

Support the CREATE ACT (S. 3759/H.R. 7281)

We urge members of Congress to:

Co-sponsor the CREATE Act, a bipartisan bill led by Senator Brian Schatz (D-HI) and John Cornyn (R-TX) in the Senate (S. 3759/HR. 7281), and Representative Debbie Dingell (D-MI-06) and Representative Gonzalez Colon (R-PR-01) in the House. The *Comprehensive Resources for Entrepreneurs in the Arts to Transform the Economy* (CREATE) Act of 2024 aims to expand small business programs for artists and arts entrepreneurs, as well as strengthen arts-focused economic development. Increasing access to tools and resources for creative workers will ensure that the arts continue to be a powerful force in driving the nation's economy, benefiting communities everywhere.

Through the Small Business Administration (SBA), the CREATE Act would:

- Expand the Microloan Program qualifications to include artists and arts entrepreneurs, or small businesses, that support the Creative Economy.
- Provide support to State, regional, and local art agencies, artists, and creative workers through traditional economic development tools such as business incubators.
- Develop procedures for evaluating the business proposals and plans of non-employer businesses, such as artists, and small business concerns that focus on varying aspects of the creative economy.
- Enhance the Program for Investors in Microentrepreneurs (PRIME) to expand eligibility, increase resources, and bolster and simplify reporting requirements; and
- Establishes a demonstration program to assess the feasibility of providing planning grants support to local arts agencies and nonprofits.

Background:

According to data compiled by the [U.S. Bureau of Economic Analysis](#), the arts and culture sector added \$1.016 trillion to the U.S. Gross Domestic Product (GDP) in 2021. In the same year, the creative workforce created 4.9 million jobs and \$504 billion in wages, accounting for 3.2% of all U.S. jobs. From 2020 to 2021, economic activity generated by the arts and culture sector grew 14%, as opposed to only a 10% growth in the total GDP, leading to a \$18 billion trade surplus in arts and culture commodities. When compared to other sectors, artists are 3.6 times more likely to be self-employed than other workers, underscoring the important role they play in developing small businesses. As a result, artists and other creative workers are integral to the growth of the nation's burgeoning Creative Economy.

The Creative Economy is [defined](#) as “an economic ecosystem of for-profit and nonprofit creative industries, artists, educators, and entrepreneurs that produce and distribute creativity- and artistic-based goods and services. It primarily includes, but is not limited to, the creative industries: film and TV, publishing, museums, music and the performing arts, computer programming, crafts, and architecture and design.” The interdisciplinary approach made explicit in its definition means that the Creative Economy spans sectors, jobs, and skill sets, making its development paramount to the health of the broader economy.

Research in the 2020 Future of Jobs Report, conducted by the [World Economic Forum](#), found that creativity, originality, and initiative is the number-five skill set predicted to be in demand in 2025. The need for creative workers could not be more apparent, affirming the important role that the arts play in local communities. In fact, the [Rural Establishment Innovation Survey](#) found that just one performing arts organization in a rural community doubles the chance that local businesses will be innovative and design integrated. These communities recover faster from economic recessions, seeing accelerated growth in average weekly earnings. At a time when small businesses are still experiencing the effects of the COVID-19 pandemic, the innovation cultivated through the Creative Economy is crucial for ensuring communities remain resilient.

The previously identified growth has occurred despite federal small business and economic development policies largely ignoring the needs of smaller arts businesses and organizations. Given its profound impact and the imperative need for its continued growth, artists and creative workers must have access to the appropriate tools and resources. By supporting existing enterprises, fostering the growth of new businesses, and providing strategic developmental resources, the CREATE Act strengthens the national and local economies well into the future.