186 creative economy workers are self-employed or gig-based, underscoring the sector's reliance on non-traditional work arrangements.

While project-based creative work fosters innovation and independence, it also often comes with irregular income and limited protections. This pattern is most pronounced in the Visual & Performing Arts subsector, where 84% of jobs are self-employed or gig-based, while fields like Architecture & Design and Entertainment & Digital Media lean more on salaried roles with more dependable hours and predictable schedules.

Berkeley's creative economy employment surged in the years before the pandemic, but current employment levels remain 17% below the 2018 peak. Berkeley's creative economy employment has declined year after year, while other neighboring cities have regained some ground.

After peaking with 9,850 creative economy jobs in 2018, Berkeley's 2024 total of 8,186 jobs has fallen back to roughly its 2013 level of 8,160 jobs.

Between 2014 and 2018, Berkeley's creative economy employment grew 16%, outpacing industry growth in San Francisco (12%), San Jose (10%), and Oakland (4%). That momentum, however, was abruptly cut short in early 2020. While all Bay Area creative economies contracted with the onset of the pandemic, Berkeley's downturn has proven far more persistent. San Francisco and San Jose have since regained some of their losses, but Berkeley's creative economy employment has continued to decline through 2024.

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1 Job count includes salaried (full- and part-time), self-employed, and gig workers. Within this, Berkeley's salaried workforce accounted for 2,574 jobs in the creative economy and 68,126 jobs across the overall economy in 2024.

Berkeley's creative economy decline also sits in contrast to the city's overall economy, which, on average, has mostly recovered from the pandemic.

> The city's overall economy sits about 3% above its 2019 employment level. By contrast, the city's creative economy remains 13% below its pre-pandemic baseline.

This divergence reflects the unique composition of Berkeley's creative economy, which comprises a relatively high concentration of Visual & Performing Arts employment, a sector that relies heavily on live, in-person activity, gig and contract work, and nonprofit structures—factors that made it more vulnerable to prolonged disruption.

> Berkeley's creative sector is heavily concentrated in Visual & Performing Arts (56%), reflecting a reliance on live, in-person activity and gig or contract work within a nonprofit-heavy structure. By contrast, San Francisco leans more toward Entertainment & Digital Media (38%), driven by streaming, software publishing, and broadcasting.

Still, today, Berkeley maintains a greater share of creative economy employment relative to its total workforce than Oakland, San Jose, and California overall, and is only slightly below San Francisco.

> Berkeley's 7.3% creative economy share of its total workforce is a higher concentration than in Oakland (4.2%), San Jose (2.5%), and California overall (4.8%), but trails San Francisco (7.6%).

THE ECONOMIC AND FISCAL IMPACT OF BERKELEY'S CREATIVE ECONOMY

Berkeley's creative economy is an essential part of the city's economy.

> Even in a weakened state, Berkeley's creative economy remains a critical driver of the City's economic activity. Its impact ripples throughout the economy as arts organizations purchase goods and services, and workers spend their earnings locally, sustaining activity across many industries **(multiplier effect)**. Some of this spending "leaks" beyond city borders to suppliers and markets in other parts of the East Bay (Alameda and Contra Costa Counties), where the total impact grows even larger **(regional spillover effect)**. Together, these multiplier and spillover effects underscore the creative sector's role as both a local driver and a regional economic force.

In 2024, including multiplier effects in other industries, Berkeley's creative economy generated a total impact of 8,437 jobs (7.6% of total jobs), $537.5 million in labor income (5.7% of total labor income), and $1.0 billion in contributions to city gross regional product (value added), or approximately 7.9% of the total citywide.

> In other words, each creative job in Berkeley generated about $66,000 in labor income, and $125,000 in value added (contributions to Berkeley's gross regional product) citywide.

> An additional 5,605 jobs were supported by Berkeley's creative economy in other parts of the East Bay beyond city limits. This represents the spillover effect of Berkeley's creative economy—spending that originates in Berkeley but flows outward to suppliers, contractors, and consumer markets elsewhere in the region.

In 2024, every $1 of Civic Arts Grant funding to Berkeley's organizations, festivals, and individual artists catalyzed $197 in total economic activity across the city.

In FY2024, the City of Berkeley awarded $698,782 to 97 Berkeley arts and culture organizations, festivals, and individuals. This support underpinned the operations of 86 organizations and festivals (collectively generating over $130 million in operating revenue), as well as 11 artists through arts works projects.

Overall, the City's investments helped drive about 7.5% of the total economic activity ($1.8 billion) generated by Berkeley's creative economy.

Based on data from 37 Berkeley arts and culture nonprofit organizations, visitors to these institutions generate approximately $56 million in additional local spending each year across other sectors of the city's economy.

These 37 arts and culture organizations collectively attract about 1.4 million attendees annually, whose event-related spending extends well beyond tickets to these institutions—including nearly $30 million at nearby food and drink establishments, $7.6 million at retail stores, $7.2 million on local transportation, and $3.5 million on lodging.

In 2024, Berkeley's creative economy had a hand in generating $10.7 million in tax revenues, representing 3.9% of the City's tax base.

In FY2024, Berkeley's creative economy, including the impact of multiplier effects, contributed $4.6 million in property taxes, $2.9 million in sales taxes, and $3.2 million in various other taxes to the City.

INTRODUCTION

Berkeley's creative economy is central to local prosperity, but it also stands at a critical juncture. While creative industries nationwide continue to demonstrate remarkable resilience and growth, Berkeley's own arts and culture sector faces significant headwinds that threaten its role as both an economic driver and a cornerstone of the city's cultural identity.

The COVID-19 pandemic took a significant toll on Berkeley's creative economy, and its recovery has diverged from the growth patterns that once positioned Berkeley as a regional creative economy leader. Understanding both the current contributions and the emerging challenges facing this sector is essential for arts administrators, policymakers, arts organizations, and community stakeholders working to chart a sustainable path forward.

DEFINING THE CREATIVE ECONOMY

The creative economy refers to the industries whose primary purpose is to produce or enable cultural expression, artistic content, design, and other creative goods and services. The creative economy encompasses a wide range of industries that fall within eight subsectors where cultural expression, design, and creative innovation are central to economic value. As defined in Figure 1, these subsectors are Visual & Performing Arts, Architecture & Design, Entertainment & Digital Media, Publishing & Printing, Communication Design, Post-Secondary Arts Education, Creative Goods & Decorative Arts, and Fashion.[2]

FIGURE 1: CREATIVE ECONOMY SUBSECTORS

SUBSECTOR	DESCRIPTION
VISUAL & PERFORMING ARTS	Entities engaged in services such as dance and theater companies, art dealers, museums, and activities involving independent artists, writers, and performers.
ARCHITECTURE & DESIGN	Entities providing architectural, drafting, interior design, industrial design, and landscape design services.
ENTERTAINMENT & DIGITAL MEDIA	Entities engaged in motion picture and video production, post-production services, sound recording studios, radio broadcasting, and digital streaming platforms.
PUBLISHING & PRINTING	Entities producing commercial printing, book printing, and publishing of books, periodicals, newspapers, directories, and mailing lists.
COMMUNICATION DESIGN	Entities engaged in graphic design, advertising agencies, photography studios, and commercial photography services.
POST-SECONDARY ARTS EDUCATION	Entities providing arts instruction in dance, drama, music, and visual arts (excluding institutions that grant diplomas or degrees).
CREATIVE GOODS & DECORATIVE ARTS	Entities producing ceramics, household furniture, rugs, decorative objects, toys, and games.
FASHION	Entities engaged in textile and apparel manufacturing, jewelry and silverware production, and related fashion goods and services.

Source: CVL Economics.

2 See Appendix A.1 for detailed list of industry classification codes.

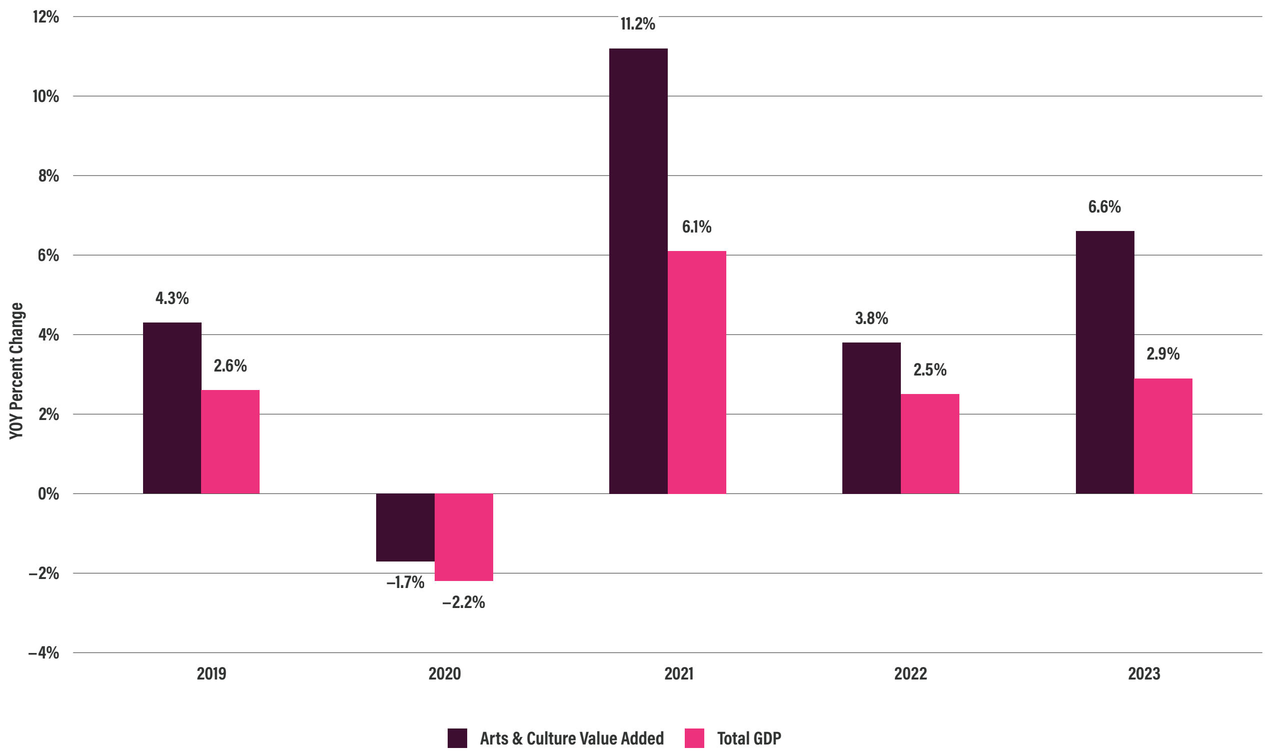
ECONOMIC CONTEXT: THE NATIONAL AND STATE PICTURE OF THE CREATIVE ECONOMY

The creative economy has emerged as one of the most dynamic and resilient sectors in the U.S. economy, consistently demonstrating its capacity to drive growth and innovation. Far from being peripheral to economic development, the creative industries have proven themselves to be fundamental engines of prosperity, generating substantial employment, income, and economic output across communities nationwide—often outpacing the broader economy.

In fact, nationwide growth of real value added (contribution to gross domestic product) generated by the Arts & Culture sector[3] has consistently outperformed that of the overall U.S. economy each year since 2019 (Figure 2). In 2019, the sector grew 4.3% compared to the year prior, well ahead of the 2.6% increase in total U.S. gross domestic product (GDP). Even at the onset of the pandemic in 2020, nationwide Arts & Culture value added declined by just 1.7%, less than the overall economy's 2.2% contraction. The rebound that followed was especially striking: in 2021, Arts & Culture surged by 11.2%, nearly double the growth rate of total GDP. Growth continued in subsequent years, expanding by 3.8% in 2022 and 6.6% in 2023, again outpacing the national economy.

3 "Arts & Culture" as defined by the U.S. Bureau Economic Analysis.

FIGURE 2: NATIONWIDE YEAR-OVER-YEAR PERCENT CHANGE IN ARTS & CULTURE CONTRIBUTION TO GROSS DOMESTIC PRODUCT (REAL VALUE ADDED) VS. TOTAL U.S. GROSS DOMESTIC PRODUCT (GDP)

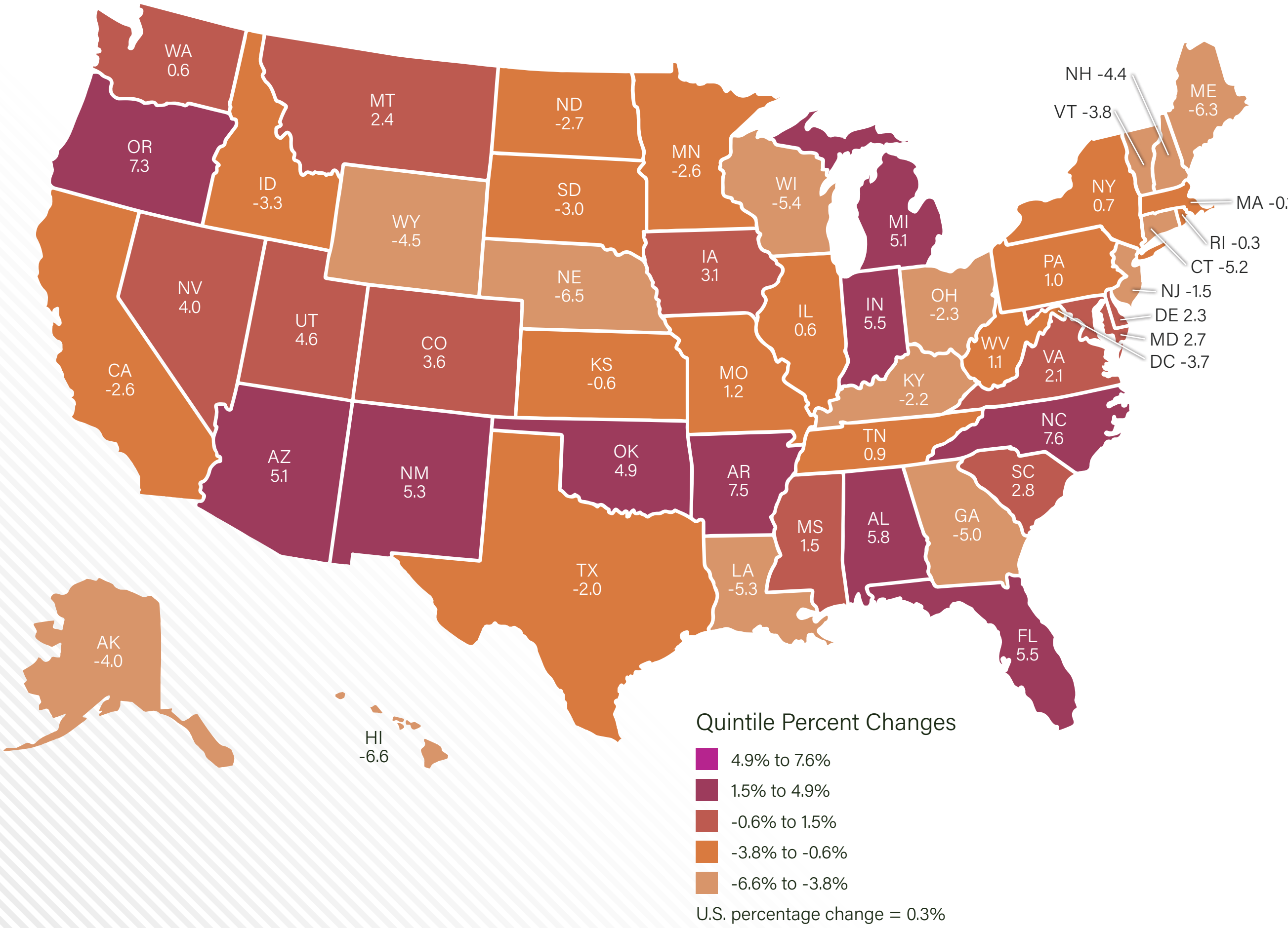


Source: U.S. Bureau of Economic Analysis Arts and Culture Satellite Account, CVL Economics.

