The Cultural Arts As Economic Development: What Baltimore Can Learn From Charlotte, N.C.

Through a successful class action lawsuit supported by a grant of $103,000 from The Abell Foundation, hundreds of Maryland residents will have their federal disability and medical assistance benefits reinstated. These benefits were terminated in January because they had been awarded to people with alcohol or drug-related disabilities. The lawsuit, filed by the Homeless Persons Representation Project (HPRP) was settled in U.S. District Court on January 7, 1997. The settlement orders the Social Security Administration to reexamine the cases of 850 disabled Marylanders.

Under the Contract With America Advancement Act of 1996, beneficiaries of the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs were terminated from cash and medical assistance effective 1/1/97 if their addiction was a “contributing factor.

Can Baltimore Position Its Considerable Cultural Arts Assets To Better Serve The Community?

In June of 1996, in response to the drastic cuts in federal funding for the arts, the National Endowment for the Arts (NEA) initiated a nationwide series of regional and community forums called American Canvas. The purpose of the six forums was to determine the value of the arts and ways to strengthen the infrastructure of the nation’s arts communities. One of the forum sites was Charlotte, North Carolina where the focus was “What is the Role of the Arts in Community Economic Development and Growth.”

Charlotte has received national attention in recent years for its success in economic development and for the quality of life it offers. It ranks nationally as a banking center, has been voted America’s most livable city by the National Conference of Mayors, and has been selected by Newsweek magazine as one of the best places in the U.S. to live.

The arts in Charlotte play an integral role in economic development strategies. Indeed, the video produced for the NEA forum by the Charlotte Arts and Sciences Council (CASC) points to Charlotte’s four Cultural Action Plans (CAPs) as crucial to the City’s long-term economic health, and to its focus on tourism as the number one industry of the future.

Other cities are testing the potential of their cultural institutions to contribute to economic development and tourism. The Philadelphia Museum of Art’s 1996 Cezanne retrospective brought $86.5 million into Philadelphia’s economy. Atlanta reports on the effect of the 1996 Centennial Olympic Games as a missed opportunity for the arts but one which has “created awareness and expectation . . . that Atlanta is a city capable of competing on a broader stage in many arenas, including that of culture and the arts.” The Cleveland Foundation published a report in October of 1996 by the Civic Study Commission On the Performing Arts, which focuses on how the performing arts serve Cleveland and what can be done to create
conditions to insure their future. Providence has created an arts and entertainment empowerment zone to spur renewal. Newark has built a performing arts center to draw visitors downtown.

Baltimore to date has not put forward a plan to capitalize on its cultural assets. There are indications, however, that Mayor Schmoke takes seriously the potential of Baltimore’s museums to play a role in the future. In Museum News for March/April 1997 Mayor Schmoke is quoted: “Museums have played an important role in the past and we’re hoping that they play an increasingly important role in the future... They enrich the quality of life, they provide jobs, they are really an economic engine.” Other community leaders in Baltimore have also expressed the need to explore ways to build on the City’s cultural resources.

As preparation for assessing the importance of Baltimore’s arts and science organizations to the City’s future, it will be useful to measure Baltimore and its cultural institutions against a city such as Charlotte—a city recognized nationally for making the arts integral to economic development. The purpose of the comparison study is to determine what similarities exist between the cities and what, if anything, Baltimore might learn from Charlotte.

Statistical Comparisons Between Baltimore and Charlotte

The City of Charlotte is almost three times larger than Baltimore in land area. Unlike Baltimore, it has the legal right to expand into the contiguous county areas by annexation. Baltimore has been locked into its 80.8 square mile boundaries since 1918, unable to expand into the surrounding metropolitan area.

Baltimore’s population is decreasing at approximately the same rate that Charlotte’s is increasing. Between 1975 and 1995 Baltimore’s population fell from 826,400 to 692,000 while Charlotte’s increased from 288,200 to 465,800. While Charlotte’s population is currently about 67% of Baltimore’s, projections indicate that by the year 2000, Charlotte’s population will be 86% of Baltimore’s.

