

Report on the Colorado Art Market in 2016

Report on the Colorado Art Market in 2016

Purpose of the Report

Art markets are notoriously difficult to measure, not least because their primary actors, Art Dealers, remain reluctant to share information about their business activity. Furthermore, art markets function by prioritizing privileged information which necessarily produces obscurity in regard to reliable economic data. Other reports have managed to very successfully capture the scale of the nonprofit Arts Economy, most notably the Arts & Economic Prosperity study conducted by Americans for the Arts which measures the economic impact of the nonprofit art economy. No one, however, has very successfully measured the for-profit economy of transactional ownership exchanges in artworks, not for any geographic entity at any time. One can occasionally find reports on the global auction market, since auctions houses do usually publicize their sales results. Auctions, however, represent only one sector of the vast Art Market. The disparate commerce of art galleries, antiques shops, and artists conducting their own sales, remains essentially un-measured. Therefore, this report endeavors to measure a discreet geographic entity, the State of Colorado, for the year of 2016, as well as providing targeted zip code-based statistics on the size of local art markets within the state.

Defining an Art Market

Although often used interchangeably, for the purpose of this report, we make a distinction between the terms Art Business and Art Market. The Art Business represents all of the professional activities of people involved in Art, as well as the institutions where they work. The Art Business, however, contains two distinct forms of economic consumption: Experiential Consumption and Ownership Consumption. The Experiential Consumption sector includes those institutions who sell the customer an art experience with the institution's artworks. This sector would primarily include museums but would also include a newer entity such as Meow Wolf, which sells an art experience. The purpose of this report is not to measure the Experiential Consumption sector of the Art Business. Rather, this report will measure the Ownership Consumption sector of the Art Business: where artworks have a transactional exchange of ownership. This sector can otherwise be termed the Art Market.



Report on the Colorado Art Market in 2016

A more challenging question then follows as to what are the parameters of the Art Market. A broad definition would be the commercial exchanges of ownership in artworks, but artworks themselves can be further subdivided into the disciplines often referred to as Fine Art (painting, graphics, drawing, sculpture) and Applied Art (jewelry, furniture, ceramics, textiles), i.e. objects that are both beautiful and simultaneously serve a function. For the purposes of this report, we have elected to include merchants and producers of both Fine and Applied Arts. Furthermore, a distinction is often made for graphic designers and commercial photographers who serve the media-based sectors such as publishing and advertising. Their products are often not objects but digital files. Nonetheless, we chose to include these professions as well as those of other applied art producers for the following reasons: 1) These producers elect to refer to themselves as photographers, artists, or designers. 2) Their centers for higher-education training are also designated Art Schools or Departments of Art at colleges and universities. Therefore, the report accounts for exchanges in ownership in artworks, which can include both art and design objects and digitally-existing artworks.

This report includes both sectors of the Art Market distinguished as the Primary Art Market and Secondary Art Market. The first term refers to art objects sold for the first time (Primary Art Market) which can be a synonym for the Contemporary Art Market. The sale in old objects for the second (or third, fourth, fifth) time is referred to as the Secondary Art Market and in many cases the producer is not known and quite possibly deceased. This report includes both Primary and Secondary sectors, including the vast secondary market in applied arts and design known as the Antiques Market, which includes the re-sale commerce in furniture, ceramics, and other used goods. The justification for inclusion of these sectors is because the leading auction houses in the Art Market, Christie's and Sotheby's, have departments selling all of these media and object types. This report accounts for Art Market revenue earned through both two agent models of commerce (producer-consumer, i.e. artist-collector) and three agent models (producer-merchant-consumer, i.e. artist-dealer-collector).

Methodology: Sources of the Data

The nonprofit Experiential Consumption side of the Art Business has always been quite forthcoming about its economic activity, not least because of the need to make a favorable impression upon their donors. The Art Market, however, is largely composed of for-profit micro enterprises, often sole-proprietorship or simply self-employed individuals. These many small-scale actors of the Art Market have no public disclosure obligations like the nonprofit sector nor much interest in doing so. The Art Market thrives on opacity, and so, if surveyed about their economic activity, an art dealer would be reluctant to be forth-coming with useful, viable data. Therefore, no report of this type had been possible until the Western States Arts Federation (WESTAF) created the data service CVSuite. The data service of CVSuite makes use of labor statistics, tax data, and other economic data organized by occupation and industry that allow us to define those actors and entities that make up the Art Market. Furthermore,



Report on the Colorado Art Market in 2016

with these tools, our research team has been able to apply the same methodology to zip code-based localized Art Markets. The full source of data can be read in the Appendix 1: Data Sources.

Methodology: Occupations in the Art Market

The following occupations within Colorado were selected as the actors of the Art Market. They are included with their Standard Occupational Classification System (SOC) code. In each case we provide the justification for the inclusion of this occupation category. In addition to the occupation codes, we have added the jobs reported by the NAICS Industry Codes 453310 and 453920 which are for Used Merchandise Stores (Antiques) and Art Dealers.

25-4012 Curators: Often associated with the Experiential Sector, still curators usually function as the driver for a museum's acquisition policy, and therefore, play a key role in the Art Market.

