

# The Validating Arts & Livability Indicators (VALI) Study: Results and Recommendations



# **The Validating Arts and Livability Indicators (VALI) Study: Results and Recommendations**

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*The NEA research staff would like to thank Roman Ivanchenko for his contributions to this report.*

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**The NEA's Candidate Indicators for the Arts & Livability, by Outcome Area and the  
Lowest Geographical Level at which National Data Are Available**

	<b>Indicator</b>	<b>Geographical Level</b>
<b>Resident Attachment to Community</b>		
C1	Capacity for homeownership (proportion of single-unit structures)	Census Tract
C2	Length of residence (median length)	Census Tract
C3	Proportion of housing units owner-occupied	Census Tract
C4	Proportion of housing units occupied	Census Tract
C5	Election turnout rate	County
C6	Household outflow (tax returns leaving)	County
C7	Civic engagement establishments per 1,000 population	Zip Code
<b>Quality of Life</b>		
Q1	Median commute time	County
Q2	Retail and service establishments per 1,000 population	Zip Code
Q3	Violent crime rate	County
Q4	Property crime rate	County
Q5	Percent of residential addresses not collecting mail	County
Q6	Net migration	County
<b>Arts and Cultural Activity</b>		
AC1	Median earnings of residents employed in arts-and-entertainment-related establishments	Census Tract
AC2	Proportion of employees working in arts- and-entertainment-related establishments	County
AC3	Relative payroll of arts-and-entertainment-related establishments	County
AC4	Arts, culture, and humanities nonprofits per 1,000 population	Census Tract
AC5	Arts-and-entertainment-related establishments per 1,000 population	Zip Code
<b>Economic Conditions</b>		
E1	Median home purchase loan amounts	Census Tract
E2	Median household income	Census Tract
E3	Active business addresses	Census Tract
E4	Unemployment rate	Census Tract
E5	Income diversity	Census Tract

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## EXECUTIVE SUMMARY

### Overview

This report presents the findings of an effort undertaken by the Urban Institute to validate a set of candidate indicators for creative placemaking initiatives. Creative placemaking is described as a process or endeavor in which “partners from public, private, non-profit and community sectors strategically shape the physical and social character of a neighborhood, town, city or region around arts and cultural activities.”<sup>1</sup>

The National Endowment for the Arts (NEA) promotes creative placemaking with its flagship Our Town initiative, which has provided grants to nearly 200 communities across the United States since 2011. The NEA hypothesizes that successful creative placemaking interventions will have positive effects on one or more dimensions of community livability:<sup>2</sup>

- Residents’ attachment to communities;
- Quality of life;
- Local economic conditions; and
- Arts and cultural activity (specifically the infrastructure supporting artists and arts organizations).

The NEA proposes to develop a resource or system of indicators (five to seven for each dimension) for which data are available nationally (such as Census data) to help communities better understand and communicate the value of their creative placemaking efforts.<sup>3</sup> The NEA initiated the Validating Arts and Livability Indicators (VALI) project to qualitatively validate or “ground truth” its candidate indicators. The validation effort sought to assess which of the indicators and/or data points “rang true” to community representatives in their conceptual dimensions of livability, which indicators or data were not perceived to do so, and which ones may require additional research.

We used three methods to conduct the qualitative validation of the candidate indicators: site visits to six Our Town grantee sites; a day-long convening with representatives from four different Our Town sites; and a focus group with experts who were not involved in creative placemaking efforts. Grantee sites participating in the validation included equal numbers of rural and urban communities and reflected a variety of types of creative placemaking project. Each site visit took approximately two days. Visits included five to nine individual or small group semi-structured discussions with people representing organizations operating in the Our Town project or its target area.

For the site visits and the day-long convening, we sought two types of feedback. We asked respondents how well a set of community-specific data visualizations (maps and bar charts) fit their perceptions of the real-world conditions driving those indicators. We obtained feedback on the appropriateness of the selected indicators (independent of the data values) for their respective livability dimensions and, separately, for the community’s creative placemaking effort. We also sought suggestions for other potential indicators of outcomes from creative-placemaking efforts.

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<sup>1</sup> Markusen, A. and A. Gadwa, 2010. Creative Placemaking. National Endowment for the Arts., p. 3  
<http://www.nea.gov/pub/CreativePlacemaking-Paper.pdf>.

<sup>2</sup> Shewfelt, S. Our Town Community Indicators Study. April 12, 2012. Slides: <http://arts.gov/sites/default/files/OT-Indicators-PowerPoint.pdf>.

<sup>3</sup> Ibid.

Separately, we placed feedback on the appropriateness of each indicator into two categories. One addressed the indicator's suitability as a measure of *creative placemaking*-related outcomes. The other addressed the indicator's suitability as a measure of outcomes associated with *livability*. We classified the indicators based on the preponderance of reactions to their perceived relevance or appropriateness. These rankings were: "mostly favorable," "mixed views," and "less favorable." We tabulated responses from all respondents to assess the overall reaction to the indicator, and separately tabulated responses from urban and rural communities to assess whether different indicators might be more relevant in each community type.

## Key Findings and Recommendations

**Overall, site visit respondents and convening participants felt the data for the respective indicators for their communities were about right.** The data generally reflected respondents' perceptions of local conditions.

**Respondents from both urban and rural areas expressed strong concerns about the relevance of data at large geographies—county or zip code—as indicators for smaller areas.** While respondents often considered the indicators associated with data available at these levels to be appropriate, they less often considered the local data to be good reflections of conditions in the project area. However, some respondents and experts pointed out that data at larger geographic levels can provide useful context or comparisons for the project area.

**The vast majority of indicators were considered relevant for the dimension of livability they were intended to represent.** Overall, only four indicators received mixed reactions overall. Two are indicators of community attachment: single housing units (representing capacity for homeownership) and election turnout rates; two are indicators of economic conditions: home purchase loan amounts (representing home values) and a measure of income distribution (the Gini coefficient).

**Respondents had more mixed views when considering the indicators' relevance to outcomes from creative placemaking.** Respondents, overall, considered three candidate indicators (capacity for homeownership, election turnout, and median commute time) less favorable as indicators of creative placemaking-related outcomes.

**Urban and rural respondents often had similar perceptions of indicators.** Urban and rural respondents primarily differed in rating appropriateness of "community attachment" indicators as creative-placemaking outcome measures. Rural respondents frequently expressed different views from urban respondents, but these differences did not always affect their summary reactions to the indicators.

**Respondents were readily able to identify additional potential outcomes or indicators of interest.** Some of these are available through nationally-collected data sources, others would have to be obtained from local sources or might require local collection of data, such as through surveys of residents or businesses in the project area, or of participants in arts or cultural events.

The validation effort indicates that Our Town grantees and their project stakeholders have considerable interest in indicators for their creative placemaking efforts. This suggests it is worthwhile for the NEA to



continue exploring and refining candidate indicators appropriate for such initiatives, and promoting understanding of their use, such as through a "user's guide." In this spirit, we provide the following recommendations.

**Offer the final set of VALI indicators as a menu from which grantees may select a small number of those most relevant to their creative placemaking activities and expected contributions.** Given the range of activities spanning the creative placemaking continuum, various limitations and relevance of the indicators to specific projects, the time horizon and level of investment, flexibility appears to be highly desirable.

**Consider cross-referencing indicators under more than one dimension.** Rather than have users or grantees first select a dimension and then select indicators grouped under it, encourage users to select indicators appropriate for their projects regardless of dimension.

**Review the additional indicators recommended by respondents and develop guidance on other indicators that are relatively easy to obtain from local sources.** For example, many respondents recommended using 311 data (requests for service or complaints) as a quality-of-life indicator, or business permits as an economic indicator. Such relatively "low-hanging fruit" could be added to the list of national indicators under a separate heading and offered within the menu of indicators from which individual grantees might choose to track and report.

**Consider dropping two of the candidate indicators for community attachment.** In spite of mixed views about its appropriateness, we believe "home loan amounts" to be sufficiently problematic that it should be dropped, and possibly replaced by "assessed value." Similarly, we suggest dropping the percent of single unit structures, intended to denote capacity for homeownership. This indicator generated considerable negative reaction on several levels, as discussed in the relevant sections of this report.

**Review and possibly modify the data elements used to calculate some indicators.** Indicators that we believe ought to be retained, but modified include: retail establishments; arts and entertainment establishments; artistic establishments and civic engagement establishments; and arts, culture, and humanities nonprofit organizations. These indicators all included some entities that respondents felt were inappropriate to include (e.g., sports and casinos included in arts and entertainment establishments). We recognize inclusion of some of these may be necessary to obtain data for an indicator at smaller geographies, but this trade-off may not be readily acceptable to communities seeking to use these indicators. An alternative approach, if feasible, is to organize any tool the NEA ultimately develops to enable users to select different versions of data for the same indicator. This would enable a user to select data that excludes particular types of establishments not considered relevant for their community.

**Establish a monitoring and evaluation peer-learning network for NEA grantees.** Participants in the convening of Our Town grantees held at the Urban Institute said they appreciated the opportunity to come together, share ideas, and learn from one another. A similar networking mechanism could help grantees identify additional indicators and data available at the community level. Webinars could be a cost-effective tool for maintaining such a network.

**Develop additional tools and guidance to enhance the capacity of grantees to undertake monitoring and evaluation.** Many of the additional indicators identified during the course of this

study would derive from local data sources or require the development of new data collection strategies (e.g., surveys of residents, artists, or arts participants). The NEA could develop sample questionnaires or sets of questions from which grantees could pick and choose. Alternatively, if there are some additional questions of interest that are likely to be relevant to many or most creative placemaking projects, the NEA could add these questions to a national survey and perhaps oversample in geographies where those efforts are located.

**Include guidance about the use of context variables to help interpret indicators and judge their value, through a user's guide or other tools.** Breakouts and comparisons by various demographic characteristics available from national data sources (e.g., Census) will increase the usefulness of many of these measures and help grantees better understand and communicate what is happening in their communities.

**Include guidance and cautions about interpreting indicator data in the user's guide.** That is, users should not assume, or claim, that changes in indicator values are attributable to their projects, unless a sufficiently rigorous evaluation was undertaken to support such claims.

**Smaller creative placemaking initiatives or others that have not had much experience using data or indicators would benefit from partnering with other organizations that have more experience doing so, or with nearby universities or researchers.** This is particularly the case for the more complex data or indicators. Specifically, we are not confident about the extent to which respondents truly understood the Gini coefficient and its use. We think that indicator in particular would be more suitable for use by researchers or more sophisticated data users. We recommend that the user's guide include such a recommendation.

This validation study elicited an array of suggestions and insights regarding indicators that could appropriately be applied to creative placemaking efforts. It also brought to light some of the complexities associated with interpreting indicator values in different communities. It appears appropriate for the NEA to move forward with indicator development, perhaps by seeking additional feedback from a larger set of creative placemaking efforts or a research forum. It also would be useful to field test some candidate indicators, perhaps with the assistance of various Our Town grantees. Such testing should help determine how well they can be operationalized and what steps might be taken by the NEA to facilitate their use and interpretation.

## I. Overview and Purpose

The National Endowment for the Arts (NEA) promotes creative placemaking with its flagship Our Town initiative and its predecessor, the Mayor’s Institute on City Design 25th Anniversary initiative (MICD25). In a whitepaper commissioned by the NEA, Markusen and Gadwa described creative placemaking as a process or endeavor in which “partners from public, private, non-profit and community sectors strategically shape the physical and social character of a neighborhood, town, city or region around arts and cultural activities.”<sup>4</sup>

An **indicator** is a measure or metric that can be used to show the condition or value of some characteristic, such as an objective or outcome a program seeks to achieve. Indicators typically express desired outcomes or conditions in numeric terms, such as the number of crimes per 1,000 population. Indicator values for a particular community can be compared over time, or with values of the same indicator in different communities to better understand community change and manage program performance.<sup>5</sup>

Under Our Town, the NEA made grants to 131 communities in 50 states and the District of Columbia in 2011 and 2012 to promote creative placemaking efforts and enhance livability. An additional 59 grants were awarded in the summer of 2013. Previously, MICD25 provided grants to 21 communities across the United States.

Our Town grantee projects address one of the NEA’s strategic plan goals, to engage the public with diverse and excellent art, and its related outcome: American communities are strengthened through the arts.<sup>6</sup> The NEA hypothesized that successful creative placemaking interventions would have positive effects on one or more of these four dimensions of community livability:<sup>7</sup>

- Residents’ attachment to communities;
- Quality of life;
- Local economic conditions; and
- Arts and cultural activity (specifically the infrastructure supporting artists and arts organizations).

The NEA developed a framework of arts-and-livability indicators to promote constructive thinking about how these dimensions might be reflected in data already being collected. Tracking these publicly reported data is expected to provide reasonably reliable indicators of changes in a community’s livability. While such changes cannot be seen as having been *caused by* the creative placemaking effort, they could be examined in combination with local or project-specific data to better understand a project’s effects, or they could be used as a starting point for more rigorous project evaluation.<sup>8</sup>

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<sup>4</sup> Markusen, A. and A. Gadwa, 2010. *Creative Placemaking*. National Endowment for the Arts, p. 3  
<http://www.nea.gov/pub/CreativePlacemaking-Paper.pdf>.

<sup>5</sup> Adapted from: Hatry, Harry. P.2006. *Performance Measurement: Getting Results* (2<sup>nd</sup> Edition). Washington, DC: The Urban Institute Press, p. 15, pp.59-60.

<sup>6</sup> National Endowment for the Arts. *Art Works for America: Strategic Plan, FY 2014-2018*.  
<http://arts.gov/sites/default/files/NEAstrategicPlan2014-2018.pdf>.

<sup>7</sup> Shewfelt, S. *Our Town Community Indicators Study*. April 12, 2012. Slides: <http://arts.gov/sites/default/files/OT-Indicators-PowerPoint.pdf>.

<sup>8</sup> Schupbach, J. and S. Iyengar. November 27, 2012. “Our View of Creative Placemaking, Two Years In.”  
<http://createquity.com/2012/11/our-view-of-creative-placemaking-two-years-in.html> and J. Schupbach. May 31, 2012. *Creative Placemaking—two years and counting!* <http://arts.gov/art-works/2012/creative-placemaking-two-years-and-counting>.

NEA identified an initial set of candidate indicators for the four livability dimensions, in part through literature and portfolio reviews conducted by a previous contractor. The NEA selected indicators for which data are collected nationally (e.g., Census data), thus being widely available and collected in the same way across communities, as well as being routinely updated. This factor, it was believed, would mitigate if not preclude the need for each creative placemaking project team to collect its own data on community outcomes, and it would enable comparisons of indicator values for different communities. The NEA subsequently compiled the data for these indicators at the county level, the lowest geographical unit at which all the data points are available. In cases where Census tract or zip code-level data were also available, the NEA compiled those data as well.

**Census tracts** are geographic areas defined by the U.S. Census Bureau for presentation of statistical data. They are “small, relatively permanent statistical subdivisions of a county... Designed to be relatively homogeneous with respect to population characteristics, economic status, and living conditions at the time of establishment,” Census tracts average about 4,000 people.<sup>9</sup>

The NEA proposes to develop a resource or system of indicators and data for them that are available nationally to help communities better understand and communicate the effects or value of their creative placemaking efforts.<sup>10</sup> This is consistent with the NEA’s strategic plan goal to promote public knowledge and understanding about the contribution of the arts.<sup>11</sup> The resource (referred to as a user’s guide) is intended to help program leaders or other stakeholders identify indicators appropriate for their community and program, and understand their use and limitations. Some creative placemaking entities may need to partner with organizations that have more experience using indicators, evaluating programs, or conducting research to help them better understand how to select and use indicators.

Identification of the candidate indicators is not intended to suggest that these are the only appropriate indicators for creative placemaking initiatives; most such efforts could likely identify several other indicators appropriate for their particular objectives. However, project stakeholders or research partners probably would need to obtain data from local sources, or even collect data themselves (using resident surveys, for example) for indicators specific to such local objectives.

The NEA initiated the Validating Arts and Livability Indicators (VALI) study to qualitatively validate or ground-truth the set of candidate indicators to assess which of its candidate indicators and/or data points ring true to community representatives in reflecting various dimensions of livability, which indicators and/or data points are not perceived to do so, and which ones may require additional research. This step was intended to help identify indicators appropriate for inclusion in the planned indicator system, and to provide guidance regarding those which are more, or less, appropriate in particular conditions. Table 1 shows the indicators validated, grouped under their corresponding dimension of livability, and the lowest geographic level at which data for them are nationally reported. See Section III for descriptions of the indicators. The main research questions this effort addressed are

- To what extent are the NEA’s four livability dimensions, related candidate indicators, and community level data perceived by local stakeholders to appropriately and accurately reflect

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<sup>9</sup> U.S. Department of Commerce, United States Census Bureau. American Community Survey. Data & Documentation: Geographic Areas.

[https://www.census.gov/acs/www/data\\_documentation/custom\\_tabulation\\_request\\_form/geo\\_def.php](https://www.census.gov/acs/www/data_documentation/custom_tabulation_request_form/geo_def.php).

<sup>10</sup> Ibid.

<sup>11</sup> National Endowment for the Arts. Art Works for America: Strategic Plan, FY 2014-2018.

<http://arts.gov/sites/default/files/NEAstrategicPlan2014-2018.pdf>.

livability conditions? Are there key characteristics that affect perceptions of appropriateness, such as type of community (urban or rural) or project?

- Do local stakeholders perceive that indicator data available at a larger geographic level (e.g., county or zip code) can appropriately be used to reflect conditions at smaller geographic levels?
- Which of the candidate indicators are perceived to be more or less useful for tracking effects of creative placemaking efforts?
- What additional indicators have local creative placemaking initiatives identified to reflect the outcomes expected for their projects, or what ones would they wish to use?

The remaining sections of this report provide a brief description of the study's research methods, followed by the results of the validation effort. We then present suggestions for additional indicators gleaned from our fieldwork. The final section summarizes key findings and recommendations. A related aspect of the VALI study was to prepare detailed descriptive content about each indicator to be included in a user's guide, if one were to be created by the NEA. We developed such content for each candidate indicator, including information about how it is constructed, technical issues and considerations, and suggestions for interpretation and use. This material is provided in Part II of this report. In Part I, brief definitions of key terms are provided in text boxes.

A separate task associated with this effort (not addressed in this report) involved a review of livability indicators and data sources used by local community indicator projects. This component of the VALI study was intended for use by the NEA, perhaps in developing a directory of additional indicators, which would serve as a resource for creative placemaking practitioners selecting indicators for their own local work.

**Table 1.**  
**The NEA's Candidate Indicators for the Arts & Livability, by Outcome Area and the**  
**Lowest Geographical Level at which National Data Are Available**

	<b>Indicator</b>	<b>Geographical Level</b>
<b>Resident Attachment to Community</b>		
C1	Capacity for homeownership (proportion of single-unit structures)	Census Tract
C2	Length of residence (median length)	Census Tract
C3	Proportion of housing units owner-occupied	Census Tract
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<b>Quality of Life</b>		
Q1	Median commute time	County
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AC1	Median earnings of residents employed in arts-and-entertainment-related establishments	Census Tract
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AC3	Relative payroll of arts-and-entertainment-related establishments	County
AC4	Arts, culture, and humanities nonprofits per 1,000 population	Census Tract
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<b>Economic Conditions</b>		
E1	Median home purchase loan amounts	Census Tract
E2	Median household income	Census Tract
E3	Active business addresses	Census Tract
E4	Unemployment rate	Census Tract
E5	Income diversity	Census Tract



## II. Research and Analysis Methodology

For the purpose of qualitative validation of the NEA's arts-and-livability indicators, we used three methods to obtain feedback from selected creative placemaking sites and from a small number of individuals not affiliated with creative placemaking efforts. They were:

- Site visits to six Our Town grantee sites
- A convening with representatives from four different Our Town sites
- A discussion/focus group with experts who were not involved in creative placemaking efforts

To select sites, we reviewed key characteristics of Our Town grantees as of fall 2012, such as location, type, and size of the creative placemaking projects, and the community type (urban and rural). We then developed a set of candidates for site visits and, separately, for convening participants. These choices allowed for representation across the key characteristics. NEA provided advice regarding the final selection of sites. Table 2 summarizes the characteristics of both groups of sites (those chosen for site visits and those chosen for participants at the convening).

Below we summarize the three validation methods. See Appendix A for further detail about each.

**Site visits.** Each site visit took approximately two days and included five to nine individual or small group semi-structured discussions. Participants in these discussions included representatives of organizations leading the Our Town project, and other organizations involved in the project or its target area. We also met with one or two individuals not directly involved in the Our Town project at each site, such as representatives of planning agencies or local indicator experts. Overall, we conducted 43 discussions and met with approximately 75 individuals.

**Convening.** We held a day-long convening with two representatives each from four Our Town grantee sites, one representing the nonprofit partner agency and the other from a local government agency, such as a planning department. We conducted a series of small- and full-group discussions to obtain feedback on the indicators.

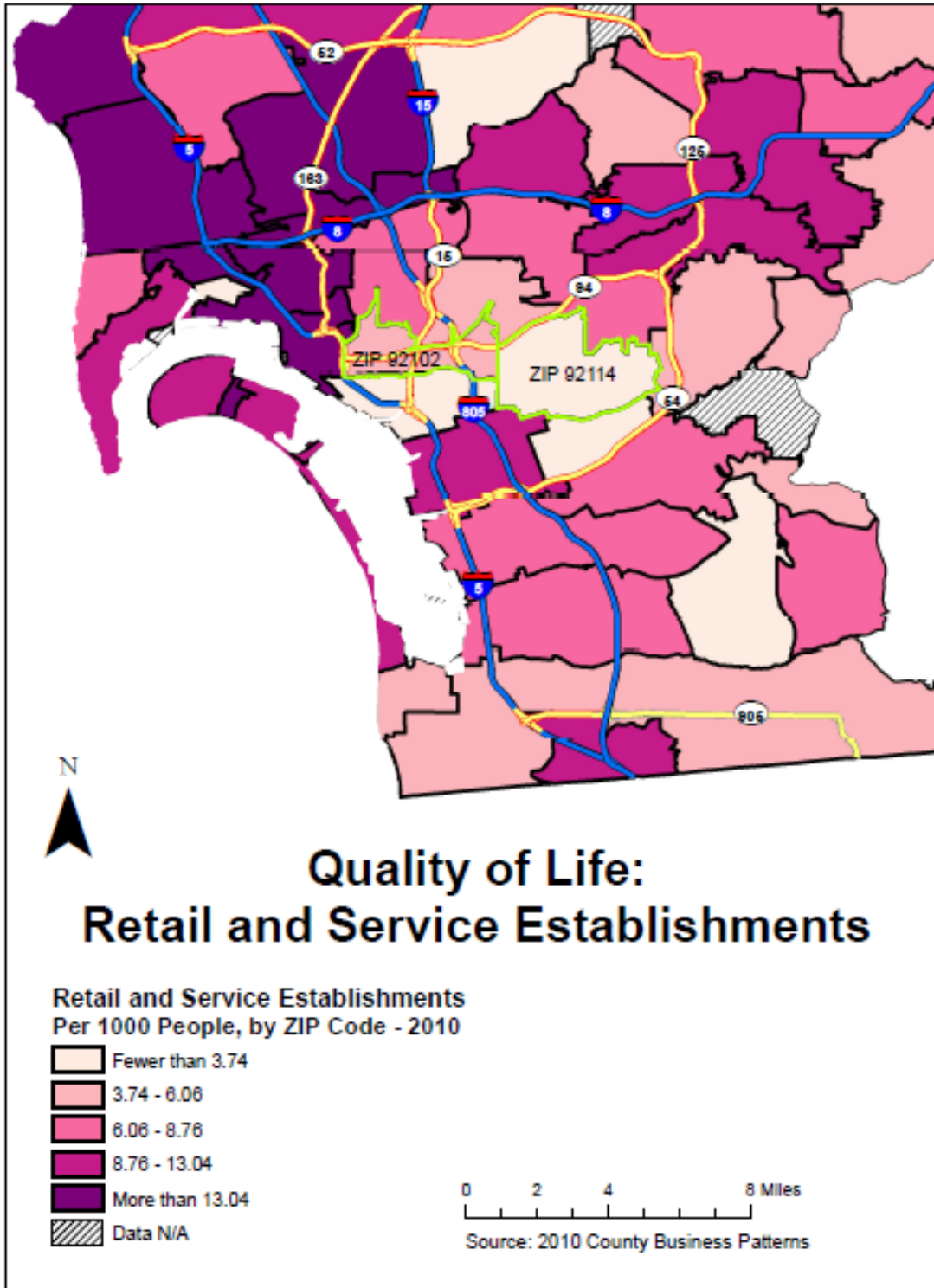
**Expert Focus Group.** We conducted a 90-minute focus group discussion to elicit feedback from experts not involved in creative placemaking efforts, *per se*. The focus group included five practitioners or researchers with expertise in various areas, such as community development, rural development, and use of indicators at the local level.

For site visits and the convening, team members typically first asked respondents about their perceptions regarding a set of community-specific data visualizations (maps and bar charts) that we developed for each site (see Table 2, and Figures 1 and 2 for examples of visualizations used for data at different geographic levels; see Appendix A for the discussion guide ). This was intended to ground-truth how well the national data for the respective indicators fit respondents' perceptions of actual conditions of those indicators in that community. We addressed different sets of indicators in different sites, based on the focus of the local effort (discussed further below and in Appendix A). We did not always review all of the indicators with each respondent.