While the national picture underscores the strength of the overall Arts & Culture sector, only some states are reaping the benefits—and California is not one. Many states posted strong gains in arts and cultural employment between 2022 and 2023 (Figure 3). North Carolina (+7.6%), Oregon (+7.3%), Florida (+5.5%), and New Mexico (+5.3%) were among the top performers, with other states like Arizona, Nevada, and Colorado showing decent growth. Washington and New York experienced minimal, but still positive growth in Arts & Culture employment.

California, by contrast, saw a 2.6% decline in Arts & Culture employment. This relative decline is striking for a state often regarded as a global hub for creativity and culture, and it signals a growing disconnect between California's reputation and its current trajectory. Historically, the arts and creative industries have been central to California's rise as a global economic powerhouse—anchored by industries like film, music, design, theatre, and digital media that helped define the state's economic strength. Yet today, the very sector that once symbolized California's competitive edge faces mounting challenges: high costs of living and doing business, policy barriers, outmigration of talent, and increasing incentives (e.g., tax breaks) offered by other jurisdictions.

FIGURE 3: PERCENT CHANGE IN ARTS & CULTURE EMPLOYMENT BY STATE | 2022–2023



Source: U.S. Bureau of Economic Analysis.

This broader statewide decline provides an important backdrop for understanding Berkeley's own creative economy. As California struggles with high costs, policy hurdles, and growing competition from other states, local communities are feeling these pressures acutely—and Berkeley is no exception.

CREATIVE ECONOMY LANDSCAPE ANALYSIS

Berkeley's creative economy is both broad in scope and deeply embedded in the city's identity. As of September 2025, the City of Berkeley recorded 650 active business licenses in the creative sector industries, accounting for about 5% of all active licenses (12,783) in the city.[4] [5] These counts include private and nonprofit corporations, sole-ownerships, partnerships, and cooperatives.

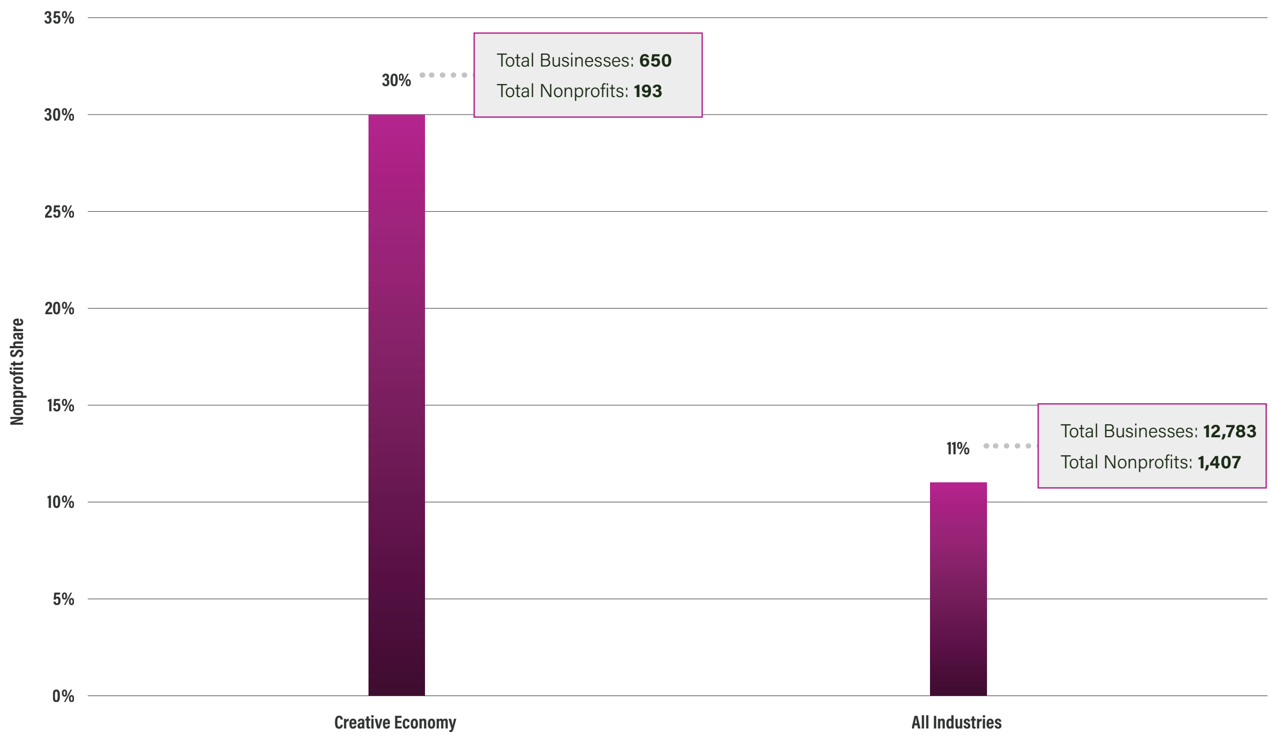
The nonprofit sector plays a particularly prominent role in Berkeley's creative economy compared to other industries. Analysis of Internal Revenue Service tax-exempt filings alongside local business license data shows that creative fields have a significantly higher share of nonprofit organizations than the citywide average across all industries (Figure 4). In total, nonprofits account for roughly 30% of Berkeley's creative economy organizations, compared to 11% of all businesses citywide.[6] **This structure has important implications: while it reflects the strong civic and cultural mission of Berkeley's creative sector, it also underscores the sector's reliance on contributed income, philanthropy, and public funding.**

4 City of Berkeley. *Business Licenses*. Accessed September 2025. https://data.cityofberkeley.info/Business/Business-Licenses/rwnf-bu3w/about_data.

5 See Appendix A.2 for further details on business count methodology.

6 See Appendix A.2 for further details on business count methodology.

FIGURE 4: SHARE OF NONPROFIT ORGANIZATIONS IN BERKELEY'S CREATIVE ECONOMY VS. ALL INDUSTRIES | 2025



Source: City of Berkeley Active Business License Data, Internal Revenue Service, CVL Economics.

CREATIVE ECONOMY EMPLOYMENT

In 2024, Berkeley's creative economy employed 8,186 jobs (Figure 5). Within the creative workforce, Visual & Performing Arts is by far the largest subsector, accounting for more than half of all jobs (55.8%). Other significant subsectors include Architecture & Design (11.1%), Entertainment & Digital Media (9.7%), and Publishing & Printing (6.9%). Smaller subsectors include Communication Design (6.0%), Post-Secondary Arts Education (4.6%), Creative Goods & Decorative Arts (4.0%), and Fashion (2.0%). Together, these fields form a dynamic ecosystem that extends well beyond traditional arts organizations—supporting innovation, attracting talent, and fueling the city's broader economic vibrancy.

Forms of Employment

The composition of Berkeley's creative workforce reflects not only the city's sectoral diversity but also the different ways people participate in creative work. As Figure 5 shows, jobs in the creative economy are distributed across three primary categories: salaried (W-2 employees), self-employed workers, and gig-based roles, as defined below.

- **Salaried Employment (W-2)**: Full-time and part-time jobs on payroll who receive a W-2 form, including both those covered by unemployment insurance (UI) programs (captured in the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, or QCEW) and those not covered by UI programs (non-QCEW, such as certain small nonprofits, religious organizations, and others).

  Examples: *a full-time museum administrator, or a part-time stage manager employed by a theater.*

- **Self-Employed:** Individuals who work for themselves and are not on a payroll. This category is measured using IRS tax filings and Bureau of Economic Analysis proprietorship data and includes sole proprietors, freelancers, and independent contractors who typically file Schedule C income.

  Examples: *a freelance graphic designer running their own studio, or an independent architect who takes on client projects as their main source of income.*

- **Gig Employment:** A separate measure drawing from additional IRS non-employer filings that fall outside the standard self-employment category. This often includes freelancers, independent contractors, and sole proprietors who take on multiple short-term or project-based jobs. This category captures more contingent or supplemental work activity, often part-time or secondary. Including gig work is essential to understanding Berkeley's creative economy, where it represents a significant share of the arts and culture workforce.

  Examples: *an artist selling work occasionally on Etsy while holding another job, or a musician performing in one-off gigs or short-term productions while holding another source of employment.*

Each type of work carries its own opportunities and challenges, and together they form the backbone of Berkeley's cultural and creative ecosystem. In Berkeley, this dynamic is particularly visible in the Visual & Performing Arts subsector, where over 84% of jobs are self-employed or gig-based. By contrast, fields like Architecture & Design or Entertainment & Digital Media lean more heavily on salaried employment, providing relatively greater stability. Sectors such as Publishing & Printing, Communication Design, and Post-Secondary Arts Education fall in between, with a mix of W-2, self-employed, and gig roles that together illustrate the hybrid nature of creative work.

FIGURE 5: CREATIVE ECONOMY SUBSECTOR EMPLOYMENT COUNT BY WORKER TYPE IN BERKELEY | 2024

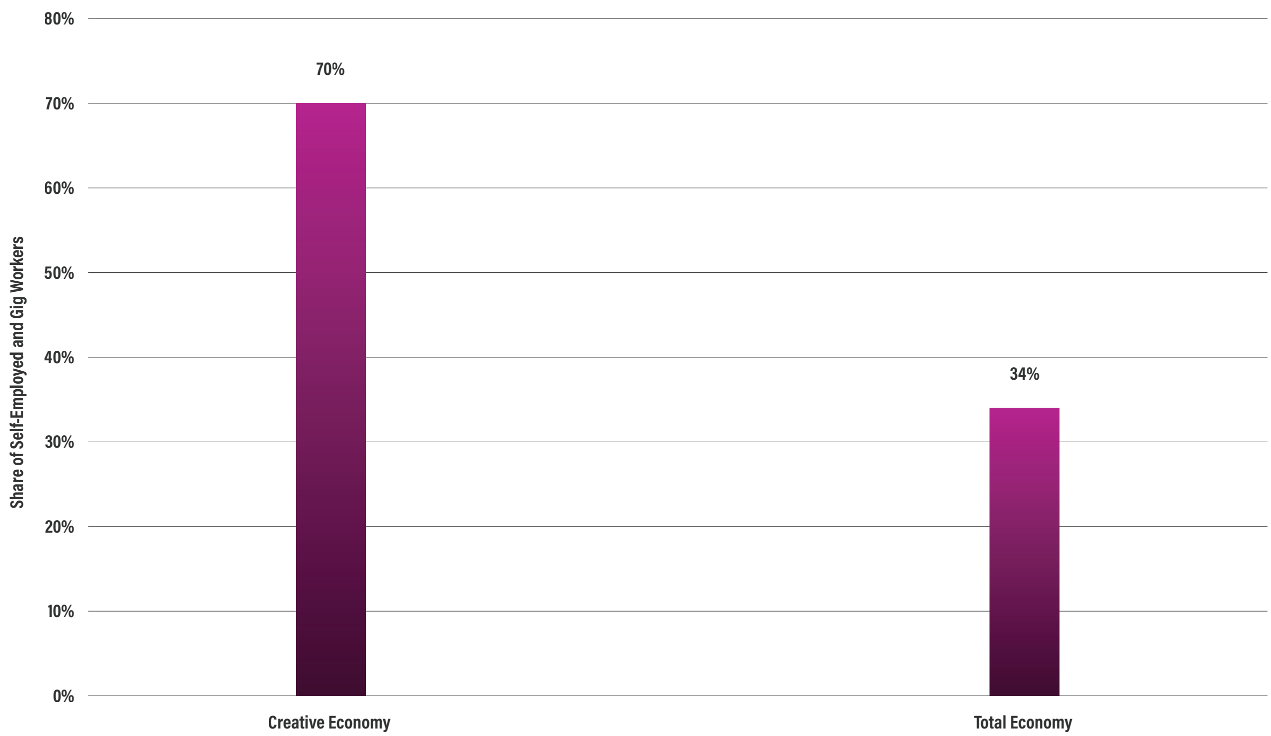
CREATIVE ECONOMY SUBSECTOR	SALARIED (W-2)	SELF-EMPLOYED	GIG	TOTAL	SHARE OF CREATIVE ECONOMY TOTAL
Visual & Performing Arts	718	827	3,022	**4,567**	**55.8%**
Architecture & Design	534	138	236	**908**	**11.1%**
Entertainment & Digital Media	478	159	154	**791**	**9.7%**
Printing & Publishing	193	43	326	**562**	**6.9%**
Communication Design	105	101	289	**495**	**6.0%**
Post-Secondary Arts Education	174	74	130	**377**	**4.6%**
Creative Goods & Decorative Arts	283	26	16	**325**	**4.0%**
Fashion	89	23	49	**161**	**2.0%**
Total Creative Economy	**2,574**	**1,391**	**4,222**	**8,186**	**-**

Note: Employment counts reflect the number of unique jobs and not individuals. In that sense, one individual can hold multiple jobs and therefore be counted more than once. This dynamic is especially prevalent in the "Gig" work category, where organizational models in industries like Visual & Performing Arts rely heavily on short-term, project-based, or seasonal hiring, and artists and performers often piece together income through multiple jobs.

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Lightcast, CVL Economics.

Unlike many other industries where traditional W-2 employment (salaried, with benefits) dominates, the creative economy is notable for its reliance on non-traditional work arrangements. Artists and creative workers are far more likely than the general workforce to be self-employed or gig-based (Figure 6). In Berkeley, nearly 70% of creative economy workers are self-employed or gig workers compared to 34% across the total economy. This reflects both the flexibility and precarity of the sector: while project-based and freelance work can create room for innovation and independence, it also often comes with irregular income, limited benefits, and less access to worker protections.

FIGURE 6: SHARE OF SELF-EMPLOYED AND GIG EMPLOYMENT FOR CREATIVE ECONOMY AND ALL INDUSTRIES IN BERKELEY | 2024



Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Lightcast, CVL Economics.