On the basis of educational levels, median income, unemployment and corporate presence, Charlotte offers more favorable conditions. Eighty-one percent of Charlotte’s population graduated from high school while 60% of Baltimore’s has. The effective buying income per capita in Charlotte is $17,600; in Baltimore, it is $13,554. The rate of unemployment in Charlotte is 3.2% compared to 8.7% in Baltimore. Charlotte ranks as the second largest banking center in the U.S. and has 70 companies with 500 employees or more. Baltimore has 60 corporations with 500 or more employees and most of the City’s banks are no longer Baltimore-owned. These statistics give Charlotte significant advantages—the standard of living it offers, the climate it affords for economic development, and the national visibility it receives for its quality of life.

Comparison of Arts and Science Organizations in Baltimore and Charlotte

In order to compare the arts and science organizations of Baltimore and Charlotte, ten arts and science organizations were selected for study on the basis of their comparability in size and discipline.

**Symphony**
Baltimore Symphony Orchestra (BSO)
Charlotte Symphony Orchestra

**Opera**
Baltimore Opera Company
Opera Charlotte

**Museum**
Baltimore Museum of Art (BMA)
The Walters Art Gallery
The Mint Museum (Charlotte)

**Exhibitions**
Maryland Art Place
The Light Factory of Photographic Art (Charlotte)

**Theater**
Center Stage
Charlotte Repertory Theater
Children’s Theatre (Charlotte)

**Science**
The National Aquarium in Baltimore
The Maryland Science Center
Discovery Place (Charlotte’s science museum for children)

**Multidisciplinary**
Afro American Cultural Center (Charlotte)

**Educational**
Young Audiences of Maryland
Spirit Square (Charlotte’s center for arts education)

**Dance/Music**
Baltimore Choral Arts Society
North Carolina Dance Theatre

The ten Baltimore arts and science organizations have revenue and expenses three times greater than their counterparts in Charlotte. Baltimore organizations earn 80% more revenue than Charlotte’s and earned income as a percentage of revenue in the Baltimore group is 51% higher than in the Charlotte group. In addition, Baltimore audiences are 150% larger than Charlotte audiences. What is most striking is the differential in endowments. The ten Baltimore organizations have 20 times
more dollars in total endowment than the Charlotte organizations; the average endowment of the Baltimore institutions is $14.5 million compared to $709,620 for Charlotte.

The numbers of arts and science organizations in Baltimore, their budgets, earned income, audiences and endowments are all far greater than those existing in Charlotte. The level of artistry in Baltimore can be seen in the international exhibitions circulated by The Walters and the BMA and in the Far East tour of the BSO. While Charlotte’s initiative in cultural planning over the past decade is impressive and has attracted national recognition, their arts and science organizations are neither as numerous nor as well financed as Baltimore’s.

The Arts in Charlotte: Five Critical Success Factors

Baltimore’s arts and sciences organizations, based on total numbers and the comparable statistics of the ten largest, are dramatically superior to Charlotte’s. Why then does Charlotte market the arts as a major attraction and why is Charlotte viewed as so successful in its cultural offerings? What can Baltimore learn from Charlotte as it seeks to promote itself as a destination of choice?

Charlotte has a shared vision for itself, one sustained by public/private partnerships, and a practical approach to creating a quality of life which is sustainable and undergirds its economic goals. The vision that has captured the imaginations and minds of those who live and locate in Charlotte is based on three principles:

1. The arts translate into economic development;
2. Creativity is a requirement for success in the 21st century;
3. Tourism will become the number one industry in Charlotte.

In Charlotte the connection between the arts and economic development is seamless. Cultural offerings and the recruitment and retention of business are viewed as interdependent. The creativity of its citizens is seen as vital to Charlotte’s future, not just as an arts-friendly city, but as a healthy community which generates and is stimulated by ideas. Charlotte is projecting that tourism will be the primary engine driving the economy in the early part of the next century and that Charlotte will become “a twenty-four hour city” so as to better serve a critical mass of regional visitors who will sustain growth and the cultural life of the city.

In Baltimore there is not yet a shared vision for the future. Individual business leaders recognize that economic development and the vitality of the City’s cultural life are inseparable, but there is no common goal for the cultural assets of the City beyond hope for the individual well-being of each institution.