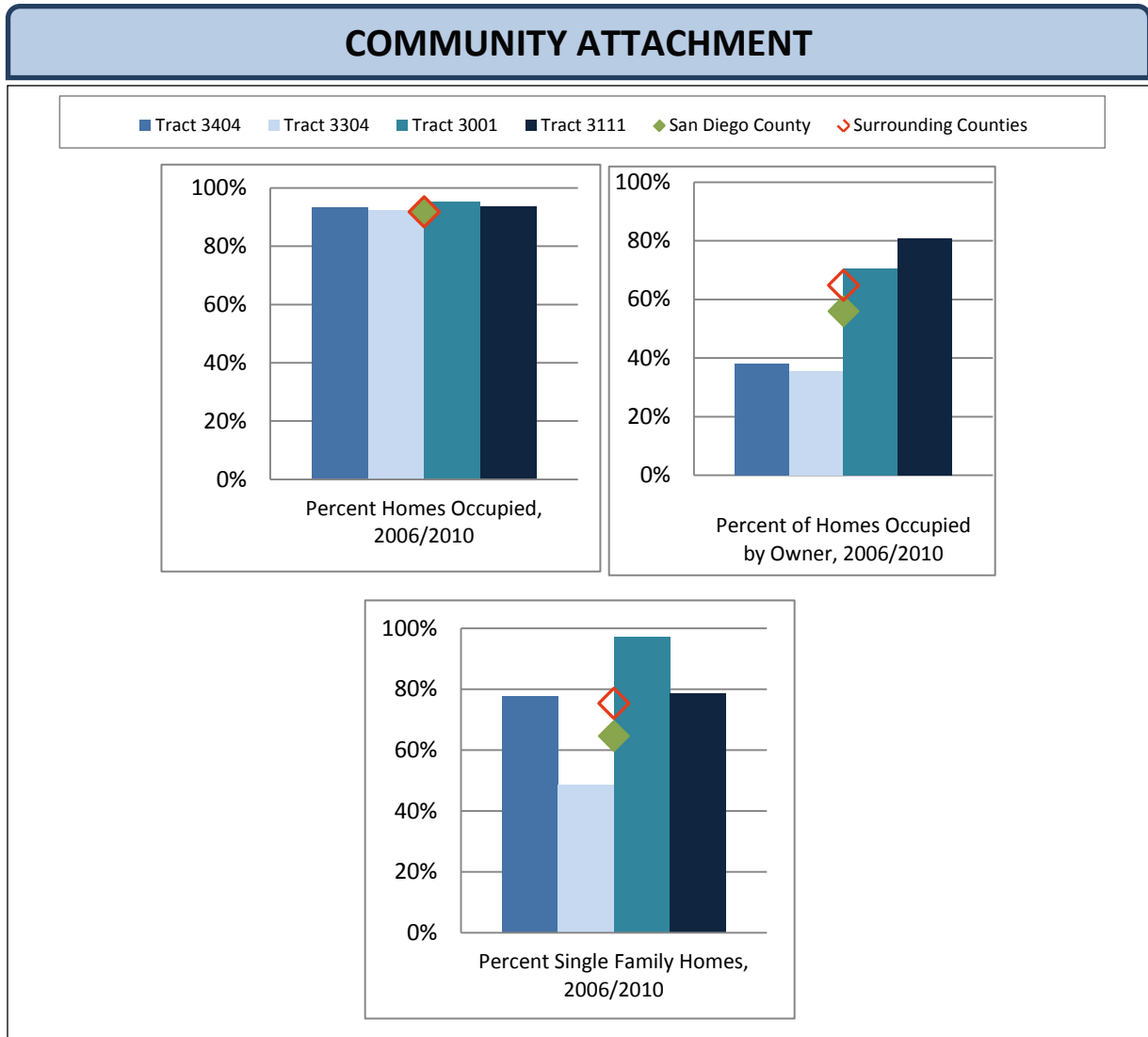
**Table 2.**  
**Our Town Grantee Sites Participating in the Site Visits and Convening**

<b>Site and Primary Grantee Organization</b>	<b>Community Type</b>	<b>Grant Amount</b>	<b>Year Grant Awarded</b>	<b>Project Type</b>
<b>Site Visit Sites</b>				
Baltimore, MD (Maryland Institute College of Art)	Urban	\$150,000	2011	Cultural Industry & District Development/Art Installations, Festivals & Engagement
Berea, KY (City of Berea)	Rural	\$67,500	2012	Physical Arts Infrastructure
North Adams, MA (Massachusetts Museum of Contemporary Art Foundation)	Rural	\$100,000	2011	Physical Arts Infrastructure
Saint Louis, MO (Grand Center Inc.)	Urban	\$75,000	2012	Physical Arts Infrastructure
San Diego, CA (Commission for Arts & Culture)	Urban	\$150,000	2011	Cultural Industry & District Development
Taos, NM (Town of Taos)	Rural	\$50,000	2012	Artist Incubation & Support
<b>Convening Sites</b>				
Ajo, AZ (International Sonoran Desert Alliance)	Rural	\$100,000	2011	Cultural Industry & District planning
Montgomery, NY (Wallkill River School)	Rural	\$50,000	2011	Art Installations, Festivals & Engagement
Mount Rainier, MD (World Arts Focus/Joe's Movement Emporium)	Urban	\$50K	2012	Artist Incubation & Support
Richmond, CA (East Bay Center for the Performing Arts)	Urban	\$150,000	2011	Physical Arts Infrastructure

Figure 1. Map Visualization Example  
(San Diego, CA)

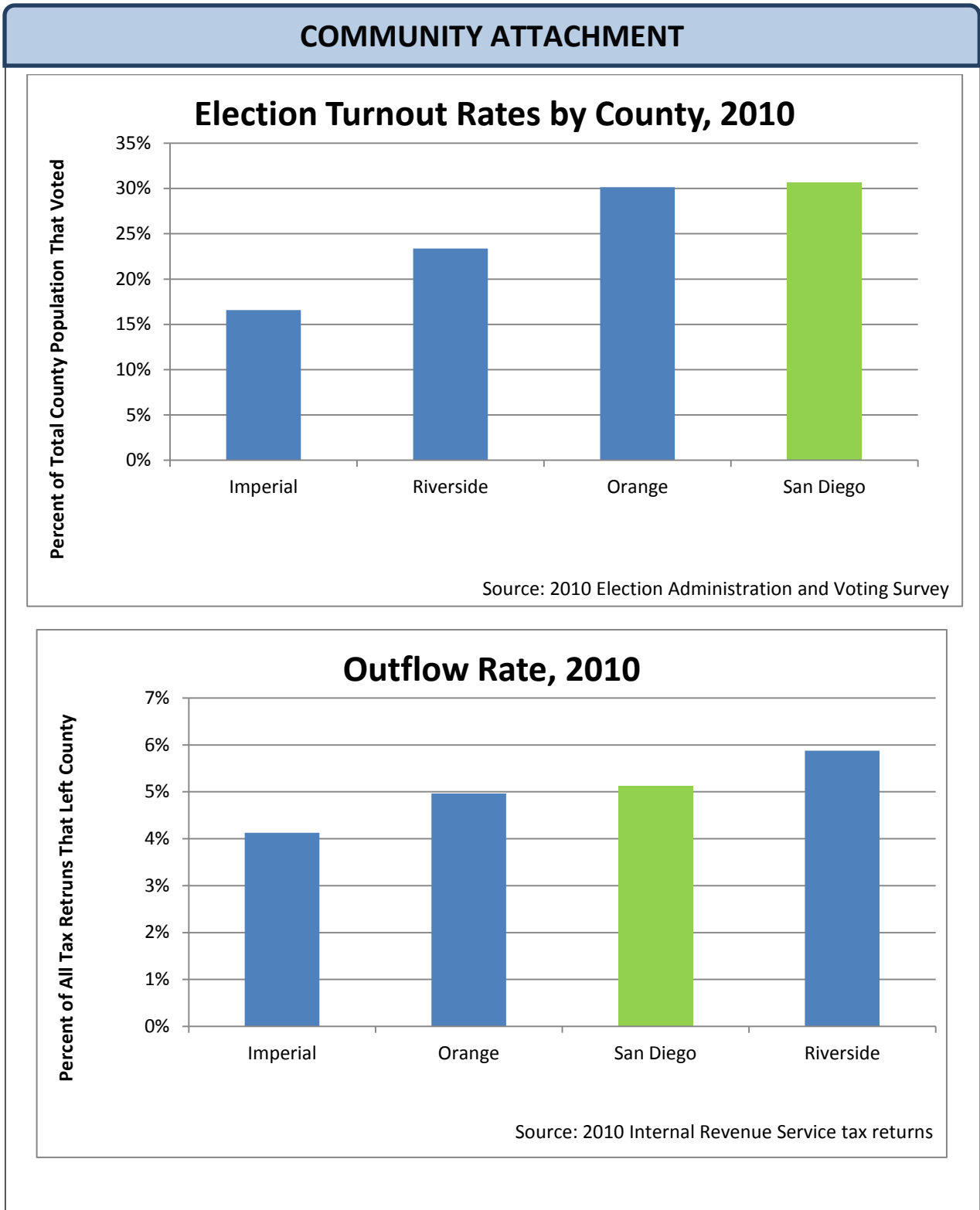


**Figure 2. Bar Chart Visualization Example  
(San Diego, CA)**



Indicator	The Village at Market Creek								San Diego County	Surrounding Counties
	Tract 3404	Tract 3304	Tract 3001	Tract 3111	Percentile Rank in Orange County					
					Tract 3404	Tract 3304	Tract 3001	Tract 3111		
<b>Percent Homes Occupied, 2006/2010</b>	93%	92%	95%	94%	63 <sup>rd</sup>	54 <sup>th</sup>	78 <sup>th</sup>	65 <sup>th</sup>	92%	92%
<b>Percent Homes Occupied by Owner, 2006/2010</b>	38%	35%	71%	81%	21 <sup>st</sup>	18 <sup>th</sup>	56 <sup>th</sup>	74 <sup>th</sup>	56%	65%
<b>Percent Single Family Homes, 2006/2010</b>	78%	48%	97%	79%	46 <sup>th</sup>	17 <sup>th</sup>	81 <sup>st</sup>	48 <sup>th</sup>	65%	75%

Figure 3. Bar Chart Visualization Example  
(San Diego, CA)



After reviewing the visualizations with respondents, research team members sought feedback on the appropriateness of the selected indicators (independent of the data values) for their respective livability dimensions. We then separately sought perceptions about the indicator's appropriateness for the community's creative placemaking effort. Lastly, we asked respondents to identify other indicators they thought would be appropriate to demonstrate the effects of their creative placemaking effort, including indicators they might already be using or planning to use. Findings from the fieldwork are discussed in the remainder of the report.

We reviewed notes taken on site visits and the convening and categorized respondents' feedback as yes, no, or maybe/mixed (or N/A if the response was missing or could not be categorized). We separately categorized feedback on appropriateness of the indicator as a measure of its livability dimension and as a measure of creative placemaking-related outcomes. When feedback was obtained via small group discussions, we generally recorded a single response for the group.

We then tabulated the three types of response for each indicator for each purpose, and categorized the indicators based on the preponderance of reactions to their perceived relevance or appropriateness into one of three categories: mostly favorable, mixed views, and less favorable (these are discussed further below). We tabulated responses in each category from all respondents to assess the overall reaction to the indicator. We separately tabulated and categorized responses from urban and rural communities because NEA hypothesized that different indicators might be relevant in each community type. We used this analysis to categorize each indicator's perceived appropriateness for each purpose, as discussed below.



### III. Results of Validation Effort

In the following sections, we first discuss feedback related to the appropriateness of using data available nationally at larger geographic levels (such as county or zip code) as indicators of conditions at smaller geographic levels. We then discuss perceptions of the relevance of each candidate indicator for its livability dimension.

#### Use of national level data at local level

In order to assess the extent to which candidate indicator data available at particular levels (e.g., county, zip code, census tract) fit local perceptions, we asked respondents to react to selected data visualizations for their site (see Figures 1-3 above).

Overall, site visit respondents and convening participants felt the data for the respective indicators presented in bar chart or map visualizations were about right—that is, the data reflected respondents' perceptions of local conditions. Invariably, some respondents doubted the accuracy of some indicator values for certain locations, finding them higher or lower than expected, possibly because of the age of the data. Unfortunately, we were unable to identify consistent patterns within or across sites for values perceived to be questionable. Even within a given site, respondents were inconsistent in identifying data or locations considered “off.” Respondents were not equally familiar with all of the areas for which data were presented (e.g., all Census tracts in a city, all counties in a metro area). This variance likely accounted for some of the cases where respondents felt the data inaccurately reflected local conditions.

While the data for a particular geographic level (Census tract, zip, county) were often considered reasonably accurate representations of conditions in those areas, *respondents less often considered them good reflections of conditions in the creative placemaking project area.* This was particularly the case for larger areas (such as county- and zip code-level data), since the projects generally focus on relatively small areas, sometimes just a few city blocks. One focus group expert remarked: “None of the county-level indicators can really be related to a neighborhood; there’s a huge amount of variation across counties.”

Respondents from both urban and rural areas expressed concerns about the relevance of data at larger geographies.

For example, rural projects may be located in small towns within large counties that also contain a metro area, a factor that would skew values of county-level data. A respondent from one such rural site commented: “We’re too tiny to impact county data.” In other rural sites, respondents felt that other towns or small cities (sometimes characterized as having urban characteristics) skewed county-level data—for instance, making county crime rates higher than rates for the creative placemaking community alone.

Urban respondents also voiced concerns, particularly regarding whether county demographics are sufficiently similar to project area demographics to be useful. For example, “the county is never a good indicator for what’s happening here. This is a very unique community; there are very few county indicators that reflect southeast; most of San Diego is middle class suburban.” Another respondent noted their project area is poor, but is in one of the richest counties in California. Another respondent from that site commented: “We often grapple with data on the regional level; it doesn’t reflect what’s happening in a neighborhood. You miss the nuances, especially in the short term.”

While county-level data may not be good reflections of project area conditions, such data could be useful to provide context or comparisons for the project area. If changes in the value of an indicator in the project area are similar to changes in the county, this may signal that the change reflects larger trends. If the change in project area value differs substantially from changes in the county, then that may be even more noteworthy. In neither scenario, of course, is it clear that the creative placemaking project caused the difference.

Respondents in several sites also had reservations about how well Census tract-level data fit the scale of their creative placemaking projects. In some urban sites, a project addressed part (sometimes a small portion) of one or more Census tracts, each with different values for a given indicator. (In one city, the project focused on a major street that was the dividing line for four Census tracts; thus, data for all four were reviewed at that site.) In some urban areas, respondents could identify one or two tracts as being more representative of their project area than the others, even if the project area was not as extensive as the Census tract.

The planner in one urban area commented: “In a city where conditions change across the street, these [Census tract] numbers can be problematic.” He noted that the planning agency reassembles Census blocks (smaller divisions that comprise census tracts) to “reflect true places.” The mayor in a rural area similarly commented: “The neighborhoods break out differently. You are trying to draw too precise a conclusion from data that is too mixed. We have a real variety. Even streets are mixed. At block level you would be more accurate in [drawing] conclusions.”

These reactions suggest that any user’s guide to the indicators should include information about the geographic scope of data, as well as caution about interpretation and use of data at different levels (see Recommendations section). The guide should advise users that county- or zip-code-level data are appropriate at their respective geographic levels, and can be useful to provide context or comparative information in conjunction with data from smaller geographies. However, they may not be relevant for tracking changes in indicator values for creative placemaking efforts in small areas.

As a planner participating in our convening noted, “If you’re trying to figure out anything about arts projects, you shouldn’t be comparing across counties.” The user’s guide should encourage users to explore availability of local-level data for indicators of interest for tracking their creative placemaking projects instead of only using county- or zip-code- level data. It also should advise users to be careful when selecting Census tracts to use for a project area.

## Appropriateness of Indicators

We grouped the candidate indicators into three categories to reflect respondents' perceptions to their appropriateness (see discussions of methodology above and in Appendix A for more detail). We used the same categories to capture the indicators' appropriateness or relevance to their respective livability dimension, and to capture their utility as measurements of creative placemaking-related outcomes.

Mostly favorable—indicators that were widely perceived as appropriate. For some indicators in this group, respondents recommended adjustments to the way the indicator is defined or calculated (such as the types of entities included) to make the indicator better fit its dimension or serve better as a creative placemaking outcomes indicator.

Mixed views—indicators that elicited primarily ambiguous reactions overall, or those where similar numbers of respondents had differing reactions. Some respondents gave a mixed or “maybe” response when they thought an indicator was ambiguous or unclear; others did so when they could not decide how to classify it. Some indicators in this group were felt to be more affected by local context (i.e., could be perceived as a negative or positive in different contexts or types of community) and thus less consistent in meaning across communities. For example, indicators related to homeownership were considered less relevant in urban areas where rental housing was more common.

Less favorable—indicators that generally did not resonate well or were more controversial. Some of these indicators were perceived as not reflecting what they were meant to reflect, and some were not easily understood.

It should be kept in mind that the number of respondents ground-truthing each indicator varied for several reasons. Different dimensions and indicators were addressed on different site visits (see Table 3), although all indicators were addressed at the convening. Even within a given community, not all respondents addressed all of the same indicators. In general, we obtained feedback from fewer rural respondents on most indicators. We did not include feedback from the expert focus group in categorizing the indicators, but have noted their observations in the discussion of respective indicators.

In the following sections, we summarize feedback obtained on the respective indicators for each dimension they represent. Each section begins with a chart showing respondents' perceptions of the relevance of the set of indicators as measures of that particular dimension and separately as measures of creative placemaking-related outcomes.

We next provide a summary table showing urban and rural respondents' perceptions of the same indicators for both purposes, and we summarize findings for that set of indicators. We discuss each indicator separately, starting with a brief explanation of its relation to a dimension of livability. Then, as needed, we explain how the indicator was calculated. Finally, we summarize respondents' perceptions of the indicators' appropriateness and we provide examples of respondents' comments. These examples are intended to illustrate factors affecting their perception of each indicator. Part II shows more detailed descriptions of how the indicators were calculated, as well as the data sources used.

**Table 3.**  
**Dimensions Addressed on Site Visits**

	Livability Dimensions Addressed on Site Visits			
Site	Community Attachment	Quality of Life	Arts and Cultural Activity	Economic Conditions
Baltimore, MD	X	X	X	X
Berea, KY		X	X	X
North Adams, MA		X	X	X
San Diego, CA	X	X		
St. Louis, MO		X	X	X
Taos, NM	X		X	

Respondents who felt an indicator was relevant often provided little or no explanation for their thinking, while those who had mixed feelings or viewed an indicator as less relevant or less appropriate were more likely to do so. Thus the examples below are primarily of concerns raised, even for indicators perceived favorably. Respondents' suggestions for modifying particular indicators are noted in the discussion of each indicator; suggestions for additional indicators are provided later in this report. Factors that may affect interpretation or use of indicators in different settings are discussed for each indicator in Part II.

Looking at perceptions from all respondents combined, almost all candidate indicators received mostly favorable reactions as indicators of their respective dimensions, including all of the quality-of-life and arts-and-cultural activity indicators (Table 4). Only two indicators in each of the other two dimensions received mixed reactions. Respondents had mixed reactions to more indicators when asked about their relevance as creative placemaking indicators than as livability dimension indicators. Three indicators fall into the “less favorable” category as creative placemaking indicators.

Respondents frequently had different views of an indicator’s appropriateness as a measure of its livability dimension versus as a measure of creative placemaking-related outcomes. (Admittedly, this difference was not always reflected in the overall rating of the indicator.) Perceptions of appropriateness as a creative placemaking indicator were often affected by whether respondents felt their project was likely to bring about a change in its value.

For example, median household income and unemployment rate were widely regarded as appropriate indicators of economic conditions, but were less often viewed as appropriate indicators for outcomes from creative placemaking efforts because respondents doubted that their project could “move the needle” on this dimension.

In other cases, concerns about an indicator’s data source (such as timeliness or geographic level of data) affected perceptions of its appropriateness for creative placemaking purposes. To address such concerns, a user's guide should be developed with sufficient information to facilitate understanding of the data sources for each indicator (i.e., specifics about how indicator data are defined or collected).

**Table 4.**  
**Overall Relevance of Candidate Indicators**  
**(Based on views of respondents)**

	<b>Indicator</b>	<b>Relevance for Indicating a Dimension of Livability</b>	<b>Relevance for Indicating Outcomes from Creative Placemaking Projects</b>
<b>Resident Attachment to Community</b>			
C1	Capacity for homeownership (single-unit structures)	Mixed views	Less favorable
C2	Length of residence (median length)	Mostly favorable	Mostly favorable
C3	Proportion of housing units owner-occupied	Mostly favorable	Mixed views
C4	Proportion of housing units occupied	Mostly favorable	Mostly favorable
C5	Election turnout rate	Mixed views	Less favorable
C6	Household outflow (tax returns leaving)	Mostly favorable	Mixed views
C7	Civic engagement establishments per 1,000 population	Mostly favorable	Mostly favorable
<b>Quality of Life</b>			
Q1	Median commute time	Mostly favorable	Less favorable
Q2	Retail and service establishments per 1,000 population	Mostly favorable	Mostly favorable
Q3	Violent crime rate	Mostly favorable	Mixed views
Q4	Property crime rate	Mostly favorable	Mixed views
Q5	Residential addresses not collecting mail	Mostly favorable	Mixed views
Q6	Net migration	Mostly favorable	Mixed views
<b>Arts and Cultural Activity</b>			
AC1	Median earnings of residents employed in arts-and-entertainment-related establishments	Mostly favorable	Mostly favorable
AC2	Proportion of employees working in arts-and-entertainment-related establishments	Mostly favorable	Mostly favorable
AC3	Relative payroll of arts-and-entertainment-related establishments	Mostly favorable	Mostly favorable
C4	Arts, culture, and humanities nonprofits per 1,000 population	Mostly favorable	Mostly favorable
AC5	Arts- and-entertainment-related establishments per 1,000 population	Mostly favorable	Mostly favorable
<b>Economic Conditions</b>			
E1	Median home purchase loan amounts	Mixed views	Mixed views
E2	Median household income	Mostly favorable	Mixed views
E3	Active business addresses	Mostly favorable	Mostly favorable
E4	Unemployment rate	Mostly favorable	Mixed views
E5	Income diversity	Mixed views	Mixed views

Perceptions of urban and rural respondents differed infrequently in reacting to these indicators. Most differences occurred in relation to appropriateness of particular indicators as creative placemaking-related measures. Similarly, perceptions of indicator appropriateness were not generally affected by such project characteristics as type or focus of the creative placemaking project, project time horizon, or level of funding. Exceptions to this pattern are noted below in the discussion of each indicator.



## Resident Attachment to Community Dimension

Overall, respondents considered five of the seven indicators to be relevant indicators of community attachment; three of these were also considered relevant indicators for creative-placemaking project outcomes (see Figure 4). Two indicators, capacity for homeownership and election turnout, drew mixed perceptions regarding this livability dimension. These two were also viewed less favorably in terms of relevance as creative placemaking indicators. Two other indicators (portion of housing units that are owner-occupied and household outflow) drew mixed reactions as indicators of creative-placemaking project outcomes.

Urban and rural respondents had similar reactions to all but two indicators. The proportion of housing units that are owner-occupied elicited primarily mixed views, but, as a livability dimension measure, it received mostly favorable responses by respondents in urban areas. Household outflow was regarded as mostly favorable overall, but urban respondents had mixed views about its relevance as a measure of creative placemaking.

### C1 - Capacity for homeownership (Percent of single-unit housing structures)

*Lowest geographic level of national data availability: Census tract*

The percent of single-unit housing structures in the community is intended to reflect opportunities for homeownership. Research has often found that greater attachment to community is associated with higher levels of homeownership by residents (see discussion in Section V on Findings and Recommendations). Thus higher levels of homeownership or of opportunities for homeownership represented by single-unit housing structures may indicate higher levels of attachment to the community. Single-unit housing structures include what is commonly referred to as single-family homes, including attached units (such as townhouses or row houses), mobile homes, recreation vehicles (RVs) and boats.

Respondents gave capacity for homeownership mixed reviews as an indicator of community attachment. In addition, this indicator was seen as less favorable as a measure of creative placemaking progress. Some urban respondents took issue with single-unit structures being an appropriate proxy for ownership due to higher proportions of multi-family housing stock (some of which could be owned as condominiums, a factor not reflected in this indicator). One local-indicator expert pointed out that neighborhoods in some older cities are characterized by 2- or 4-unit structures, with the owner frequently occupying one of the units. That type of owner occupancy potential is not captured in this indicator. Some respondents noted that single family homes are not always owned by residents; in some communities a considerable proportion of them may be intended for rental use, and others pointed out that rental of single-family homes has become more common due to increased foreclosures in recent years.

A few respondents had objections to this indicator because it ran counter to community objectives. The planner from one urban area indicated that the city is trying to promote more multi-family homes and condominiums. Similarly, a city official in a rural community indicated that greater density is desirable.

Several respondents indicated that they did not equate attachment to community with ownership. Some noted that ownership was related to income of potential owners, making this a dubious indicator of attachment for low-income communities. Illustrative comments include:

- “I don’t think it makes a difference whether you own or rent... homeownership might not be attainable based on income.”

- “Ownership is rapidly fading as a desired living style. Rental space is becoming okay; people who rent are still attached to the community. Single-family home ownership is a measure of success 50 years ago... attached housing is now the focus for revitalizing cities. Ownership does not equal attachment.”

Likewise, the focus group experts overall felt this was not a good indicator of attachment. One researcher commented: “Especially in urban areas, attachment does not depend on capacity for home ownership. There could be many ways in which renters or people who don’t have resources could be very attached to place.”

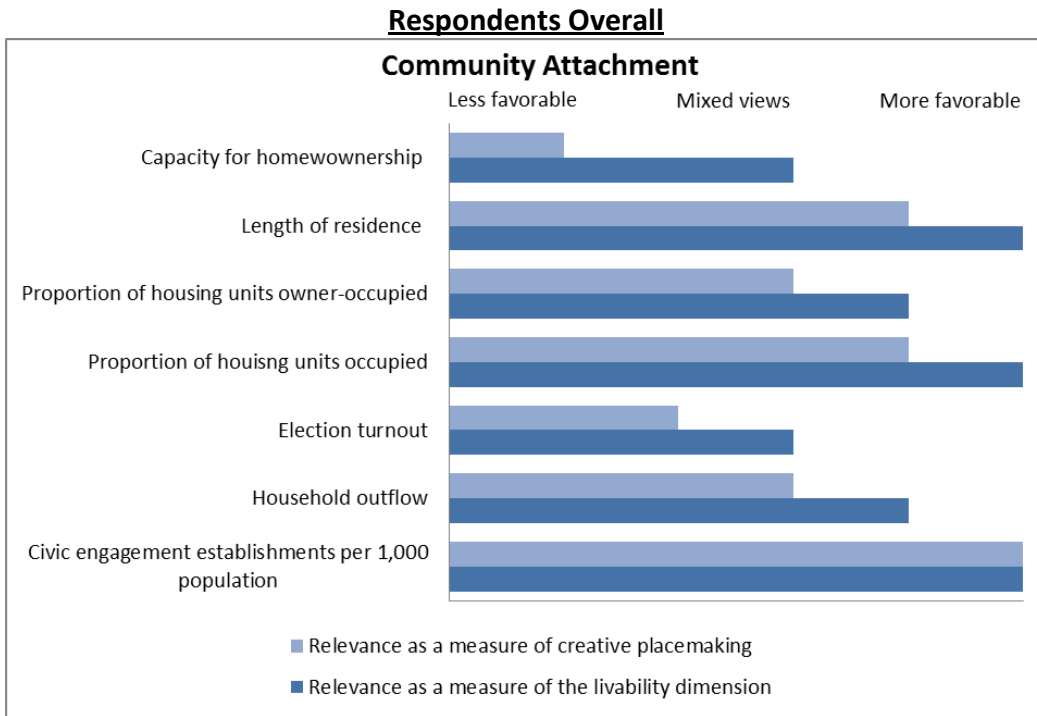
While research literature has shown a linkage between home ownership and community attachment, some research supports respondents’ views that renters can also have strong attachment to their community. For example, some research on urban renewal and more recent relocation efforts highlights adverse emotional effects for residents, generally renters, who move from their neighborhoods..<sup>12</sup> Literature reviews and individual studies have identified length of residence as having a strong impact on place attachment.<sup>13</sup> Since homeowners may have longer tenure than some renters, this may explain some of the research linking ownership and attachment. This factor also suggests that long-term renters in a community are more likely than short-term renters to be attached to it.