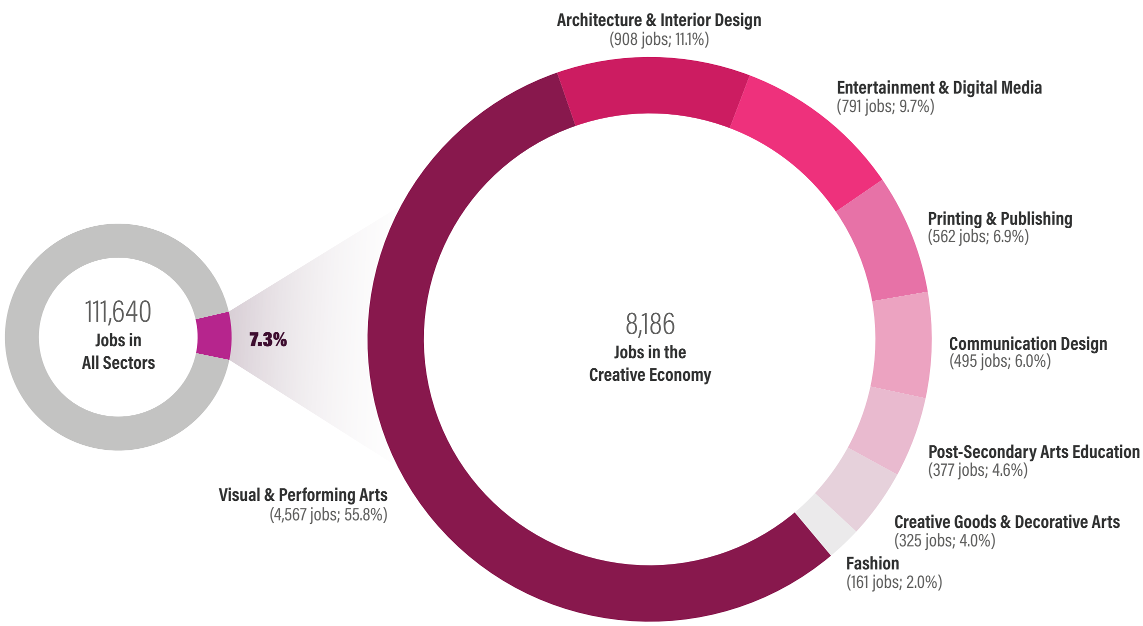
Berkeley's Creative Economy in the City's Broader Economic Landscape

Berkeley's creative economy is a critical part of the city's economic landscape, accounting for a significant share of total employment. While creative economy businesses accounted for 5% of all enterprises, they supported 7.3% of all employment citywide in 2024—8,186 out of the 111,640 total jobs across industries (Figure 7).[7]

Creative economy employment today has been declining year over year since the pandemic, following a period of strong growth in the years prior. From 2010 to 2018, Berkeley's creative sector expanded steadily, adding more than 2,300 jobs and peaking at nearly 9,850 positions (Figure 8). That momentum ended abruptly in 2020, when the pandemic caused steep job losses that erased much of the previous decade's gains. While employment has stabilized somewhat in recent years, 2024 levels remain just over 8,100 jobs—roughly on par with 2013.

7 See Appendix A.3 for detailed documentation of employment counts.

FIGURE 7: COMPOSITION OF CREATIVE SECTOR WORKFORCE IN BERKELEY | 2024



Note: Includes salaried, self-employed, and gig jobs in the creative economy and across all sectors. Employment counts reflect the number of unique jobs and not individuals. In that sense, one individual can hold multiple jobs and therefore be counted more than once. Berkeley salaried (QCEW) jobs total 2,574 in the creative economy and 68,126 in the overall economy.

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Lightcast, CVL Economics.

FIGURE 8: CREATIVE ECONOMY EMPLOYMENT IN BERKELEY | 2010–2024

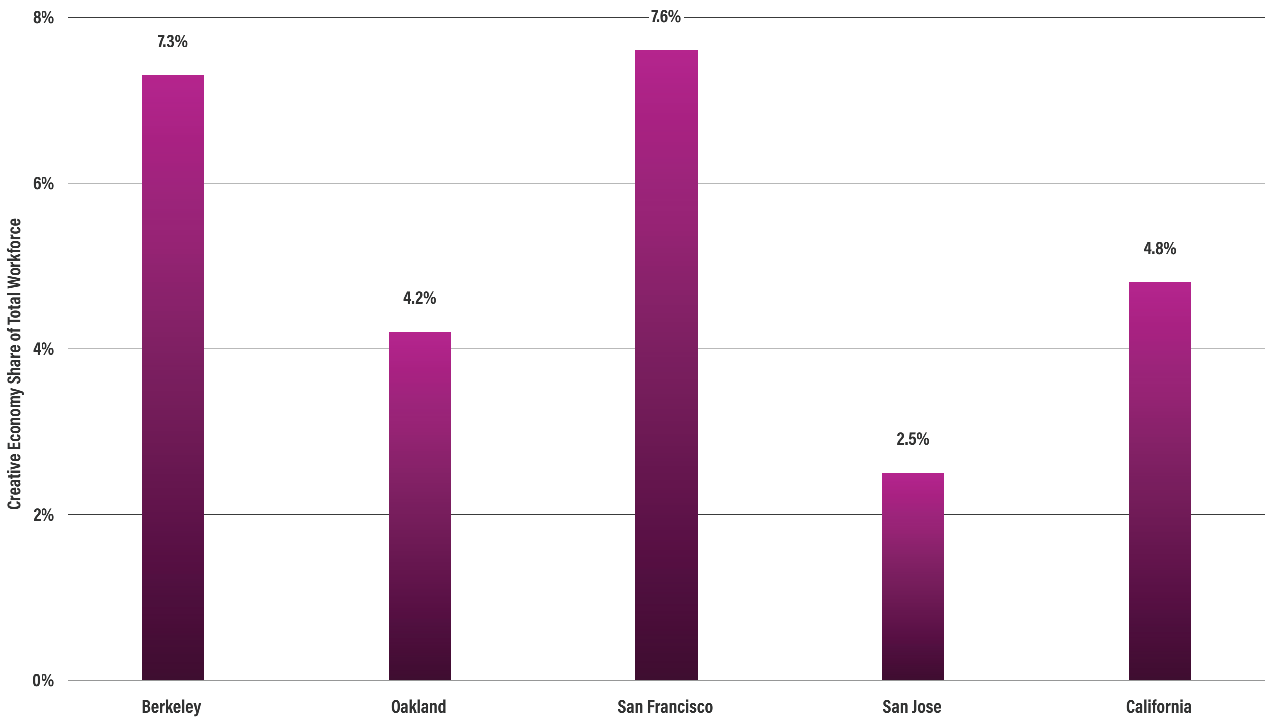
Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Lightcast, CVL Economics.

REGIONAL COMPARISONS

When compared to neighboring regions in the San Francisco Bay Area and the state as a whole, Berkeley's creative economy stands out. In 2024, it accounted for 7.3% of the city's total workforce—a larger share than in Oakland, San Jose, and California overall, though slightly trailing San Francisco (Figure 9).

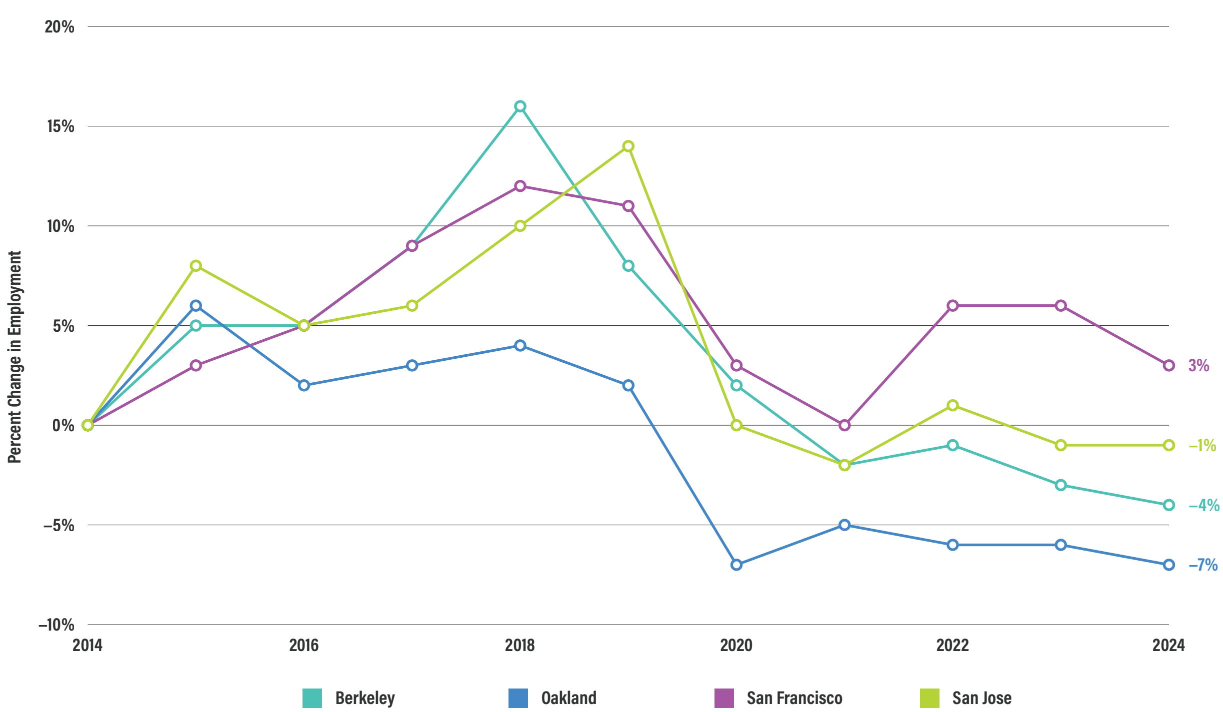
In the years leading up to the pandemic, Berkeley's creative economy was outperforming even San Francisco's sector in terms of job growth. Between 2014 and 2018, creative employment in Berkeley expanded 16%, outpacing industry growth in neighboring cities (Figure 10). Although all regional creative economies experienced steep declines with the onset of the pandemic in 2020, Berkeley's recovery has especially lagged behind. San Francisco and San Jose have seen partial rebounds, regaining some of their lost ground, but Berkeley's creative economy has remained flat or slightly negative through 2024.

FIGURE 9: CREATIVE ECONOMY EMPLOYMENT AS A SHARE OF TOTAL WORKFORCE BY REGION AND STATE | 2024



Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Lightcast, CVL Economics.

FIGURE 10: COMPARATIVE CREATIVE ECONOMY REGIONAL EMPLOYMENT GROWTH RATE | 2014–2024



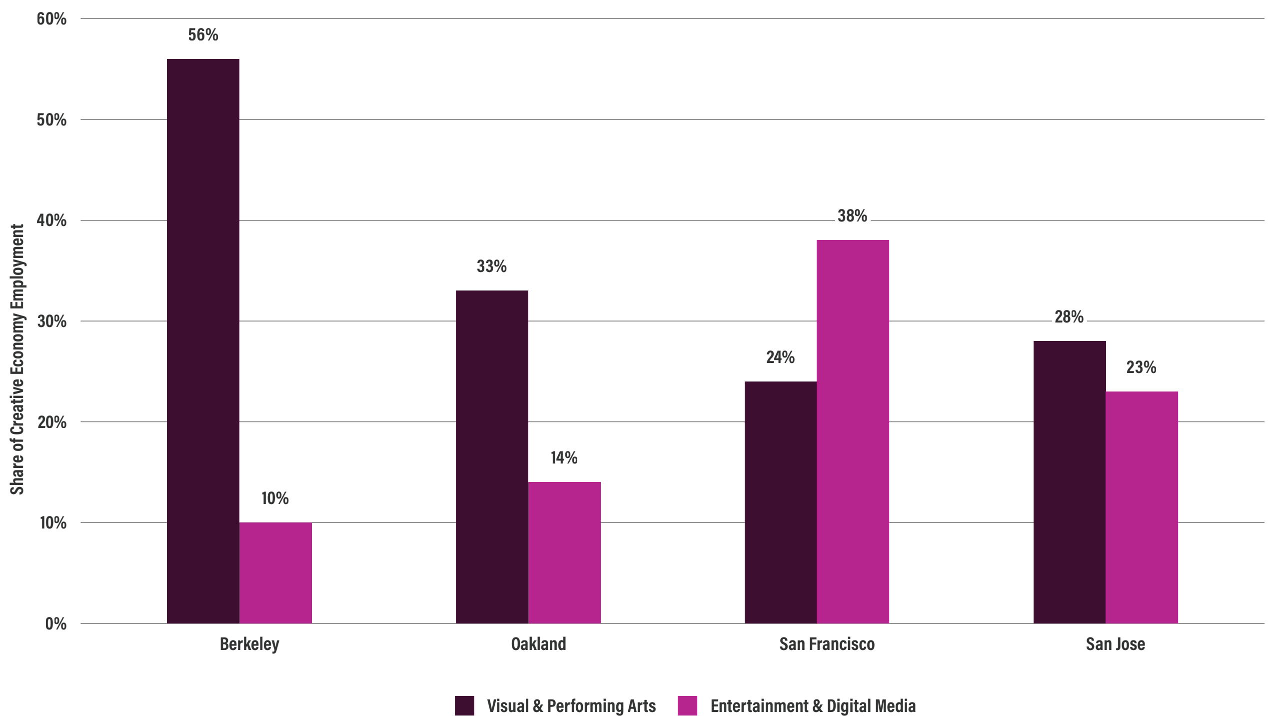
Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Lightcast, CVL Economics.

The result is a sector that was once leading the region in growth but now sits well below its pre-pandemic trajectory, underscoring the depth of the disruption and the ongoing challenges to full recovery.

One factor behind Berkeley's slower recovery is the composition of its creative economy relative to other cities. More than half of Berkeley's creative sector jobs are concentrated in Visual & Performing Arts (56%), **making the city far more dependent on live, in-person activity than its regional peers** (Figure 11).

San Francisco, by contrast, has a much larger share in Entertainment & Digital Media (38%), led by industries such as media streaming, software publishing (e.g., video game development), and broadcasting. These segments not only proved more resilient during shutdowns but in many cases expanded as digital content consumption surged. San Jose and Oakland fall between these two poles, with stronger mixes across both the Performing Arts and Digital Media industries.

