

**STATUS AND TRENDS OF THE ARTS AND CRAFTS BUSINESS
SECTORS IN BENTON, LANE, LINN, AND LINCOLN COUNTIES**

**AN ANALYSIS OF SURVEY DATA
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Section I – Key Findings

In the winter of 2003 the University of Oregon Program for Watershed and Community Health completed an assessment of the local arts and craft sectors at the request of the Oregon Council for Business Education. The goal of the project was to determine the economic impact of the arts and craft sectors in Benton, Lane, Linn, and Lincoln counties, and to determine the potential for growing the sectors. A questionnaire was mailed to 1604 individual artisans and crafters in the four-county region. Of the surveys mailed, 332 were completed and returned for a response rate of 21%. It should be noted that survey respondents were not randomly chosen. The Oregon Council for Business Education provided names and contact information. This means that the findings simply provide a snapshot of current activity, not a statistically valid sample.

We received a 21% response rate to the questionnaire that was mailed. This is a good return rate. However, it means that 79% of those who were sent surveys did not respond. For example, only 9 of the 95 galleries that were mailed surveys returned completed questionnaires to us. Further, there are undoubtedly additional arts and crafts businesses in the four-county area that did not receive surveys. This suggests that the economic impact of these sectors is undoubtedly larger than the figures we identified through this research.

Based on the data we received, we drew six overall conclusions:

1. The Arts and Crafts Businesses Make an Important Economic Contribution—Especially for Certain Populations.

The 332 businesses that responded to our questionnaire from the four counties reported \$11.2 million in total gross annual sales. As previously stated, because 79% of those to whom surveys were sent did not return completed questionnaires and because there are undoubtedly arts and crafts businesses that did not receive surveys, the \$11.2 million represents a minimum amount of revenue generated by the businesses. While we have no way of confirming actual total sales, they may be as much as a third to twice as large as our data shows.

A small number of the businesses generate the majority of sales revenue. Fifteen percent of the businesses make \$50,000 or more in gross sales, with 7% of this group generating \$100,000 or more, while 55% of the arts and crafts businesses make less than \$10,000 in gross sales. Thus, the majority of revenues are generated primarily by a small number of larger businesses.

A majority of arts and crafts workers appear to be part-time individuals supplementing their income. Sixty one percent of respondents work part-time at their business, 61% have art or craft businesses that are not their primary source of income, and only a 25% of the respondents pay themselves a salary.

Arts and crafts businesses provide work for a modest number of employees. Seventeen percent of the businesses employ workers other than the owner. Half of the businesses that employ others have a payroll of less than \$5,000. A large majority only hire between 1 and 5 employees and have a geometric mean payroll of \$5,154 for part-time workers and \$58,973 for full time

workers. Of those who employ 6 or more workers, the geometric mean payroll is \$33,339 for part-time workers and \$159,919 for full-time workers.

Most of the respondents with low sales revenue sell to local markets with their major venues being art/craft fairs, while the high revenue earners mostly sell out of state and/or sell to the wholesale market. About 50% of the businesses sell locally and about 50% of businesses sell at art/craft fairs. It should be noted that the 50% of the businesses that sell at local art/craft fairs could be skewed because about one-third of the responses were from questionnaires sent to participants in the Eugene Saturday Market.

Arts and crafts businesses are more likely to be a second source of income for women than for men. Sixty seven percent of the respondents to the survey were women. Eighty two percent of the women have sales revenues of less than \$30,000, and 67% work part-time in their art or craft business. Men are slightly more likely to work full-time than part-time, and it appears that men are more apt to strive to make it their primary income, with 58% of men with businesses that are their primary source of income compared to 29% of women.

Although a majority of the revenues are produced by a small number of large businesses, a majority of smaller part-time businesses would like to have their businesses be their primary source of income. Seventy percent of respondents who work part-time in their business and generate sales revenues less than \$30,000 would like their businesses to become their primary source of income.

2. The Sectors Represent Businesses With A Diversity Of Locations, Ages, Educational Attainment, and Art And Craft Media.

Low sales revenue earners (Less than \$10,000)

As mentioned above, roughly 50% of the sectors are made up of individuals with low annual sales revenues (\$10,000 or less). Of these individuals, a large majority are women. One third of them are between the ages of 50 and 59. Sixty-five percent have Bachelor's and/or post graduate degrees. Fifty-eight percent live in Lane County and 25% live in Benton County. Twenty five percent of the low sales revenue earners are painters.

High sales revenue earners (Greater than \$50,000)

Roughly one sixth of respondents are generating high annual sales revenues greater than \$50,000). Of these individuals, a little over half are male. One third of them are between the ages of 50 and 59. Thirty percent have a high school education, 20% have a two-year degree, and 28% have a Bachelor's degree. Three quarters live in Lane County and 20% live in Benton County. Twenty three percent are working with glass and 21% are working with ceramics.