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<sup>12</sup> For example: Fried, Marc. 1963. “Grieving for a Lost Home.” Leonard J. Duhl. *The Urban Condition: People and Policy in the Metropolis*. New York: Basic Books, Inc. if needed pp 151-171; Fullilove, Mindy Thompson. 2004. *Root Shock: How Tearing Up City Neighborhoods Hurts America, and What We Can Do About It*. New York: One World/Ballantine Books; Manzo, Lynne C., Rachel G. Kleit and Dawn Couch. 2008. Moving Three Times is Like having Your House on Fire Once:” *The Experience of Place and Impending Displacement among Public Housing Residents*. Urban Studies Journal. August 2008. <http://usj.sagepub.com/content/45/9/1855.abstract>.

<sup>13</sup> See, for example, James, Bev. 2004. *Community Attachment: Determinants, Indicators and Measures*. Working Paper for Building Attachment in Communities Affected by Residential Mobility and Transience. <http://www.cresa.co.nz/wp-content/uploads/2010/04/community20attachment20determinants20indicators20and20measures.pdf>; Theodori, Gene L. 2004. *Exploring the Association Between Length of Residence and Community Attachment: A Research Note*. Southern Rural Sociology, Vol. 20 No.1, pp. 107-122. <http://www.ag.auburn.edu/auxiliary/srsa/pages/Articles/SRS%202004%2020%201%20107-122.pdf>.

**Figure 4.  
Relevance of Community Attachment Indicators  
(Overall and by Urban and Rural Respondents)**



**Urban and Rural Respondents**

	Community Attachment Indicator	Relevance for Indicating a Dimension of Livability		Relevance for Indicating Outcomes from Creative Placemaking Projects	
		Urban	Rural	Urban	Rural
C1	Capacity for homeownership (single-unit structures)	+/-	+/-	-	-
C2	Length of residence (median length)	+	+	+	+
C3	Proportion of housing units owner-occupied	+	+/-	+/-	+/-
C4	Proportion of housing units occupied	+	+	+	+
C5	Election turnout	+/-	+/-	+/-	+/-
C6	Household outflow (tax returns leaving)	+	+	+/-	+
C7	Civic engagement establishments per 1,000 population	+	+	+	+

“+” indicates mostly favorable; “+/-” indicates mixed views, and; “-” indicates less favorable

## C2 - Median Length of Residence

*Lowest geographic level of national data availability: Census tract*

**Median length of residence** is the value for which half of the residents in the area have resided a longer time in their current housing unit and half have resided a shorter time. This indicator is based on responses to an American Community Survey (ACS) question asking the year and month the respondent moved into their current residence, with response options expressed in five-year ranges (e.g., moved in 2005 or later, moved in 2000 to 2004). The ACS, conducted by the U.S. Census Bureau, essentially replaced the Census “long form” questionnaire. It collects data through surveys of monthly samples of residents.<sup>14</sup>

Length of residence in a community is thought to reflect one’s attachment to that community. Respondents frequently commented that median length of residence was the most relevant indicator of community attachment. Several respondents, however, indicated it would be preferable if the data reflected length of time in a *neighborhood* (rather than in the housing unit), since those attached to their community might move within it, which this data would not capture.

Some respondents pointed out that some residents remain in place because they lack options or resources to move, rather than because of attachment. They suggested that factors such as age, income and family composition are needed to better interpret this indicator.

Participants in the expert focus group felt this was one of the more useful indicators of attachment to place. However, one of them pointed out that this indicator could cut two ways—more people might be moving into an area they considered vibrant, leading to a lower median length of residence.

## C3 - Proportion of housing units that are owner-occupied

*Lowest geographic level of national data availability: Census tract*

This indicator reports the **percent of all occupied housing units that are occupied by the owner** or co-owner of the unit. **Housing units** include single-family and attached homes, apartments, condominiums and mobile homes. As noted above, higher levels of owner occupancy have been considered to reflect higher levels of community attachment.

Urban respondents overall considered this indicator mostly favorable as an indicator of attachment to community. Some simply affirmed that owners are generally more attached to their community. For example, a focus group expert commented: “For good or ill, owning a piece of land gives people more ownership.... It’s not desirable at all levels, but it’s indicative of attachment.” However, several respondents in urban areas that had more multi-family or high-rise housing and/or a substantial student or young adult population felt this was more controversial as an indicator of community attachment.

The indicator received mixed reactions from rural respondents both as a livability dimension and for use as a creative placemaking indicator. Several reported that their communities had high proportions of seasonal or “second” homes, which they felt would not be counted in this indicator, thus making their community appear to have less attachment than others.

<sup>14</sup> U.S. Department of Commerce, United States Census Bureau. American Community Survey Information Guide. [http://www.census.gov/acs/www/Downloads/ACS\\_Information\\_Guide.pdf](http://www.census.gov/acs/www/Downloads/ACS_Information_Guide.pdf). Accessed November 25, 2013. OR A Compass for Understanding and Using American Community Survey Data. October 2008. <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Those who had mixed or negative reactions to this indicator frequently made comments about ownership not being equivalent to attachment. These comments were similar to those discussed above, regarding capacity for home ownership, as measured by percent of single-unit structures. One respondent felt that gains in the number of artists living in an area would be associated with lower owner-occupancy rates (since artists are likely to have lower incomes and thus are less likely to be home-owners).

C4 - Proportion of housing units that are occupied

*Lowest geographic level of national data availability: Census tract*

This indicator reflects the **percent of all housing units in the census tract that are occupied**. Higher occupancy rates can be seen as indicators of residents' attachment to the community.

Respondents generally felt that this indicator was an appropriate indicator of community attachment. There was little discussion about this indicator, suggesting that respondents considered its usefulness and meaning to be fairly obvious.

A respondent in an urban area with large amounts of vacant land in some neighborhoods pointed out that this indicator can be misleading in such communities, due to the way the data are collected. If there is one occupied house on a block that is otherwise vacant, the block would be counted as 100% occupied. Thus, largely vacant areas would appear to have high occupancy rates.

C5—Election turnout

*Lowest geographic level of national data availability: County*

**Election turnout rates** are calculated by dividing the number of voters who submitted a ballot in the most recent midterm (non-presidential) election by the population in the county. Participation in such elections is thought to reflect greater involvement in or attachment to one's community.

Respondents overall had mixed views about this indicator as a measure of community attachment or of creative-placemaking project outcomes. Both urban and rural respondents had mixed perceptions of it for both purposes. Rural respondents had fewer positive reactions to its use as a creative placemaking indicator than did urban respondents, although one rural respondent felt that because "artists are typically voters," creative placemaking projects might have a positive impact on voter turnout.

Several respondents commented on low turnout rates in general, and one said: "Voter complacency isn't related to how you feel about your community." The fact that this indicator uses, as the denominator, total population rather than registered voters, was mentioned as a drawback, since not all residents are eligible to vote. Many respondents cited one or more factors likely to affect turnout rates, thus making this indicator seem less appropriate as a measure of attachment or for tracking creative placemaking efforts. Such factors include age of residents, income, proportion of immigrants, and political leanings or party affiliation. One focus group expert felt midterm elections are more affected by attachment to party apparatus than to community. Respondents in communities with high proportions of college students felt the students would negatively affect turnout rates, even though they believed that the students were attached to their community.

#### C6—Household outflow rate

*Lowest geographic level of national data availability: County*

This indicator represents the **proportion of households that moved out of a county in the last year**. A higher proportion of such households, or an increase in them over time, is thought to suggest less attachment to that community. The indicator is based on federal income tax filing data. It calculates, as a percentage of all tax returns filed in the county, the number of individual income tax returns that were filed in a different county since the prior tax year.

Respondents overall considered this indicator mostly favorable as a measure of community attachment, but expressed mixed views about its relevance for creative placemaking. Rural respondents had mostly favorable views of it as a creative placemaking outcomes measure, but respondents in urban areas had mixed views about its use for that purpose. A planner in one urban area commented that “migration is too large an indicator for small placemaking investments.”

Respondents expressed some concern because this indicator is calculated from federal tax filing data. Several mentioned there might be many reasons for not filing tax returns other than having left the area; thus, the indicator might overstate outflow. Several made the point that this indicator would not capture low-income families who do not file tax returns, an omission that could distort the indicator in areas with large low-income populations. One focus group expert noted it may be possible to find data on those who file Earned Income Tax Credit (EITC) forms rather than tax forms.

#### C7- Civic engagement establishments per 1,000 population

*Lowest geographic level of national data availability: Zip code*

**Civic engagement establishments** are intended to represent places where community members can interact with each other. They may both reflect community attachment and promote it. This indicator is based on four categories of establishment reported in U.S. Census Bureau County Business Patterns data: religious, grantmaking, civic and social and professional organizations; golf courses and country clubs; fitness and recreational centers; and bowling centers.

Respondents overall felt mostly favorable about this indicator, both for the livability dimension it represents and for its relevance to creative placemaking efforts. Urban and rural respondents shared this perception.

Nevertheless, several respondents raised concerns about the indicator. For example, some noted that the *establishment* may be located in the area of interest, but the indicator doesn’t tell you if participants are from that area or from elsewhere. Thus, it may not be a good representation of attachment of those living in the community. For example, some urban respondents pointed out that there are many small churches in some African-American communities, and these often draw participants from outside the area, including former residents who return for church activities. Large establishments, such as mega-churches, also draw participants beyond their immediate area.

A few respondents identified other establishments (not captured in the indicator as currently defined) that they felt also reflect engagement or engagement opportunities. For example, a planner in an urban area commented that places like shopping centers and coffee shops also are gathering-places, noting that in the creative placemaking project area, “the most important day-to-day gathering-place is Starbucks.” As currently defined, this indicator does not capture such establishments. Respondents in another urban area indicated that street activity and public places (e.g., small parks) are also important for civic engagement. Some respondents noted that schools and higher education institutions also



facilitate interaction and civic engagement, such as by hosting presentations or community meetings, and sporting and other events.

Focus group experts felt that stability in the indicator reflects community stability. Some of the experts indicated that it would be desirable to know about changes in the number of people participating in such establishments, not just the number of establishments. They also noted that a lot of civic engagement happens outside of institutions, through things like social networks and entertainment-like activities, which would not be captured by this indicator. They felt creative placemaking should also increase informal types of participation, perhaps electronically (and, if so, that Google searches or Twitter data could be used to construct an appropriate indicator), but such respondents also acknowledged that it has been a challenge to measure informal modes of activity.

## Quality-of-Life Dimension

Urban and rural respondents alike perceived all but one of the six indicators in this group as appropriate for their livability dimension; net migration received mixed reactions from rural respondents. Urban and rural respondents had greater differences in perceptions of their appropriateness as creative placemaking indicators. Urban respondents considered all but one indicator (median commute time) to be mostly favorable as indicators of creative placemaking outcomes. In contrast, rural respondents rated only retail and service establishments as mostly favorable; the others received mixed or less favorable reactions as creative placemaking indicators.

### Q1—Median Commute Time to Work

*Lowest geographic level of national data availability: County*

Shorter **commute-to-work times** are often associated with better quality of life. This indicator is based on an American Community Survey question that asks people who work outside their home to identify the length of their commute time in the last week (such as less than 5 minutes or 5-9 minutes). The median commute time is the time range for which half the respondents in the area had a shorter commute, and half had a longer commute.

Overall, respondents considered commute time mostly favorable as a measure of quality of life, but it was seen as less relevant as a measure of creative-placemaking project outcomes (see Figure 5). Both urban and rural respondents generally regarded it as relevant for its livability dimension. However, urban respondents considered it less favorable as a creative placemaking indicator, and rural respondents had mixed reactions to it for that purpose. Some respondents suggested this indicator might fit better under attachment to community. Respondents in one rural area noted that residents with 90-minute one-way commutes do not have time to participate in community activities.

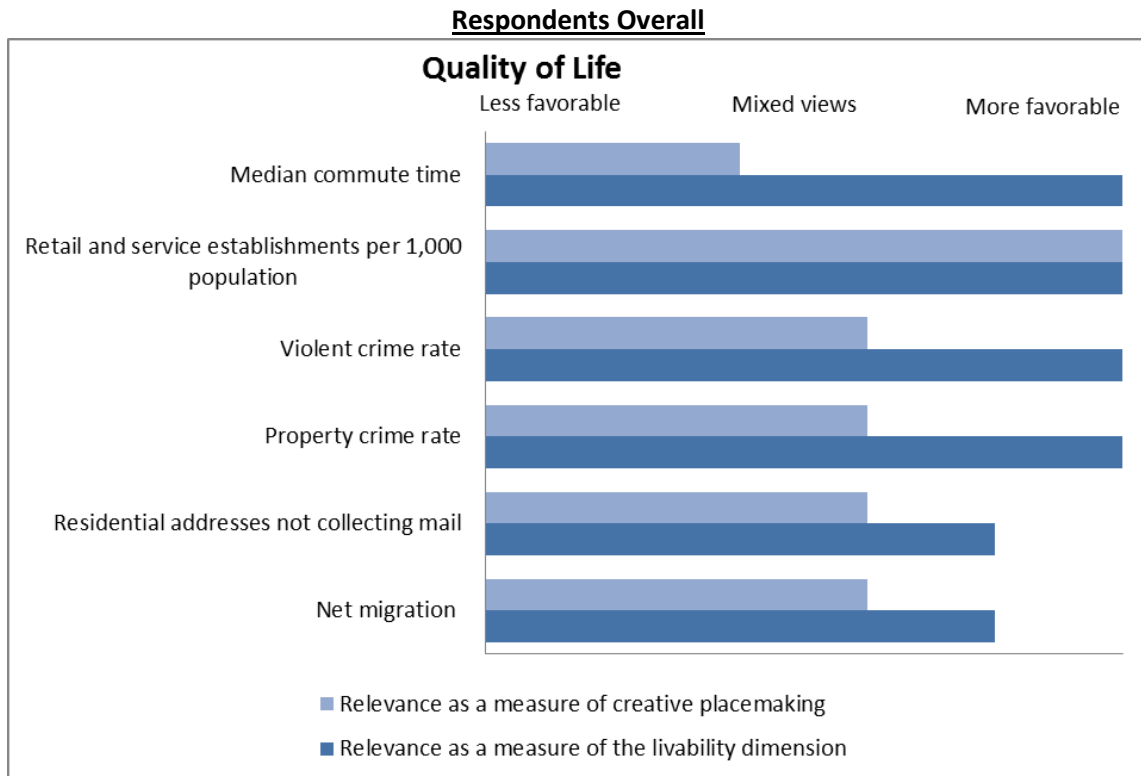
Many respondents felt it was difficult to interpret commute time because the value is affected by individual preferences about where to live and how to commute. One rural respondent noted that people moved to that particular area for greater quality of life, factoring into their decisions the 25-minute commute to jobs in nearby towns. The focus group experts felt this indicator is ambiguous, or can cut both ways, since people have different preferences. They also felt it is tied to factors such as access to cars. One rural expert observed that few rural communities have public transportation. The experts felt the most obvious way projects would affect commute time would be if they changed transportation infrastructure or land-use patterns. One noted that it is “too tied to transportation and land use. It’s a good indicator, but doesn’t tell you anything about creative placemaking.”

Several respondents noted that the mode of transportation should be considered when looking at commute time. Walking, riding a bike, or using public transit could result in longer commute times, but may be preferred modes for an individual, as well as environmentally friendly ones. Several respondents pointed out that low-income residents are more likely to be dependent on public transit, resulting in longer commute times than would be the case if they had cars. Thus, based on this indicator alone, low-income neighborhoods may look comparatively worse than higher-income ones.

Few respondents felt their creative placemaking projects would affect median commute time. The key exception was a rural community planning to develop artist live/work space in the downtown area. Most respondents in that site felt it would be an appropriate indicator for their project, since the artists would not have to commute. (However, the question on which this indicator is based was not asked of those who worked at home, so this benefit would not apply.) In contrast, respondents in Baltimore felt it was not useful for their project because people are moving into the project area due to its proximity to a train station serving Washington DC and other nearby cities. Respondents felt the long train commutes,

although preferable to driving for many commuters, would result in high median commute times, ostensibly rendering the project area unattractive in terms of quality of life.

**Figure 5.**  
**Relevance of Quality-of-Life Indicators**  
**(Overall and by Urban and Rural Respondents)**



**Urban and Rural Respondents**

	Quality-of-Life Indicators	Relevance for Indicating a Dimension of Livability		Relevance for Indicating Outcomes from Creative Placemaking Projects	
		Urban	Rural	Urban	Rural
Q1	Median commute time	+	+	-	+/-
Q2	Retail and service establishments per 1,000 population	+	+	+	+
Q3	Violent crime rate	+	+	+	-
Q4	Property crime rate	+	+	+	-
Q5	Residential addresses not collecting mail	+	+	+	+/-
Q6	Net migration	+	+/-	+	+/-

“+” indicates mostly favorable; “+/-” indicates mixed views, and; “-” indicates less favorable

## Q2 - Retail and service establishments per 1,000 population

*Lowest geographic level of national data availability: Zip code*

**Retail and service establishments** may be seen as related to quality of life by enabling residents to meet everyday needs within their community. A higher proportion of such establishments for a given population also may be associated with greater community vibrancy and activity, and may be associated with greater public safety due to more “eyes on the street.” This indicator includes a range of retail and service establishments that serve everyday needs as reported in U.S. Census Bureau County Business Patterns data. It includes general retail (e.g., grocery stores, gas stations, home improvement stores); department stores; restaurants, bars and cafes; banks and other financial institutions; and service establishments (e.g., beauty salons, dry cleaners).

This was one of the indicators most consistently regarded as mostly favorable for both quality of life and as a creative placemaking indicator. Respondents frequently associated more retail establishments with increased vibrancy or improved economic conditions that their projects sought to attain, whether due to gains in population or in numbers of visitors. For example, a respondent associated with a project to develop artist housing in a rural area felt “more people would result in more establishments to serve them.” Another respondent in that community felt the housing would attract different types of business, such as wine bars and fresh food markets, and that existing stores would stay open later.

Respondents nonetheless identified cautionary notes. Some respondents pointed out that the indicator does not capture the “mix” or “quality” of retail, but that these are important quality-of-life considerations. For example, one urban respondent observed that an area with a concentration of liquor stores would have a higher indicator value (and thus look “better”) than an area of similar population that had only a full-service grocery store. In another city, a respondent noted that the project area had seen an influx of restaurants but lacked stores or services for residents. Another respondent commented that zip codes with high concentrations of retail (e.g., clusters of shopping malls along highways) may have little else, including residents. Respondents from a rural site felt the indicator could be misleading. They noted that their town “looked good” on this indicator primarily because of its low population; the community actually has few stores or service establishments.

## Q3 - Violent crime rate

*Lowest geographic level of national data availability: County*

This indicator reflects **violent crimes per 100,000 people**. Violent crimes include those involving use or threat or force, including murder, forcible rape, robbery and aggravated assault. Data for this indicator are drawn from FBI Uniform Crime Reports, and include only crimes that are reported. Lower rates of violent crime are generally associated with better quality of life.

Respondents in both urban and rural communities rated the violent crime rate as mostly favorable as an indicator of quality of life. Urban respondents rated it similarly as a creative placemaking indicator, but rural respondents viewed it as less favorable for the latter purpose, primarily because the data was presented at the county level.

Respondents in rural areas frequently mentioned that crime rates in nearby larger communities, (sometimes characterized as having “urban” problems such as drugs) skewed the county crime data in the indicator, making the total value higher than it if the indicator had covered only their community. Respondents in a small rural community whose county included a large city at the other end of the county felt similarly that the county data reflected crime in that urban area, rather than in the project community.

Focus group experts felt that both violent and property crime rates are important quality-of-life indicators, but were dubious that these could be connected to creative placemaking efforts. They also felt crime rates should be based on more localized data, since many communities have access to such data.

#### Q4 - Property crime rate

*Lowest geographic level of national data availability: County*

This indicator reflects **property crimes per 100,000 people**, including burglary, breaking or entering, larceny-theft, and arson. Data for this indicator are drawn from FBI Uniform Crime Reports, and include only crimes that are reported. Lower rates of property crime are generally thought to be associated with better quality of life.

Respondents had similar reactions to property crime rate as they did to the violent crime rate. They considered it mostly favorable as a quality-of-life indicator. Urban respondents also deemed it mostly favorable as a creative placemaking indicator, but rural respondents considered it less favorable for that purpose.

One urban respondent reflected on differences between residential neighborhoods and arts districts; the latter bring people in (temporarily), while people live in and feel ownership for residential neighborhoods. Greater ownership would be associated with crime reduction. In contrast, event-related population gains in arts districts might be associated with increases in some types of crime, such as thefts from cars. Thus, the focus of the project (district or neighborhood place-making) would affect the usefulness of the indicator.

#### Q5 - Proportion of residential addresses not collecting mail

*Lowest geographic level of national data availability: County*

This indicator is intended to represent **vacant residential units**. A higher proportion of vacant units in a neighborhood may indicate neighborhood distress and possibly deteriorating physical conditions. Thus, a lower value for this indicator would be associated with better quality of life. The indicator is based on data on housing units that have not collected mail in more than 90 days. The data are collected by the US Postal Service and reported by the US Department of Housing and Urban Development.

Overall, respondents rated this indicator mostly favorable as a quality-of-life indicator. Urban respondents also felt it was mostly favorable as an indicator of creative placemaking outcomes, but rural respondents had mixed views about its relevance for that purpose. Rural respondents often raised concerns about how seasonal or vacation homes in their area would affect it. Some were concerned that the indicator would be inflated because their communities had large numbers of such residences.

A respondent affiliated with a project focused on cultural planning in an urban area deemed this indicator “not important” to nonresidential arts districts such as theirs. Respondents in a different urban area suggested this indicator is likely inflated in communities hard-hit by foreclosures in recent years.

One of the focus group experts considered this indicator ambiguous, since there could be “good” vacancies (e.g., new construction projects) as well as “bad” vacancies. Still, this expert suggested it was useful as a proxy for housing conditions in general.

## Q6 - Net migration

*Lowest geographic level of national data availability: County*

**Net migration** reflects households moving into the jurisdiction minus households moving out. In-migration is thought to indicate that the community is perceived as having a good quality of life; the opposite perception applies for out-migration. The indicator is based on federal tax filing data (the number of individual income tax returns filed in another county as a percentage of all tax returns filed in the county).

Respondents often did not intuitively understand how the indicator was related to quality of life. Urban respondents considered it mostly favorable both for the livability dimension and for creative-placemaking project outcomes. Rural respondents had mixed views about its relevance for both purposes. One rural respondent noted, “It’s a good indicator of household migration, but not of our quality of life.” Another felt it was less relevant because “there are lots of reasons people move in or out of a community.”

Several respondents’ reservations about the indicator were related to it being based on county-level data or its reliance on tax return data. Comments were similar to those made about household outflow (C6), which also uses tax return data. One rural respondent felt that tax returns at the county level “have nothing to do with the town” in which the creative placemaking project operates.

One focus group expert pointed out that out-migration is not necessarily a bad thing; it may reflect that low-income residents were “finally” able to move out of low-income areas. As stated previously, low-income residents may not file tax returns; thus, EITC forms may be the more appropriate source of data for low-income communities.

## Arts and Cultural Activity Dimension

Overall, respondents considered all of the indicators in this group to be mostly favorable as measures of arts and cultural activity (see Figure 6), and all but one to be mostly favorable as indicators of creative placemaking. Respondents had mixed views about the relevance of median earnings of residents employed in the arts as a creative placemaking indicator. For the latter, they considered as more relevant the other metrics: arts, culture, and humanities nonprofits per 1,000 population and arts and entertainment establishments per 1,000 population..

Perceptions of indicators differed by type of community in only one case: rural respondents had mixed views on the relevance of payroll of arts and entertainment establishments as a creative placemaking indicator, whereas urban respondents felt it was mostly favorable.

Although respondents overall regarded the indicators as relevant, many respondents voiced reservations or concerns about the way data on which some of the indicators are based are reported or compiled. Since some of the issues raised affect multiple indicators in this dimension, we discuss them here rather than under each of the affected indicators.

Numerous respondents raised concerns about the type of establishments included in arts-and-entertainment establishments per 1,000 population and related indicators (median earnings of residents employed in these establishments, payroll of these establishments, and employees working in these establishments). Respondents expressed reservations both about the types of establishments *included* and the types *excluded* from the establishments counted as arts-and-entertainment-related establishments (detailed below). This suggests that modification to the industries included in the indicator (that is, the NAICS codes used) could resolve most of the concerns expressed.

Both urban and rural respondents frequently commented that inclusion of casinos and sports teams among arts and entertainment establishments made this indicator less relevant as a creative placemaking indicator. A respondent in one urban area pointed out that that city had three professional sports teams and numerous casinos, which “distorted” the data and would make it difficult to compare data for their city with data for cities with fewer or no teams or casinos. Respondents associated with arts entities in that city similarly commented: “[You] need to cut out recreation and entertainment; this isn’t our [arts] field, it’s not important.” Representatives of another urban area said, “We should get sports taken out of this. This includes [professional football team]. Sports is cultural but it’s not arts. We’ve got to be able to narrow down to arts.” A respondent in a rural community that has a casino said: “These numbers do not make sense to me. I would not consider a casino as creative activity.” Another respondent in that community said, “I would recommend you don’t use/prize faux indicators that artists themselves would scoff at.” Some respondents were concerned that small numbers of highly-paid sports team members and executives would distort indicators based on median earnings and payroll.

Many respondents expressed concern about exclusion of some types of establishment, particularly universities from one or more of these indicators. One commented: “What about residents who work at universities and larger institutions? It’s unclear whether teachers are reporting [income] as artists. This is not helpful. I have too many questions about what this indicator is.” A respondent from a rural community noted that the local college and the art gallery it owns--one of the few year-round entities in that city--is not counted in this indicator. Thus, “there is an undercount of creative activity because the college is important. Also not captured are arts majors and arts management majors who are heavily involved in the region.”

Respondents identified other venues for arts or arts employers that were not among the establishments included in these indicators. Rural participants in the convening pointed out that nonprofit organizations, social clubs, and schools host performances and festivals, but do not appear to be

counted. An urban respondent felt the data on artistic establishments had cultural and racial biases because churches were not included, and African American churches take on a lot of community functions. Other venues not counted include movie theaters, bookstores (which may mount readings and musical performances) and restaurants and bars that have live performances. Such venues may be more important in rural areas, where there are likely to be fewer full-time arts venues.

Although many respondents identified limitations to these indicators, their overall reactions indicate the indicators are still usable. When asked if there was value in using them, one respondent replied: “Sure, with all the flaws, it demonstrates there is a commitment already and some infrastructure; they’re a place that has some arts.” This respondent pointed out that the indicators in this dimension are all “supply side” indicators. She would like to know “who is using art and culture, what percentage is participating,” acknowledging that would come from locally derived data.

#### AC1 - Median earnings of residents employed in arts-and-entertainment-related establishments

*Lowest geographic level of national data availability: Census tract*

Increased **median earnings of residents employed in arts and entertainment** is thought to represent increased demand for arts and cultural activity. Earnings for this indicator are reported by where the resident lives (not where he or she works). This indicator includes reported earnings of those self-employed in arts and entertainment fields. The industries within the employment data used to calculate this indicator include entertainment and recreation establishments, such as casinos, sports teams and amusement parks, as well as establishments more commonly associated with arts and culture (such as museums, theaters, etc.).