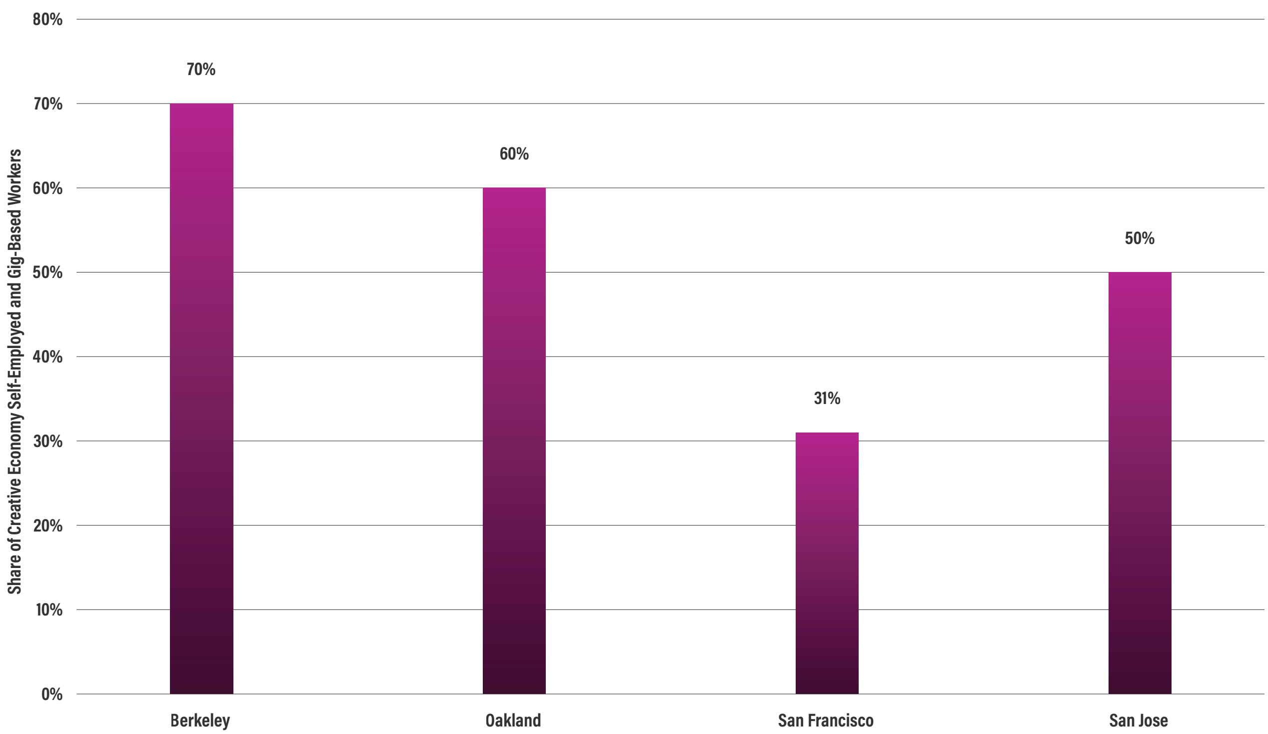
FIGURE 11: REGIONAL CREATIVE ECONOMY COMPOSITION: VISUAL & PERFORMING ARTS VS. ENTERTAINMENT & DIGITAL MEDIA | 2024



Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Lightcast, CVL Economics.

With a significant percentage of Performing Arts industry employment comes other struggles tied to the sector's reliance on gig and contract work, as well as its nonprofit-heavy structure. **In Berkeley, the estimated 70% of the creative workforce that is self-employed or gig-based is driven largely by the city's Visual & Performing Arts sector, which alone accounts for 3,850 workers (827 self-employed and 3,022 gig-based)**. By comparison, only 31% of San Francisco's creative workforce falls into these categories (Figure 12). Oakland and San Jose also have higher shares of self-employed and gig workers (60% and 50%, respectively), but are not as high as Berkeley's.

FIGURE 12: SHARE OF CREATIVE ECONOMY SELF-EMPLOYED AND GIG-BASED WORKFORCE BY CITY | 2024



Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Lightcast, CVL Economics.

At the same time, Performing Arts is among the industries with the highest share of nonprofit organizations. For instance, in Alameda County, over 25% of Performing Arts jobs are in nonprofits, compared to just 9.4% across all industries countywide (Figure 13). The county's nonprofit share in the Performing Arts is also notably higher than the statewide average of 15.8%.

FIGURE 13: SHARE OF NONPROFIT EMPLOYMENT IN BOTH COUNTY AND STATE: PERFORMING ARTS VS. ALL INDUSTRIES | 2024

REGION	SHARE OF PERFORMING ARTS EMPLOYMENT IN NONPROFITS*	SHARE OF TOTAL EMPLOYMENT (ALL INDUSTRIES) IN NONPROFITS
Alameda County	25.1%	9.4%
California	15.8%	7.8%

*Includes employment in NAICS 711 (Performing Arts, Spectator Sports, and Related Industries).

Source: U.S. Bureau of Labor Statistics Nonprofit Establishment Employment and Wage Estimates, CVL Economics.

COMPARISON TO THE OVERALL ECONOMY IN BERKELEY

The picture becomes even more stark when comparing Berkeley's creative economy to the city's overall employment base (Figure 14). Before the pandemic, the creative workforce grew faster than Berkeley's overall economy. Between 2014 and 2018, creative employment surged nearly 15%, compared to about 11% growth in the total workforce. This momentum underscored the sector's potential as one of the city's most dynamic economic drivers, suggesting that, absent disruption, it might have continued to anchor local growth.

The pandemic, however, set the creative economy in Berkeley on a very different trajectory than the overall local economy. While total employment in Berkeley dipped briefly in 2020, it has since resumed a steady upward climb, reaching new highs by 2024. The creative workforce, as noted earlier, has remained stagnant or declined since 2020, and is currently registering at levels observed back in 2013, more than a decade ago. This divergence makes clear that while Berkeley's broader economy has expanded and rebounded, its creative economy, which relies on the Performing Arts industry, has been left behind—changing from a leading growth engine into a sector struggling to regain its footing.

FIGURE 14: CREATIVE ECONOMY EMPLOYMENT GROWTH RATE VS. GROWTH RATE FOR ALL SECTORS IN BERKELEY | 2014–2024

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Lightcast, CVL Economics.

Berkeley's heavy reliance on the Performing Arts—among the hardest-hit and slowest-recovering industries nationwide—has left its creative economy especially vulnerable. **The sector's dual reliance on gig and contract work, alongside its nonprofit-heavy structure, compounds this fragility by tethering organizational stability to fluctuating audience demand, shifting philanthropic priorities, and uncertain public funding.** As a result, Berkeley's creative economy remains more exposed to the ongoing challenges of rebuilding sustainable audiences than many of its regional peers.

Yet despite the sector's slower recovery compared to the broader economy, Berkeley's creative economy remains an essential economic engine. The following economic impact analysis highlights just how significant this activity is for Berkeley and the region—underscoring why the sector's recovery is not simply a cultural priority, but an economic imperative.

CREATIVE ECONOMY ECONOMIC IMPACT ANALYSIS

Entities in the creative economy are part of a broader ecosystem, constantly interacting with other businesses in other industries and consumers. While it is directly composed of the eight defined subsectors outlined earlier (see Figure 1), its reach extends well beyond these boundaries.

Arts organizations and creative firms rely on a wide array of goods and services—purchasing materials, contracting with marketing agencies, and engaging professional services—thereby generating demand across many other industries. At the same time, the people who work in creative jobs—whether performers, designers, technicians, or administrators—spend their earnings on everyday needs like groceries, rent, and childcare. These purchases further help sustain local businesses across many different sectors.

Economic impact analysis is a tool that helps us measure all of these effects—not just the direct output of an industry, but also the chain reaction it sets off across the broader economy, also known as the "multiplier effect." To do this, we break the total impact into three parts: direct, indirect, and induced impacts, the latter two of which constitute the multiplier effect.[8] Together, these layers show the total economic impact of the creative economy through its role in a much larger ecosystem.

- **Direct effect** includes the economic activity that happens within the creative economy sector itself—like sector employee wages, business revenue, and taxes paid.
- **Indirect multiplier effect** captures the activity supported by the creative economy sector's suppliers. For example, a theater might rely on a local costume shop, which in turn buys fabric from a regional wholesaler.
- **Induced multiplier effect** refers to the ripple effect of household spending. When creative economy sector employees or those in related businesses spend their paychecks locally, they help generate jobs and income in industries like food service, retail, and transportation.

To assess the contribution of arts and culture to the local and regional economy, several key indicators are analyzed:

- **Employment impact:** This refers to the total number of jobs supported by the creative economy—both directly (within arts organizations themselves) and indirectly (at supporting businesses), as well as jobs created through household spending by those workers (induced impact).
- **Labor income impact:** This captures the total wages, salaries, and benefits earned by workers across the direct, indirect, and induced layers of activity. It reflects how the sector supports livelihoods throughout the community.
- **Value added impact:** This measures the creative economy's direct contribution to Gross Regional Product (GRP) in Berkeley. Value added reflects the net new wealth created by the sector, including labor income (wages and salaries), taxes on production, and business profits.
- **Fiscal impact:** This measures the tax revenue generated by businesses and workers associated with the creative economy. Tax revenue is broken down by city, county, and state levels.

8 See Appendix A.4 for IMPLAN input-output methodology.

BASELINE IMPACT

The baseline impact reflects the economic impact that originates from creative economy activity within the City of Berkeley's boundaries. These impacts are generated by Berkeley-based entities and include the employment, labor income, and value added that flow directly from activity located in the city.

In 2024, the 8,186 direct jobs in Berkeley's creative economy supported an additional 251 jobs through multiplier effects (indirect and induced), for a total of 8,437 jobs supported citywide tied to the sector (Figure 15). Altogether, Berkeley's creative economy generated $537.5 million in labor income (wages, salaries, and benefits) and contributed more than $1.0 billion to the city's gross regional product (value added). Put another way, **each creative job in Berkeley generated about $66,000 in labor income and $125,000 in value added (contributions to Berkeley's gross regional product).**

These impacts are significant in scale: Berkeley's creative economy accounted for 7.6% of the city's total employment, 5.7% of labor income, and 7.9% of value added across the city in 2024. This underscores the sector's role not only as a major source of jobs and income but also as a key component of the city's overall economic base.

FIGURE 15: CITYWIDE ECONOMIC IMPACT OF BERKELEY'S CREATIVE ECONOMY | 2024

	EMPLOYMENT (JOBS)	LABOR INCOME	VALUE ADDED
DIRECT EFFECT	8,186	$519.6 Million	$979.7 Million
INDIRECT EFFECT	213	$15.3 Million	$22.6 Million
INDUCED EFFECT	38	$2.5 Million	$19.2 Million
TOTAL ECONOMIC IMPACT	**8,437**	**$537.5 Million**	**$1,021.4 Million**
SHARE OF BERKELEY TOTAL	**7.6%**	**5.7%**	**7.9%**

Note: Totals may not be exact due to rounding. Includes impacts associated with private and non-profit entities in Berkeley's creative economy.

Source: IMPLAN, U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, CVL Economics.

REGIONAL SPILLOVERS ACROSS THE EAST BAY

While the city-level results capture the impacts that occur strictly within Berkeley, creative economy activity doesn't stop at the city's boundaries. Widening the lens to look at the East Bay (Alameda and Contra Costa counties) as a whole, the impact grows because of "leakages," or spillovers—spending that originates in Berkeley but flows outward to suppliers, contractors, and consumer markets located elsewhere in the two-county region as a result of the multiplier effect.

As such, in addition to the 8,437 jobs supported by the creative economy in Berkeley (citywide total employment impact from Figure 15), the sector supported an additional:

- 3,784 indirect jobs by supply-chain spending in other parts of the East Bay. For example, a Berkeley theater company might contract with a fabrication shop in Oakland or Richmond, or a design studio in Berkeley might purchase printing services from a vendor in Hayward or Concord. These transactions represent spillovers out of the city that become economic activity elsewhere in the East Bay.
- 1,821 induced jobs in other parts of the East Bay when creative workers spend their earnings on household needs. A Berkeley-based musician's paycheck might go towards childcare in Alameda or Albany, groceries in San Leandro or Orinda, or shopping in Oakland or Walnut Creek. Those everyday expenditures ripple outward, supporting additional jobs and income across the region.

This means an additional 5,605 jobs were supported by Berkeley's creative economy in other parts of the East Bay (elsewhere in Alameda and Contra Costa Counties) (Figure 16).

FIGURE 16: SPILLOVER ECONOMIC IMPACT OF BERKELEY'S CREATIVE ECONOMY INTO OTHER PARTS OF THE EAST BAY | 2024

	EMPLOYMENT (JOBS)	LABOR INCOME	VALUE ADDED
DIRECT EFFECT	-	-	-
INDIRECT EFFECT	3,784	$307.9 Million	$426.4 Million
INDUCED EFFECT	1,821	$138.6 Million	$254.7 Million
TOTAL ECONOMIC IMPACT	**5,605**	**$420.8 Million**	**$624.0 Million**

Note: As this analysis measures only creative economy activity originating within the City of Berkeley, direct effects occur only within Berkeley, as shown in Figure 15. Totals may not be exact due to rounding. Includes impacts associated with private and non-profit entities in Berkeley's creative economy.

Source: IMPLAN, CVL Economics.

A DEEPER LOOK:
UNDERSTANDING THE MULTIPLIER EFFECT

The multiplier effect (indirect and induced impacts) captures how the impact of the creative economy extends beyond the organizations and workers directly involved in creative activity. Every creative job in Berkeley generates additional activity across a wide range of other industries, through business-to-business (supply-chain) transactions and household spending by industry workers. Because Berkeley is deeply interconnected with the surrounding East Bay economy, these multiplier effects also have a geographic dimension. While some of the secondary activity remains inside city boundaries, much of it naturally flows to nearby communities such as Oakland, Emeryville, Richmond, Albany, El Cerrito, and San Leandro where many vendors are located and workers live.

The multiplier effect of Berkeley's creative economy is evident in the diverse range of industries supported through supply-chain linkages (indirect effects) and household spending (induced effects) (Figure 17). On the supply-chain side, the largest employment impacts occur in industries directly tied to arts and culture production. Promoters of performing arts (i.e., organizations that organize and manage live shows, concerts, theatres, or festivals) (805 jobs) and independent artists, writers, and performers (205 jobs) illustrate how creative activity sustains related fields within the broader arts ecosystem.[9] At the same time, significant spillovers occur in various professional and technical service industries: employment services (376 jobs), other real estate (261 jobs), custom computer programming (168 jobs), and management consulting (160 jobs) all benefit from the demands of creative organizations and firms. Even industries like warehousing and storage (64 jobs), couriers and messengers (108 jobs), and commercial sports (230 jobs) are strengthened through their connections to Berkeley's creative sector.

On the household spending side, induced effects spread the benefits in a different way. Creative workers spend their earnings on everyday needs that sustain jobs in restaurants (175 jobs across full- and limited-food service), family services (103 jobs), and healthcare (55 hospital jobs and 48 in physicians' offices). Retail is also a major beneficiary, with creative economy earnings supporting employment in food and beverage stores (51 jobs), general merchandise stores (43 jobs), and other retail outlets. Additional gains are seen in education (37 jobs in other educational services), personal care services (42 jobs), and even auto repair and maintenance (32 jobs).