When asked why Charlotte is so successful in the arts, Michael Marsicano, President of Charlotte’s Arts and Sciences Council (CASC), responded, “Cultural planning is the answer.” Established in 1958, CASC has played an increasingly dominant role in the cultural life of the City. It manages the coordination of the City’s cultural organizations and raises funds for their support, and carries out grant making responsibilities as well. CASC requires data from each of its affiliates, tracks the financial goals and staffing patterns of each, and evaluates each affiliate against measurable objectives.

2. CULTURAL PLANNING

“The Arts and Sciences Council is the keeper of the vision . . .”

Curt Walton, Business Support Director, City of Charlotte

“We want Baltimore to know we want to help and be a partner in determining priorities in the cultural life of the city.”

Gene Taylor, President, Mid-Atlantic Banking, NationsBank

There are 40 affiliate members, 19 of which received funding in 1996 either through a basic operating grant or a project grant. With over $6.7 million in public and private revenue to distribute in 1996, CASC provides each organization with public monies covering on average 36% of budget; it commands the attention and cooperation of its affiliates and can represent them as a single voice in the community. CASC builds consensus for the arts through its board, whose members come from all sectors of the community. It has initiated cooperative marketing efforts for the performing arts organizations, created an arts education center, and is planning a collaborative project involving many of its affiliates.

Baltimore City and the State of Maryland each disburse ongoing and
generous support to Baltimore’s arts organizations. The Mayor’s Advisory Committee on Art and Culture (MACAC) advises the Mayor on such grants, serves as the City’s advocate for the arts, and coordinates the City’s summer arts festival, ArtScape. In 1997 Maryland State Arts Council (MSAC) will dedicate $3.7 million to 65 Baltimore City cultural organizations. In total, public funding from the City, the State, surrounding counties, and the federal government for support of the five largest arts organization in Baltimore in 1995 averaged 26% of budget. Unlike CASC, neither MACAC nor MSAC has responsibility for measuring the financial goals of its grantees, coordinating joint programming, facilitating mergers, acting as spokesperson for it affiliates, or soliciting private funds for support of all the arts. Nor do they have CASC’s mandate to distribute collective public and private funds.

There are a number of positive signs pointing to Baltimore’s readiness for cultural planning; for example, the recommendation of Governor Schaefer’s 1992 Commission on the Future of the Arts that 10% of the operating budgets of Maryland arts organizations be supported by state funds. The National Arts Stabilization’s success in strengthening the financial stability of five of Baltimore’s largest arts organizations is another. Mayor Schmoke has an interest in the Metropolitan Arts Authority in St. Louis as a model for Baltimore and believes that it deserves further study. The recent establishment of the Mount Vernon Cultural District gives added strength to arts advocacy within the City. And the State Board of Education’s arts education goals set in 1995 demonstrate what public and private partnerships can achieve to benefit the arts.

Positive Signs

3. LEADERSHIP

“Hugh McColl is THE critical success factor.”
Bruce Evans, President, The Mint Museum

“Baltimore needs a corporate champion for the arts.”
James Brady, Secretary of Economic Development, Maryland

Hugh McColl, Chairman and CEO of NationsBank, was identified as the most important individual in moving the arts agenda forward in Charlotte. While it may have been part of Mr. McColl’s plan to solidify the bank’s headquarters in Charlotte, he is credited with true altruism and a belief that the arts are critical to Charlotte’s quality of life. He has set a goal of four more years to make “Uptown Charlotte” the twenty-four hour downtown that he envisions with housing, shops, and entertainment. Michael Marsicano is viewed as another essential leader in cultural planning and described as the glue that holds the arts agenda together.

In order to accomplish what Charlotte has in the past decade there was one corporation which acted as a powerful advocate for the arts and a major funder. NationsBank has served as the “lead corporation” and has used both the carrot and the stick to move forward such funding innovations as workplace giving in support of the arts and the ongoing recruitment of top corporate executives to leadership roles in CASC.

Baltimore has not had strong and united corporate community leadership in the arts in over a decade. Banks historically have been major arts patrons, but most banks in Baltimore now are owned out of state. The newly created Greater Baltimore Alliance (GBA) will focus on bringing the city and its

4. BOOSTERISM

“There’s a sign on my desk that says it all: ‘Success is an attitude’.”
Mac Everett, Chairman and CEO, First Union Bank

“There is a definitive connection between economic development and the arts. The city lacks a vehicle that ties all this together.”
Gene Taylor, NationsBank

To achieve its goals in economic development, Charlotte markets itself aggressively.