Respondents perceived this indicator as mostly relevant for its livability dimension, but it received mixed reactions as a creative placemaking measure. These perceptions were consistent across urban and rural areas. Respondents associated with arts production in one urban area felt the indicators associated with income were less important than those focused on the number of arts-related establishments (arts/culture/humanities nonprofit organizations per 1,000 and arts and entertainment establishments per 1,000 population). One noted: “You could have lot of cultural activity without having much income from it.”

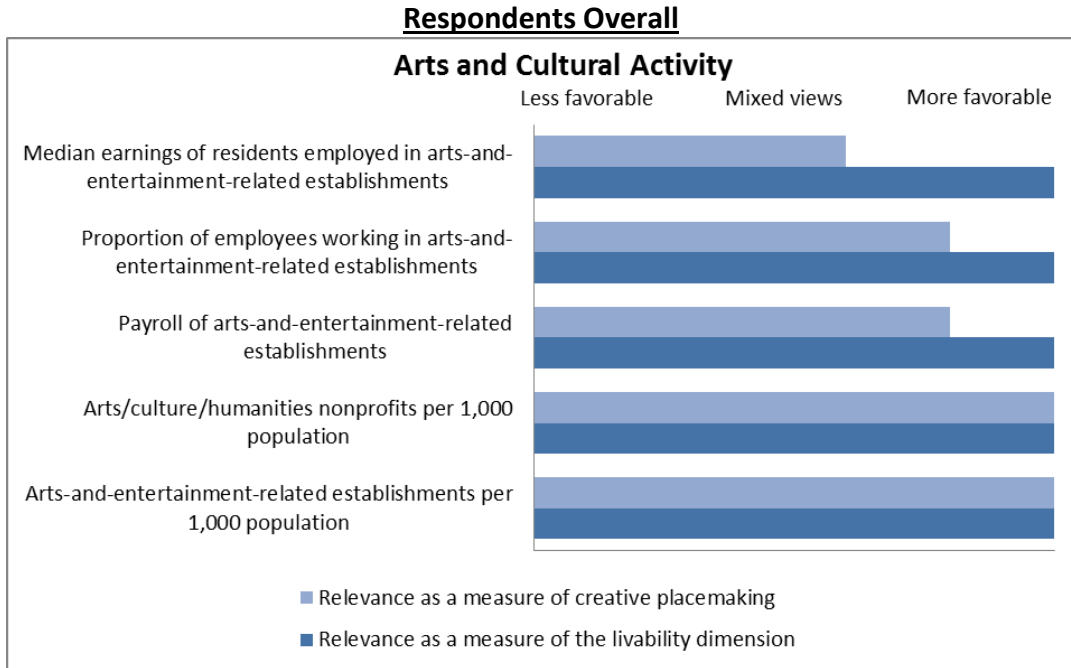
Respondents expressed a wide range of concerns related to earnings as an indicator. Several respondents felt that people employed in the arts are not likely to report their income from arts accurately; thus, it would undercount earnings, making it less relevant as a creative placemaking indicator. A rural respondent said “Some people won’t report it... People don’t see it as an enterprise. It’s a lifestyle, so they don’t report.” An urban respondent commented: “A complication is that a lot of people working in arts aren’t doing that as primary source of income. Most cases they are not.” Several respondents remarked on low wages in the arts and the part-time nature of some jobs, underscoring views that the probably low resultant value of this indicator made less favorable as an indicator of creative placemaking outcomes.

Several respondents assumed that income of self-employed artists would not be included in this indicator (although it should include such income if reported). One urban respondent said the indicator does not “capture people who create arts who are unpaid at organizations, and does not include those who are self-employed; thus, it does not reflect the groundswell of individual artists not tied to institutions.”



Figure 6.

**Relevance of Arts and Cultural Activity Indicators  
(Overall and by Urban and Rural Respondents)**



**Urban and Rural Respondents**

	Arts and Cultural Activity Indicators	Relevance for Indicating a Dimension of Livability		Relevance for Indicating Creative Placemaking Outcomes	
		Urban	Rural	Urban	Rural
AC1	Median earnings of residents employed in arts-and-entertainment-related establishments	+	+	+/-	+/-
AC2	Proportion of employees working in arts-and-entertainment-related establishments	+	+	+	+
AC3	Payroll of arts-and-entertainment-related establishments	+	+	+	+/-
AC4	Arts/culture/humanities nonprofits per 1,000 pop.	+	+	+	+
AC5	Arts-and-entertainment-related establishments per 1,000 pop.	+	+	+	+

“+” indicates mostly favorable; “+/-” indicates mixed views, and; “-” indicates less favorable

Some respondents in one urban area had reservations about the appropriateness of this indicator because income data are reported by home address. They may not capture income associated with creative placemaking projects “because people don’t necessarily want to live right next to where they work.”

Reactions to this indicator generally did not appear to vary by type of project. One exception was a respondent in a community seeking to develop artist housing who felt this indicator was useful for project planning. He stated: “The first thing I want is the number of people working in arts, making a living doing art. That [indicator] could be used to figure out demand for housing.”

One focus group expert expressed reservations because the data for this indicator are reported at the tract level, noting there are “sample size problems and large margins of error at the Census tract level.”

AC2 – Proportion of employees working in arts-and-entertainment-related establishments (relative to all employees)

*Lowest geographic level of national data availability: County*

Increases in the **percent of employees in an area who work in arts and entertainment establishments** reflect greater concentration of employment or jobs in the arts and cultural sector. The data for this indicator reflect the location of the establishment and are drawn from the same type of industries as the previous indicator (AC1). Thus, it similarly includes some industries that can be seen as not being closely related to arts and culture. This indicator does not include self-employed individuals.

Both urban and rural respondents considered this metric to be mostly favorable as an indicator of arts and cultural activity and as a creative placemaking indicator. The majority of concerns associated with it were related to the types of establishments included (such as entertainment establishments as discussed above).

Several respondents in different types of communities felt it was important to know the number of volunteers in arts organizations, not just the number of employees. Some pointed out that volunteer counts also reflect attachment to the community, for example: “Unpaid labor is not covered even though it would contribute a lot to creative activity” (arts and culture).

AC3 - Payroll of arts-and-entertainment-related establishments (relative to all payrolls)

*Lowest geographic level of national data availability: County*

Increases in the **payroll of arts and entertainment establishments relative to all payrolls** may reflect greater economic impact of the arts and cultural sector. Payroll may increase because of higher wages in these establishments, more employees, or both. Payroll data are reported by location of the establishment, and do not include self-employed individuals. This indicator is based on the same type of industries as the previous two indicators; thus, it includes some industries that can be seen as not being closely related to arts and culture.

Both urban and rural respondents viewed this metric as a mostly favorable indicator of arts and cultural activity. It was also rated mostly favorable as a creative placemaking-related indicator in urban areas, but respondents in rural areas had mixed reactions to it for the latter purpose.

The majority of concerns respondents raised were related to the types of establishments included in the indicator (as discussed above). Several respondents identified other issues affecting its relevance. Some pointed out that many arts establishments rely primarily on volunteers, and thus would have smaller payrolls. Comments about low wages of artists noted above also apply to this indicator. For example, one respondent noted “there are internships; lots of institutions are bringing in cheap and free labor.”

AC4 - Arts/Culture/Humanities nonprofit (Form 990) organizations per 1,000 population  
*Lowest geographic level of national data availability: Census tract*

A higher value for this indicator is considered to reflect a greater level of arts and cultural activity, or more opportunities for participation in such activity. **Arts/cultural/humanities nonprofit organizations** may serve as sources of or venues for arts and cultural activity. This indicator is based on data from Form 990-series returns filed annually with the Internal Revenue Service by nonprofit organizations. Some types of nonprofit organization, including churches, are not required to file 990-series forms.

This indicator was considered mostly favorable, overall, both as an indicator of arts and cultural activity and for creative placemaking. Urban and rural respondents had similar perceptions of its relevance.

Respondents' primary concerns related to this indicator were that it likely undercounts the number of such nonprofits. Some felt that smaller nonprofit organizations, or those with low revenues, might not file the forms on which this indicator is based,<sup>15</sup> and thus not be counted. In some cases, it appears that the requirements for filing the forms are not well understood.

Some rural respondents pointed out that there are very few such nonprofits in their community that could be included in this measure. One noted that its rural community has smaller groups, and that some might not be captured by this indicator--for example, if run by volunteers, and if not registered as nonprofit (501c3) entities. Another rural respondent similarly remarked that informal groups are not necessarily incorporated, and therefore might be left out of this indicator. This rural respondent also raised concerns that wealthier communities can invest more in their nonprofit entities, which may raise them to a level where they incorporate or file Form 990s, while those located in poorer communities may be less likely to do so.

AC5 - Arts and entertainment-related establishments per 1,000 population  
*Lowest geographic level of national data availability: Zip code*

A higher value for **arts and entertainment-related establishments per 1,000 population** is considered to reflect a greater level of, or more opportunities for, participation in arts and cultural activity. The establishments included in calculating this indicator are the same as those used to derive median earnings of residents working in the arts, entertainment and recreation industry. It similarly includes some industries that can be seen as not being closely related to arts and culture. This indicator does not include self-employed individuals.

Overall, respondents considered this indicator mostly favorable as an indicator of arts and cultural activity and as a creative placemaking indicator. Urban and rural respondents alike had similar views. Since this indicator includes both for-profit and nonprofit entities, the issues previously identified for each type of entity apply to this indicator.

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<sup>15</sup> Those with annual gross receipts under \$25,000 were not required to file 990 forms prior to tax year 2007; since that year, organizations with gross receipts under \$50,000 have been required to file an e-Postcard (990-N).

## Economic Conditions Dimension

Overall, respondents felt that three of the five indicators in this dimension were relevant as measures of this livability dimension. Respondents generally viewed active business addresses as the most favorable indicator in terms of relevance for creative placemaking (see Figure 7). Respondents as a whole had mixed reactions to home-purchase loan amounts and income diversity both as indicators of their dimension and as creative placemaking outcome measures. Rural respondents, however, found income diversity mostly favorable as a measure of economic conditions. Otherwise, urban and rural respondents shared similar views about this set of indicators.

Respondents generally made fewer comments about the indicators in this dimension, with the exception of the Gini coefficient. This may be because most of the other indicators were relatively familiar to most respondents. We typically spent less time discussing these indicators (notwithstanding the Gini coefficient) with respondents, since NEA felt there was less need to ground-truth them, as they are commonly used indicators of economic conditions.

### E1 - Median home purchase loan amount

*Lowest geographic level of national data availability: Census tract*

Higher values for this indicator are felt to reflect stronger economic conditions and may also suggest the community is considered a more desirable place to live. The **median amount of a loan to purchase a home** is a proxy for the median value of homes in the area. Home value generally affects the amount of the loan needed to purchase a property. However, other factors can affect loan amounts, and home purchases that do not involve loans are not reflected in this indicator.

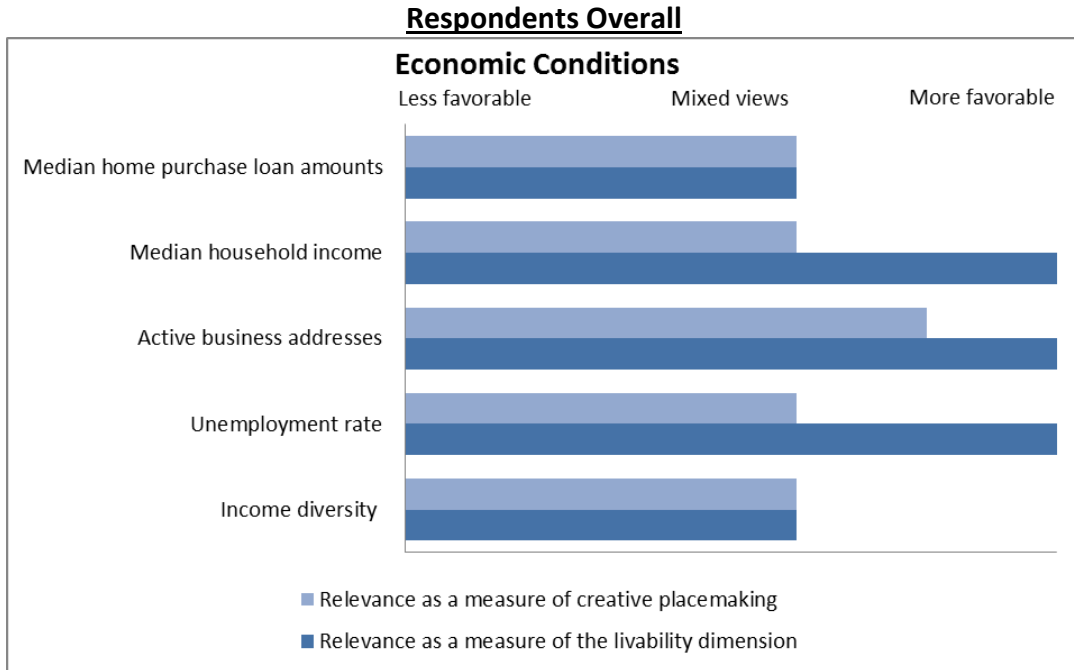
Respondents in both urban and rural areas had mixed views about this indicator as a measure of economic conditions and as a creative placemaking-related indicator. Several observed this needs to be viewed in the context of local norms.

Some respondents in communities whose projects largely focused on non-residential area (such as some arts districts) felt this indicator was not relevant because there was little housing in that area. Others felt the indicator could prove useful. One respondent pointed out that “arts districts tend to be in transition; it might be interesting to see if things become more valuable.”

Some respondents pointed out that increased values for this indicator might conventionally be considered positive, but that might not always be the case. One urban respondent felt a major increase in loan amounts would not necessarily be a good thing in an arts district; it would suggest the market is pushing people out. Similarly, some respondents pointed out that low-cost housing was attractive to artists and that rising prices could make it less feasible for artists to live in an area. One of the sites visited had previously conducted a study of changes in property values associated with development of a museum, and found housing values rose over time near the museum.

Figure 7.

**Relevance of Economic Conditions Indicators  
(Overall and by Urban and Rural Respondents)**



**Urban and Rural Respondents**

	Economic Conditions Indicators	Relevance for Indicating a Dimension of Livability		Relevance for Indicating Creative Placemaking Outcomes	
		Urban	Rural	Urban	Rural
E1	Home purchase loan amounts	+/-	+/-	+/-	+/-
E2	Median household income	+	+	+/-	+
E3	Active business addresses	+	+	+	+
E4	Unemployment rate	+	+	+	+
E5	Income diversity	+/-	+	+/-	+/-

“+” indicates mostly favorable; “+/-” indicates mixed views, and; “-” indicates less favorable

Respondents from a city hard-hit by foreclosures felt this indicator would be misleading unless some kinds of foreclosure measures are provided with it. Respondents in urban areas characterized by rental housing said the indicator was not very relevant to them. One suggested adding indicators such as vacancy rates or indicators of rental rates (e.g., whether rates were above or below than city average).

A local indicator expert said the indicator would look better in distressed areas where few purchases involve a loan, since only the higher valued properties would likely require loans, driving up the median. One focus group expert felt it was important to separate borrowing by home owners and borrowing by investors, which this indicator does not do.

## E2 - Median household income

*Lowest geographic level of national data availability: Census tract*

Higher **median household income** is associated with stronger economic conditions. Changes in median income may also reflect changes in the population living in an area. For example, if more households with higher incomes begin moving into a neighborhood, the median income for the area will likely increase.

Urban and rural respondents viewed median household income as an appropriate indicator of economic conditions. Rural respondents also considered it applicable as a measure of creative placemaking, while urban respondents had mixed views about its relevance for that purpose.

Overall, respondents had few comments about this indicator, probably because it is commonly used. One respondent felt this overlapped with median home loan amount, which is affected by borrower income.

Comments of some respondents suggest it will be important to view values for this indicator in the context of community demographic information. For example, respondents in one rural area pointed out that presence of more affluent retirees in their community likely affected its value. Another rural respondent raised concerns that the incomes of second-home owners might be reported elsewhere; thus, the median income for the rural community would not reflect that relatively wealthy population. Respondents in communities with large numbers of college students expressed concerns that student income, likely to be low, would reduce median income, although one respondent noted that faculty earnings may drive it up.

## E3 - Active business addresses (percent of businesses collecting mail)

*Lowest geographic level of national data availability: Census tract*

The **percent of businesses collecting mail** is intended to represent operating (active) businesses. Higher or increased values of this indicator are thought to represent stronger economic conditions and greater community vitality. The indicator is based on data on business addresses that have not collected mail in more than 90 days collected by the U.S. Postal Service.

Overall, respondents considered this indicator to be relevant as an economic conditions indicator and as a measure of creative placemaking. Urban and rural respondents had similar perceptions. One urban respondent remarked this was “a good indicator of vitality.” A rural respondent felt this indicator was similar to the number of retail and service establishments, which the respondent had also considered appropriate as a creative placemaking indicator.

One respondent had concerns about the accuracy of the data for this indicator, such as whether businesses with multiple locations might get their mail delivered to an address outside the creative placemaking area, and thus not be counted. Another respondent felt stating the indicator value as a percentage could be misleading: “You could have 99% of businesses collecting mail, but just two businesses.”

## E4 - Unemployment rate

*Lowest geographic level of national data availability: Census tract*

The **unemployment rate** (overall or for a particular community) is commonly used as an indicator of economic conditions. Lower unemployment rates are generally considered to represent stronger economic conditions.

Respondents overall considered the unemployment rate mostly favorable as a measure of its livability dimension, but had mixed views about its relevance as a creative placemaking indicator. When viewed separately by community type, however, both urban and rural respondents felt it was relevant as a creative placemaking indicator.

Since this is a commonly-used indicator, respondents rarely commented on it. Respondents in areas with a substantial student population expressed some concern that student unemployment might skew the value of the indicator. Respondents in rural communities experiencing seasonal employment due to summer festivals, etc. also had concerns about the appropriateness of this indicator.

#### E5 - Gini coefficient (measure of inequality in distribution of income)

*Lowest geographic level of national data availability: Census tract*

The NEA included the **Gini coefficient** among its candidate indicators as a measure of inequality in the distribution of income in a community, believing that changes in its value could indicate cases where gentrification was occurring. The numeric value of the Gini coefficient always ranges from zero to one, although neither extreme is likely to occur in practice. A value of zero indicates complete equality of income (everyone has the same income); a value of one indicates complete inequality (one person earns all of the income coming into the community). Its value is only affected by the *distribution* of income (not the amount of income or number of residents). Users of this indicator should interpret the Gini coefficient value in conjunction with other economic measures, such as the community's median household income and poverty rate, to better understand the nature of income distribution. For example, a low Gini coefficient number might reflect a pocket of concentrated poverty, or a uniformly middle- or upper-income neighborhood.

Respondents overall had mixed views about this indicator's relevance as an indicator of economic conditions and as a measure of creative placemaking outcomes. However, rural respondents rated it more favorable as an indicator of economic conditions.

Most respondents were not familiar with the concept of the Gini coefficient and many found it confusing. It is not clear how well most of them understood it. Those who had positive perceptions often seemed to laud the *concept* of diversity rather than the diversity of *income* represented by the value of the Gini coefficient. For example, one rural respondent commented: "We would love to see indicators that address cultural diversity -- age, race, etc." A few respondents pointed out that some gentrification was desirable in their community. One urban respondent commented at some length:

"I don't think that zero gentrification is good, you need some appreciation [in value] as long as it's dispersed. Is this type of diversity good or bad? Yes and no. Artists are living below poverty level, it's a choice. I would love to be making six figures. Lot of people living in the neighborhood want diversity and vibrancy but there's a conflict.... If [building name] becomes doctor's condos it would be bad. I believe it is a threat if neighborhoods change completely..... [but] gentrification gets a bad rap; [we] need to embrace difference. If data can help teach that, that's a good thing."

Another respondent in that community commented: "If the Gini coefficient is increasing and people are staying, it could mean some people are earning more. It could also mean wealthier people are moving in. Some gentrification could be a good thing...."

A couple of respondents said it would be helpful to look at the broader area to interpret the Gini coefficient value. One urban respondent noted: "You need to look at it with context; what populations are living here? This place [project area] has [affluent] professionals and students. It's a value judgment. Changes in this [Gini coefficient value] could be due to totally different reasons." Another respondent

suggested that looking at the poverty rate in conjunction with the Gini coefficient might prove more useful.

One respondent who understood that changes in the Gini value could signal gentrification felt, nevertheless, that the indicator had limitations.. He said, “I think this measures the transitional moment of gentrification. It’s a high number when affluent are moving in and exist alongside low income people, but egalitarian both before and after the transition. It suffers for that. It’s robust only during the transitional period.”

One of the focus group experts opined that “it’s a good measure, but it’s not a measure of diversity, it’s a measure of inequality. They’re two different concepts.”

#### **IV. Indicators Suggested by Respondents**

Respondents were readily able to suggest additional potential indicators. Some were offered as perceived improvements to the way particular indicators are defined or calculated (e.g., use the percent of registered voters who voted, rather than percent of population who voted). In many cases, particularly in group discussions, respondents essentially brainstormed ideas for indicators. Thus they did not state an intent to use them for their projects, or even that their projects might affect the values of those indicators. Respondents were not specific about how the suggested indicators might be defined or operationalized, and so some of the examples below are primarily conceptual in nature.

Similarly, respondents rarely identified specific data sources for suggested indicators. Some are likely to be available from local data sources; others would require new data collection, such as through surveys of residents or of participants in cultural activities. Few appear to be available through national sources such as the Census.

Respondents frequently identified what they perceived as important omissions to the candidate indicators, including such broad areas as environmental quality (including open space or parks), education, health, and racial disparity/diversity. Some of these can be seen as affecting community attachment as well as quality of life. However, respondents did not generally suggest that creative placemaking projects would likely affect such indicators, but rather that they were important elements of livability.

Below we categorize the suggested indicators under the livability dimension that appears most appropriate for each. We use an “other” category for indicators that do not clearly fall under one of the four dimensions. Where needed, explanation is provided for selected indicators.

##### Community Attachment

- Volunteerism—rates of participation and hours
- Community pride (not specified—intended to reflect differences between neighborhoods where residents choose to live versus those whose residents feel “stuck”)
- Enrollment in neighborhood/public schools
- Attitudinal shifts in perceptions of the neighborhood/community



- Places for people to gather—green space versus blacktop (this could also be a quality-of-life indicator)
- Intensity of use of public spaces (e.g., at different times of day)
- Permits for home renovation
- Occupied apartments versus vacant ones (proportion of apartments occupied)

Some respondents suggested that citizen complaints about local conditions or public services, such as broken streetlights, trash on streets, graffiti, or even minor crimes, indicate that residents care about (are attached to) their neighborhood. This indicator could be measured by the number of 211 or 311 calls. It also could be viewed as a quality-of-life indicator, with a larger number of calls suggesting a lower quality of life.

One government official suggested turnout for local bond elections (e.g., for school bonds) would better reflect attachment to the community than election turnout (the candidate indicator).

#### Quality of life

- Mode of commute
- Accessibility in and out of town
- Access to transit—can you get where you need to?
- Access to arts establishments
- Access to informal arts (e.g., availability of public spaces for arts making)
- Bike paths or lanes
- Walkability or Walk score
- Shared public space (public park, movie palace, etc.)
- Street vitality
- Neighborhood conditions (streets, parking, lighting)
- 311 data on street tidiness, calls for social services, complaints
- Improvements in physical appearance of neighborhood
- Average cost of rent as percentage of income (housing/transportation cost burden)

- Rental rates above or below comparables in the city/community
- Disposable income, living wage, poverty rates
- Population/demographic diversity (age and race)
- Quality of retail services
- Breakdown of retail (food versus service establishments)
- School achievement
- Household size and/or overcrowding (drawn from Census data)
- Measures of distressed properties

One of the focus group experts suggested that quality of life is best measured by property values: “If you have one indicator of quality of life, property values should be it.” In effect, property values reflect the overall quality of life or desirability of a neighborhood.

#### Arts and Cultural Activity

- Number of volunteers in arts or cultural organizations (in addition to number of employees)
- Clustering (concentration) of arts organizations
- Participation in arts, projects, and performance (and where are they coming from?)
- Measures of cultural or arts tourism (e.g., number of visitors and revenues)
- Artists residing in the area
- Amount of art display and/or work space, attendance, tax receipts
- Revenue created from arts products (e.g., sales, multiplier effect of the arts)
- Media impressions (reviews) of arts/performances
- Number of festivals, fairs, flea markets, etc.
- Number of licenses issues for street musicians, food vendors (e.g., independent food trucks, not hot dog stands)
- Live music events
- Public arts education (extent of arts education in public schools)

- Single proprietor businesses

Given some of the limitations of indicators related to artistic employment and arts institutions, one of the focus group experts suggested using parks and recreation employment as a proxy measure for recreational activity.

One respondent observed that the NEA indicators, particularly those for arts and cultural activity, focus on the “supply side” rather than the “demand side.” This respondent said they want to know who is using art and culture, what percentage is participating.

The number of volunteers in arts-related nonprofits was suggested as a way to address a perceived limitation in the data on employees working in arts and entertainment. The rationale is that many small arts nonprofits rely heavily on volunteers rather than on paid employees.

One respondent in a rural area suggested interconnectivity (Internet and wireless access) as an indicator, noting this was a growing means of communication among artists/about arts and culture, as well as a vehicle to promote/sell artistic work.

#### Economic Conditions

- Per capita and average weekly earnings (in addition to median household income)
- Underemployment rate (in addition to unemployment rate)
- Cultural/creative tourism—such as number of new and return visitors, amount of money, and time spent in the area
- Visitor satisfaction with the creative placemaking area (e.g., ease of parking or navigating ,and complaints)
- Foot traffic (in the target area)
- Hotel occupancy rates or occupancy tax collections
- New business start-ups
- Increase in customers
- Gross revenues (and profits) of businesses
- Diversity of businesses

- Apartment rental rates (can also be seen as community attachment or quality-of-life indicators)
- Occupancy permits and business license permits
- Sales tax revenues
- Jobs generated
- Businesses integrating art/artists into business (e.g., displaying and selling art in restaurants)
- Entrepreneurship
- Immigrant communities starting businesses

### Other

Respondents identified a number of broad categories of interest other than the constructs or indicators organized by the NEA's four dimensions of livability. In most cases, respondents did not specify indicators within these categories; however, it appears that there may be some that can be derived from national or possibly state level data sources, particularly those related to education. Others, such as entrepreneurship and partnership, are conceptual in nature and will likely be harder to capture in indicators.

- Education measures (such as quality of schools, enrollment rates, truancy rates (or days present), graduation rates, number or percent of free and reduced-price lunch recipients, presence or extent of arts education)
- Diversity or segregation index (diversity by age, race, and gender) may also be a contextual metric
- Health and life expectancy may also be a quality-of-life indicator.
- Historic preservation partnerships (corporate sponsors were suggested as a proxy for this)

Many respondents noted that context variables would be useful in interpreting the candidate indicators. Some suggested that context variables could help them identify comparison sites. Context variables suggested by some respondents include age, education levels, age of housing stock, household size, and income. Some of these context variables were included among indicators suggested for a particular dimension of livability.