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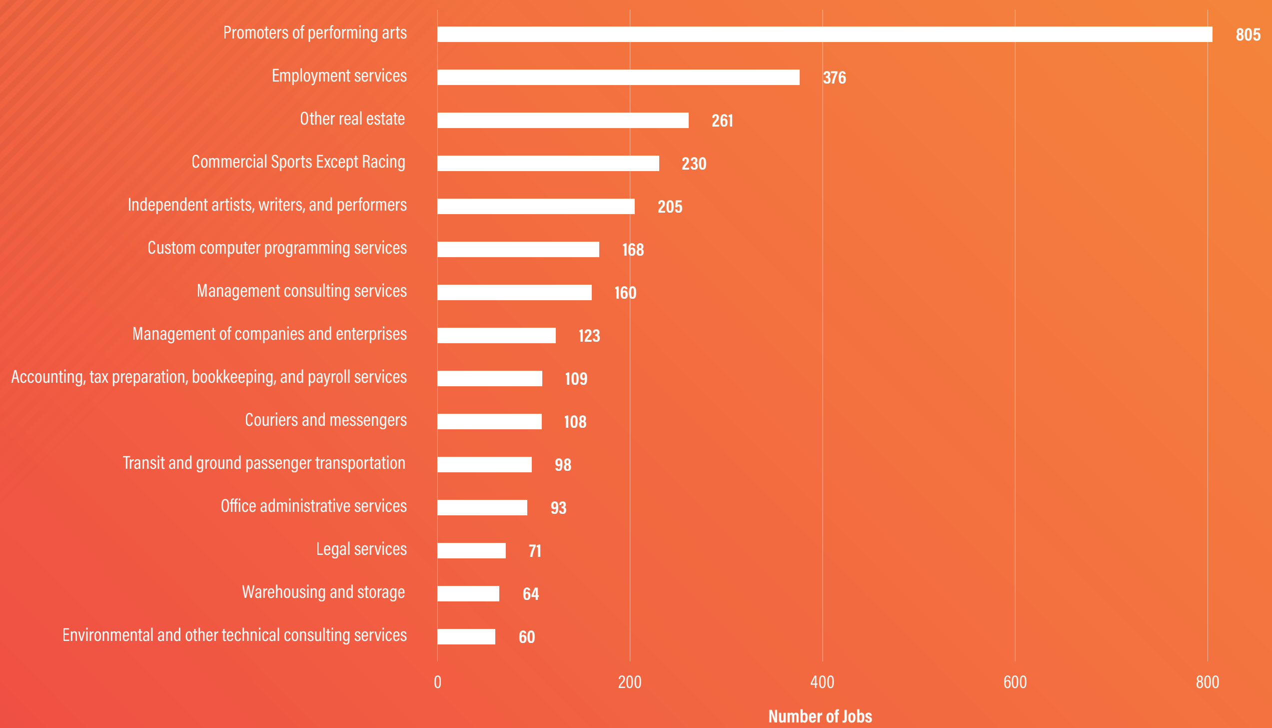
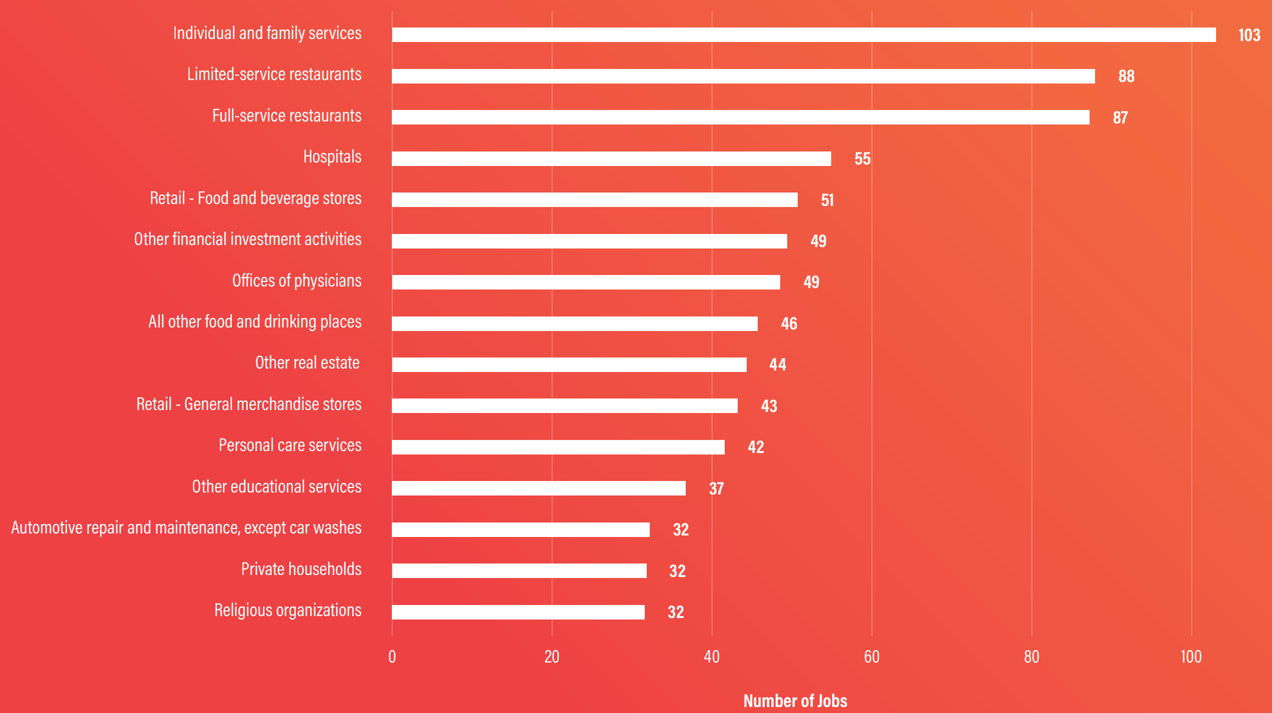
9 Industry titles are reported using IMPLAN's sectoring scheme, which is mapped to the North American Industry Classification System (NAICS).

FIGURE 17: RIPPLE EFFECT OF EAST BAY EMPLOYMENT SUPPORTED BY THE BERKELEY CREATIVE ECONOMY | 2024

A) Indirect Effect (Supply Chain)



B) Induced Effect (Household Spending)



Source: IMPLAN, CVL Economics.

BEYOND THE TICKET:

ARTS AND CULTURE ATTENDEE SPENDING

In considering the broader role of the creative economy, it is important to account for the additional activity generated by visitors to arts and culture establishments. Audiences at performances and visitors to museums often turn their outings into fuller experiences—grabbing a meal at a restaurant, stopping at a café or bar, or browsing nearby shops. This ancillary spending amplifies the value of arts and culture by circulating dollars into multiple sectors and sustaining the vitality of surrounding commercial corridors. The presence of continued arts and culture programming drives foot traffic that sustains nearby businesses and keeps commercial corridors vibrant.

To quantify this effect, CVL Economics used the SMU DataArts Cultural Data Profile database to compile attendance figures for an available sample of Berkeley arts and culture organizations. **Together, the 37 arts and culture venues in Berkeley in this sample group attract roughly 1.4 million attendees annually.**[10]

Spending estimates were drawn from *Arts & Economic Prosperity 6* (Americans for the Arts), which provides audience spending patterns for local regions. While no Berkeley-specific profile exists, spending data from Walnut Creek and San Francisco were averaged to approximate Berkeley's position—more urbanized than Walnut Creek, yet less dense (and with lower associated costs) than San Francisco. Similarly, the average mix of local and nonlocal attendees was applied to get an estimate of spending in Berkeley. This distinction is important because local attendees, who live in the city, generate less new spending when they attend a performance than their nonlocal counterparts. **In total, the average Berkeley local attendee spends $35.76 on additional activities per artistic/cultural event, and the average (nonlocal) attendee from outside Berkeley spends $48.83.**

Applying these patterns to the Berkeley sample group shows **that arts and culture audiences for these organizations generate an estimated $56 million in annual spending at other local businesses** (Figure 18). This includes nearly $30 million at food and drink establishments, $7.6 million at retail stores, $7.2 million on local transportation, and $3.5 million on lodging.

10 SMU DataArts Cultural Data Profile (2017–2024).

FIGURE 18: ANNUAL ARTS AND CULTURE ATTENDEE SPENDING BY CATEGORY FOR 37 ARTS AND CULTURE ORGANIZATIONS IN BERKELEY | 2024

SPENDING CATEGORY	LOCAL ATTENDEES	NONLOCAL ATTENDEES	TOTAL ATTENDEES
Food and Drink	$17.6 Million	$11.8 Million	$29.2 Million
Retail Shopping	$4.5 Million	$3.1 Million	$7.6 Million
Overnight Lodging	$0.6 Million	$3.0 Million	$3.5 Million
Local Transportation	$3.5 Million	$3.7 Million	$7.2 Million
Clothing and Accessories	$2.5 Million	$1.4 Million	$3.8 Million
Groceries and Supplies	$1.8 Million	$0.8 Million	$2.6 Million
Childcare	$0.5 Million	$0.4 Million	$0.9 Million
Other/Miscellaneous	$0.6 Million	$0.5 Million	$1.2 Million
Total Spending	**$31.3 Million**	**$24.6 Million**	**$56.0 Million**

Source: SMU DataArts, Americans for the Arts, CVL Economics.

FISCAL IMPACT

Creative economy activity within the City of Berkeley also generates meaningful public revenues that flow across multiple levels of government. While these activities take place strictly within city boundaries, California's layered tax system distributes the resulting revenues among the City of Berkeley, Alameda County, and the State of California. This means that a single dollar of creative economy activity in Berkeley contributes to multiple jurisdictions simultaneously.

Creative activity contributes to several types of taxes that fund distinct public services (Figure 19). The following are major sources of creative economy tax revenue:

- **Property tax (shared by City of Berkeley and Alameda County)** revenues come from the assessed value of land and buildings occupied by creative organizations and businesses—such as theaters, studios, galleries, or design offices—whether paid directly by the property owner or indirectly through commercial leases. These revenues fund a broad range of public services, from public safety to county-administered programs, including road maintenance and transit services.

- **Sales tax (shared by City of Berkeley, Alameda County, and California)** in the creative sector is typically tied to ancillary transactions like food and beverage concessions, merchandise, or purchases of supplies and equipment. Ticket sales are not included because they are not subject to California sales tax. These revenues are distributed across all three levels of government—supporting the City's general fund, countywide systems administered by Alameda County, and the State's General Fund, which finances education, health and human services, and other statewide priorities.

- **Personal income taxes (California only)** are generated by the wages and self-employment earnings of workers employed in the creative economy, including W-2 employees, freelancers, and gig workers. They are a major source for the State of California's General Fund.

- **Corporate income taxes (California only)** apply to the net profits of for-profit creative firms, such as design practices, production companies, or galleries, while nonprofit entities are generally exempt. These revenues also accrue to the State's General Fund and help sustain statewide systems and programs alongside income taxes.

FIGURE 19: SCENARIOS FOR UNDERSTANDING THE CREATIVE ECONOMY'S TAX REVENUE GENERATION

TAX TYPE & COLLECTOR	SCENARIO 1: NONPROFIT THEATER COMPANY	SCENARIO 2: PRIVATE DESIGN FIRM
PROPERTY TAX (City, County)	Theater company leases its space; tax is assessed on the property owner but is effectively built into rent.	Firm leases its space; tax is assessed on the property owner but is effectively built into rent.
SALES TAX (City, County, State)	Sales tax collected on concessions (food, drink), merchandise, and taxable rentals. Ticket sales exempt.	Core design services exempt. Sales tax applies to tangible goods (printed collateral, models, branded merchandise) and on taxable inputs purchased by the firm.
PERSONAL INCOME TAX (State)	Actors, stage crew, and set designers pay income tax on wages or self-employment income.	Designers, administrative staff, and contractors pay state income tax on wages or self-employment income.
CORPORATE INCOME TAX (State)	Exempt as a nonprofit.	Corporate profits taxed at the state level.

Source: CVL Economics.

DIRECT TAX BENEFITS

Creative economy activity in Berkeley generates tax dollars that flow into the City's General Fund, which provides flexible revenues that are budgeted to core municipal services, such as public safety and personnel. Unlike special district revenues that are legally restricted to specific purposes, General Fund revenues represent the City's discretionary pool.

In fiscal year 2024, the City of Berkeley's General Fund was budgeted at $273.4 million.[11] Of this, based on the IMPLAN modeling described above which includes the impact of multiplier effects, the creative economy generated an estimated $10.7 million in tax revenues (Figure 20), equal to nearly 4% of the City's discretionary tax base. The largest contributions came from sales taxes, where creative sector activity accounted for more than 15% of total collections, and property taxes at 4%.

11 City of Berkeley, Adopted Budget for Fiscal Year 2025 & 2026 (PDF). Available at: https://berkeleyca.gov/sites/default/files/documents/FY-2025-2026-Proposed-Biennial-Budget.pdf.

FIGURE 20: CITY OF BERKELEY GENERAL FUND (GF) TAX REVENUE GENERATED BY BERKELEY'S CREATIVE ECONOMY | 2024

SOURCE OF REVENUE	CREATIVE ECONOMY GF TAX REVENUE	FY2024 EST. ACTUAL GF REVENUE (TOTAL GF REVENUE)	CREATIVE ECONOMY SHARE OF TOTAL GF REVENUE
PROPERTY TAX	$4.6 Million	$116.0 Million	4.0%
SALES TAX	$2.9 Million	$18.7 Million	15.6%
ALL OTHER TAXES*	$3.2 Million	$138.7 Million	2.3%
TOTAL GENERAL FUND TAX REVENUE	**$10.7 Million**	**$273.4 Million**	**3.9%**

Note: Totals may not be exact due to rounding. Includes impacts associated with private and non-profit entities in Berkeley's creative economy.

* "All Other Taxes" for the creative economy include Business License Taxes, Utility Users Taxes, Cannabis Taxes, and other smaller categories. For the City's total General Fund, this category also includes revenues not meaningfully generated by creative economy activity, such as Vehicle License Fees, Ambulance Fees, Interest Income, Franchise Fees, Indirect Cost Reimbursements, and Transfers.

Source: IMPLAN, City of Berkeley, CVL Economics.

SUPPORT FOR REGIONAL SYSTEMS THAT RETURN VALUE LOCALLY

Beyond the direct benefit to Berkeley residents through City revenues, the tax dollars generated by Berkeley's creative economy for county and state jurisdictions also strengthen the regional and statewide system that Berkeley's population depends on.

In 2024, Berkeley's creative economy generated $14.3 million in Alameda and Contra Costa County revenues (most is appropriated through Alameda County since that is where Berkeley activity is directly located) and $74.6 million in state revenues (Figure 21). County revenues flow into systems that the City does not operate directly, but that are critical for residents, including public health programs, social services, elections, courts, and jails. State revenues, meanwhile, are collected through income, sales, and corporate taxes and deposited into California's General Fund, which supports K–12 and higher education (the State General Fund is the largest source of public support for UC Berkeley), Medi-Cal, and other health programs. Though administered at the county and state levels, these dollars cycle back to Berkeley by funding schools, public universities, healthcare access, and regional services that residents use every day.

FIGURE 21: COUNTY AND STATE TAX REVENUE GENERATED BY BERKELEY'S CREATIVE ECONOMY | 2024

SOURCE OF REVENUE	REVENUE FOR ALAMEDA & CONTRA COSTA COUNTIES	REVENUE FOR THE STATE OF CALIFORNIA
STATE OF CALIFORNIA	-	$25.5 Million
PROPERTY TAX	$12.3 Million	
SALES TAX	$0.6 Million	$25.6 Million
CORPORATE TAX	-	$14.2 Million
OTHER TAX	$1.4 Million	$9.3 Million
TOTAL TAX REVENUE	**$14.3 Million**	**$74.6 Million**

Note: Totals may not be exact due to rounding. Includes impacts associated with private and non-profit entities in Berkeley's creative economy.

