

This report serves to document and celebrate some of our state's recent creativity efforts, and highlight areas for further response.

North Carolina has been abuzz with creativity in 2010.

As identified in the Institute for Emerging Issues' *New Thinking, New Jobs* report, a complex set of "right-brain skills" including problem solving and collaboration is now a highly valuable commodity. In fact, creativity is increasingly seen as a tremendous economic asset, one that can position a city, region or state to thrive even as other industries suffer. People all across our state are working hard to respond to the growing chorus calling for North Carolina to realize its creativity potential.

North Carolina is not the first state to answer the call of the creativity-based economy. Already, fifteen states have statewide initiatives underway; some with a comprehensive and compelling approach.

In Maine, for instance, the Department of Economic and Community Development offers a range of coordinated initiatives, including hosting a conference to connect creative economy leaders and providing tax incentives for creative industries.

In the aftermath of the 1995 Oklahoma City bombing and a series of natural disasters, Oklahoma leaders, eager to make their state a place where creativity and innovation thrive, embarked on a similar effort. This year Oklahoma City will host the 7th Annual World Creativity Forum, and is the only US-based “District of Creativity” in the international network. The economic benefits and international recognition related to such initiatives are enviable – and replicable.

“The only defense against hungry competitors is to continue to outpace their rate of innovation.”

Tom Kelley, General Manager, IDEO, at the 25th Annual Emerging Issues Forum Creativity, iNC

The Institute for Emerging Issues charged a 2009 working group, comprised of diverse stakeholders, to identify specific strategies to help North Carolina achieve its creative potential and, ultimately, boost its economy. The Working Group ultimately decided on four broad strategies: cultivate creative assets, enhance education, foster connectivity, and transfer ideas to market.

IEI then asked North Carolinians to contribute their thoughts on action items that could support these strategies and help North Carolina achieve its creative goals. The response was astounding, as more than 1,200 Emerging Issues Forum participants and an online group roughly 350 interested North Carolinians weighed in. They identified 10 policy priorities and many more partners ready to help make the priorities a reality. Below is a progress report on each of the initial strategies and a detailed account of the priority action steps.

Cultivate Creative Assets

Launch a statewide marketing campaign. To date, no such initiative has been launched. However, a Creativity Task Force could be charged with organizing a statewide marketing campaign that highlights creativity as it relates to economic development and the arts.

Hold focus groups of likely creative economy entrepreneurs to determine their needs. At the 2010 NC Entrepreneurship Summit, held September 19-20, the Entrepreneurship and Innovation Alliance held a special meeting to focus specifically on the needs for creative entrepreneurs. The discussion centered on the types of resources creative

entrepreneurs might need, including incubation, management assistance, and financial resources.

Hold annual Innovation Expo to highlight the best in class of the creative sector. One of the most important ways to market North Carolina’s creativity is to create an online list of North Carolina patents and innovative ideas and pair it with a statewide expo showcasing North Carolina’s creative ideas. The Institute for Emerging Issues has partnered with Gamil Design and the N.C. Center for Entrepreneurial Development to develop North Carolina’s first Innovation Expo, featuring the “Best in Class” of the creative sector. Planned for September 2011, the Innovation Expo will connect various elements of the innovation pipeline – educators, business and economic developers – and highlight North Carolina’s creativity across a range of sectors such as biotechnology, information technology, manufacturing systems and industrial products.

Enhance Education

Expand the use of inquiry, cross-curricular, problem-solving, project-based and service learning opportunities. In partnership with Governor Perdue’s Innovation Council, IEI launched the first Emerging Issues Prize for Innovation. The Prize will be awarded at the annual Emerging Issues Forum in February 2011, and will go to a team of full-time students from a two- or four-year college or university in North Carolina who have designed an effective and scalable solution to address the challenge of childhood and adolescent obesity.

“We need engineers and scientists who think like artists. And we need artists who think like scientists and engineers. But if we have engineers who only think like technicians, we’re going to be in a world of hurt.”

Author Daniel Pink, at the 25th Annual Emerging Issues Forum Creativity, iNC

The Prize challenges students across the state to unleash their creativity and invent new ways of addressing a pressing social problem. IEI will pose a new challenge each year, and award \$5,000 to make the winning vision a reality.

In addition, IEI will partner with the NC Business Committee for Education and the Department of Public Instruction to host a webinar, “Right Brain to the

North Carolina Creativity Report Card

Progress from February 2010 to September 2010

Cultivate Creative Assets <i>Initial development has begun, but little has been accomplished in this area to date.</i>	★★
Enhance Education <i>Promising initiatives were launched, but need time to demonstrate results.</i>	★★★★
Foster Connectivity <i>A Creativity Task Force and increased broadband access for rural areas are on the horizon.</i>	★★★★
Transfer Ideas to Market <i>Certain regions have initiatives underway, but little progress at the state level.</i>	★★★
Overall	★★★

Rescue," which will highlight the importance of a creative education for success in today's workplace.

Educational institutions should offer experimental learning programs to stimulate innovative and entrepreneurial thinking. IEI has convened a Business Committee on Creativity to review promising practices for assessing creativity in K-12 education that are aligned with the skills that today's businesses require of their employees. The business committee's deliberations, set for fall 2010, will result in a set of recommendations to inform the system-wide application of creativity assessment policies and practices.