## **V. Findings and Recommendations**

## Findings

**Data for the respective indicators presented in visualizations (bar charts or maps) were generally felt to be “about right” in reflecting respondents’ perceptions of local conditions.** Of course there were some instances where values appeared to be too high or low or that did not make sense. In most cases, however, respondents could identify some cause or explanation for the discrepancy, such as the age of the data or, in the case of larger geographies, some other condition that might skew the data (e.g., higher crime rates in another section of the county).

**The vast majority of indicators were considered relevant for their respective livability dimension.** Looking at perceptions from all respondents combined, almost all candidate indicators were rated mostly favorable for their dimensions, including all of the quality-of-life and arts and cultural activity indicators. Only four indicators received mixed reactions overall as livability dimension indicators (capacity for homeownership, election turnout, home purchase loan amounts, and income diversity).

**Respondents had more mixed views when considering the relevance of indicators as creative placemaking outcome measures.** Respondents overall considered three candidate indicators (capacity for homeownership, election turnout, median commute time) “less favorable” as indicators of creative-placemaking project outcomes. Respondents’ perceptions of appropriateness for this purpose appear to have been affected by whether they felt their project was likely to bring about a change in the indicator’s value. Some respondents’ ratings were affected by concerns about the timeliness of the data source or geographic level for which data were available.

**Urban and rural respondents often had similar perceptions of indicators, either as a measure of the livability dimension or of creative placemaking outcomes.** Urban and rural primarily differed in rating appropriateness of community attachment indicators as creative placemaking measures. Rural respondents frequently expressed different views from urban respondents, but these did not always affect their summary reactions to the indicators.

**It is not clear whether particular indicators are more appropriate for specific types of creative placemaking project than for others.** Perceptions of indicator relevance did not appear to be affected by project type in the small number of sites, which represented each project category in the validation effort. Thus it seems premature try to identify which, if any, indicators are most applicable to particular types of project.

**Respondents from both urban and rural areas expressed strong concerns about the relevance of data at large geographies—county or zip code—as indicators for smaller areas.** While respondents often considered the indicators associated with data available at these levels to be appropriate, they less often considered the local data for them to be good reflections of conditions in the project area. Despite this caveat, some reviewers observed that data at larger geographic levels can provide useful context or comparisons for the project area. That is, if changes in the value of an indicator in the project area are similar to changes in the county, this simply might reflect a larger trend.

**Respondents identified a number of additional outcome areas of interest, some of which could be obtained through national data sources, and noted the importance and relevance of contextual indicators such as demographics in helping to interpret the candidate set of indicators.** When asked to identify a “wish list” of indicators, nearly every community mentioned the importance of schools and education. Many also mentioned outcomes related to health, well-being, environmental

quality/open space, and diversity. All of these were perceived to be important aspects of quality of life (although not necessarily ones which creative placemaking might affect).

## Recommendations

**Offer the final set of VALI indicators as a menu from which grantees may select a small number most relevant to their creative placemaking activities and expected contributions.** Given the range of activities spanning the creative placemaking continuum, various limitations and relevance of the indicators to specific projects, the time horizon and level of investment, the NEA could ask grantees to identify two to three measures for which they expect their creative placemaking efforts to move the needle over, say, a three- to five-year horizon. Since these data are available nationally, even if the grant period has expired, the NEA would be able to look up the latest values of these indicators to assess the extent to which change occurred.

**Consider cross-referencing indicators under more than one dimension.** Rather than have users or grantees first select a dimension and then select indicators grouped under that dimension, allow users to select indicators regardless of dimension. The specific dimensions under which indicators are grouped may not always be meaningful to users, who may view the objectives of their creative placemaking efforts in terms of other constructs. Additionally, some indicators appear to “fit” well under more than one category.

**Review the set of additional indicators recommended by respondents and develop guidance on other, relatively easy to obtain indicators from local sources.** For example, many respondents recommended use of 311 data (requests for service or complaints) for the quality-of-life dimension. Others talked about the availability of crime data from local sources and the fact that it would likely be much more representative of conditions in the creative placemaking area than would county-wide data. While obtaining local data involves some additional effort on the part of grantees, or might be obtained through their partnering with other organizations or researchers, they are more likely to see changes in data for smaller geographies, thus helping them “make the case” that their project is having an effect. Such relatively “low-hanging fruit” could be added to the list of national indicators under a separate heading and offered within the menu of indicators from which individual grantees might choose to track and report.

**We recommend the NEA consider dropping two of the candidate indicators for community attachment.** Despite mixed views about its appropriateness, we believe home loan amounts to be sufficiently problematic that it should be dropped, and possibly replaced by assessed value. We similarly suggest dropping the percent of single-unit structures, intended to denote capacity for homeownership. This indicator generated considerable negative reaction on several levels, as discussed in the relevant sections of this report. Even if there is rationale for associating home ownership with community attachment, retaining the indicator may create the impression that the NEA effectively devalues the feelings of attachment of residents in low-income communities where there is little homeownership.

**We recommend the NEA review and possibly modify the data elements used to calculate some indicators.** Indicators that we believe ought to be retained but modified include: retail and service establishments, civic engagement establishments, and indicators based on arts and entertainment establishments data. These indicators all included some entities that respondents felt were inappropriate to include (e.g., sports and casinos included in arts and entertainment establishments). We recognize inclusion of such entities may be necessary to obtain data for an indicator at smaller

geographies, but this trade-off may not be readily acceptable to communities seeking to use these indicators.

An alternative approach for NEA to consider is organizing any tool it ultimately develops, so that the users may select different versions of data for the same indicator. This approach would, for example, enable a user to select data that excludes particular types of establishments not considered relevant for the community in question. The tool developed should clearly indicate the reasons for including entities that seem less closely related to the intent of a particular indicator.

**Establish a monitoring and evaluation peer learning network for NEA grantees.** Participants in the convening at the Urban Institute voiced great appreciation of the opportunity to come together, share ideas, and learn from one another. During the last session of the day, participants were asked to brainstorm plans for monitoring and evaluating the contributions of creative placemaking activities locally. At the end of the day, several of the participants remarked about the helpfulness of these exchanges. A peer learning network could help grantees identify additional indicators and data available at the community level. Webinars could be a cost-effective mechanism for maintaining such a network.

**Develop additional tools and guidance to enhance the capacity of grantees to undertake monitoring and evaluation.** Many of the additional indicators identified during the course of this study would derive from local data sources or require the development of new data collection strategies (e.g., surveys of residents, artists, or arts participants). Given the limited amount of financial resources generally available in support of measurement and evaluation, the NEA could develop sample questionnaires or sets of questions from which grantees could pick and choose. Alternatively, if there are some additional questions of interest that are likely to prove relevant to many or most creative placemaking projects, the NEA could add these questions to a national survey and perhaps oversample in geographies where those efforts are located.

On a related note, several respondents felt it would be very helpful to the field if funders could work together (e.g., Art Place, NEA, Ford Foundation, and the Cultural Data Project) and commit to building organizational capacity to undertake measurement.

**A user's guide or other tools should include guidance about the use of context variables to help interpret indicators and/or judge their value.** Breakouts and comparisons by various demographic characteristics available from national data sources (e.g., the U.S. Census Bureau) will increase the usefulness of many of these measures and help grantees better understand and communicate what is happening in their communities. Some of the suggested measures include age, race, household income, and household size. The context variables could also help projects and communities to identify comparison sites.

**A user's guide should include guidance and cautions about interpreting indicator data.** That is, users should not assume, or claim, that changes in indicator values are attributable to their projects, unless of course a sufficiently rigorous evaluation were undertaken to support such claims.

**Smaller creative placemaking initiatives or others that have not had much experience using data or indicators would benefit from partnering with other organizations that have more experience doing so, or with nearby universities or researchers.** This is particularly the case for the more complex data or indicators. In particular, we are not confident about the extent to which respondents truly understood the Gini coefficient and its use. We think that indicator in particular would be more suitable

for use by researchers or more sophisticated data users. We recommend that a user's guide include such a recommendation.

Overall, the validation effort showed that Our Town grantees and project stakeholders have considerable interest in indicators for their creative placemaking efforts. This suggests it is worthwhile for the NEA to continue exploring and refining candidate indicators appropriate for such initiatives, and promoting understanding of their use..

This validation study elicited an array of suggestions and insights regarding indicators that could appropriately be applied to creative placemaking efforts. The comments addressed indicators identified by the NEA and those available through local data sources. They also brought to light some of the complexities associated with interpreting indicator values in different communities. It appears appropriate for the NEA to move forward with indicator development, perhaps by seeking additional feedback from a larger set of creative placemaking efforts or a research forum. It also would be useful to field test some candidate indicators, perhaps with the assistance of various f Our Town grantees. Such field-testing should help determine how well the indicators can be operationalized and what steps might be taken by the NEA to facilitate their use and interpretation.



**THE VALIDATING ARTS AND LIVABILITY INDICATORS (VALI) STUDY:  
RESULTS AND RECOMMENDATIONS**

**PART II**

**NOTES TOWARD A USER'S GUIDE**

## Part II Overview

*This guide presents detailed information on each candidate indicator, organized by dimensions of “livability” identified by the NEA. Users can refer to this information for background on data sources, indicator construction, and important caveats to be aware of when considering employing specific indicators. The information presented here draws on summary material describing the intent of the respective indicators and their data sources included as part of the NEA’s solicitation for the VALI study.*

*The discussion of some indicators includes comments made by participants in the project to validate the candidate indicators (described in Part I of this report). Participants (also referred to as respondents) provided feedback on the candidate indicators during site visits to a small number of Our Town grantee sites or participated in a convening of representatives of four different Our Town grantee sites. Respondents generally were involved in the creative placemaking projects in their community. Some respondents participated in a focus group of experts convened to provide feedback on the NEA’s candidate indicators.*

*The following sections present considerations in choosing indicators, followed by a discussion of technical considerations affecting multiple indicators and a brief discussion of considerations in using indicators. The “you” of this section is intended to be the reader of any resulting user’s guide.*

## Considerations in Choosing Indicators

We provide a section on “interpretation and use” for each indicator. Those sections generally include a number of caveats and cautionary notes about community conditions under which the indicator may be less useful in reflecting the livability dimension it is intended to represent. This information is meant to help you choose indicators appropriate for your own communities and creative placemaking efforts. The candidate indicators are not intended to be “one size fits all.” In selecting indicators, keep in mind the objectives and scale of your project as well as community characteristics that may limit the appropriateness of some indicators.

Those who are less experienced with using indicators or working with data should consider partnering with other organizations more experienced with data use, or with local researchers (such as those affiliated with colleges or universities) for assistance in understanding and working with these indicators.

The indicators in this guide were selected by the NEA because data for them are collected nationally in the same way in each community. They are also updated regularly. You may want to consider also using indicators that might be available from local data sources, such as city or county agencies, or even collecting data yourself. (Part I of this report identifies other indicators for consideration.) Partnering with other organizations may help you identify and understand how to obtain and use such data.

## Technical Considerations

### Geography

A first step in determining whether an indicator is a good fit for your community is to see if the indicator is available at a geographic level that fits the target area for your creative placemaking initiative.

Indicators are available at different levels of geography. Depending on the indicator, data may be available at one or more of the following geographies:

Census tracts – Geographic areas defined by the U.S. Census Bureau. They are “small, relatively permanent statistical subdivisions of a county...designed to be homogeneous with respect to population characteristics, economic status, and living conditions.” On average, they tend to contain about 4,000 people.<sup>16</sup>

ZIP code tabulation areas (ZCTA) – Approximations of ZIP code coverage areas. Within a ZCTA, all addresses have the same zip code.

Counties – Areas drawn by legal county boundaries.

In general, Census tracts tend to be smaller than ZCTAs, and ZCTAs tend to be smaller than counties. The size of each geography may vary greatly, depending on the characteristics of an area. Census tracts and ZCTAs tend to be much larger in rural areas than in urban areas because people are more spread out.

How well do the available geographies match your target area? The closer the boundaries of a Census tract, ZCTA, and/or county fit your target area, the more likely the indicator accurately reflects conditions on the ground in your community.

The boundaries of available geographies often may not align well with your target area for indicators of interest. If that is the case, consider carefully whether any “extra” area that would be included is likely to differ substantially from your project’s target area. In cases where you expect the larger area to vary substantially, the indicator will be of more limited value. However, it may be useful to look at some measures for larger areas, such as county-wide metrics, to understand the broader context for your work, even if your target area is a sub-neighborhood area.

Sometimes creative placemaking target areas encompass multiple Census tracts or ZCTAs. In these instances, two approaches are available. You could examine each sub-area separately, or you could opt to calculate an average or range across the relevant Census tracts or ZCTAs. Note that indicators based on median (or middle) values should not be averaged. For indicators such as median home purchase loan amount, median length of residence, median commute time, median income, and median income of artists, use a range to describe the overall target area instead of attempting to calculate an average.

One additional insight about geography of indicators: there is no need to worry that undeveloped land or uninhabited park or forest space will skew these indicators. All indicators are based on people or housing units rather than on land area.

### **Values**

Some indicators are reported in terms of *median values*, such as median household income or median length of residence. The median value in a set of numbers is simply the number for which half the values in the set are higher and half are lower.

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<sup>16</sup>U.S. Department of Commerce, United States Census Bureau. American Community Survey. Data & Documentation: Geographic Areas. [http://www.census.gov/acs/www/data\\_documentation.custom\\_tabulation\\_request\\_form/geo\\_def.php](http://www.census.gov/acs/www/data_documentation.custom_tabulation_request_form/geo_def.php). Accessed November 25, 2013.

## Timeframes

Most of these indicators reflect a data time lag. Because of the limits of data collection, even the most recent data may not reflect current conditions on the ground.

This issue is particularly pronounced with indicators from American Community Survey (ACS) data.<sup>17</sup> These data are available as five-year estimates based on data collected annually from 2006 to 2010 (the most recent years for which data were available for this study). Each year, a sample of people in each tract completes the survey. Their responses are then compiled to generate an overall picture of the tract over the five-year period. Unfortunately, the United States experienced a major recession in the middle of these five years. Many communities and residents experienced substantial changes in this period. The five-year estimates, therefore, provide an imperfect snapshot of current community conditions.

In addition, the way in which the ACS' five-year estimate is constructed complicates making comparisons over time. For example, the ACS estimates the proportion of housing units occupied by their owners over the five-year period, as opposed to the rate in a given year. The U.S. Census Bureau, which administers the ACS, recommends making comparisons only across non-overlapping periods, such as 2005–09 to 2010–15. However, the Census Bureau indicates that overlapping periods can be cautiously compared, if data users account for increased levels of inaccuracy (or margins of error) for this type of comparison. Nevertheless, this type of comparison is best left to those who are experienced using or manipulating Census data.

Another consideration in using indicators based on ACS data is that because the five-year estimate represents the average value over the entire five-year collection period, the estimates are slow to register change in a given indicator.

Users should be aware that the date noted for each indicator's data source reflects the date of the data used in the validation effort. The entities responsible for data collection and compilation release updated information periodically; thus, more recent data will be available, although on different schedules for different indicators.

## Considerations in Using Indicators

Creative placemaking projects vary considerably in size and scope; some may be in the early stages of development, others may have had several earlier phases or may have received support from multiple sources over a period of years. Thus, the amount of time that will elapse before you can expect to see changes in livability conditions in the creative placemaking target area is also likely to vary considerably.

Users should be aware that occasionally changes in the way an indicator is defined or calculated may make comparisons of indicator values over time inappropriate. For example, if at some point there are changes in the types of establishments included in calculating values for a particular indicator, then data for that indicator prior to that change would not be comparable to data for that indicator after the change. Users should check to see if there were substantial changes in how an indicator is defined or

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<sup>17</sup> Median commute time, median income of people employed in the arts, proportion of housing units occupied, proportion of housing units occupied by owner, median length of residence, percent single-unit structures, Gini coefficient, median household income, and unemployment rate.

calculated if there are unusually large (or small) differences in values over time for a particular indicator in their community. Looking at changes in the value of an indicator in the larger community, or even nation-wide, may also provide context to help interpret changes in the target area.

You should always be cautious in interpreting changes in an indicator value. Even if the value of a particular indicator improves over time (for example, the crime rate decreases or household income increases), this does not mean the creative placemaking project *caused* that change. Formal evaluation is needed to show causality. However, changes in indicator values do suggest movement in the right direction, particularly if the indicator is one that may logically be viewed as an outcome of the project.<sup>18</sup>

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<sup>18</sup> For a basic guide to using logic models to identify program outcomes, refer to *Key Steps in Outcome Management* at <http://www.urban.org/publications/310776.html>.

## **Indicators of Residential Attachment to Community**

## **C1-PERCENT SINGLE-UNIT STRUCTURES**

### **Livability Dimension: Attachment to Community**

The availability of single-unit housing structures is intended to suggest a community's capacity for homeownership. More single-family housing units might indicate that the community provides more opportunities for people to own homes. Increased opportunities for homeownership may, in turn, make residents more likely to be attached to the community. Homeownership has been associated with greater attachment to community.

### **Geographic Levels at Which Data Are Reported**

Census tract and county

### **Data Source**

2006-10 American Community Survey (ACS) 5-year estimates; Table B25024, Units in Structure

### **Indicator Construction**

The indicator is constructed by taking the total number of single-unit structures in the area and dividing by the total number of housing units in the area.

The ACS data are released for several categories of structure type, including single detached, single attached, two, three or four, five to nine, 10 to 19, 20 to 49, 50 or more, mobile home; and boat, RV, van, etc. The numerator includes single detached units (commonly called "single-family homes") and single attached units (such as row houses), mobile homes, and boats, RVs, vans, etc. The denominator includes all categories of structure.

### **Cautions and Caveats**

ACS estimates are based on data from a sample of housing units and people in the population, not the full population. For this reason, ACS estimates have a degree of uncertainty associated with them.

One should note that the 5-year estimates for 2006-2010 include the years of the U.S. housing crisis. Because this indicator is an average over these five years, major changes in a community's housing market may be obscured.

### **Interpretation and Use**

Higher values for this indicator may suggest greater capacity for homeownership, which in turn may allow people to better establish themselves in the community and encourage residents to become more attached.

However, housing markets and preferences vary considerably across different kinds of communities and different groups of people. Some communities, especially those in urban areas, may primarily consist of multi-unit structures, leading to low values for this indicator. People may prefer living in apartments and condominiums for various reasons that do not reflect on attachment to community. In addition, although single-unit structures are more likely to be owned, they can also be rental units.

When assessing whether this indicator is a relevant measure of community attachment, consider a community's underlying housing and income dynamics. For instance, do single-unit structures reliably reflect homeownership potential? In tests of this indicator, some community members noted that homeownership potential is related to income of potential owners. One commented, "There could be many ways in which renters or people who don't have resources [for ownership] could be very attached to place." Some renters may be long-term residents who are highly involved in the community but who simply lack the means to buy a house, while some homeowners may not be very engaged or attached. This indicator, therefore, may best be suited to communities where homeowners are generally considered more attached to the community than renters.

## **C2-MEDIAN LENGTH OF RESIDENCE**

### **Livability Dimension: Attachment to Community**

Longer lengths of residence in a community are often associated with greater attachment to the community.

### **Geographic Levels at Which Data Are Reported**

Census tract, municipality, county, state, and nation. For smaller geographies, data may be withheld to protect individuals' confidentiality.

### **Data Source**

2006-10 American Community Survey (ACS) 5-year estimates

### **Indicator Construction**

Respondents to the ACS are asked in what year and month they moved into their current residence. The survey includes renters and owners, and it is asked of those living in houses, apartments, and mobile homes. Based on the year in which they report having last moved, respondents are assigned to one of six categories:

Moved in 2005 or later

Moved in 2000 to 2004

Moved in 1990 to 1999

Moved in 1980 to 1989

Moved in 1970 to 1979

Moved in 1969 or earlier

This indicator is constructed by taking the median value of the response categories (the value for which half of the respondents reported a lower value and half a higher value) for the geographic area of interest.



## **Cautions and Caveats**

When using this indicator, pay particular attention to the guidance provided on indicator timeframes under the "Overarching Considerations" section of this report. Also keep in mind that this indicator is an approximation of length of residence. It is calculated based on survey response categories, not on the actual date of the move.

## **Interpretation and Use**

Participants in the indicator validation process considered median length of residence a very relevant indicator of community attachment. Several respondents noted that it would be a stronger indicator if it reported length of residence in the community, rather than in the housing unit, since people who are attached to their communities often move to different housing in the same neighborhood. Unfortunately, length of residence in a community is not available through ACS data, so it might require new data-collection efforts.

Be aware, however, that median length of residence may not always signify community attachment. For example, residents may remain in place because they lack resources to move elsewhere or have limited options. In such cases this indicator would register a high value but arguably not reflect community attachment.

Conversely, low values for this indicator may not always suggest low levels of attachment. Newcomers may move into an area considered up-and-coming and vibrant. The median length of residence in such areas will initially be lower because of influx of residents, though some might argue that its livability was increasing and the new residents might feel strongly attached to their new community.

## **C3-PROPORTION OF HOUSING UNITS OWNER-OCCUPIED**

### **Livability Dimension: Attachment to Community**

Higher levels of owner occupancy are commonly viewed as associated with community attachment and neighborhood stability.

### **Geographic Levels at Which Data Are Reported**

Census tract, municipality, county, state, and nation. For smaller geographies, data may be withheld to protect individuals' confidentiality.

### **Data Source**

2006-10 American Community Survey (ACS) 5-year estimates

### **Indicator Construction**

This indicator is constructed by dividing the number of housing units occupied by the owner by the total number of occupied housing units.

A housing unit is classified as occupied if it is the current place of residence of the person or group of people living in it at the time of the ACS interview, or if the occupants are only temporarily absent from the residence for two months or less—for example, on vacation or a business trip.

The universe of occupied housing units includes both owner- and renter-occupied units. Housing units include single-family and attached homes, as well as apartments, condominiums, and mobile homes.

An owner-occupied unit is one in which an owner or co-owner lives even if the unit is mortgaged or not fully paid for. Mobile homes occupied by owners with installment loan balances are also considered owner-occupied.

### **Cautions and Caveats**

When using this indicator, pay particular attention to the guidance provided on indicator timeframes under the "Overarching Considerations" of this report.

### **Interpretation and Use**

Some respondents in the indicators validation process noted this metric had similar limitations as the percent of single-unit structures, since both associate community attachment with homeownership. Some noted that owner-occupied housing units are an outmoded reflection of resident attachment. One town official commented, "Ownership is rapidly fading as a desired living style... rental space is becoming okay; people who rent are still attached to the community."

The indicator may be less appropriate in urban areas with a concentration of apartment buildings or in other areas where there are fewer opportunities for owner-occupancy. Respondents also raised concerns about this indicator reflecting attachment in other community scenarios. For example, in some "bedroom" communities, homeowners have long commutes, leaving little time or energy for participation in community activities. In such instances, renters with short commutes may be more attached to communities than are owners.

Respondents in communities with large numbers of college students, who are likely to be renters, expressed concern that this indicator might suggest low levels of community attachment, although they felt students could be attached to their community without being homeowners. Some pointed out that many artists are renters due to low incomes, but still may be very attached to their community. If creative placemaking efforts attract more artists to an area, then the value captured by this indicator may decrease, even if they feel attached to the community.

The indicator received mixed reactions from rural respondents in the validation effort. Several indicated their communities had high proportions of seasonal or "second" homes, which they felt would not be counted in this indicator, thus making their community appear to foster less attachment than others.

Because renters' levels of community attachment might approximate or exceed that of homeowners, this indicator should be considered in conjunction with other measures. For instance, length of residence, foreclosure rates, and income can provide context for interpretation.

In low-income areas hard hit by the foreclosure crisis, homeownership rates have dipped considerably; therefore, it may be useful to examine this indicator in combination with foreclosure rates. In addition, the lag time associated with the ACS 5-year average means that this indicator may not accurately reflect the housing situation in the aftermath of the recession.

Another potential concern is that increasing levels of homeownership may signal gentrification. For instance, multifamily housing might be converted from rental units to condominiums or co-ops, and lower-income long-term renters might be pushed out due to increasing rents. By examining percent owner-occupied housing in conjunction with changes in income levels, one can gain insights on whether

increasing rates of homeownership may indicate increased attachment, or simply gentrification. However, keep in mind that the new residents may have strong feelings of attachment to their chosen community.

## **C4-PROPORTION OF HOUSING UNITS OCCUPIED**

### **Livability Dimension: Attachment to Community**

A higher occupancy rate is generally seen as a sign of higher levels of resident attachment to community.

### **Geographic Levels at Which Data Are Reported**

Census tract, municipality, county, state, and nation. For smaller geographies, data may be withheld to protect individuals' confidentiality.

### **Data Source**

2006-10 American Community Survey (ACS) 5-year estimates

### **Indicator Construction**

This indicator is constructed by dividing the number of occupied housing units by the total number of housing units. The following definitions are important to keep in mind:

The universe of housing units includes both owner- and renter-occupied units. Housing units include single-family and attached homes, as well as apartments, condominiums, and mobile homes.

A housing unit is deemed occupied if it is the current place of residence of the person or group of people living in it at the time of the ACS interview. A unit is also considered occupied if the occupants are only temporarily absent from the residence for two months or less—that is, away on vacation or a business trip. If all the people staying in the housing unit at the time of the interview were staying there for two months or less, the unit is considered to be temporarily occupied and classified as "vacant."

### **Cautions and Caveats**

When using this indicator, users should pay particular attention to the overall guidance provided on indicator timeframes under the "Overall Considerations" section of this report.

### **Interpretation and Use**

Our Town stakeholders and focus group experts who participated in the indicators validation process considered occupied housing rates an appropriate indicator of community attachment, and more reflective of community attachment than are owner-occupancy rates.

It should be noted that vacation or second homes might not be counted as occupied if the ACS survey were conducted during the off-season, resulting in a lowered value for this indicator. Owners of these second home might, in fact, be very attached to these communities without being present year-round. On the other hand, having many empty second homes might negatively impact the indicator value for year-round residents.

High occupancy rates might also be a sign of housing shortages or high density, and indicators capturing these conditions would be useful to identify such instances. Blighted urban areas might even register high rates of occupied housing units if they included many vacant lots and few (but occupied) housing units.

## **C5-ELECTION TURNOUT RATE**

### **Livability Dimension: Attachment to Community**

High election turnout rates in non-presidential elections may signal a greater sense of community attachment among residents.

### **Geographic Level at Which Data Are Reported**

County

### **Data Source**

2010 Election Administration Commission Voting Survey

### **Indicator Construction**

Election turnout rates are calculated by dividing the number of voters who submitted a ballot in the 2010 midterm elections by the size of the voting-age population in the county.