Source: IMPLAN, CVL Economics.

RETURN ON INVESTMENT

The City of Berkeley provides grant funding to arts and culture organizations, festivals, and individuals through its robust Civic Arts Grant Program, established in 1991.

The Civic Arts Grant Program aims to strengthen Berkeley's arts ecosystem by directly supporting individual artists, organizations, and festivals that expand cultural access, foster equity and inclusion, and contribute to the city's creative vitality and economic vibrancy.[12]

Over the past decade, the program has expanded significantly in scale, with annual direct investment increasing from $230,000 in fiscal year (FY) 2016 to approximately $700,000 annually since FY2022 (Figure 22).[13] Funding is distributed across three primary categories: Individual Artist Project Grants, Community Festival Grants, and General Operating Support for arts organizations.

12 For more information, visit the City of Berkeley's Civic Arts Grants page: https://berkeleyca.gov/community-recreation/civic-arts/civic-arts-grants.

13 City of Berkeley, *Civic Arts Grants Program – Improved Practices & Community Impact* (Work Session Item 01), March 21, 2023, https://berkeleyca.gov/sites/default/files/documents/2023-03-21%20WS%20Item%2001%20Civic%20Arts%20Grants%20Program.pdf.

FIGURE 22: BERKELEY CIVIC ARTS GRANTS ALLOCATIONS | FY2016–FY 2024

FISCAL YEAR	TOTAL GRANT AMOUNT AWARDED	NUMBER OF GRANTS	AVERAGE GRANT SIZE
FY2016	$229,100	53	$4,323
FY2017	$378,848	56	$6,765
FY2018	$497,510	61	$8,156
FY2019	$500,000	63	$7,937
FY2020	$650,199	90	$7,224
FY2021	$579,493	94	$6,165
FY2022	$714,470	104	$6,870
FY2023	$696,996	114	$6,114
FY2024	$698,782	97	$7,204

Source: City of Berkeley, CVL Economics.

In FY 2024, the City of Berkeley awarded $698,782 in Civic Arts Grants to 55 arts and culture organizations, 31 community festivals, and 11 individual artist projects (97 grants total).[14] This investment sustains year-round organizational programming in Berkeley, supports artists' livelihoods, and improves community access to diverse cultural experiences. To provide a better sense of the significance of this support, we estimate the City's return on investment using the following process outlined below.

In 2024, the organizations and festivals receiving Civic Arts Grants reported a combined operating revenue of $131 million. CVL Economics estimated the total operating revenue of grantee organizations by compiling financial data from the IRS Exempt Organizations Business Master File. For festivals, revenue was attributed to the organizing entity (unless the festival was an entity itself); in some cases, the same organization received both a grant for its annual programming and a separate grant to support a festival it manages. In aggregate, however, these awards represent funding to a single entity, and the reported revenues reflect the full scope of that organization's operations.

While most revenue data was available through IRS tax filings, there were a few data gaps in organizational revenue availability. Adjustments were made where necessary—for example, nonprofits with annual revenues under $50,000 are not required to submit total revenue figures to the IRS, and CVL Economics developed reasonable estimates recognizing the relatively small scale of these entities. In a few cases where 2024 revenue data was not yet available, 2023 filings were used as a proxy to ensure consistency across the analysis. In addition, in 2024 the program distributed $44,000 in project grants to individual artists, functioning as direct income in exchange for their creative work.

When accounting for both direct activity and the broader ripple effects across the local economy, **these organizations and individuals that received grants from the City of Berkeley together generated $137.4 million in economic activity within the City of Berkeley.** This estimate was developed using IMPLAN input–output modeling, capturing not only the direct contributions of grantees and their employees, but also the supply chain effects on local vendors, contractors, and service providers, along with the induced spending of households supported by arts-related jobs. In other words, every $1 of Civic Arts Grant funding supported nearly $197 in total economic activity across the City of Berkeley. Overall, the City's investments supported about 7.5% of the total economic activity generated by its creative economy.

14 City of Berkeley, Fiscal Year 2024 Civic Arts Grant Awards (Information Calendar), October 10, 2023, https://berkeleyca.gov/sites/default/files/documents/2023-10-10%20Item%2015%20Fiscal%20Year%202024%20Civic%20Arts%20Grant.pdf.

PUBLIC ART PROGRAM AND PANDEMIC RELIEF AND RECOVERY GRANTS

In addition to its Civic Arts Grants program, the City of Berkeley provides substantial support for the local creative economy through its Public Art Program. Unlike the Civic Arts Grants, which are allocated annually from the City's General Fund, Public Art funding is generated primarily through Berkeley's Public Art ordinances, which dedicate a portion of capital project budgets to commissioning, installing, and maintaining public artworks, as well as through in-lieu fees paid by private developers who opt to contribute funds rather than install art on their buildings. This structure means that funding levels are driven by the scale and timing of both municipal capital projects and private development activity, both of which can be cyclical, rather than a fixed appropriation. Because these allocations are tied to specific artworks and capital improvements—rather than to flexible operating support—they are not included in the ROI analysis, which focuses on General Fund dollars that flow directly into organizational capacity and community programming.

Public Art Program expenditures nevertheless represent a meaningful municipal investment in Berkeley's cultural landscape. Over the past five fiscal years, annual expenses have ranged from $276,656 in FY21 to nearly $923,475 in FY23. The spike in FY23 reflects one-time allocations from the City's T1 Infrastructure and Facilities Bond,[15] which funded new public art commissions and conservation projects in conjunction with broader civic improvements. More recent spending totaled $407,212 in FY24 and $624,035 in FY25.[16] The City maintains a digital catalog of its public art collection, including an interactive map that allows residents and visitors to explore artworks across the community.[17]

Furthermore, in rapid response to the widespread impacts of the COVID-19 pandemic on the local arts and culture sector, **the City of Berkeley awarded more than $3 million in emergency relief and recovery grants between 2020 and 2022.** This included $2.5 million to 88 arts and culture organizations and over $520,000 to 193 individual artists. Although these were one-time allocations, they were extraordinary in scale and helped many organizations withstand the most difficult periods of pandemic shutdowns. **Every $1 of the City's emergency investments spurred by the pandemic leveraged at least $5.64 in sustained arts and culture economic activity that might otherwise have been lost entirely.**[18] The impacts of these investments are detailed in the companion report (published concurrently), entitled *Assessment of Berkeley Arts & Culture Pandemic Relief and Recovery Funding.*

15 City of Berkeley, Measure T1: Infrastructure and Facilities Bond, https://berkeleyca.gov/your-government/our-work/bond-revenue-measures/measure-t1.

16 Jennifer Lovvorn, Chief Cultural Affairs Officer at City of Berkeley, email to CVL Economics, September 26, 2025.

17 City of Berkeley, City of Berkeley Public Art Collection, https://www.artworkarchive.com/profile/civicartscollection/portfolio.

18 City of Berkeley, Assessment of Berkeley Arts & Culture Pandemic Relief and Recovery Funding, prepared by CVL Economics, October 2025.

FINAL CONSIDERATIONS

PRE-PANDEMIC MOMENTUM LOST

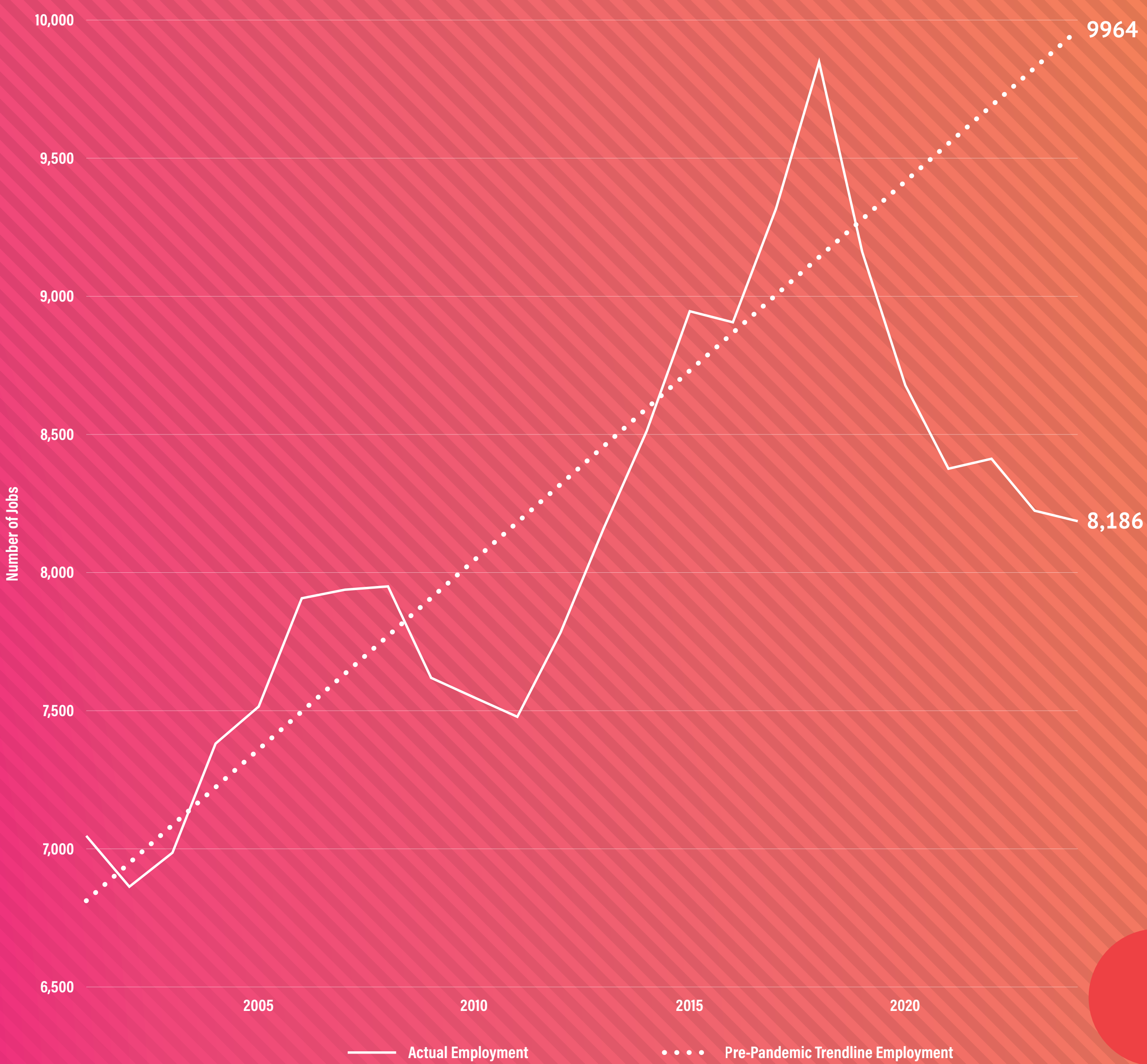
While the creative economy in Berkeley delivers significant impacts today, it is important to recognize the strength and momentum the sector had prior to the pandemic. In 2018, creative employment in Berkeley had climbed to a peak of nearly 9,850 jobs—growth that not only outpaced overall citywide employment, but also exceeded the expansion of creative sectors in neighboring regions. That momentum was abruptly halted when the pandemic hit. The shutdown of 2020 erased all of the gains built over the previous decade; today, Berkeley's creative sector sits 17% below its 2018 peak and is aligned with employment levels experienced in 2013.

What had long been one of Berkeley's greatest cultural strengths—its concentration of live performance venues and nonprofit arts organizations—quickly became a vulnerability when in-person gatherings were deemed unsafe. Live theater, music, and dance were among the first to close and the last to return, severing both earned and ancillary revenue streams. This challenge was compounded by Berkeley's high proportion of nonprofit organizations, which made the sector particularly reliant on philanthropic and public funding sources. As emergency relief and federal grant programs have wound down, many of these funding streams have diminished, leaving organizations with fewer resources to sustain operations.

Unlike other industries that have since rebounded, Berkeley's creative economy has continued to decline year after year, leaving a widening gap between its current scale and the trajectory it was once on. Its strength in live performance—one of the sectors hardest hit by shutdowns and slowest to recover—made the creative economy especially vulnerable, while reliance on gig work, high local costs, and cautious audiences further compound the challenges.

The divergence between actual outcomes and the projected pre-pandemic trend highlights what has been lost, including nearly 1,800 more jobs than what was observed in 2024 (Figure 23). Those unrealized jobs represent more than just employment—they translate into lost wages, reduced household spending, and diminished tax revenues. If the pre-pandemic trajectory had held, Berkeley's creative economy would not only employ more people, but also generate higher levels of labor income and value added (contributions to the City's gross regional product) than currently measured citywide.

FIGURE 23: ACTUAL CREATIVE ECONOMY EMPLOYMENT VS. PRE-PANDEMIC TRENDLINE IN BERKELEY



Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Lightcast, CVL Economics.

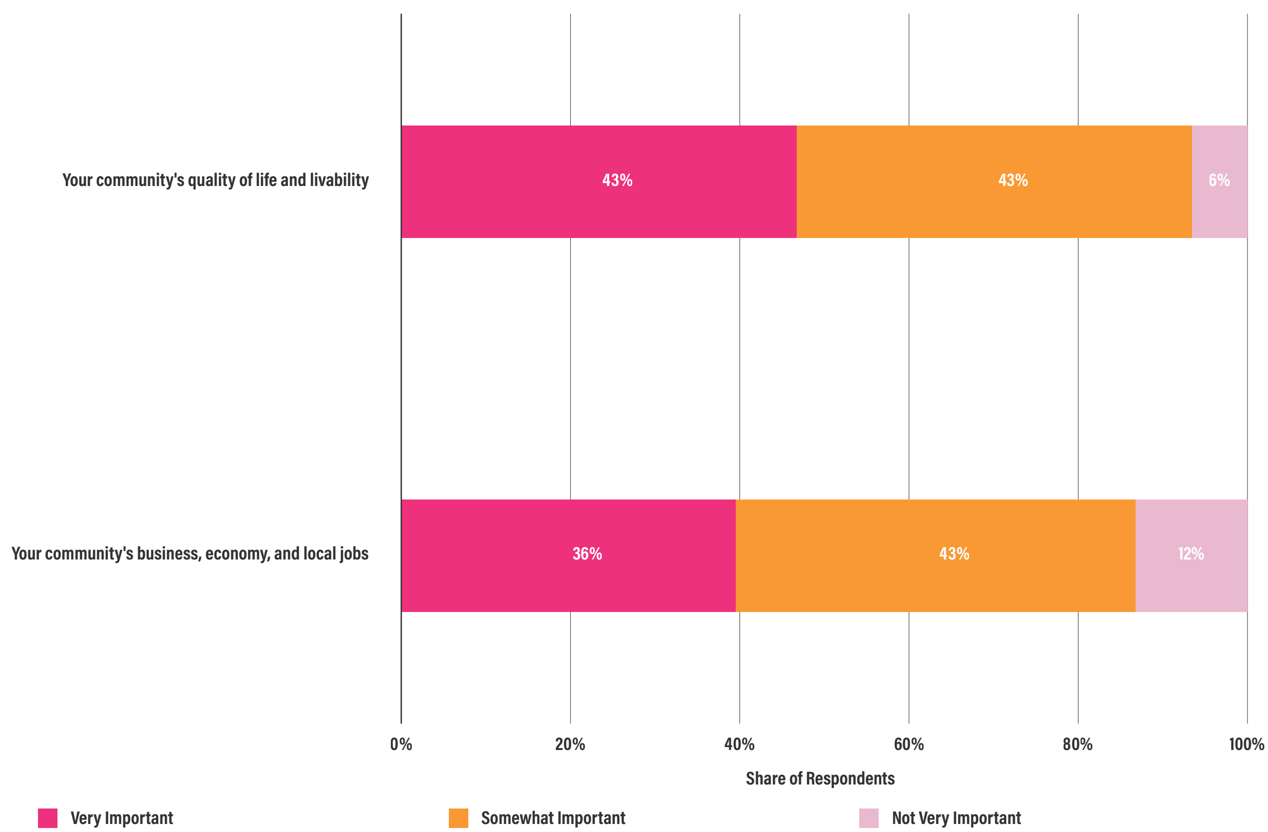
ARTS AND CULTURE AS ENGINES OF ECONOMIC VITALITY

Beyond the numbers, the creative economy plays a central role in shaping Berkeley's identity, quality of life, and appeal as a place to live and work. A strong creative sector enriches the city with performances, festivals, cultural institutions, and design-driven businesses that make Berkeley distinctive within the Bay Area and attractive to both residents and employers.