3. The Sectors Appear To Be Making A Particularly Important Economic Contribution To Low Income Residents.

Almost 50% of the respondents have a household income that is less than \$30,000. Forty-one percent are these respondents are single wage earners. Eighty eight percent of the respondents have sales revenues of less than \$30,000, with 75% having sales revenues less than \$20,000.

Seventy one percent of those who make less than \$10,000 are single wage earners, and 60% of those who make between \$10,000 and \$19,000 only have one wage earner. This information suggests that many of the people in the sectors might be living at or below the poverty line.

Sixty-one percent of the respondents work part-time, with 67% of women working part-time and 47% of men working part time. However, 36% of those who work full-time in the arts or crafts business have a household income of less than \$30,000, suggesting that that this income is very important.

Eighty-two percent of those whose household incomes are less than \$30,000 are between the ages of 50 and 59. Respondents were not asked how many dependents exist in each household. This is a significant unknown when considering the small incomes most respondents earn. Further research is needed to determine the actual poverty level of respondents and the impact of this source of income on low-income individuals.

4. Arts And Crafts Businesses Are An Important Source Of Income For Women Who Are Single Wage Earners.

One hundred percent of women who are single wage earners and who work part-time make less than \$30,000 in sales revenue, and 97% of this group makes less than \$20,000. Sixty three percent of these women have household incomes of less than \$30,000, and 39% of this group makes less than \$20,000. Sixty-eight percent of women who are single wage earners and who work full-time in their arts and crafts businesses make less than \$30,000 in sales revenue, and 58% of this group makes less than \$20,000.

Ninety one percent of women who are single wage earners have household incomes of less than \$30,000, and 73% of this group makes less than \$20,000. Based on this data, we conclude that although the sectors are not major revenue or job creators in the four counties, they appear to be an important source of income for single women.

5. The Potential Seems To Exist For Growing The Sectors

Respondents' arts and crafts businesses have been growing, even in difficult economic times, and many respondents have an interest in expanding their businesses. A large number of part-time individuals in the sectors would like their businesses sectors to grow and would like to work fulltime in their businesses. For the majority of respondents, their arts and crafts business is not their primary source of income. However 60% would like it to be. The survey does not provide data for determining the degree to which the sectors have the potential to grow, but the data suggests that the sectors have been growing in the past few years even during difficult economic times, with three-quarters of the businesses staying the same or growing their revenues over the past five years. Almost all of the businesses expected an increase in sales in 2003.

The fact that the majority of businesses stayed the same or even grew during a difficult economic time suggests that the sector is relatively stable and resilient. Further research is needed to determine the potential of the part timers for growing their businesses, and to determine to what

extent respondents have pursued loans, made investments and taken other steps toward these ends.

Women have an interest in growing their businesses and having them as their primary source of income. Thirty-six percent of women who are single wage earners rely on their art or craft business as their primary source of income. Of these women, 92% have household incomes that are less than \$30,000, and 73% of this group have household incomes of less than \$20,000. Sixty-eight percent generate less than \$30,000 in sales revenues, and 55% of this group generates less than \$20,000. Seventy percent of the women whose businesses are not their primary source of income would like them to be.

There appears to be potential to grow the sectors in rural areas, thus benefiting the rural economy. Twenty-eight percent of the respondents' arts and crafts businesses are located in rural areas. These businesses generate 24% of the \$11.2 million in total gross sales in the four county area and have mean gross sales only slightly below that of urban areas (\$5992 and \$6690 geometric mean gross sales, respectively). The fact that arts and crafts businesses in rural areas are making sales revenues comparable to that of their neighboring urban areas suggests that efforts to grow these businesses in rural areas could benefit the rural economy.

6. A Suite of Strategies May Be Helpful to Grow the Sectors.

Although no single action stood out, respondents mentioned four different methods they felt would help grow their businesses: a) assistance with marketing; b) improvements in the number, location, and organization of arts and crafts sales venues (such as fairs); c) education for artists and/or youth; and d) local support from the community. It seems likely that efforts in each of these areas as well as others are necessary for growth in the arts and crafts sectors.

7. In addition a graph of Gross sales vs. Art/craft medium indicates:

When analyzing these two variables using measures of association, the results showed that there is a relationship between gross sales and the art or craft media.

What type of art of craft (medium) do you create?	Geometric Mean
Basketry	\$5,065.80
Ceramics	\$10,156.50
Glass	\$11,847.82
Jewelry	\$8,521.78
Leather	\$18,405.10
Metal	\$17,629.15
Paper	\$22,206.43
Painting	\$2,056.99
Textiles	\$10,055.50
Wood	\$11,676.94