### **Cautions and Caveats**

The Estimated Voting Age (VAP) and the Citizens of Voting Age (CVAP) are generated by information released by the U.S. Census Bureau. The VAP numbers are based on population estimates as of July 1, 2010. Since the denominator is the voting-age population, not the number of registered voters, areas with large numbers of groups who are ineligible to vote (such as recent immigrants) will appear to have less attachment than those with larger populations of registered voters.

### **Interpretation and Use**

Higher or increased voting rates in midterm elections may reflect greater engagement and interest in community matters. Voting on state legislators, governors, mayors, and local initiatives may occur during midterm elections. There are, however, several important considerations to take into account when using election turnout data as an indicator of attachment.

Various factors may affect turnout rates. Turnout may reflect political parties mobilizing their base or attachment to a political party. That is, one community could post a higher election turnout rate than another because it is more politically polarized, rather than simply more engaged. Election turnout could have been unusually high in one year because of a particularly contentious initiative or candidate that drove people to the polls. In such cases, increased turnout may not reflect a surge in community attachment.

Changes in demographic composition might also affect election turnout rates. Some groups may typically vote less frequently than others, and some, such as college students or members of the

military, may cast absentee ballots in their “home” jurisdiction, rather than where they currently live. An influx of such groups can thus introduce changes in overall election turnout patterns.

Respondents had mixed views about the appropriateness of election turnout rates as an indicator of community attachment, particularly in light of generally low turnout. One commented, “Voter complacency isn’t related to how you feel about your community.” Alternatively, residents in communities with particular histories of political, economic, and racial marginalization may be strongly attached to their communities but use mechanisms other than voting (such as community action or protest) to address problems.

## **C6-HOUSEHOLD OUTFLOW RATE**

### **Livability Dimension: Attachment to Community**

The indicator represents the proportion of households in the area that moved out of the area in the last year. A higher value suggests that residents are less attached to their community.

### **Geographic Level at Which Data Are Reported**

County

### **Data Source**

2010 Individual Income Tax returns data from the Statistics of Income Division of the Internal Revenue Service (IRS).

### **Indicator Construction**

Household outflow rate is calculated using county tax filing data. Households moving out (the number of individual income tax returns that migrated out of the county since the last tax-filing year) is divided by the total number of tax returns filed for that county.

To identify “out-migrant” tax returns, the IRS compares addresses of filed tax returns for a county from one year to the next. It classifies returns as “out-migrant” if, from one year to the next, the geographic code assigned to a given tax return changed from being in the county to being out of the county.<sup>19</sup>

### **Cautions and Caveats**

Occasionally, tax return information may incorrectly suggest that outmigration occurred. Some reasons for this discrepancy include: the filing address might be that of a tax preparer, not of the taxpayer; a college student living away from home might file with a home address one year and the college address another year; taxpayers might report a business address rather than a home address one year; or the taxpayer might maintain dual residences, primarily residing in one county but filing a tax return from the other. Lastly, a taxpayer might use a post office box for mailing purposes.<sup>20</sup>

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<sup>19</sup> Gross, Emily. *US Population Migration Data: Strengths and Limitations*. IRS. [www.irs.gov/pub/irs-soi/99gross\\_update.doc](http://www.irs.gov/pub/irs-soi/99gross_update.doc). For more information on how in-migrants and out-migrants are determined see: [www.irs.gov/pub/irs-soi/99gross\\_update.doc](http://www.irs.gov/pub/irs-soi/99gross_update.doc).

<sup>20</sup> Ibid.

This indicator will not capture moves of households that do not file tax returns, such as undocumented immigrant households. Filing requirements set by the IRS depend primarily on a combination of gross income, marital status, and age. People who earn below the gross income threshold set by their age and marital stage are not required to file. People who are not *required* to file are not completely excluded, however, because some may choose to file to receive tax benefits, like the earned income tax credit, which goes to qualifying low- and moderate-income individuals. Low-income households may be underrepresented in these data.<sup>21</sup>

### **Interpretation and Use**

High proportions of households moving away from an area suggest communities with less residential attachment.

While feelings of attachment may deter people from moving out of a community, economic realities, such as job opportunities, the availability of affordable housing, and personal factors also influence relocation decisions. Households that are highly attached to their communities may move because they can no longer afford to live there. Conversely, some disengaged families may stay put simply because there are few other places they can afford. This indicator may most accurately capture attachment in communities where people can relocate with minimal constraints. This is more likely to be the case in larger areas with affordable, available housing and among people with greater resources.

The underrepresentation of undocumented immigrants and low-income households in the data may be particularly significant for predominantly minority or lower-resource communities. These populations may have moved to a different county, but this indicator is less likely to fully reflect that. As a result, there may be more out-migration in such communities than the indicator suggests.

Housing construction patterns may also affect this indicator. Development of substantial amounts of new housing in the county could encourage movement within it. In contrast, development of housing in a nearby area outside county limits might increase the amount of outmigration as reflected by this measure.

Users should review household outflow data in conjunction with demographic data. The same household outflow rates may have different implications, based on who is moving out. For example, does a high outflow rate reflect migration across all members of the community, or is this movement concentrated within a particular group in the community? Are the transient populations expected (like college students) or are they former long-term residents? Questions like these are important for understanding the dynamics of community change. It is ultimately up to the community and the leaders of the creative placemaking initiative to determine whether a change in the outflow rate suggests a positive or negative change in community attachment.

## **C7-CIVIC ENGAGEMENT ESTABLISHMENTS PER 1,000 POPULATION**

### **Livability Dimension: Attachment to Community**

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<sup>21</sup> For more information on who is and isn't required to file see <http://www.irs.gov/pub/irs-soi/10inalcr.pdf>.

Civic engagement establishments per 1,000 population is intended to represent places where community members may interact with each other. Such establishments may both reflect civic engagement and community attachment and *promote* it. Increases in this value over time may reflect increased community attachment.

### **Geographic Levels at Which Data Are Reported**

ZIP code and county

When considering whether this indicator applies to the project impact area, it's important to note that the indicator is a measure of density or concentration of establishments relative to the *population* in the geographic area rather than *the land area*.

### **Data Source**

County Business Patterns, 2010

County Business Patterns are released annually by the U.S. Census Bureau, typically 18 months after the reference time period. The file includes almost all U.S. establishments, including both for-profit and nonprofit establishments that have an Employer Identification Number, which signifies they have paid employees. It excludes, however, most government entities (including public schools) and self-employed individuals.<sup>22</sup>

Each establishment is categorized into an industry that represents the majority of the establishment's economic activities. Organizations are categorized by the 2007 North American Industry Classification System, which consists of two- to six-digit codes specifying nearly 1,200 industries.

### **Indicator Construction**

Calculation: Number of civic engagement establishments divided by the population in the geographic area, multiplied by 1,000.

Four NAICS codes make up the civic engagement establishments included in this indicator:

813 - Religious, Grantmaking, Civic and Social, Professional, and Similar Organizations. Examples include alumni associations, fraternal lodges, booster clubs, youth groups (such as scouting organizations and student associations), senior citizen organizations, ethnic associations, social clubs and interest groups (such as garden clubs), and advocacy organizations.

71391 – Golf Courses and Country Clubs

71394 – Fitness and Recreational Centers

71395 – Bowling Centers

### **Cautions and Caveats**

Steps to protect the confidentiality of data for particular establishments may skew (distort) the data reported in certain locations. In geographically small and low-population areas with few civic

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<sup>22</sup> For more details on the universe for the County Business Patterns, visit <http://www.census.gov/econ/cbp/methodology.htm>. This page also includes technical guidance.

engagement establishments, no data may be reported to prevent disclosing information traceable to individual establishments. In addition, in some cases the Census Bureau alters the actual data to prevent disclosure of information on specific organizations.

The data exclude some organizations that may perform civic engagement functions. For example, organizations with no paid employees are excluded. If an organization's primary function is associated with an industry in another category, it also will not be captured within this indicator, even if it plays a role in civic engagement. For example, some respondents pointed out that colleges and schools often provide space for community meetings or other civic events, but they would not be included in this indicator. Similarly, a respondent in an urban area commented that places like shopping centers and coffee shops also are gathering places, noting that in the creative placemaking project area, "the most important day-to-day gathering place is Starbucks." As presently defined, this indicator does not capture such establishments.

### **Interpretation and Use**

Because the indicator is affected by the population size, a simple count of civic organizations might be a more appropriate indicator in low-population areas, such as small urban neighborhoods or rural communities. In small communities, the opening or closing of a single key civic engagement institution may generate significant consequences for community life, but a single closure would only register as a very small change in the value of the indicator.

Be aware that a civic establishment's location might not correspond to where members or participants reside. The indicator reflects only a per capita measure of civic engagements at the zip code or county level. Some organizations draw members from across a city or region, not just their zip code. The latter may be particularly common in large metropolitan or rural areas where people routinely drive long distances to participate in activities. Similarly, residents in the creative placemaking area of interest may also prefer to attend organizations in another zip code.

To appropriately interpret this indicator, we suggest considering it in conjunction with economic measures for the area (such as median income and poverty rate) and considering the types of establishments active in the community. For example, low-income areas may have clusters of religious institutions and other organizations that provide social services or address social needs. In such areas, a high value for this indicator may signal community distress, as opposed to high levels of community attachment or livability. You might decide that declining values for this indicator is associated with improved livability in such communities, if it reflects a reduction of aid organizations because of shrinking needs.

Also, be mindful of "saturation levels" for civic engagement establishments. For areas with few civic engagement establishments, an increase may reflect more significant new opportunities for engagement than would a similar increase in settings that already host many such institutions. Similarly, decreases in civic engagement institutions in areas that started with large numbers of them might reflect consolidation of organizations with overlapping purposes, rather than true declines in engagement or community attachment. Conversely, decreases in such organizations in areas that had few to begin with may be more likely to have negative effects on the community. By thoughtfully exploring such contextual factors, you can determine whether changes in this indicator reflect increases or decreases in opportunities for engagement or levels of community attachment.



## **Indicators for Quality of Life**

## **Q1-MEDIAN COMMUTE TIME**

### **Livability Dimension: Quality of Life**

Shorter commute times are often associated with increased quality of life.

### **Geographic Level at Which Data Are Reported**

Census tract, municipality, county, state, and nation. For smaller geographies, data may be withheld to protect individuals' confidentiality.

### **Data Source**

2006-10 American Community Survey (ACS) 5-year estimate

### **Indicator Construction**

The ACS asks people who worked someplace other than home the following question: "How many minutes did it usually take this person to get from home to work LAST WEEK?" The responses are placed into one of the following categories: (1) Less than 5 minutes, (2) 5–9 minutes, (3) 10–14 minutes, (4) 15–19 minutes, (5) 20–24 minutes, (6) 25–29 minutes, (7) 30–34 minutes, (8) 35–39 minutes, (9) 40–44 minutes, (10) 45–59 minutes, (11) 60–89 minutes, (12) 90 or more minutes.

### **Cautions and Caveats**

When using this indicator, pay particular attention to the guidance provided on indicator timeframes under the "Overarching Considerations" section of this report.

### **Interpretation and Use**

As with many quality-of-life measures, commute time is a subjective metric. Some individuals might choose a longer commute to live in a safer area or access better schools, factors also associated with improved quality of life. A longer commute might also be associated with improved quality of life if the commute affords the person access to more or better employment opportunities. You may wish to look at this indicator in conjunction with local employment and household dynamics data.

Similarly, this indicator does not capture mode of transportation, which is also a subjective measure associated with quality of life. Some people consider a 30-minute transit or walking commute a higher quality of life than a 30-minute car ride. For example, respondents in an urban creative placemaking project felt that its proximity to a train station attracted residents to the area. Respondents felt the relatively long train commute to nearby cities, although preferable to driving for many commuters, would result in high median commute times, thus making the project area appear to have poor quality of life.

In a similar vein, several respondents pointed out that low-income residents are more likely to depend on public transit, resulting in longer commute times than would be the case if they had cars. Thus, low-income neighborhoods may look comparatively worse than higher-income ones based on this indicator. You may address this limitation by augmenting commute time data with data on method of transportation and/or distance to work. Unfortunately, the ACS collects data only on the former.

Another data limitation of particular relevance to some creative placemaking initiatives is that ACS commuting data exclude people who worked at home. If a sizable number of artists moved into live-

work spaces in a creative placemaking project area, their (nonexistent or very short) commute times would not be captured by these data. It might therefore be useful to also look at the proportion of people working outside the home.

## **Q2-RETAIL AND SERVICE ESTABLISHMENTS PER 1,000 POPULATION**

### **Livability Dimension: Quality of Life**

Retail and service establishments may be seen as related to quality of life in that they enable residents to meet everyday needs within their community. Neighborhoods with greater concentrations of retail and service establishments (a higher indicator value) may be viewed as having greater vibrancy than others. The associated activity may provide more “eyes on the streets” to promote public safety.

### **Geographic Levels at Which Data Are Reported**

Zip code and county

When considering whether this indicator applies to the project impact area, it’s important to note that the indicator is a measure of density relative to the *population* in the geographic area and not *the land area*.

### **Data Source**

County Business Patterns, 2010

County Business Patterns are released annually by the U.S. Census Bureau, typically 18 months after the reference time period. The file includes almost all U.S. establishments, including both for-profit and nonprofit establishments that have an Employer Identification Number, which signifies they have paid employees. It excludes, however, most government entities (including public schools) and self-employed individuals.<sup>23</sup>

Each establishment is categorized into an industry that represents the majority of the establishment’s economic activities. Organizations are categorized by the 2007 North American Industry Classification System, which consists of two- to six-digit codes specifying nearly 1,200 industries.

### **Indicator Construction**

Calculation: Number of retail and service establishments divided by the population in the geographic area, multiplied by 1,000.

A broad range of NAICS codes makes up the retail and service establishments included in this indicator:

44 – Retail establishments. These establishments buy goods that they sell as merchandise to the public. Examples of included businesses are auto dealerships, grocery stores, gas stations, apparel stores, and home improvement stores.

451 – Sporting goods, hobby, musical instrument, and bookstores

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<sup>23</sup> For more details on the universe for the County Business Patterns, visit <http://www.census.gov/econ/cbp/methodology.htm>. This page also includes technical guidance.

452 – Department stores, warehouse clubs, and supercenters

453 – Miscellaneous stores: used merchandise stores, florists, souvenir shops

4543 – Non-store retailers that go to the customers' locations

722 – Bars, restaurants, cafes, mobile food services, and caterers

52 – Banks, credit unions, insurance carriers, lenders, and other financial institutions

81 – An assortment of other services like automotive/electronics repair, commercial and industrial equipment maintenance, household goods repair, beauty salons, laundry/drycleaner services, pet care, photofinishing, funeral homes (excludes civic engagement institutions)

### **Cautions and Caveats**

Steps to protect the confidentiality of data for particular establishments may skew (distort) the data reported in certain locations. In geographically small and low-population areas with few retail and service establishments, no data may be reported. This omission is intended to prevent disclosing information traceable to individual establishments. In addition, in some cases the Census Bureau alters the actual data to prevent disclosure of information on specific organizations.

### **Interpretation and Use**

More retail and service establishments per capita should provide residents with easier access to everyday needs and amenities. An increase in this indicator value might also reflect an increase in community walkability, neighborhood vibrancy, and more eyes on the streets to deter crime. New retail and service destinations may even attract additional investment.

Interpret this indicator in conjunction with other contextual factors. First, communities vary in the priority placed on close access to services and walkability, with norms about driving, access to transportation, and personal preferences all playing a role. Second, the size, quality, and mix of these establishments may also be highly relevant for quality of life. For example, one urban respondent in the validation project pointed out that an area with a concentration of liquor stores would have a higher indicator value (and thus look “better”) if additional liquor stores opened than if a single, much-needed supermarket opened, even though the community may see the latter as a more positive addition. Similarly, a community might experience a buildup of restaurants and bars but lack everyday services like banking. Lastly, you may wish to explore who the newly opened establishments serve. If creative placemaking initiatives prioritize outcomes for residents, explore whether local residents frequent and have access to new establishments. This might be done through surveys of residents or business-owners.

## **Q3-VIOLENT CRIME RATE**

### **Livability Dimension: Quality of Life**

Violent crime rates are a commonly used metric for quality of life, with high or increasing values suggesting lower quality of life.

### **Geographic Levels at Which Data Are Reported**

County, city, state, and nation

### **Data Source**

FBI, Uniform Crime Reports (UCR) as prepared by the National Archive of Criminal Justice Data

### **Indicator Construction**

The violent crime rate represents the number of crimes per 100,000 people. It is constructed by dividing the total number of violent crimes within the geographic area by the population of the geographic area and then multiplying by 100,000. Violent offenses include the use of force or threat of force: murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault.

### **Cautions and Caveats**

Unfortunately, these data are available only from city law enforcement agencies for cities with populations 10,000 and over and from county law enforcement agencies from counties with populations of 25,000 and over. A rate is not available unless law enforcement agencies report data for all 12 months in a year.

The data also reflect the UCR's "hierarchy rule," which requires that only the most serious offense in a multiple-offense criminal incident be counted. The descending order of UCR violent crimes are murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault, followed by the property crimes of burglary, larceny-theft, and motor vehicle theft. Therefore, if a property crime occurs in conjunction with a violent crime, only the violent offense is counted. (This rule affects only the way crimes are counted and does not affect the number of charges a defendant may face in court.)<sup>24</sup>

### **Interpretation and Use**

The county and city levels are the smallest geographies this indicator covers, and therefore it is unlikely to reflect changes in conditions in creative placemaking efforts that target smaller areas. Some experts participating in the validation effort suggested using local crime data, which are available from many local governments or local police departments, and may be provided at neighborhood or police precinct levels.

Respondents in rural areas frequently mentioned that crime rates in nearby larger communities skewed the county crime data, making the violent crime rate higher than it would be if it only included their community. Similarly, respondents in a small rural community whose county included a large city the other end of the county similarly said the county data reflected crime in that urban area, rather than the creative placemaking project in their small town.

In general, increases in crime rates correspond with increases in levels of actual crime, and quality of life decreases with more crime. But keep in mind that this indicator is based only on *reported* crime. In areas where resident involvement is increasing, the crime rate may initially go up, simply because more people report crimes than in the past. Long-term crime rate trends and communication with local law enforcement may reveal whether crime rate change is due to changes in crime-reporting behavior.

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<sup>24</sup> For more information on the rule, its few exception, and other details on this indicator, see [http://www.fbi.gov/about-us/cjis/ucr/frequently-asked-questions/ucr\\_faqs](http://www.fbi.gov/about-us/cjis/ucr/frequently-asked-questions/ucr_faqs) and <http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2011/crime-in-the-u.s.-2011/property-crime/property-crime>.

## **Q4-PROPERTY CRIME RATE**

### **Livability Dimension: Quality of Life**

Property crime rates are also widely used as a metric for the quality-of-life dimension, with high values suggesting decreased quality of life.

### **Geographic Levels at Which Data Are Reported**

County, city, state, and nation

### **Data Source(s)**

FBI, Uniform Crime Reports (UCR) as prepared by the National Archive of Criminal Justice Data

### **Indicator Construction**

This indicator is a rate representing the number of property crimes per 100,000 people. It is constructed by dividing the total number of property crimes within the geographic area by the population of the geographic area and then multiplying by 100,000. Property offenses include burglary, breaking or entering, larceny-theft, and arson.

### **Cautions and Caveats**

Unfortunately, these data are available only from city law enforcement agencies for cities with populations 10,000 and over and from county law enforcement agencies from counties with populations of 25,000 and over. A rate is not available unless law enforcement agencies report data for all 12 months in a year.

The data also reflect the UCR's "hierarchy rule," which requires that only the most serious offense in a multiple-offense criminal incident be counted. The descending order of UCR violent crimes are murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault, followed by the property crimes of burglary, larceny-theft, and motor vehicle theft. Therefore, if a property crime occurs in conjunction with a violent crime, only the violent offense is counted. (This rule only affects the way crimes are counted and does not affect the number of charges a defendant may face in court.)<sup>25</sup>

### **Interpretation and Use**

The county and city levels are the smallest geographies this indicator covers, and therefore it is unlikely to reflect changes in conditions in creative placemaking efforts that target smaller areas. Some experts participating in the validation effort suggested using local crime data, which are available from many local governments or local police departments, and may be provided at neighborhood or police precinct levels.

Property crime rates are widely considered an important measure of quality of life. Generally speaking, crime rates increase with increasing levels of actual crime, and quality of life drops with rising levels of

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<sup>25</sup> For more information on the rule, its few exception, and other details on this indicator see [http://www.fbi.gov/about-us/cjis/ucr/frequently-asked-questions/ucr\\_faqs](http://www.fbi.gov/about-us/cjis/ucr/frequently-asked-questions/ucr_faqs) and <http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2011/crime-in-the-u.s.-2011/property-crime/property-crime>.

actual crime. But keep in mind that this indicator is based only on crime that is reported. In areas where quality of life and resident involvement are increasing, this rate may initially go up not because actual crime is increasing but because people become more likely to report crimes. Tracking the indicator over time will allow for an understanding of whether a change in the indicator is due to a change in crime or a change in reporting behavior.

Counter-intuitively, areas with more activity (including from creative placemaking efforts) sometimes experience increases in property crimes. For example, increases in foot traffic and more parked cars may increase the opportunity for property crimes, even if there are more “eyes on the street.”

## **Q5-PROPORTION OF RESIDENTIAL ADDRESSES NOT COLLECTING MAIL**

### **Livability Dimension: Quality of Life**

The percent of residential addresses not collecting mail is intended to represent vacant residential units. A greater proportion of residential vacancies may signal neighborhood distress, while a lower or decreasing vacancy rate is generally associated with improved quality of life and neighborhood stability. Higher levels of vacancy are associated with falling property values, deterioration of the physical condition of an area, and increased safety concerns.

### **Geographic Level at Which Data Are Reported**

Census tract

### **Data Sources**

United States Postal Service (USPS) and U.S. Department of Housing and Urban Planning (HUD). These data are collected by USPS and aggregated and published quarterly by HUD.

### **Indicator Construction**

The denominator is the total number of residential addresses in the geographic area, and the numerator is the sum of the number of residential addresses that have not collected mail in more than 90 days plus the number of addresses categorized as “no-stat.” In urban areas, addresses whose residents collect their mail at post office boxes instead of through regular delivery at their home address are counted as no-stats even though someone is living at the address. The same holds true for residents on rural routes that use P.O. boxes instead of having their mail delivered to their residences. Residences that are under construction are also counted as no-stat, as are addresses in urban areas identified by a carrier as “not likely to be active for some time.”

### **Cautions and Caveats**

HUD provides the following caveats to these data for both business and residential vacancies (data are similarly calculated for business addresses not collecting mail):<sup>26</sup>

Vacation and resort areas have very high rates of vacant addresses.

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<sup>26</sup> See <http://www.huduser.org/portal/datasets/usps.html>.

Areas with high growth have high rates of no-stat addresses, as do areas of significant decline. One way to distinguish these two areas is by comparing the total number of addresses between quarters. An increase in the total number of addresses with a similar increase in no-stat addresses likely reflects new construction or additions. No-stats with a stable or reduced number of total addresses probably reflect long-term vacant addresses.

In distressed areas, a reduction in total number of addresses from quarter to quarter appears to be a strong indicator of where demolition is occurring. (Note that if a building is demolished to be replaced by another building, the address will likely be moved to no-stat status and not be removed from the total number of addresses.)

### **Interpretation and Use**

As the HUD notes above indicate, this indicator may not yield accurate data for all types of locales. Because second homes and vacation homes may be classified as vacant, areas with high proportions of second homes may receive inflated indicator values. However, because these data are available quarterly, users may be able to account for seasonal fluctuations by obtaining data from different times of year. In areas where a substantial proportion of residents use post office boxes, this indicator may also be considerably higher than actual conditions warrant. Lastly, although new development will not negatively affect this indicator, because addresses under construction are added both to the numerator (as no-stats) and the denominator (in the count of total addresses), new development will not *positively* affect this indicator until construction is complete and the new addresses have begun receiving mail.

## **Q6-NET MIGRATION**

### **Livability Dimension: Quality of Life**

A community gaining households is thought to reflect that the community is perceived as having a good quality of life, making it more attractive to current residents and new arrivals. A positive value for the indicator suggests net in-migration while a negative value suggests net out-migration (the latter is suggested for use as an indicator of community attachment).

### **Geographic Level at Which Data Are Reported**

County

### **Data Source**

2010 Individual Income Tax returns data from the Statistics of Income Division of the Internal Revenue Service (IRS)

### **Indicator Construction**

Net migration reflects households moving in minus households moving out. It is calculated by subtracting the number of individual tax returns migrating out of the county from the number of individual income tax returns migrating into the county.

To identify migrating tax returns, the IRS compares addresses of filed tax returns for a county from one year to the next. To determine in- and out- migrants, individual income tax returns are coded by zip



code and state of residence. The coded returns for the current filing year are matched to coded returns from the prior year. Tax returns with identical addresses are non-migrant households. Migrant households comprise tax returns in which geographic codes changed from one year to the next. A taxpayer household is considered an “in-migrant” for the address on the return filed in the current filing year, and an “out-migrant” for the address on the return filed for the prior year.<sup>27</sup>

### **Cautions and Caveats**

Occasionally, tax return information may incorrectly suggest migration occurred. Some reasons for this discrepancy include: the filing address might be that of a tax preparer, not of the taxpayer; a college student living away from home might file with a home address one year and the college address another year; taxpayers might report a business address rather than a home address one year; or the taxpayer might maintain dual residences, residing primarily in one county but filing the tax return from the other. Lastly, a taxpayer might use a post office box for mailing purposes.<sup>28</sup>

This indicator will not capture moves of households that do not file tax returns, such as undocumented immigrant households. Filing requirements set by the IRS depend primarily on a combination of gross income, marital status, and age. People who earn below the gross income threshold set by their age and marital stage are not required to file. People who are not *required* to file are not completely excluded, however, because some may choose to file to receive tax benefits, like the earned income tax credit, which goes to qualifying low- and medium- income individuals. Low-income households may be underrepresented in these data.<sup>29</sup>

For more information on how in-migrants and out-migrants are determined, see [www.irs.gov/pub/irs-soi/99gross\\_update.doc](http://www.irs.gov/pub/irs-soi/99gross_update.doc)

### **Interpretation and Use**

More households moving into to a community than leaving (positive net migration values) may suggest that the community is considered a desirable place to live (i.e., has a good quality of life) and vice versa.

Although quality of life influences where people decide to move, other factors also affect migration patterns. Economic realities and the availability of housing choices can be decisive factors. A community with a high quality of life might not experience much in-migration because of no available or affordable housing for people to move into. Meanwhile, a community with a low quality of life might not experience much out-migration because people lack the resources to move elsewhere. This indicator may be most appropriate in communities where people can “vote with their feet” based on quality of life. This is more likely to be the case in larger areas with affordable, available housing and among people with greater resources.

You should be aware that because household sizes vary, net household in-migration does not necessarily mean that the overall population is increasing. For example, if the households moving out

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<sup>27</sup> Gross, Emily. *US Population Migration Data: Strengths and Limitations*. U.S. Census Bureau. [www.irs.gov/pub/irs-soi/99gross\\_update.doc](http://www.irs.gov/pub/irs-soi/99gross_update.doc).