This connection between creativity and community wellbeing is not unique to Berkeley—it reflects a broader national understanding of the arts' role in civic life. A 2023 nationwide survey conducted by Americans for the Arts reveals that a vast majority of Americans share this view: 86% agreed that arts and culture are important to their community's overall quality of life and livability, and 79% affirmed the importance of arts and culture to supporting local businesses, the economy, and jobs (Figure 24).[19]

FIGURE 24: PUBLIC PERCEPTIONS OF THE ROLE OF ARTS AND CULTURE IN COMMUNITY WELLBEING IN THE U.S.

How important, if at all, do you think having arts and culture are to...



Source: Americans for the Arts.

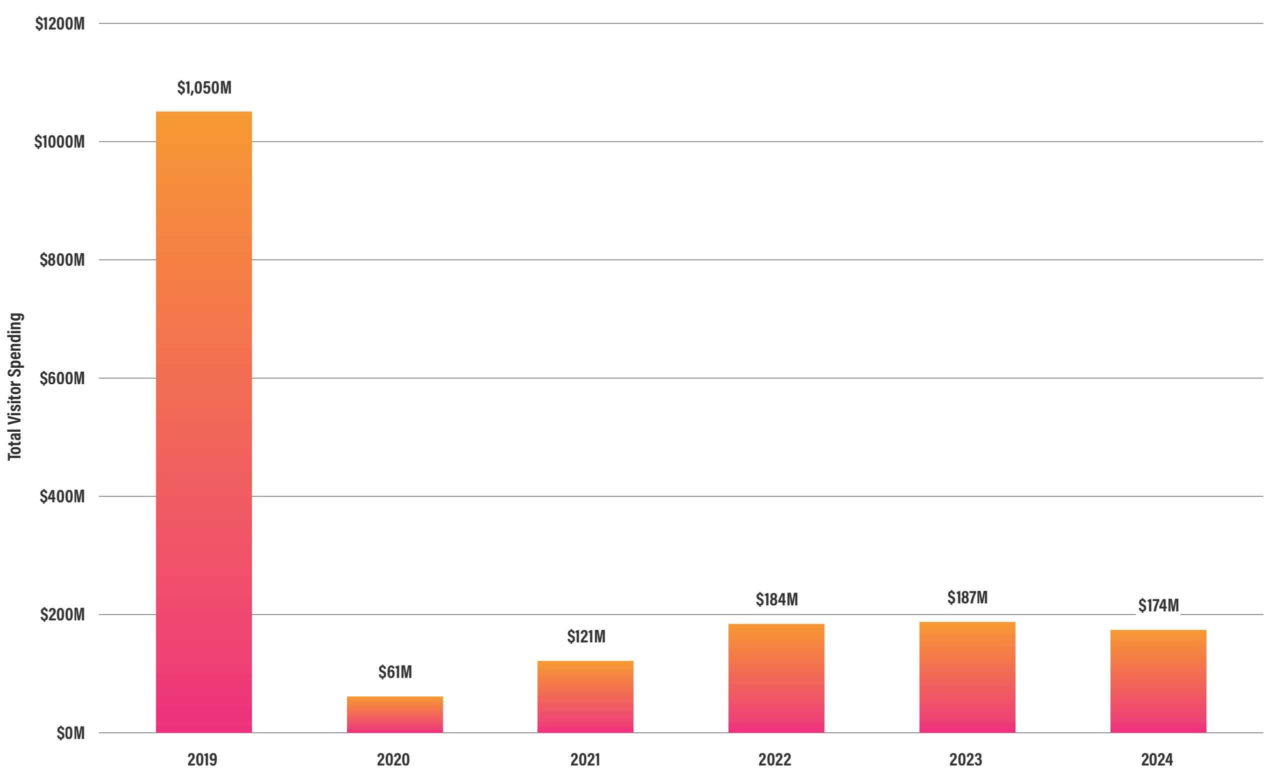
19 Americans for the Arts, Americans Speak Out About the Arts: An In-Depth Look at Public Perceptions and Attitudes About Arts & Culture in America in 2023, December 2024. https://www.americansforthearts.org/sites/default/files/AFTA_2023_Public%20Opinion%20Study_FINAL_12.4.24.pdf

The significance of arts and culture extends directly to the vitality of downtowns and commercial districts. Cultural venues—such as theaters, galleries, and music spaces—serve as anchors that drive foot traffic, activate public spaces, and generate demand for nearby restaurants, bars, and retail establishments. These dynamics not only support small businesses but also contribute to perceptions of safety and livability by ensuring that public areas remain active and inviting across a range of hours and days of the week. Investments in arts and culture have proven to be catalysts for broader downtown revitalization, sparking further private investment and creating a multiplier effect that benefits the entire local economy.

Berkeley itself has long recognized this connection. The establishment of the Downtown Arts District along Addison Street in the 1990s and early 2000s was a deliberate recognition of arts and culture's role in economic development as the city faced an 18% ground-floor vacancy rate downtown.[20] By clustering cultural venues along Addison Street and leveraging relatively modest public investment into tens of millions in private dollars, Berkeley transformed a struggling downtown corridor into a vibrant destination that continues to anchor the city's economic and cultural identity.

Berkeley's recent downward trends underscore what is at stake, threatening to erode the progress built from the 1990s through 2020. Visitor spending in the city fell from over $1 billion in 2019 to just $174 million in 2024 (Figure 25), while the Downtown Berkeley commercial vacancy rate (including office and retail spaces) sat at nearly 11% in 2024, more than double pre-pandemic levels in 2019 (Figure 26). Office vacancies have driven much of this increase as remote work has become more prevalent, but ground floor retail and restaurant spaces have also struggled.

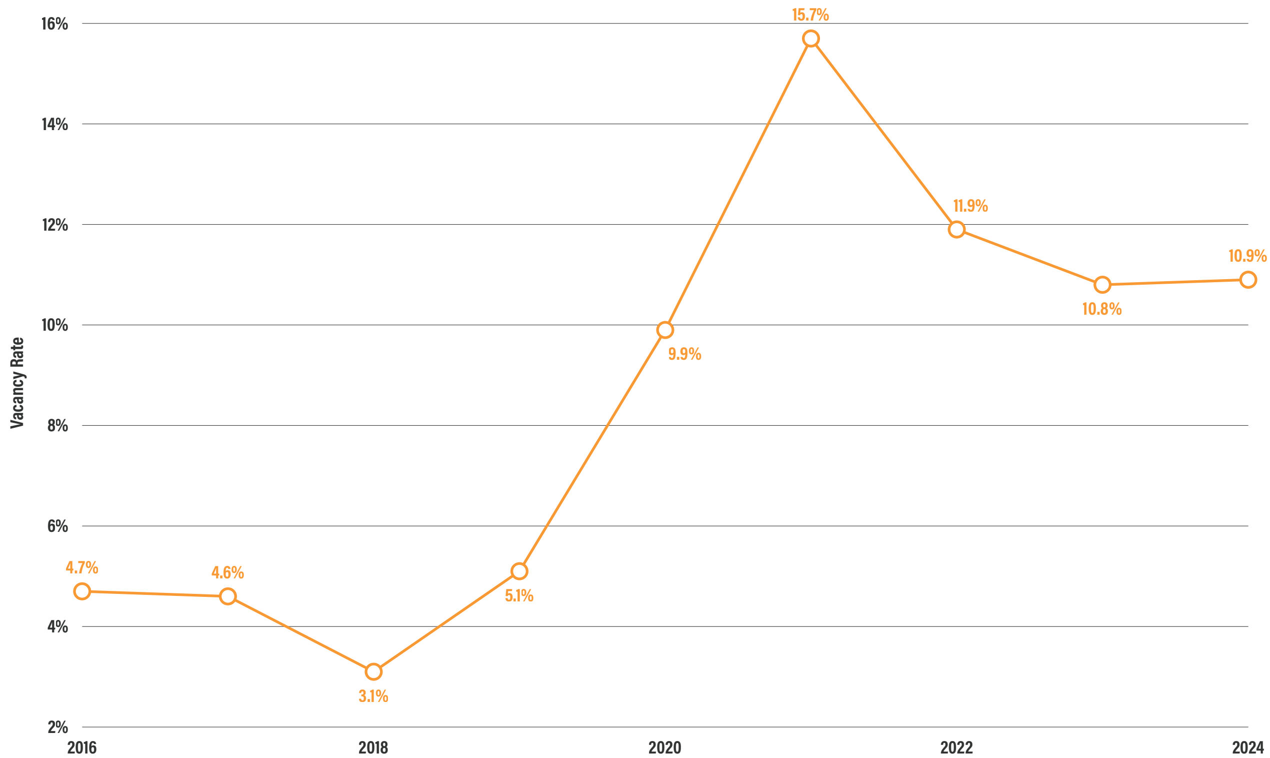
FIGURE 25: TOTAL SPENDING BY VISITORS TO BERKELEY | 2019-2024



Source: Visit Berkeley, Placer.ai, CVL Economics.

20 City of Berkeley, Arts as Economic Development, presented by M. Caplan at the U.S. Mayors Innovation Conference, August 2016. Available online: https://berkeleyca.gov/sites/default/files/2022-02/ArtsDistrict_Panel_CoB_8.27.2016.pdf.

FIGURE 26: DOWNTOWN BERKELEY GROUNDFLOOR COMMERCIAL VACANCY RATE | 2016–2024



Note: Includes office and retail properties.
Source: City of Berkeley Office of Economic Development, CVL Economics.

These findings can help shape practical solutions for Berkeley's long-term recovery and the resilience of its diverse economy. As work continues to shift from traditional 9 to 5 office schedules to flexible, remote arrangements, the daytime worker presence that once sustained downtown retail, hospitality, and cultural activity has diminished. The outmigration of higher-wage workers to places with lower costs of living has left central business districts in Bay Area downtowns more vulnerable to shrinking audiences and weaker engagement with arts and culture.

Revitalizing downtown does not mean reverting to pre-pandemic models. To counter falling visitor spending and rising vacancies, Berkeley must reimagine how investment in the creative economy can drive renewal. Orienting economic development around the creative and nighttime economies is one of the most effective strategies for sparking new energy, with efforts focused on leveraging existing arts, culture, and entertainment amenities to attract residents and visitors alike. Sustaining and growing Berkeley's creative economy—especially its artists, arts organizations, and festivals—is essential to preserving the qualities that make the city a place where people want to live, work, and visit.

APPENDIX

A.1: CREATIVE ECONOMY INDUSTRY CLASSIFICATION CODES

To ensure clarity and comparability, the definition of the creative economy is grounded in the North American Industry Classification System (NAICS), the federal standard used by the Bureau of Labor Statistics and Bureau of Economic Analysis. Using NAICS codes allows us to map creative industries consistently across geographies over time, and to model their economic contributions. While no single code fully captures the breadth of the creative economy, assembling a curated set of codes provides a robust picture of the industry.

FIGURE A.1 CREATIVE ECONOMY INDUSTRY CLASSIFICATION CODES

INDUSTRY CATEGORY AND DESCRIPTION	NAICS
ARCHITECTURE & DESIGN	
Ornamental and Architectural Metal Work Manufacturing	332323
Architectural Services	541310
Landscape Architectural Services	541320
Drafting Services	541340
Interior Design Services	541410
Industrial Design Services	541420
COMMUNICATION DESIGN	
Graphic Design Services	541430
Advertising Agencies	541810
Photography Studios, Portrait	541921
Commercial Photography	541922
ENTERTAINMENT & DIGITAL MEDIA	
Motion Picture and Video Production	512110
Motion Picture and Video Distribution	512120
Teleproduction and Other Postproduction Services	512191
Sound Recording Studios	512240
Software Publishers	513210
Radio Broadcasting Stations	516110
Television Broadcasting Stations	516120
Media Streaming Distribution Services, Social Networks, Other Media Networks and Content Providers	516210

INDUSTRY CATEGORY AND DESCRIPTION	NAICS
FASHION	
Fiber, Yarn, and Thread Mills	313110
Broadwoven Fabric Mills	313210
Narrow Fabric Mills and Schiffli Machine Embroidery	313220
Nonwoven Fabric Mills	313230
Knit Fabric Mills	313240
Textile and Fabric Finishing Mills	313310
Fabric Coating Mills	313320
Apparel Knitting Mills	315120
Cut and Sew Apparel Contractors	315210
Cut and Sew Apparel Manufacturing (except Contractors)	315250
Apparel Accessories and Other Apparel Manufacturing	315990
Footwear Manufacturing	316210
Other Leather and Allied Product Manufacturing	316990
Toilet Preparation Manufacturing	325620
Jewelry and Silverware Manufacturing	339910
Jewelry, Watch, Precious Stone, and Precious Metal Merchant Wholesalers	423940
Piece Goods, Notions, and Other Dry Goods Merchant Wholesalers	424310
Footwear Merchant Wholesalers	424340
Clothing and Clothing Accessories Merchant Wholesalers	424350
Other Specialized Design Services	541490
FINE ARTS SCHOOLS	
Fine Arts Schools	611610
FURNITURE, TOYS & DECORATIVE ARTS	
Carpet and Rug Mills	314110
Curtain and Linen Mills	314120
Textile Bag and Canvas Mills	314910
Rope, Cordage, Twine, Tire Cord, and Tire Fabric Mills	314994
All Other Miscellaneous Textile Product Mills	314999
Pottery, Ceramics, and Plumbing Fixture Manufacturing	327110
Other Pressed and Blown Glass and Glassware Manufacturing	327212
All Other Miscellaneous Nonmetallic Mineral Product Manufacturing	327999
Wood Kitchen Cabinet and Countertop Manufacturing	337110
Upholstered Household Furniture Manufacturing	337121
Nonupholstered Wood Household Furniture Manufacturing	337122
Household Furniture (except Wood and Upholstered) Manufacturing	337126
Institutional Furniture Manufacturing	337127

INDUSTRY CATEGORY AND DESCRIPTION	NAICS
Wood Office Furniture Manufacturing	337211
Custom Architectural Woodwork and Millwork Manufacturing	337212
Office Furniture (except Wood) Manufacturing	337214
Showcase, Partition, Shelving, and Locker Manufacturing	337215
Mattress Manufacturing	337910
Blind and Shade Manufacturing	337920
Doll, Toy, and Game Manufacturing	339930
Furniture Merchant Wholesalers	423210
Home Furnishing Merchant Wholesalers	423220
Toy and Hobby Goods and Supplies Merchant Wholesalers	423920
PUBLISHING & PRINTING	
Commercial Printing (except Screen and Books)	323111
Commercial Screen Printing	323113
Books Printing	323117
Support Activities for Printing	323120
Book, Periodical, and Newspaper Merchant Wholesalers	424920
Newspaper Publishers	513110
Periodical Publishers	513120
Book Publishers	513130
Directory and Mailing List Publishers	513140
Greeting Card Publishers	513191
All Other Publishers	513199
Libraries and Archives	519210
VISUAL & PERFORMING ARTS	
Musical Instrument Manufacturing	339992
Art Dealers	459920
Theater Companies and Dinner Theaters	711110
Dance Companies	711120
Musical Groups and Artists	711130
Other Performing Arts Companies	711190
Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	711410
Independent Artists, Writers, and Performers	711510
Museums	712110

*Note: In addition to the NAICS codes used to define Visual & Performing Arts, employment figures were adjusted to include three major arts and culture institutions at University of California, Berkeley, that would otherwise fall under the broader "colleges and universities" classification: Cal Performances, the Greek Theatre, and the Berkeley Art Museum and Pacific Film Archive. Employment data was provided by these entities directly.