It is known nationally as one of the country’s most effective cities in the recruitment and retention of business. Its video on the arts is an impressive example of sophisticated marketing. Equating art and economic development, the video boasts of cultural action plans implemented through the joint efforts of the city, its corporations and its cultural institutions. Charlotte’s enthusiastic boosterism creates a very strong impression of success.

In support of creating a positive image for Charlotte, the Chamber of Commerce has a centrally located, spacious, and welcoming presence and is extraordinarily responsive to phone inquiries. In contrast, the Baltimore Chamber of Commerce is small, difficult to locate and accessible only by a buzzer.
In Charlotte the arts have been carefully nurtured to assume an increasingly important role. In Baltimore it is not yet clear what role the arts will play in economic development and cultural tourism.

5. ARTS EDUCATION

“In Charlotte we are not big enough to have the best symphony, the best museums . . . but arts education is apple pie and we will be the national model in arts education.”

Cyndee G. Patterson, Chair, CASC

“In the past twenty years the role of cultural institutions in a community has changed. Now we’re asked to not only serve traditional museum goers, but to become the cultural educators.”

Connie Caplan, Chair, Baltimore Museum of Art

Arts education in Charlotte is a top priority for school-age children. CASC has mandated that one-third of all new monies raised will be dedicated specifically to the support of educational programs in art for Charlotte youngsters. In fiscal year 1996 over $320,000 was awarded for education grants. In July a new cultural education center at Spirit Square will be operational, coordinating the activities of the school system with arts and science organizations. Currently the school system requires 45 minutes of art instruction and 30 minutes of music a week in elementary schools. While there are no other formal arts education requirements in Charlotte schools, there are public/private partnerships which underwrite additional efforts in arts and science education. At Discovery Place, the children’s science museum, the school system funds five full-time teachers for the development and teaching of science curriculum in kindergarten through 12. To support their interest in science, all local youngsters are admitted to Discovery Place free of charge.

Baltimore awaits places for extensive arts programs at Port Discovery Children’s Museum, which is scheduled to open in 1998.

The most obvious difference between Charlotte and Baltimore in arts education is the difference in the number of certified arts teachers in each school system: Charlotte has 405 to Baltimore’s 251. While it is difficult to evaluate the quality and content and outcome of instruction in each system, it is clear that the student/teacher ratio in Charlotte is more favorable to effective arts education.

Maryland can point to very encouraging signs in arts education. Not only do individual arts organizations offer extraordinary programs, such as Young Audiences of Maryland, Arts Excel at the BSO and Theater for a New Generation at Center Stage, but the State Board of Education has set an ambitious goal for the year 2000: that 100% of Maryland students will participate in fine arts programs in order to meet the content and achievement standards established by the State. The timetable for the implementation of these recommended goals is uncertain.

Conclusion

Charlotte’s example demonstrates that vision and leadership were prerequisites to collective cultural planning and that there were three basic principles inherent in the vision and adopted by the City’s leaders. Planning was predicated on the belief that art is economic development, that creativity is the currency of the 21st century, and that tourism will be the number one industry. Planning implementation clearly reflects these principles.

Baltimore’s cultural assets are far greater than Charlotte’s and they are growing. There are signs that growth may exceed the community’s ability to support it. There is no organization which inventories the number of Baltimore’s cultural organizations, monitors their growth, or has the mandate to convene them. Baltimore has a richness of cultural resources which has not yet been fully quantified, qualified, and categorized. In Charlotte the arts became part of the economic development solution, not a solution in their own right. Baltimore has the opportunity to research its own cultural resources for a fuller understanding of how they can collectively help to strengthen cultural tourism regionally in the years ahead.

Addendum:

In the face of the success of cultural planning in Charlotte, a recent move by the Board of County Commissioners (BOCC) has significantly reduced CASC funding and should be noted. As of April 1, 1997 BOCC voted to withdraw its funding of CASC which will reduce the Council’s budget by almost 25%. This action was taken in opposition to use of Mecklenburg County funds to support a production of “Six Degrees of Separation” by the Charlotte Repertory Theater.
Some Recent Grants by The Abell Foundation

Archdiocese of Baltimore $36,600
For support of the Inter-Vicariate Task Force on Regional Issues Education Campaign, which will address regional issues of race, poverty and housing affecting Metropolitan Baltimore.