Foster Connectivity

Establish a Creative Economy Council. North Carolina currently has three major, statewide economic development advisory entities – the Board of Science and Technology, the Economic Development Board, and the Innovation Council. The goal of the Innovation Council is to make strategic investments in the innovation economy, the Board of Science and Technology is focused on accelerating North Carolina's next generation of technology and technology companies, and the Economic Development Board oversees state economic development research and planning and makes policy recommendations. Creativity is a driving force behind each of these initiatives, but IEI's online group readily pointed out that none of them have within its mission a mandate to address creativity comprehensively.

In response, the Institute for Emerging Issues is working in collaboration with the Governor's Office, the N.C. Department of Commerce and the N.C. Department of Cultural Resources to establish a Creativity Task Force. "The creativity economy is an important multi-billion dollar industry to North Carolina, with almost 160,000 jobs," said N.C. Secretary

of Commerce Keith Crisco. "A task force that can focus on the creativity economy and identify additional opportunities for the state will be valuable to those of us who market North Carolina every day."

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Keith Crisco, N.C. Secretary of Commerce

The task force's charge will be to support and inform the marketing of creativity in North Carolina, serve as an advocate for public policy change when needed, and develop creativity economy initiatives in partnership with each of the seven regional economic development partnerships throughout the state.

Expand broadband access across the state. This August, North Carolina was awarded \$115 million in five federal recovery grants to extend broadband connectivity throughout the state, particularly in rural and poor communities. Earlier in the year, MCNC was awarded \$75 million to expand broadband access in 69 economically disadvantaged counties along the northern and southern borders of the North Carolina. Through two rounds of American Recovery and Reinvestment Act funding, North Carolina has received a total of \$255 million for broadband.

Transfer Ideas to Market

Support the businesses that provide creative avenues for employment. Community leaders in the Research Triangle recently came together to form the "NC Fourth Sector Cluster Initiative," a group dedicated to developing social enterprises in the region. The Initiative is consistent with aspirations raised during

an IEI focus group in 2009. Focus group participants lamented on the limited infrastructure for nurturing organizations employing “social innovation,” or creative approaches to addressing social problems. These social enterprises have the potential to create much-needed jobs, while developing new strategies, concepts and ideas to meet the needs of the community. By sponsoring a day-long conference in partnership with the Cluster Initiative, IEI seeks to bring attention to this emerging area of economic development, highlight federal resources available for such efforts, and connect the potential partners needed to further develop the cluster.

Rural counties are often overlooked for their creative potential, but often these are the areas that stand the most to gain from creativity-based economic development. In partnership with Regional Technology Strategies and NC Cooperative Extension, IEI is embarking on a two-year project to develop the creative industry in Anson and Stanly counties.

Regional Creativity Highlights

Asheville

IEI worked with city leaders on strategies to shake complacency as a creative powerhouse. Policies being pursued include health insurance for artists and incentives for storefront owners downtown.

Charlotte

Developing an action plan to lure creative entrepreneurial business, such as industrial designers, advertising and architectural firms.

Research Triangle

Identified social enterprises as the next emerging industry cluster. IEI is co-hosting a social enterprise conference to identify policies to support this economic sector.

The Triad

Launched a three-year initiative on the region’s creative industries, focusing on design as their stronghold.

Wilmington

Rebranding itself as an “Entrepreneurial City” to support the new creative businesses including web services, biotechnology, medical devices, and enterprises supporting the film industry.

Throughout the two years, IEI and its partners will develop methodologies and techniques that will be replicated in other rural areas.

Create more creativity incubators and development programs. In July 2010, IEI led a discussion with several individuals from creativity incubators and from creative industries. The discussion revealed that North Carolina needs to do a better job promoting services it already offers, such as Business Link North Carolina, which provide would-be entrepreneurs and small business owners with technical assistance.

Develop sustained funding for cultural districts. North Carolinians prioritized developing a state tax structure, policies and sustained funding for the creation and support of local cultural districts, but have yet to make progress in this area. North Carolina could model its efforts on the Create Denver Revolving Loan Fund, which offers creative enterprises in the city access to affordable business capital to increase income and build assets. By providing small amounts of capital at reasonable rates and technical assistance recommendations, the fund has strengthened and stimulated the area’s creative sector.

Pulling Ahead

North Carolina has done significant work since the 2010 Emerging Issues Forum *Creativity, iNC*. However, for the state to realize creativity’s potential for generating jobs and quality of life benefits connected to creativity, there is plenty more work to do.

Many local initiatives aimed at supporting creativity are bearing fruit in a large number of North Carolina regions (see sidebar). From Asheville to Wilmington, more than half a dozen cities have embarked on new creative programs in the last year, and IEI developed a community conversation guide to help other regions just getting started. Without a comprehensive statewide strategy, however, success will be limited. Working collaboratively with local communities and regions, the state can market the breadth and depth of North Carolina’s creative communities, companies, and people and begin to stand on equal footing with our competitors.

North Carolina is used to being a leader, not a follower.

Let’s keep working.

The Institute for Emerging Issues is a public policy organization dedicated to the future of North Carolina. Working collaboratively with individuals from all sectors and areas of the state, IEI builds an enduring capacity for progress. Learn more at: www.emergingissues.org