A.2: BERKELEY BUSINESS COUNT METHODOLOGY

Data on Total Businesses is sourced from the City of Berkeley Active Business License (BL) dataset. Total Nonprofit data is sourced from the Internal Revenue Service Tax-Exempt Organizations Business Masterfile (IRS EO BMF).

Total Business Count

The BL file provides the most comprehensive and locally specific inventory of business establishments available, capturing sole proprietorships, small enterprises, and other entities that are often excluded from federal datasets. While we know the BL file omits some arts organizations noted above, the reported total of 12,783 businesses is likely only a modest undercount. Even with this limitation, the BL dataset remains the most robust and locally accurate source for understanding the full scope of business activity in the city.

We benchmark the BL dataset against two other common sources for business counts: the U.S. Census Bureau County Business Patterns (CBP), which captures only employer establishments with payroll (and thus undercounts small nonprofits) and carries a 2-year reporting lag; and the U.S. Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW), which provides establishment counts for payroll businesses at the county, metropolitan statistical area (MSA), and state levels (Figure A.2.2).

FIGURE A.2.1 TOTAL BUSINESS COUNT CROSS-REFERENCES IN BERKELEY

SOURCE	REGION	TOTAL BUSINESSES	TOTAL ARTS & CULTURE BUSINESSES
Berkeley Active BLs (2025)	Berkeley	12,783	650
CBP Establishments (2023)	Berkeley	4,279	139
QCEW Establishments (2024)	Alameda County*	71,737	2,335

*For reference, Berkeley employment accounts for about 10% of total Alameda County employment.

Nonprofit Organization Count

The IRS EO BMF is a national database of organizations recognized as tax-exempt under section 501(c) of the Internal Revenue Code. This dataset is updated monthly and serves as the most comprehensive listing of nonprofit entities in the U.S. It includes key information such as Employer Identification Number (EIN), ruling date, subsection designation, filing status, and industry. For analytic purposes, the IRS dataset is widely used to benchmark the size and scope of the nonprofit sector because it applies consistent classification standards across jurisdictions and time periods. For this analysis, arts-related nonprofits were identified using National Taxonomy of Exempt Entities (NTEE) codes in the "A" category (Arts, Culture, and Humanities), which map onto the industry NAICS codes used to define the creative economy.

CVL Economics uses the IRS file for nonprofit counts. The Berkeley BL dataset lists only 63 arts and culture nonprofits, which is a smaller number than what is present in the IRS findings. For example, several organizations known to be operational in Berkeley are not listed in the BL spreadsheet. In addition, the 2017 Arts and Culture Plan Update 2018–2027 indicates 152 arts nonprofits in Berkeley. In this context, the IRS count of 193 arts and culture nonprofits appears most consistent with the broader evidence presented in the table below (Figure A.2.2).

FIGURE A.2.2 NONPROFIT COUNT CROSS-REFERENCES IN BERKELEY

SOURCE	TOTAL NONPROFITS	TOTAL ARTS & CULTURE NONPROFITS
IRS Tax-Exempt Organization Masterfile (2025)	1,407	193
City of Berkeley Active Business Licenses (2025)	634	63
City of Berkeley Internal Compiled Arts & Culture Organization List (2025)*	n/a	187
Arts and Culture Plan Update - Economic Impact Report of the Arts in Berkeley (2017)**	n/a	152
City of Berkeley Pandemic Relief and Recovery Grant Recipients (2025)***	n/a	71

* An internal list of organizations compiled by the City of Berkeley that includes those listed in the City internal database (such as the Civic Arts Operating Grant program), organizations compiled by Visit Berkeley, and members of the Berkeley Cultural Trust.

** An economic impact report conducted in 2017 on the impact of Berkeley arts and culture nonprofit organizations, see section A.5 below.

***In 2020 and 2022, the City of Berkeley issued pandemic relief and recovery grants in response to the devastating toll of the COVID-19 pandemic. Grants were issued to 88 Berkeley-based nonprofit arts and culture organizations, of which 71 are still operating today.

Additional Data References on Berkeley's Arts and Culture Nonprofit Composition

Note that the methodology above estimates that 30% of creative economy businesses and 11% of total businesses (All Industries) are nonprofit organizations. To further benchmark this composition, we draw on the BLS Nonprofit Establishment Employment and Wage Estimates dataset. While that dataset is limited to state, county, or Metropolitan Statistical Area (MSA) geographies, offers limited NAICS detail, and the most recent data year is 2022, it supports benchmarking for the creative economy using NAICS 711 (Performing Arts)—Berkeley's largest creative sector. When we adjust the business-count methodology above to focus on Performing Arts (NAICS 711), about 28% of Berkeley's Performing Arts businesses are nonprofits. This is comparable to the shares shown in Figure A.2.3.

FIGURE A.2.3 BLS NONPROFIT ESTABLISHMENT EMPLOYMENT AND WAGE ESTIMATES (2022)

REGION	PERCENT TOTAL BUSINESSES NONPROFIT	PERCENT NAICS 711 BUSINESSES NONPROFIT	PERCENT TOTAL EMPLOYMENT NONPROFIT	PERCENT NAICS 711 EMPLOYMENT NONPROFIT
Alameda County	4%	22%	9%	25.1%
Bay Area MSA	4%	23%	9%	36.8%
California	2%	4%	8%	15.8%

Methodology Considerations

IRS nonprofit filings and City active business licenses are based on different reporting systems. IRS counts reflect the number of federally recognized nonprofit entities, whereas business license data reflects locally registered operations. The IRS EO BMF dataset is therefore a more standardized and comprehensive source for counting nonprofit organizations because it captures all federally recognized tax-exempt entities, regardless of local business-license status.

Some nonprofits may not appear in City records due to reporting gaps, classification issues, or exemptions from local registration requirements, yet they will still appear in the IRS file as long as their tax-exempt status is active. For measuring the nonprofit landscape—especially for standardization and comparisons across jurisdictions and time periods—the IRS dataset is the most reliable count, while City BL data remains valuable for the broader local business context. Although these measures are not perfectly interchangeable, together they provide useful benchmarks on the scale and structure of the City of Berkeley's creative economy.

A.3: CREATIVE ECONOMY EMPLOYMENT DOCUMENTATION

Measuring employment in the creative economy requires going beyond traditional payroll data sources. Standard datasets, such as the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages (QCEW), provide a solid baseline for tracking salaried jobs, but they capture only part of the picture. Creative work often falls outside of conventional salaried employer–employee arrangements, relying instead on independent contracting, self-employment, and gig labor. To produce a more accurate account of the sector, our analysis incorporates multiple employment categories, each drawn from established federal datasets that are widely used in labor market research and economic modeling.

Salaried Jobs: QCEW is the most widely used dataset for measuring local employment. It is based on administrative records from unemployment insurance (UI) programs, which employers are legally required to file for most payroll workers. Additional salaried employment is derived from administrative and statistical adjustments that capture payroll jobs not covered by UI programs. These include W-2 employees at organizations exempt from UI reporting requirements, such as certain small nonprofits, charitable or community-based organizations, and religious institutions.

- **Includes:** Full- and part-time payroll jobs.

Self-Employed Jobs: Measured using IRS tax filings (Schedule C income) and Bureau of Economic Analysis (BEA) data on proprietorships. Represents individuals whose primary income comes from operating their own business.

- **Includes:** Sole proprietors, freelancers, and independent contractors whose primary source of income is generated from their own enterprises.

Gig Jobs: Derived from the U.S. Census Bureau Nonemployer Statistics (NES) dataset and supplemented by BEA adjustments. Represents secondary or contingent forms of work where individuals may earn supplemental income through short-term, project-based, or part-time activities.

- **Includes:** Freelancers, independent contractors, and sole proprietors engaged in gig-style or occasional work. Often counted in addition to a primary payroll or self-employed job.

Together, these categories ensure that creative employment is not undercounted and that the analysis captures the full scale and impact of the creative workforce.

A.4: ECONOMIC IMPACT METHODOLOGY

The foundational step in quantifying the economic impact of Berkeley's creative economy is the identification of the appropriate sectors that comprise the core—or "direct"—components of the industry (see industry classification in Appendix A.1).

Economic data are reported using the standardized North American Industry Classification System (NAICS), which allows for consistency and comparability across datasets. No single NAICS code wholly encapsulates the creative economy. As a result, a curated list of relevant sectors was assembled.

The Industry Economic Accounts produced by the Bureau of Economic Analysis (BEA) are a key foundational data source for all input-output models. The BEA's tables provide a summary of how industries produce and consume commodities at the national level. The economic impact analysis in this report utilizes the industry-standard IMPLAN (Impact Analysis for Planning) software. IMPLAN is an input-output modeling system used to build economic models at various levels of geography. IMPLAN is widely used and recognized by government organizations, nonprofits, economic development organizations, workforce planners, education institutions, and consultants across the U.S. and Canada.

For this analysis, CVL Economics tailored the modeling framework specific to the creative economy to build an Input-Output (I-O) model to better account for market transactions, capture supply chains across regions, and more accurately estimate regional industry leakages. The impact analyses were estimated using a Multi-Regional Input-Output (MRIO) model, which expands upon the traditional I-O system to include various additional socioeconomic variables including sub-regional trade and income flows, commuting patterns, and household spending patterns between the City of Berkeley and the East Bay (Alameda and Contra Costa Counties).

Additionally, because Berkeley's creative economy comprises a significant portion of self-employed and gig workers, we adjusted the model to reflect the differences between these job structures. Salaried jobs typically generate greater and more stable economic impacts (through higher wages, benefits, and payroll taxes) while self-employed and gig work tends to involve lower and/or variable earnings and different tax treatment. By accounting for these differences, our model avoids overstating independent work while still recognizing its importance to the sector.

Within this framework, the following impacts are generated:

- **Direct effects** capture the employment, labor income, and value added generated by creative economy organizations and workers located in Berkeley.
- **Indirect effects** reflect the activity supported through the supply chain. IMPLAN estimates these based on regional purchasing patterns—how much, on average, businesses in a given sector spend on inputs from other industries within the study area.
- **Induced effects** reflect household spending by workers employed and supported by the creative industries. These are modeled from regional averages of consumer expenditure data (sourced from the Bureau of Labor Statistics' Consumer Expenditure Survey), adjusted to the income distribution of the study region.

A.5: DATA METHODOLOGY COMPARISONS TO 2017 ECONOMIC IMPACT REPORT

A previous economic impact report, the *Arts and Culture Plan Update — Economic Report of the Arts in Berkeley* (2017), provided the last benchmark for understanding the role of arts and culture in Berkeley's economy.[21] It is important to note that there are key differences between the methodology used in the 2017 analysis and this report, which means direct comparisons should be approached with caution. Notably, the 2017 study examined a sample of 100 nonprofit arts and culture organizations, while the current analysis covers the broader creative economy, including nonprofits, private firms, individual artists, and other creative enterprises.

The following distinctions should be noted regarding the results reported in Table 6 (on page 18) of the 2017 study. This analysis modeled nearly $98 million in annual spending from the 100 nonprofits as the basis of its analysis. This produced estimates of 3,606 full-time equivalent (FTE) workers, $80.8 million in labor income, and $3.8 million in local tax revenue (including both City and County). By contrast, this current report captures the entire creative economy, counting 8,186 jobs (not converted to FTEs), which helps explain the larger overall economic contribution CVL Economics presents in the current report's findings.

The methodology behind these calculations of economic and fiscal impact also differs. The 2017 study used the Arts & Economic Prosperity Calculator 5 (AEP5), developed by Americans for the Arts. AEP5 measures the economic impact of nonprofit arts and cultural activity through a standardized input–output modeling framework. It combines locally reported organizational expenditures with audience spending data collected through on-site surveys, and then applies pre-set IMPLAN multipliers to estimate jobs, income, and local and state tax revenues. While this approach ensures consistency across participating communities, the calculator does not allow for adjustments to the unique structure of each local economy.

In comparison, the current study is modeled directly within the IMPLAN system, enabling customization to Berkeley's unique economic profile, including its composition of for-profit and non-profit organizations. This approach not only captures direct activity within Berkeley but also provides a breakout of the indirect and induced effects that ripple through the local economy and the broader East Bay as creative organizations and workers purchase goods and services and circulate income. This customization also allows for greater City-level detail on fiscal impact reporting.

Finally, the 2017 report added estimates of attendee spending on top of the modeled impact results, since they were able to capture attendee spending for their total sample of 100 organizations, using the SMU DataArts Cultural Data Profile and additional survey outreach. To ensure a process that can be standardized, we used the same approach to calculate visitor spending, but we treat these figures separately rather than folding them into the overall creative economy totals, recognizing that they represent only a sample of the wider ecosystem in this study.

21 See the 2017 report here: https://berkeleyca.gov/sites/default/files/2022-02/Berkeley%20Arts%20Economic%20Impact%20Report.pdf

Berkeley Creative Economy Economic Impact Analysis

DECEMBER 2025

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PREPARED BY:

CVL Economics is an economic consulting firm that takes a data-driven, human-centric approach to equitable development and sustainable growth. Founded in 2021, CVL Economics partners with communities, municipalities, organizations, and institutions to address today's most complex challenges and foster bold action. Coupling robust economic models with innovative research methodologies, we provide decision-makers with the actionable insights needed to effect change, expand opportunity, and improve economic well-being.