<sup>28</sup> Gross, Emily. *US Population Migration Data: Strengths and Limitations*. U.S. Census Bureau. [www.irs.gov/pub/irs-soi/99gross\\_update.doc](http://www.irs.gov/pub/irs-soi/99gross_update.doc).

<sup>29</sup> For more information on who is and isn't required to file see: <http://www.irs.gov/pub/irs-soi/10inalcr.pdf>.

are large households and the households moving in are single young people, it is possible to observe a net in-migration of households but an overall decrease in the population.

The underrepresentation of undocumented immigrants and low-income households in the data may be particularly significant for predominantly minority or lower-resource communities. These populations may be highly mobile, but this indicator is less likely to fully reflect their movements. Thus, in an extreme case, this indicator might suggest a net loss of households even though there was actually a net gain because the new households that moved in consisted largely of undocumented immigrants and households with very low incomes.

To appropriately interpret and use this indicator, you should also consider demographic data. The exact same net migration value could have a wide-ranging set of possible implications for communities based on how many people are moving and who is moving. For example, a net migration of zero could mean that nobody is moving at all or that households are moving out and being quickly replaced by new households. Migration patterns can raise a large number of questions. Are young people moving in and older people moving out? Are people with higher incomes displacing those with lower incomes? Questions like these are important for understanding and weighing the dynamics of community change. It is ultimately up to the community and the leaders of the creative placemaking initiative to determine what level and kind of migration represents a positive direction for the community.

## **Indicators of Arts and Cultural Activity**

## **AC1-MEDIAN EARNINGS OF RESIDENTS EMPLOYED IN ARTS-AND-ENTERTAINMENT-RELATED ESTABLISHMENTS**

### **Livability Dimension: Arts and Cultural Activity**

This indicator estimates the median (middle) earnings of *residents* working in the arts, entertainment, and recreation industries. Increases in the indicator value may suggest an increase in the demand for arts and cultural activity.

### **Geographic Levels at Which Data Are Reported**

Census tract and county

### **Data Source**

2006-10 American Community Survey (ACS) 5-year estimates

### **Indicator Construction**

The indicator value estimates the median income of residents living in the area who are employed by a business or organization in the arts, entertainment, and recreation industries.

Arts, Entertainment, and Recreation employers include those that

- (1) produce, promote, or participate in live performances, events, or exhibits intended for public viewing;
- (2) preserve and exhibit objects and sites of historical, cultural, or educational interest
- (3) operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.<sup>30</sup>

### **Cautions and Caveats**

On the American Community Survey, respondents are asked to name their employer and describe their employer's industry. The target "universe" for this question is civilian residents, age 16 and older, with earnings in the previous year. The survey asks respondents to identify a single employer based on their chief job activity or business in the last week. If they had more than one job in the last week, they are requested to identify the employer for which they worked the most hours. If a respondent had no job or business in the last week, he or she is asked to give information on his/her last job or business. Based on the information provided in these two fields, trained coders assign an industry code to the employer based on the North American Industry Classification System.

Unlike the County Business Patterns data, the ACS can capture self-employment and part-time employment. This occurs as long as the respondent identifies the employer associated with these roles on the survey form as his or her primary employer.

The earnings figure that the ACS uses is based on earnings from *all* jobs in the 12-month period before taking the survey. The ACS, however, asks respondents to identify only one employer. Respondents are

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<sup>30</sup> U.S. Census Bureau. *NAICS 71*. <http://www.census.gov/econ/isp/sampler.php?naicscode=71&naicslevel=2#>.

accordingly assigned to only one industry. This means that an individual's earnings are entirely assigned to a single industry, even if that individual's earnings come from multiple jobs in multiple industries.

Dollar figures for the 2006-10 estimates are shown in 2010 dollars adjusted for inflation.

For small geographic areas (such as small Census tracts) or communities with few individuals working in the arts, entertainment, and recreation industry, the median earnings figure will be based on a very small sample of earnings. This indicator may be inappropriate in such circumstances because very small samples may result in inaccurate estimates.

When using this indicator, pay particular attention to the guidance provided on indicator timeframes under the "Overarching Considerations" of this report.

### **Interpretation and Use**

An increase in the value of this indicator reflects higher earnings, which suggests an increased demand for arts and cultural activity. Unlike the indicators derived from the County Business Patterns data, this indicator captures the earnings of *residents* in the community. It may therefore be particularly valuable to NEA Our Town projects focused on improving outcomes for people living in the project target area. Higher earnings may enable artists to better sustain themselves and their creative work. However, since compensation varies across disciplines and job functions within arts industries, increases in median earnings may reflect an influx of artists in better-paid fields rather than an increase in earnings among all existing artists.

Be aware of a number of limitations when considering working with this indicator.

This indicator captures not just arts industry earnings, but also those of people employed in entertainment and recreation. Casinos, amusement parks, and sports teams, for example, may be very large employers in some communities. If there are many employees working for these establishments in the community, their earnings could crowd out the earnings of employees working in the smaller local creative industry. Examining the relative size of the arts, entertainment, and recreation sectors in the community may be crucial to determining whether or not this indicator is appropriate, or what it reflects.

Because the ACS assigns an individual's earnings to a single industry grouping, one should keep in mind that the people employed in the arts, entertainment, and recreation industry may work multiple jobs to attain higher total earnings. Their side jobs may consist of work in other industries. As a result, median earnings reported for this indicator will not perfectly reflect what people make just working in the creative sector. Conversely, the metric will not capture art-related earnings if they are not reported as the respondent's primary employer (for example, if someone runs a ceramic studio as a side business but is employed full-time in another industry).

This indicator also misses some art-related earnings and includes wages for non-arts jobs within arts industries. For instance, it would not count earnings of individuals who work in an arts-related capacity for an employer that is not primarily centered on the arts, entertainment, or recreation. On the flip side, an IT manager's earnings at a dance company would be counted.

Some respondents in the indicators validation study expressed concerns with the likely accuracy of this indicator for reflecting community conditions. Some believed that art workers may not accurately report their arts-related income. One representative said, "Some people won't report it... it's [arts

creation] is a lifestyle, so they don't report [income]." Another respondent said indicators related to income were less important than indicators related to arts establishments, noting, "You could have a lot of cultural activity without having much income from it." A related concern was that people who create art but are not paid for doing so would not be captured in this indicator.

This indicator may be useful for particular types of creative placemaking projects. A town official in a rural community whose creative placemaking project planned to develop affordable artist live-work space felt it would be useful to identify the number of people "making a living doing art." This information, in turn, could be used to help assess demand for the planned housing.

## **AC2-PROPORTION OF EMPLOYEES WORKING IN ARTS AND ENTERTAINMENT**

### **Livability Dimension: Arts and Cultural Activity**

This indicator reports the proportion of employees in a county employed by arts and entertainment establishments. Increases in the relative size of the arts and cultural workforce reflect greater concentration of employment or jobs in that sector, which may suggest growing demand for such workers and greater opportunities in the sector.

### **Geographic Level at Which Data Are Reported**

County

### **Data Source**

County Business Patterns, 2010

### **Indicator Construction**

The indicator values are generated by dividing the total number of employees working at arts and entertainment establishments located in the county by the total number of employees employed at all establishments in the county.

For details on the establishments included in arts and entertainment see indicator AC-5, Arts and Entertainment Establishments per 1,000 population.

### **Cautions and Caveats**

The employment counts used to construct the indicator are subject to the following constraints. Individual businesses report employment annually based on employment levels for the week of March 12. Counted employees include all paid full- and part-time staff, including those who are on paid sick leave, holiday, and vacation. Sole proprietors (single individuals who run and own businesses by themselves), partners of unincorporated businesses, and freelance and contract workers are not included in the employment count.

Be aware that individuals who work in an arts-related capacity at a business or organization that is not centered on the arts would not be captured. For example, an illustrator working in-house for an advertising firm and arts faculty members at a local university would not be included. On the flip side, individuals working in non-arts-related roles at arts organizations (for example, a mail sorter at an opera house) would be counted. Whether these characteristics are of concern depends on the question one is

exploring. If you want to explore the size of the creative workforce, this limitation matters, as the data are not restricted to those engaged in creative occupations. However, if you want to understand the economic scope and impact of the arts, including the contribution of the arts sector to creating local jobs of all kinds, then this indicator is highly relevant.

Unfortunately, the indicator does include individuals employed in establishments providing recreational services not traditionally associated with arts and culture. For further information, see indicator AC-5, Arts and Entertainment Establishments per 1,000 population.

### **Interpretation and Use**

By measuring the jobs that arts and entertainment organizations and businesses create, the proportion of employees working in arts and entertainment reflects the art and entertainment sector's scope and impact. Increases to this indicator's value suggest that the arts sector has made a larger relative contribution to jobs in the area.

Be cognizant of a few caveats when using this indicator.

First, the data will not accurately capture seasonal fluctuation in employment, because it is based on reported employment for the week of March 12. This characteristic is of particular concern for communities with seasonal businesses and creative placemaking projects that target a certain time of the year, such as a summer arts festival.

Second, these data capture only formal employment in arts and entertainment organizations and businesses. Those who work in the arts through self-employment, or as volunteers, unpaid interns, or hobbyists will not be captured. This is of particular concern because recent research suggests that artists are 3.5 times more likely to be self-employed than other workers.<sup>31</sup>

Third, the data count people who *work* in the target community (as reflected in county data), not those who *live* in it. Particularly for communities with high commuter populations, an increase in this indicator may not necessarily signify increased arts and cultural activity among its residents. Whether this is a concern depends on the goals of the creative placemaking activity and intended geographic scope. For example, consider a project to transform a downtown area into an arts district. If the project's goal is to increase arts employment among downtown residents, this indicator should be used with caution. If, however, the project's goal is to increase arts employment among all residents in the county, this indicator may be more applicable.

Lastly, because the indicator includes individuals employed in establishments providing recreational services not traditionally associated with arts and culture, be aware that big-budget establishments like professional sports and casinos may crowd out the effect of the arts sector. This is particularly an issue for communities with substantial sports or recreation industries.

## **AC3-PAYROLL SHARE OF ARTS AND ENTERTAINMENT ESTABLISHMENTS (relative to all payrolls)**

### **Livability Dimension: Arts and Cultural Activity**

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<sup>31</sup> See <http://arts.gov/publications/artists-and-art-workers-united-states-findings-american-community-survey-2005-2009-and..>

This indicator measures the share of employee pay that is paid by arts and entertainment establishments out of all business establishments in a county. This is intended to approximate the relative economic impact of the arts and cultural sector, thus giving a sense of the scope of arts activity in the area.

### **Geographic Level at Which Data Are Reported**

County

### **Data Source**

County Business Patterns, 2010

### **Indicator Construction**

Indicator values are generated by dividing the sum of payrolls of arts and entertainment establishments in the county by the sum of all payrolls in the county. For an explanation of establishments counted under arts and entertainment see indicator AC-5, Arts and Entertainment Establishments per 1,000 population.

### **Cautions and Caveats**

The underlying payroll tallies used to construct this indicator include the following criteria. Payroll consists of compensation to all employees over the course of the entire calendar year. It includes a broad range of compensation, including salaries, wages, commissions, bonuses, vacation/sick-leave pay, and contributions to qualified pension plans. It includes pay to executives and officers of corporations but excludes pay to sole proprietors and partners of unincorporated firms. Thus, any pay to individuals for freelance or contract work would not be counted.

This indicator involves near-identical limitations to those of indicator AC-2, Proportion of Employees Working in Arts and Entertainment. Pay to individuals who work in an arts-related capacity at a business or organization that is not centered on the arts would not be counted; conversely, pay to individuals working in non-arts-related roles at arts organizations would be counted. Unfortunately, the indicator also includes pay to individuals employed in establishments providing recreational services not traditionally associated with arts and culture.<sup>32</sup>

### **Interpretation and Use**

This indicator reflects arts and entertainment enterprises' scope and economic impact by measuring the relative amount of employee pay they generate. An increase in the value of this indicator suggests that the arts sector has made a larger relative contribution to economic activity in the area.

Keep in mind this indicator's limitations and caveats, which are nearly identical to the proportion of employees working in arts and entertainment. It excludes earnings from freelancers and individuals who are self-employed in the arts. A key difference is that this indicator reports payroll by the location of the establishment—that is, the total pay of people who *work* in the target community, not people who *live* in the target community. In communities with substantial sports or recreation industries, be aware that big-budget establishments like professional sports and casinos may easily crowd out the effect of the arts sector.

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<sup>32</sup> For further notes, see indicator AC-5, Arts and Entertainment Establishments per 1,000 population.



## **AC4-ARTS, CULTURE, AND HUMANITIES NONPROFITS PER 1,000 POPULATION**

### **Livability Dimension: Arts and Cultural Activity**

Arts, culture, and humanities nonprofits serve as venues for creative engagement, reflect demand and promote further activity. Thus, more such organizations per capita (higher values for this indicator) suggest greater levels of cultural activity.

### **Geographic Levels at Which Data Are Reported**

Census tract and county

### **Data Source**

Urban Institute's National Center for Charitable Statistics (2010)

The National Center for Charitable Statistics (NCCS) is a clearinghouse of data on nonprofits. The database consists of information that all legally recognized nonprofits (public charities and private foundations) provide annually to the Internal Revenue Service through the Form 990 series.<sup>33</sup> For tax years ending prior to December 31, 2007, organizations with gross receipts of \$25,000 or less were not *required* to file one of the 990 forms; thus, data on these smaller nonprofits were not included in the NCCS database (unless they voluntarily filed a form). Starting with the 2007 tax year, an electronic postcard version of the form was introduced for use by smaller organizations. Thus, the NCCS database includes data on those smaller organizations starting with that tax year.

Since the Form 990 is filed annually, it reflects how nonprofits per 1,000 population in a given community changes yearly. NCCS data do not capture public charities that are not required to fill out the Form 990: churches, schools below the college level affiliated with churches, government units or affiliates, and some types of political organizations.<sup>34</sup>

### **Indicator Construction**

To generate values for this indicator, the number of arts, culture, and humanities nonprofits is divided by the population in the geographic area, multiplied by 1,000. At the tract level, the values are computed by summing the number of nonprofits in a given tract with the number of nonprofits in that tract's bordering tracts. This sum is then divided by the total population of the tract and its surrounding tracts and multiplied by 1,000.

The indicator captures all arts, culture, and humanities nonprofits classified as such under the IRS's classification system, the National Taxonomy of Exempt Entities. This includes organizations working in media, communications, visual arts, museums, performing arts, humanities, history, and arts service delivery. Also included are advocacy, management, technical assistance, professional service, research, educational, and fundraising institutions that focus on the arts, culture, and humanities.

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<sup>33</sup> For more detail on IRS requirements, see <http://www.irs.gov/Charities-&-Non-Profits/Annual-Electronic-Filing-Requirement-for-Small-Exempt-Organizations-Form-990-N-%28e-Postcard%29>.

<sup>34</sup> For more information about NCCS data, see <http://nccsdataweb.urban.org/kbfiles/468/NCCS-data-guide-2006c.pdf>.

## **Cautions and Caveats**

A key concern is that nonprofits with smaller revenues than the cutoff for a particular timeframe are not included in the NCCS data. Because of the change in filing requirements noted above, data for this indicator prior to the 2007 tax year (from forms filed in 2008 or 2009) will not be comparable to data after that tax year. However, data used for the validation effort should be comparable to data available in coming years. Additionally, some tax return addresses will not correspond to where nonprofits physically provide services. For instance, a nonprofit's headquarter location would be reflected on a tax return, but it may not reflect the geographic area(s) in which the nonprofit is active.

## **Interpretation and Use**

This indicator tracks a per capita measure of incorporated nonprofits whose primary activities center on the arts, culture, and humanities. More of such organizations for a given population suggest greater arts and cultural activity, or more opportunities for such activity in the community. Additionally, nonprofits may serve as important arts anchors in the community.

Of available indicators, per capita measures of arts, culture, and humanities nonprofits is a fairly accurate measure of nonprofit cultural sector establishments. All nonprofits required to Form 990 should be captured. It does, however, miss some important activity. These data omit nonprofits that are not arts-centered, but which still may provide arts programming. For example, a halfway house that runs a dance program for children would not be captured. Similarly, this indicator excludes religious organizations, which may play a critical role fostering arts and cultural activity in some communities.

Lastly, these data exclude groups that function like nonprofits but that have not filed to be legally recognized as nonprofit entities. Examples include a university student group that delivers music lessons in the community, or a resident association formed to promote the arts. This may be particularly relevant in communities where few people know how to apply for nonprofit status. One rural respondent in the indicators validation study raised concerns that wealthier communities may be able to invest more in their nonprofit entities, thus raising them to a level where they incorporate or file Form 990s (and thus would be counted in this indicator).

Looking at this indicator with other contextual information will provide better understanding of what is happening. Does an increase in an indicator value appear to be driven by existing informal arts groups securing legal recognition? Perhaps a declining value is driven by the consolidation of nonprofits with overlapping missions or functions. Though the indicator value would be decreased, those nonprofits might generate more creative output after consolidating. Or, perhaps a creative placemaking project leads to expansion of existing nonprofits' scope. In such cases, the value of the indicator would not budge, even though there may be more arts-related nonprofit activity in the community. Data on nonprofit revenues over time and other information about the scope of activities may help the indicator's user to interpret findings correctly.

## **AC5-ARTS AND ENTERTAINMENT-RELATED ESTABLISHMENTS PER 1,000 POPULATION**

### **Livability Dimension: Arts and Cultural Activity**

Arts and entertainment establishments serve as venues for creative engagement, reflect demand, and promote further activity. Thus higher or increasing values for this indicator suggest greater levels of, or opportunities for, cultural activity.

### **Geographic Levels at Which Data Are Reported**

Zip code and county

### **Data Source**

County Business Patterns, 2010

County Business Patterns are released annually by the U.S. Census Bureau, typically 18 months after the reference time period. The file includes almost all U.S. establishments, including both for-profit and nonprofit establishments that have an Employer Identification Number, which signifies they have paid employees. It excludes, however, most government entities (including public schools) and self-employed individuals.<sup>35</sup>

Each establishment is categorized into an industry that represents the majority of the establishment's economic activities. Organizations are categorized by the 2007 North American Industry Classification System, which consists of two- to six-digit codes specifying nearly 1,200 industries.

### **Indicator Construction**

The indicator values are obtained by dividing the number of arts and entertainment establishments in the geographic area by that area's population, multiplied by 1,000.

A broad range of NAICS codes makes up the arts and entertainment establishments included in this indicator:

71 - Arts, Entertainment, and Recreation. Includes establishments that

(1) produce, promote, or participate in live performances, events, or exhibits intended for public viewing;

(2) preserve and exhibit objects and sites of historical, cultural, or educational interest; or

(3) operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.<sup>36</sup>

45392 - art dealers

61161 - fine arts schools

512 - motion picture and sound recording

45114 - musical and instrument and supplies stores

### **Cautions and Caveats**

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<sup>35</sup> For more details on the universe for the County Business Patterns, please visit <http://www.census.gov/econ/cbp/methodology.htm>. This page also includes technical guidance.

<sup>36</sup> U.S. Census Bureau. *NAICS 71*. <http://www.census.gov/econ/isp/sampler.php?naicscode=71&naicslevel=2#>.

Unfortunately, this indicator both misses some arts venues and includes other establishments that may be considered irrelevant. Some organizations that may serve as significant arts venues are not categorized primarily as arts and entertainment establishments and are accordingly impossible to include as part of this indicator. Conversely, the indicator includes establishments that provide recreational services not traditionally associated with arts and culture. These include racing and spectator sports, zoos and botanical gardens, amusement parks, casinos, golf, fitness clubs, and marinas. These inclusions make for less precise measures of cultural activity, but they do result in greater data availability across the country. Narrower categories often result in unreported data, especially in rural areas. This is because the Census Bureau will not release data in regions where there are so few establishments falling in a category that it would be impossible to maintain each establishment's anonymity.

### **Interpretation and Use**

This indicator tracks per capita measures of arts and entertainment enterprises. Higher per capita measures may signal a critical mass of arts activity, or that a community may be becoming an arts destination. These arts and entertainment businesses and nonprofits may serve as important community anchors for cultural activity.

Bear in mind that this indicator captures only organizations and businesses with employees, and therefore misses some critical enterprises that promote cultural activity. First, because it does not capture businesses and organizations owned and operated by a single individual, studios and galleries operated independently by individual artists, or a freelance designer or musician's solo enterprise would not be counted. Secondly, these data also omit organizations that provide arts programming but are not primarily arts-centered. Such examples include high schools where ceramics classes are held, bars and cafes where musicians perform, or a local retail business that also organizes an arts festival. Third, these data do not count government entities. This means that government-affiliated arts councils or commissions and economic development agencies organizing arts events are excluded. Lastly, the data do not capture arts organizations that are entirely volunteer-based. This may be of particular concern in lower-resource communities where unincorporated groups often are key providers of cultural offerings.

## **Indicators of Economic Conditions**

## **E1-MEDIAN HOME PURCHASE LOAN AMOUNT**

### **Livability Dimension: Economic Conditions**

The median loan amount for home mortgages is intended to serve as a proxy for property values in a given community. An area with higher property values may reflect stronger economic conditions and suggest that the community is considered a desirable place in which to live.

### **Geographic Levels at Which Data Are Reported**

Census tract and county

### **Data Source**

Home Mortgage Disclosure Act (HMDA) data, 2010

HMDA data consist of information that most home mortgage-lending institutions (for example, banks, savings associations, credit unions) must disclose annually. HMDA data contain information on all home mortgage applications filed at these institutions.<sup>37</sup>

### **Indicator Construction**

This indicator is calculated by finding the median (middle) home mortgage loan amount in the specified geographic area.

The median value is based only on *approved* loans for home purchases. It does not take into account denied loans, nor does it consider loans for home improvements or refinancing.

### **Cautions and Caveats**

HMDA data are more complete in metropolitan areas with high homeownership rates. They are less complete for rural regions and small counties. This is the case because many lending institutions in non-metropolitan areas are not required to report their mortgage application data. In addition, lending institutions are not required to provide geographic information for loan applications for properties in counties with a population of less than 30,000 people. HMDA data are also less reliable in areas with low homeownership rates, because the number of loans issued in such areas is likely to be low, making the median loan value less stable over time.<sup>38</sup>

### **Interpretation and Use**

A higher value for this indicator suggests that property values have increased. In the community development field, increased property values are commonly used to suggest that a community has become more desirable to live in, prompting housing prices to rise.

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<sup>37</sup> For more background on HMDA, see <http://www.ffiec.gov/hmda/default.htm>.

<sup>38</sup> For additional information, see [http://www.federalreserve.gov/boarddocs/caletters/2009/0910/09-10\\_attachment.pdf](http://www.federalreserve.gov/boarddocs/caletters/2009/0910/09-10_attachment.pdf) and <http://www.urban.org/publications/1001247.html>.

However, there may be complex dynamics at play in local communities that make rising housing prices not always a wholly positive change. While rising housing prices can reflect increased livability and spur further investment in communities, they can also signal gentrification may be occurring, and may cause lower-income residents to be dislocated. In the specific case of creative placemaking initiatives, this may be of particular concern. Artists may have been drawn to certain communities because the places are affordable. As creative placemaking projects make them more attractive in general, increasing property values might deter artists from moving into or staying in such areas. In the end, whether an increase in the value of this indicator signifies a positive change depends on the specific context of the community and the goals of the creative placemaking initiative.

It is important to note that loan purchase amounts do not directly capture property sale prices and property values. The size of a home loan depends on the size of the down payment the buyer makes. In addition, mortgage markets have been in a state of flux since the Great Recession, with mortgage rules and practices varying over time and across jurisdictions. These differences may be important because this indicator considers only approved mortgages. If the bar for approving mortgages shifts, the home values reflected by approved mortgages applications would also shift. Lastly, one should note that these data do not capture home purchases that do not require a loan. Particularly in distressed communities where homes have very low values, most home sales may be made for cash. This means that not all properties sold are reflected in the median.

To better contextualize this indicator, it might be helpful to consider the structure of the local housing market, particularly the relationship between homeownership and renting. In some communities, a large proportion of housing may consist of rentals, making changes in rent values informative to examine. Homeownership may also be prohibitively expensive, pricing most people out of buying a home. As a result, the ownership and rental markets may be more divided, with the homeownership market reflecting only the preferences and behaviors of more affluent residents.

Additional information may help with interpreting this indicator. Data reflecting the desirability of property and the state of the local housing market, such as home sales volume, vacancy rate, and the number of days homes typically remain on the market, may be of interest. For some communities, data reflecting housing affordability, such as loan approval rate and housing payment burden, may also be helpful to consider.

## **E2-MEDIAN HOUSEHOLD INCOME**

### **Livability Dimension: Economic Conditions**

Median household income is commonly used as an indicator of economic conditions. Higher median household income levels are associated with stronger economic conditions.

### **Geographic Levels at Which Data Are Reported**

Census tract, municipality, county, state, and nation. For smaller geographies, data may be withheld to protect individuals' confidentiality.

### **Data Source**

2006-10 American Community Survey (ACS) 5-year estimates

## **Indicator Construction**

This indicator is constructed by dividing the income distribution of all households in a geographic area, including households with no income, into two equal groups: one with incomes above the median (or middle value) and one with incomes below the median.

Household income includes the income of the primary householder and all other people age 15 and older in the household, whether they are related or not. Although the household income statistics cover the previous 12 months, the characteristics of individuals and the composition of households refer to the time of interview. Household income includes incomes only of those who are part of the household at the time of the ACS interview. Thus, it excludes income of those who were members of the household earlier in the year. Likewise, the data include income amounts reported by individuals who did not reside in the household over the entire course of the previous 12 months but who were members of the household at the time of ACS interview. ACS respondents are asked about eight types of income that household members 15 and older have earned in the previous 12 months:

Wage or salary income;

Self-employment income;

Interest, dividends, net rental income, royalty income, or income from estates and trusts;

Social Security income;

Supplemental Security Income;

Public assistance income;

Retirement, survivor, or disability income; and

All other income, such as unemployment compensation, worker's compensation, Department of Veterans Affairs payments, alimony and child support, contributions received periodically from people not living in the household, military family allotments, and other kinds of periodic income other than earnings.

## **Cautions and Caveats**

When using this indicator, pay particular attention to the guidance provided on indicator timeframes under the "overarching considerations" of this report. Also, keep in mind that this indicator is an approximation of household income. It is calculated based on survey responses, not actual income records.

## **Interpretation and Use**

Respondents generally considered this a relevant indicator, likely because it is so commonly used. It may be useful to view values for this indicator in the context of community demographic information. For example, the seasonal presence of affluent retirees in a distressed rural community may result in higher values for this indicator than would be reflected by full-time residents. Conversely, if an area has a large proportion of owners of second homes who report income elsewhere, indicator values may be suppressed. Communities with large numbers of college students may have lower values for this indicator despite being economically strong areas.



Indicator users may also find median household income helpful to provide context for other indicators they are using.