Baltimore City Public Schools/Greenspring Middle School $25,830
For the purchase of uniforms for students in order to implement school-wide uniform policy as part of a School Improvement Team initiative.

Citizens Planning and Housing Association $46,165
In support of the Baltimore City Wide Liquor Coalition to engender grassroots support to reduce the number of unregulated liquor stores negatively affecting neighborhoods.

Garden Harvest $30,000
For expenses related to the expansion of the Garden Harvest program which harvests and distributes over 250,000 pounds of fresh produce to inner-city soup kitchens, emergency food pantries and shelters.

Light Street Housing Corporation $150,000
For construction costs of a comprehensive supportive transitional housing project for 30 formerly homeless men in the Walbrook community.

Parks and People Foundation $50,000
In support of SUPERCAMP, an 8-week summer reading and enrichment program for 500 inner-city third-graders.

Johns Hopkins University/Peabody Institute $25,000
For implementation of a teacher training program to replicate Tench Tilghman Elementary School’s Early Childhood Music Program in six elementary schools.

University of Maryland at Baltimore $120,860
For support of Project TIP (Teen Incentive Program), apregnancy prevention program for sexually active adolescent girls.

YWCA/Dayspring Communities $4,800
Toward moving expenses and purchase of office equipment for the Dayspring Communities Program, which provides a comprehensive continuum of services for children and their parents. The purpose of the program is to preserve families and protect children from future substance abuse or homelessness.

ABELL SALUTES:
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material to their disability.” The legislation, however, denied those cut off the opportunity to appeal, and to have their benefits continued if they showed the existence of other disabling conditions unrelated to their addiction.

Approximately 2,441 Marylanders received cutoff notices because of the legislative change, and 1,445 appealed. To date, claimants in Maryland have won almost 50% of their appeals. Over 100 of them have been represented by HPRP, a non-profit legal services organization.

In the lawsuit filed on 12/31/96, HPRP alleged that the Social Security Administration unlawfully implemented a Congressional directive to terminate benefits to persons with addictions, and that SSA’s illegal acts included failure to take into account prior medical histories when processing appeals of the cutoffs.

The class action settlement provides that 850 SSDI beneficiaries who failed in their appeal decision will have their cases reexamined. Those who filed their appeals by July 19, 1996—a Congressionally-set deadline for expedited processing—will have their benefits reinstated until the case re-examinations are completed. Back payments for January, February, and March will be included.

Through funding provided by The Abell Foundation, HPRP sent law students and attorneys to needle exchange sites and soup kitchens looking for clients. “The Congressional Budget Office predicted that 75% of these people had other disabling conditions that would keep them eligible,” said Project Director Peter Sabonis. “We just wanted to make sure they got a fair shake. Neither Baltimore nor the state can afford to be saddled with the mistakes of government.”

In pursuing the appeals of over 100 individual claimants, HPRP discovered that SSA failed to apply a key U.S. Court of Appeals case which required review of past Social Security disability determinations in making eligibility re-determinations. Many of these old decisions, according to HPRP, contained evidence of other conditions that were disabling. SSA reviewed the old files in only 640 of the 1,445 cases for which an appeal was sought.

“The old decisions revealed conditions like low IQs, AIDS, and extensive psychiatric histories which on their own, or combined with current problems, made these folks disabled,” said Sowebo Center of Justice attorney David Walsh-Little, who also represented the plaintiffs. “We were appalled that Social Security had no interest in reviewing them.”

HPRP attorney Dianne Pasternak noted that the settlement will benefit all Marylanders, not just the plaintiffs. “At the trial, the former director of the Mayor’s Office of Homeless Services cited the direct relationship between the number of complaints the City gets about homeless people from the business community and the level of assistance government provides. Abandoning these vulnerable Marylanders is in no one’s interest.”

The Abell Foundation salutes the Homeless Persons Representation Project for its compassion and its activism in taking up the burden of the poor and the disenfranchised.