## **E3-ACTIVE BUSINESS ADDRESSES**

### **Livability Dimension: Economic Conditions**

The percent of businesses collecting mail is intended to serve as a proxy measure for operating (active) businesses. Higher or increasing values for this indicator are thought to reflect stronger economic conditions or higher levels of economic stability. In contrast, higher levels of business vacancy are associated with falling property values, deterioration of the physical condition of an area, and increased safety concerns.

### **Geographic Level at Which Data Are Reported**

Census tract

### **Data Sources**

United States Postal Service (USPS) and U.S. Department of Housing and Urban Planning (HUD). These data are collected by USPS and aggregated and published quarterly by HUD.

### **Indicator Construction**

The USPS and HUD report these data in the negative, in terms of business addresses that have not collected mail in a given area, which they term “vacant.” The NEA has converted this rate into a positive indicator—that is, 100 percent minus the vacancy rate. USPS and HUD calculate vacancy rate by dividing the number of business addresses that have not collected mail in more than 90 days--plus the number of addresses that are categorized as “no-stat”--by the total number of business addresses in the geographic area.

No-stats include several categories of business. In urban areas, addresses whose businesses collect their mail at post office boxes instead of through regular delivery at their business address are counted as no-stats even though an active business may exist at the location in question. The same holds true for businesses on rural routes that use post office boxes instead of having their mail delivered to their places of business. Businesses that are under construction are also counted as no-stats. Addresses in urban areas identified by a carrier as “not likely to be active for some time” are also identified as no-stats.

### **Cautions and Caveats**

HUD provides the following caveats to these data for both business and residential vacancies:<sup>39</sup>

Vacation and resort areas have very high rates of vacant addresses. (This may be more likely to affect residential vacancies but may also affect business vacancies if some businesses close in the off-season.)

Areas with high growth have high rates of no-stat addresses, as do areas of significant decline. One way to distinguish these two areas is by comparing the total number of business addresses between

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<sup>39</sup> See <http://www.huduser.org/portal/datasets/usps.html>.

quarters. An increase in the total number of addresses with a similar increase in no-stat addresses likely reflects new construction or additions. No-stats with a stable or reduced number of total addresses probably reflect long-term vacant addresses.

In distressed areas, a reduction in total number of business addresses from quarter to quarter appears to be a strong indicator of where demolition is occurring. (Note that if a building is demolished to be replaced by another building, the address will likely be moved to no-stat status and not be removed from the total number of addresses.)

### **Interpretation and Use**

Respondents generally viewed this as an important indicator of economic conditions and overall livability. Having the actual number of businesses would provide useful context, particularly if an area has a small number of businesses. If the area has a high percentage of active businesses, but only a handful of commercial addresses, the area may not have as much economic strength or stability as the indicator suggests.

As noted above, businesses that use post office boxes will not be captured in this indicator, and new development will not positively affect this indicator until construction is complete and the new businesses has begun receiving mail.

## **E4-UNEMPLOYMENT RATE**

### **Livability Dimension: Economic Conditions**

The unemployment rate is commonly used as an indicator of economic conditions. Lower unemployment rates are associated with stronger economic conditions.

### **Geographic Levels at Which Data Are Reported**

Census tract, municipality, county, state, and nation. For smaller geographies, data may be withheld to protect individuals' confidentiality.

### **Data Source**

2006-10 American Community Survey (ACS) 5-year estimates

### **Indicator Construction**

This indicator is constructed by dividing the number of people who are unemployed by the number of people in the civilian labor force. The civilian labor force consists of all people who are either unemployed or employed.<sup>40</sup>

Employed – This category includes all civilians age 16 and older who either (1) were “at work”—that is, those who did any work at all during the reference week as paid employees, worked in their own business or profession, worked on their own farm, or worked 15 hours or more as unpaid workers on a

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<sup>40</sup> For more info on the ACS definition of employed and unemployed, see [http://www.census.gov/acs/www/Downloads/data\\_documentation/SubjectDefinitions/2010\\_ACSSubjectDefinitions.pdf](http://www.census.gov/acs/www/Downloads/data_documentation/SubjectDefinitions/2010_ACSSubjectDefinitions.pdf).

family farm or in a family business; or (2) were “with a job but not at work” —that is, those who did not work during the reference week but had jobs or businesses from which they were temporarily absent due to illness, bad weather, industrial dispute, vacation, or other personal reasons. Excluded from the employed are people whose only activity consisted of work around the house or unpaid volunteer work for religious, charitable, and similar organizations; also excluded are all institutionalized people and people on active duty in the United States Armed Forces.

Unemployed – All civilians are classified as unemployed if they were neither “at work” nor “with a job but not at work” during the reference week, and (2) were actively looking for work during the past four weeks, and (3) were available to start a job. Also included as unemployed are civilians who did not work at all during the reference week, were waiting to be called back to a job from which they had been laid off, and were available for work except for temporary illness. Examples of job-seeking activities are

- Registering at a public or private employment office
- Meeting with prospective employers
- Investigating possibilities for starting a professional practice or opening a business
- Placing or answering advertisements
- Writing letters of application
- Being on a union or professional register

### **Cautions and Caveats**

When using this indicator, users should pay particular attention to the guidance provided on indicator timeframes under the "Overarching Considerations" section of this report.

### **Interpretation and Use**

Respondents overall considered this a relevant measure because it is so commonly used, although it was seen as more relevant as an indicator of economic conditions than of creative placemaking efforts.

An important consideration in using this indicator is that it does not reflect the proportion of the working-age population that has dropped out of labor force. In distressed areas, this proportion can be high, and the effective unemployment rate may be much higher because those not looking for work or otherwise in the labor force are not counted in the indicator’s denominator.

It is also important to consider the effect that large student populations in an area might have on this indicator. If students are seeking work and thus counted as unemployed, the area may be stronger economically than this indicator suggests.

## **E5-INCOME DIVERSITY (GINI COEFFICIENT)**

### **Livability Dimension: Economic Conditions**

The Gini coefficient (named after the statistician who developed it) is used to measure inequality or disparity in the distribution of something, most commonly to measure *inequality* of income or wealth. It

ranges in value from 0 to 1. A value of 0 signifies complete equality (where everyone earns the exact same income) and a value of 1 signifies complete inequality (where one person earns all the income, and everyone else earns nothing). For reference, from 2005 to 2009, the national Census tract-level average value of the Gini coefficient in the United States was 0.467.<sup>41</sup> The highest value observed was 0.833, and the lowest value observed was 0.204.

### **Geographic Levels at Which Data Are Reported**

Census tract and county

### **Data Source**

NEA estimates are based on 2006-10 American Community Survey 5-year estimates

### **Indicator Construction**

Given the technical nature of the computations involved in construction of the Gini Coefficient, details are not provided here.<sup>42</sup>

### **Cautions and Caveats**

Although the Gini coefficient accurately reflects inequality in income distribution, you should familiarize yourself with some (perhaps counterintuitive) characteristics. For instance, the Gini coefficient is blind to whether a community is rich or poor, high population or low population. Neither the size of the economy in a community nor the number of people living in it influences the value of the Gini coefficient. It is only affected by the *distribution* of incomes within the community. This feature makes the Gini coefficient useful for comparing income inequality across disparate communities and over time.

Despite this utility, keep in mind that two communities with the same Gini coefficient might have income distributions that differ significantly. Consider, for example, two neighborhoods each with 100 people and \$300 in total income. In one neighborhood, 50 people earn nothing and 50 people each earn \$6 (half the people evenly share all the income). In the second neighborhood, 75 people earn \$1 and 25 people earn \$9 each (75 people earn 25% of the total income, 25 people earn 75% of the total income). Even though their income distributions vary in substantive ways, both neighborhoods have a Gini coefficient of 0.5. This illustrates one of the Gini coefficient's limitations—that a single value may reflect quite different income distributions on the ground.

### **Interpretation and Use**

Be careful when interpreting the Gini coefficient. Comparing neighborhoods purely by the value of the Gini coefficient may be misleading for several reasons. First, neighborhood income inequality is not intrinsically good or bad. A low-income inequality neighborhood might be equally poor (a pocket of concentrated poverty), or it could be a uniformly middle-class neighborhood. A high-income inequality neighborhood might signify greater income *diversity*. Because of these characteristics, interpret the Gini coefficient value in conjunction with other economic measures, such as the community's median household income and poverty rate. Such information can suggest the nature of income distribution.

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<sup>41</sup> Weinberg, Daniel. 2011. *US Neighborhood Income Inequality in the 2005-2009 Period*. U.S. Census Bureau.

<sup>42</sup> For a detailed description of calculations, interested readers might refer to [http://www.princeton.edu/~achaney/tmve/wiki100k/docs/Gini\\_coefficient.html](http://www.princeton.edu/~achaney/tmve/wiki100k/docs/Gini_coefficient.html).

Below, we outline a few possible scenarios that would influence the Gini coefficient.

Changes across time in the Gini coefficient could be influenced by changes in demographics. Household income could rise as household sizes increase or fall as household sizes decrease over time. Age demographics can also play a key role in skewing the income distribution. This is especially true of increases (through in-migration or aging) in the proportion of two groups generally having lower income: young people and older people. A large expansion of multi-unit student or senior housing in a neighborhood could, for example, increase the proportion of residents with lower incomes and shift the Gini coefficient. A similar effect may be observed with long-term residents reaching retirement and experiencing lower incomes.

Increases in the Gini coefficient (more income inequality) might also signify gentrification. For example, a generally low-income community experiencing a surge in property prices due to being considered up and coming or trendy could face significant turnover as low-income residents move out and are replaced by new residents with higher incomes. To determine if this is the case, additional information about the rate of neighborhood turnover and changes in neighborhood demographics would be helpful.

High Gini coefficient values (more income inequality) might also be found in vacation areas with many second homes, if owners of second homes list these homes as their primary residence. In some communities, the incomes of second homeowners and regular year-round residents may differ substantially, increasing the value of the Gini coefficient.

Ultimately, determining whether an increase in the value of the Gini coefficient is a positive or negative change for the neighborhood depends on the goals, characteristics, and needs of each community and creative placemaking project.

## **APPENDIX A**

### **DATA SOURCES AND STUDY METHODS**

## Data Sources and Study Methods

This appendix describes the three data collection methods The Urban Institute team used to obtain feedback to validate the candidate indicators:

- Site visits to six Our Town grantee sites;
- A convening of representatives of four Our Town grantee sites
- A discussion/focus group with experts who are not involved in creative placemaking efforts

**Site Visits.** UI reviewed characteristics of all Our Town grantees and their locations to develop a set of candidates for site visits. These were chosen to include representation across the four main Census regions, different states, metropolitan and non-metropolitan areas, and variations in project type and size (as reflected in grant amount). The NEA provided advice regarding the final set of six sites (see Table 2 in this report).

Site visits were conducted by a team of two UI project team members and took approximately two days and included five to nine individual or small group discussions. The latter typically involving two or three participants. Over the six site visits, we conducted 43 such discussions, meeting with approximately 75 individuals. The focus of discussions and the indicators addressed varied by site and by type of respondent.

We worked closely with the key partner organization at each site to identify appropriate individuals to meet with and to develop a schedule of meetings. At each site respondents included representatives of the primary arts-related and non-arts related partner agencies involved in the Our Town project. Other respondents varied somewhat across sites, but were selected to include persons knowledgeable about the project area and/or those with perspectives relevant to creative placemaking efforts. Examples of types of viewpoints sought include:

- Developers or community development groups involved in the project or the affected area.
- Neighborhood organization(s) or community groups that could provide perspectives of affected neighborhoods/residents.
- Art or design organization(s) or individuals that could provide perspective of local artists/art community.
- Business-related organization (e.g., local business association) or individuals that could provide the perspective of businesses in the project area.
- Other organizations with substantial involvement in the project that do not fall under other categories, where applicable.
- A representative from the city planning agency or similar department (if that agency is not the government partner).

The first site visit, which served as a pilot test of procedures and protocols, included discussions with representatives of a neighborhood similar to the Our Town project area but without a creative placemaking project. The NEA and UI team subsequently decided to focus future site visits in areas with Our Town projects, but to include a meeting with a representative of the city planning department or similar entity to obtain the perspective of someone conversant with the types of data used for the indicators. In Baltimore and Saint Louis we also met with a representative of the National Neighborhood Partnership Project, an initiative that focuses on compiling local indicator data, to obtain a similar perspective.

Different indicators were discussed at different sites and with different respondents within a given site. Selection of indicators to review at particular sites was primarily based on the type of project (e.g., artist incubation and support). We developed a matrix of indicators most applicable to particular project types (below) based in part on a similar matrix provided by the NEA. We also reviewed descriptions of project activities and objectives contained in project materials to ensure we discussed indicators that seemed applicable to the particular project. Table 3 in this report identifies the livability dimensions we addressed at the respective sites.

<b>Applicability of Indicators for Different Types of Creative Placemaking Project</b>				
	Community attachment	Impact on artists	Economic impact	Quality of life
Cultural Industry & District Development	X		X	
Artist Incubation & Support		X		
Physical Arts Infrastructure			X	X
Art Installations, Festivals, & Engagements	X			X

We addressed economic impact indicators less frequently than the others, with the exception of the Gini coefficient. We addressed the latter with most respondents due to NEA’s interest in obtaining widespread feedback on it.

We selected indicators for discussion with specific respondents based on their role in the community or in the creative placemaking effort. For example, we typically addressed quality of life and attachment to community indicators with representatives of resident associations or similar organizations, economic indicators with representatives of business groups, and creative activity indicators with key partners and other respondents that represent arts organizations or artists. We usually discussed Indicators for at least two dimensions with each respondent. Prior to the site visits we developed a matrix identifying the indicators and related visualizations to be used in the various discussions. This also enabled us to track that each indicator was addressed on at least two site visits.

We used a general discussion guide to elicit reactions to the indicators addressed at the respective sites (included at the end of this Appendix). We typically started by asking respondents to react to a set of data visualizations to “ground truth” how well the national data for the respective indicators “fit” their perceptions of those indicators in that community. We developed data visualizations in either map or bar chart formats (see Figures 3-5 in this report). We generally provided examples of each type of visualization to each respondent.

After reviewing the visualizations with respondents, we asked respondents’ perceptions about the appropriateness of the set of indicators in a particular dimension as indicators of that livability



dimension. We then separately asked their perceptions about the appropriateness of the respective set(s) of indicators to track or reflect the effects of their project.

**Convening.** Our second major method of field research was a one-day convening conducted with two representatives each from four sites, one from the nonprofit partner agency and one from the government partner agency (a total of eight participants). UI worked closely with NEA to identify two rural sites and two urban sites for participation in the convening. Sites selected represented different four different states and three different regions (northeast, south, and west). Table 2 in this report summarizes the characteristics of the four sites that participated in the convening.

The convening included small group discussions to provide feedback about the indicators and full-group discussions to share observations. We used a general discussion guide for each the various small- or full-group discussions (included in this appendix). The first small group discussion was similar to the approach used on site visits. A UI facilitator met with the two representatives from one site to review data visualizations for their own community and obtain feedback on the extent to which the data derived from national data sources “fit” their site/community.

For the second small group discussion, the four rural representatives and the four urban representatives met as two separate groups. Each group reviewed the full set of indicators and discussed their perceptions of each indicator’s appropriateness for reflecting its respective dimension and for use to monitor their own projects.

At the end of the day, the group as a whole provided additional feedback on the candidate livability indicators, discussed their own evaluation plans and indicators, and suggested other indicators they considered appropriate for creative placemaking efforts.

**Expert Focus Group.** We conducted a focus group discussion (roughly 90 minutes in length) to elicit feedback from experts who were not involved in creative placemaking efforts per se. The focus group included practitioners or researchers with expertise in a variety of areas related to creative placemaking, community development and use of indicators at the local level. Participants included:

- The founding director of the National Neighborhood Indicators Partnership and author of numerous publications on housing, urban policy and governance issues.
- Director of Research and Assessment for the Local Initiatives Support Corporation (a community development intermediary).
- An official from the U.S. Department of Housing and Urban Development’s Office of Sustainable Housing and Communities.
- An official of a nonprofit organization focused on rural issues, including improvement of social and economic issues in rural areas.
- The director of a center focused on cultural understanding and change at a major arts institution who is also a professor and researcher.

We provided participants with a list of the indicators in advance of the focus group and a set of “Frequently Asked Questions” to familiarize them with the VALI study

UI facilitators asked the participants to react to the appropriateness of the various indicators for their respective livability dimensions and to identify strengths and limitations of the candidate indicators and their usefulness in different settings.

## VALI Site Visit Discussion Guide

Note to Interviewers: The wording in this guide is more of a guide to topics to address than the exact words to use with respondents. The order in which topics and visualizations are presented may vary across respondents and sites.

### **Introduction to interview**

Introduce UI site visit team, obtain respondent information (name, role) as needed. Provide overview of purpose of the project :

NEA wants to develop material to help its grantee organizations and the general public access and use indicators with data available nationally to enable them to track key dimensions of change in communities.

In our site visits, we are trying to “ground-truth” how well the candidate indicators reflect the dimensions of livability in different communities and to identify strengths and weaknesses or limitations in their use. We will use this information in helping NEA develop a User’s Guide that is intended to be a resource to help communities identify indicators that best suit their own goals and community.

During this interview/meeting, we’re going to show you some examples of actual values of selected indicators in [name of community] to get your reactions/feedback, and also ask for your feedback on the indicators in general.

Before we begin, we want to assure you that:

Neither UI nor NEA is rating or evaluating the creative placemaking efforts in the sites visited

We will not attribute responses to particular individuals, but given the small number of sites, we cannot assure “confidentiality.”

There are no “right” or “wrong” answers; we are seeking frank feedback/ honest opinions.

### **Discussion Questions**

#### **Map-based visualizations** [For zip code or census tract data]

Q1-a) This map shows differences in the values of [indicator name – e.g., home ownership rate] in [city/town name]. How well/accurately do you think these values reflect actual conditions overall? [Alternate wording: does this ring true?]

If not considered good reflection – probe why they said that?

Q 1-b) [Same map] How well/accurately do you think these values reflects [indicator name] in the project area/project neighborhood [area of interest highlighted on map]?

If not considered good reflection – probe why they said that

[If respondent not able to answer either question after further explanation, record reason for the response]

The following question will be used in selected interviews where the maps were based on data only available at specific geographic levels.

1-c) [Same map] What do you think about using data for [indicator name] from the [census tract or zip code level] to approximate values (or as a proxy) for this indicator at a smaller geographic area – such as [area of project] or your own community or neighborhood? [Record rationale and probe if needed.]

1-d) [Ask only if this has not already been raised in one of the responses – and only ask the first time a map at a particular geographic level is How well do the boundaries of the area highlighted in the map match up with/“fit” your perception of

The creative placemaking project area?

The/your neighborhood? [ask only if respondent represents specific neighborhood]

### **Charts & graphs** [for county, zip code or census tract data]

Interviewer will mention the geographic level the indicator (e.g., census tract) and that of the comparison/reference point – e.g., city, county or state level data

2-a) For each indicator in turn: how well/how accurately do you think these data reflect [indicator, e.g., in-migration] in the area(s) identified? [Alternate wording: does this ring true?]

If not considered good reflection – probe why they said that?

[If respondent not able to answer record reason for the response]

The following question will be added in selected interviews where the visuals were based on data only available at particular level.

2-b) What do you think about using data for [indicator name] from the [census tract or zip code level] to approximate (or as a proxy for) conditions for this indicator at a smaller geographic area – such as [area of creative placemaking project] or your own community or neighborhood? [Record rationale and probe if needed.]

2-c) [Ask if this has not already been raised in one of the responses – and only ask once when first introduce census tract or zip code level data] How well do the boundaries of the area highlighted match up with/“fit” your perception of

The creative placemaking project area?

The/your neighborhood? [ask only if respondent represents specific neighborhood]

**Usefulness of indicators** [Use handout with list of indicators]

Ask Q3-a of **all respondents**

Q3-a) We'd like your opinion about whether the indicators on this list [OR specific section of list] are a good reflection of the livability dimension they are listed under for this community. Just say "yes," "no" or "don't know" as we go over the list [For "no" responses – ask "why did you say that - unless discussed earlier?"]

If respondent asks what is meant by "this community," tell them to respond in terms of what they think of as this community – but ask what it means to them and record response.

If the respondent does not ask what is meant by "this community" – ask them to tell you how they defined community as they responded to the list of indicators.

Q3-b) [After completing indicators for each dimension]: are there indicators that are not listed that you think would be good indicators of [dimension name] in this community?

For each: why do they suggest it

[If not clear, ask about source of data for it]

Ask Q3-c, 3-d and 3-e **of key partners** and others closely involved with the creative placemaking project.

Q3-c) Now looking at the same indicators, which do you think would be more useful or less useful for tracking or monitoring the effects of the creative placemaking initiative [name]. That is, would looking at changes in the indicator value over time help monitor or demonstrate the effects of the initiative? We're not asking that you rank order the indicators - just say whether each is "more" or "less" useful.

[For "less useful" responses – probe "Why did you say that" (unless discussed earlier)]

[Ask 3-d and 3-e if time permits]

Q3-d) Are there any cautions or caveats you think need should be considered by creative placemaking project leaders who may be thinking of using any of these indicators [where applicable - other than ones you've already mentioned]?

Are there particular types of projects or communities where you think some of these indicators would be a better fit/more appropriate than others?

Q3-e) [Ask after completing each dimension, or after full set] Are there indicators that are not listed that you think are/would be good indicators for monitoring effects of your creative placemaking effort or other creative placemaking efforts in general?

For each one identified, ask why they suggest it

If not clear, probe for source of data

**Other potential indicators**

This set of questions only for key partners/others closely involved with the creative placemaking effort:

Q4-a) What do you/your creative placemaking effort think or hope will change in this community because of the project? In other words, what kind of outcomes do you anticipate the project will have? [Where applicable:] What about those it has already had?

Q4-b) Would you say your project] has had, or is expected to have, a positive effect on [insert dimension name in turn if not already mentioned above]:

effect on arts/art community/creative activity

residents' attachment to community

quality of life of residents

economic conditions

Q4-c) What indicators, if any, has this project identified to reflect outcomes [or changes] expected? For each:

What is the source of data?

How often are data collected/reported [updated]?

What geographic area is covered?

Q4-d) Now think of the sorts of things you'd like to be able to tell others about the project's accomplishments – what sort of indicators or data do you wish you had for that purpose? Don't limit yourself to data you know exists – this is a chance to think in terms of a "wish list." [If they repeat indicators raised earlier, record that but don't need to ask reasons if given earlier]

## Discussion Guide for Convening

### Opening Session

Introduction of participants, review of the agenda, NEA welcome and overview of the four dimensions of livability associated with creative placemaking and the related indicators.

A facilitator and note taker will be assigned to each group to guide the discussion and document the grantees' responses.

### First small group discussion

Each small group will be comprised of the two representatives (government and nonprofit) from each community. Facilitators will distribute visualizations (charts or maps) for that community and discuss each in turn. The first two maps to address are zip code and tract level maps that represent what we believe to be the project boundaries. Visualizations for each indicator in the four dimensions will be addressed next, with economic indicators addressed last.

Discussion topics/questions:

For the zip code and tract level boundary maps, ask project representatives "how well or accurately do the boundaries represent or "fit" the actual project area"?

For each data visualization in turn ask:

How well/how accurately do you think this [map/chart] reflects actual values for this indicator [name]:  
(a) overall and (b) in the area highlighted [the area around the project]? [alternate wording: does this ring true?]

If not considered good reflection – probe why they said that

If "don't know" probe if clarification is needed and explain further, or enter DK and the reason given

### Full-group discussion

The site-specific groups will reconvene as a full group to share observations and participate in a discussion. We will go dimension by dimension and so all four projects will report on a single dimension before proceeding to the next. Participants and facilitators will be given an opportunity to offer summary insights, observations, or questions.

Topics/questions for the full group discussion:



What are some overall reactions to the exercise?

We'd like each group to share its observations about how well the data for different indicators "fit" both (a) overall and (b) at the Our Town project area level.

How do you feel about using changes in data at each of the tract, zip code, or county levels to reflect changes in the Our Town project area over time (e.g., 3 to 5 years)? [Seek advantages/drawbacks of county, zip code and census tract level data].

Are there additional observations or reactions? (e.g., points of consensus, difference of opinion, things that surprise you)

### Second small group discussion

Two small groups will be formed, one with the four urban partner representatives (CA & MD sites) and the other with the four rural partner representatives (AZ & NY sites). Each participant in both groups will be given a full list of candidate indicators grouped by livability dimension.

Questions:

First we'd like you to look at each indicator (on the handout), identifying those that you think are useful/appropriate or are not useful/appropriate as indicators for the dimension they are associated with. You can mark them Yes or No.

Next, go back to each of the indicators and identify those that you think would be useful or not useful as indicators for your own creative placemaking project – in the sense of looking at changes in those indicators over time. You can mark them Yes (for the ones you think would be useful) or No (for the ones you think are not useful on the handout.) If uncertain, you can enter a question mark or "M." We're not asking you to rank order them, just to provide a sense of which ones you think would work as indicators for monitoring the effects of the project and which ones you think don't work.

Facilitator will ask each participant to report their "ratings" on general appropriateness of the indicators against the respective livability dimension and record them on a flip chart using green, yellow, or red stickers (for yes, maybe, or no). Following this each will be asked to provide their ratings on usefulness of the indicators for their creative placemaking project. When all participants have given both types of rating, solicit group reaction to the overall ratings. Probe and discuss reasons for differences in appropriateness of indicators for their respective dimension and their usefulness for the creative placemaking project, and for mixed views regarding particular indicators.

### Full group discussion

A spokesperson for each group will be asked to report out on the indicators their group felt were useful for their creative placemaking projects, and subsequently those felt not to be useful.

Topics/questions for full group discussion:

Looking at the feedback provided by the two groups (urban and rural projects) - what reaction do you have to any differences or similarities in what they considered more or less useful? [compare and contrast two groups reporting out]

Were there any differences of opinion on particular indicators within project teams? [Solicit examples and discuss.]

Looking at the indicators in turn (going dimension by dimension) – what do you think are their strengths and what “caveats” or cautionary notes would you suggest be considered by creative placemaking projects that were thinking of using them?

### Final full group discussion

Now we’d like to hear about your evaluation plans and the indicators each of your projects is using or planning to use, and where you expect to get data for them (e.g., existing data available from local government agencies, or data you might obtain by conducting surveys.

After each site does this, ask for group comments or questions.

What do you wish you understood about your creative placemaking projects and could communicate to others?

Finally, we’d like to wrap up today’s convening by compiling a “wish” list – we’d like each of you to identify some indicators you’d like to be able to use for your projects, whether or not data are currently available for them. Another way to think about this is to imagine the sorts of things you’d like to be able to tell others about your project’s accomplishments.

After compiling wish list – ask group for feedback.

Photos on front cover, clockwise from left:

Participants in one of four Plan-It Hennepin public planning workshops gather around the 42-foot-long scale model of Hennepin Avenue, photo by Mark Van Cleave; Celilo Park- Community Site Visit July 2012, photo courtesy of Confluence Project; Writers' Theatre Working Session, photo copyright and courtesy of Studio Gang Architects; AIR Shift workshop, photo courtesy of the Arts Incubator of the Rockies.



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