27-1011 Art directors: Although usually found in the commercial art business, art directors and their teams still produce an aesthetic product which is purchased by their client.

27-1012 Craft artists: They produce art objects for sale.

27-1013 Fine artists, including painters, sculptors, and illustrators: These producers conform to our most traditional concepts of artists.

27-1014 Multimedia artists and animators: The artists sell a digital art product of their own creation.

27-1019 Artists and related workers, all other: A general category that many less traditional artists elect identify themselves.

27-1022 Fashion designers: They produce a fashion textile product that is purchased by a client.

27-1024 Graphic designers: They produce artworks for advertising and publication purposes.

27-1025 Interior designers: They function as the art agents for the furniture (both new and antique) business and therefore play a merchant-like intermediary role.

27-1029 Designers, all other: This designation serves as a general category for designers who produce a variety of aesthetic assemblages that are purchased by clients.

27-4021 Photographers: They produce photographs, either printed or digital, for clients who purchase those images. We elected to include only still photographers, but not to include makers of video and other motion-picture products.

51-7011 Cabinetmakers and bench carpenters: They produce the applied art of furniture.

Report on the Colorado Art Market in 2016

51-7021 Furniture finishers: They function as the conservators of the antique furniture market, as well as often its merchants.

51-9071 Jewelers and precious stone and metal workers: They produce applied art and jewelry.

51-9194 Etchers and engravers: They make serial 2-dimensional artworks.

51-9195 Molders, shapers, and casters (except metal and plastic): These producers make metal and ceramic objects for aesthetic purposes.

453310 (NAICS code) Used merchandise stores: These are merchants of the antiques sector.

453920 (NAICS code) Art dealers: These are the merchants of the retail art sector.

Methodology: Industries in the Art Market

The intention in selecting industries was to choose those which produce or trade in art objects, design objects, or artistic products. The following industries as noted by their North American Industry Classification System (NAICS) code were selected as meeting the criteria of entities involved in the Art Market. In each case the industry was chosen if it met the standard of creating and trading in aesthetically produced art and design products. Furthermore, if there exists a secondary market in the resale of older products from this industry, then that served as further justification for its inclusion.

327110 Pottery, ceramics, and plumbing fixture manufacturing

327212 Other pressed and blown glass and glassware manufacturing

332323 Ornamental and architectural metal work manufacturing

339910 Jewelry and silverware manufacturing

423940 Jewelry, watch, precious stone, and precious metal merchant wholesalers

448310 Jewelry stores

453310 Used merchandise stores

453920 Art dealers

541430 Graphic design services

541921 Photography studios, portrait

541922 Commercial photography

Report on the Colorado Art Market in 2016

811420 Reupholstery and furniture repair

812921 Photofinishing laboratories (except one-hour)

The Occupations in the Colorado Art Market

The artistic production occupations achieved 3% growth in Colorado from 2015 to 2016, from 55,319 to 57,021. Over a 1-year period 1,702 art production jobs were added. The jobs provided by art market retailing which would be represented by the industry NAICS codes 453310 and 453920 for Used Merchandise Stores (Antiques) and Art Dealers provided an additional 11,092 jobs (8,861 and 2,231, respectively). Therefore, the total for Colorado Art Market jobs, including both producers and retailers, would be: 68,113 for the year of 2016.

The largest occupation was that of Photographers with 21,890 jobs, followed by Graphic Designers with 10,409 jobs in Colorado in 2016. Self-defined artists, which would include the SOC Codes 27-1012, 27-1013, 27-1014, and 27-1019 (Craft artists; Fine artists, including painters, sculptors, and illustrators; Multimedia artists and animators; and Artists and related workers, all others) totaled 9,648 jobs.

Report on the Colorado Art Market in 2016

Fig. 1: Art-producing Occupations of the Colorado Art Market for 2015 and 2016.

SOC Code	Occupation	2015 Jobs	2016 Jobs	Change	% Change
-	Total Occupations	55,319	57,021	1,702	3%
25-4012	Curators	288	309	21	6.7%
27-1011	Art directors	3,413	3,529	116	3.3%
27-1012	Craft artists	2,378	2,445	67	2.7%
27-1013	Fine artists, including painters, sculptors, and illustrators	4,398	4,515	117	2.6%
27-1014	Multimedia artists and animators	2,010	2,064	54	2.6%
27-1019	Artists and related workers, all other	597	624	28	4.4%
27-1022	Fashion designers	461	478	17	3.5%
27-1024	Graphic designers	10,108	10,409	302	2.9%
27-1025	Interior designers	4,094	4,242	148	3.5%
27-1029	Designers, all other	435	457	22	4.8%
27-4021	Photographers	21,280	21,890	610	2.8%
51-7011	Cabinetmakers and bench carpenters *	2,362	2,473	111	4.5%
51-7021	Furniture finishers *	609	613	4	0.6%
51-9071	Jewelers and precious stone and metal workers	1,734	1,798	65	3.6%
51-9194	Etchers and engravers *	155	160	5	3.4%
51-9195	Molders, shapers, and casters (except metal and plastic) *	999	1,015	16	1.6%

Report on the Colorado Art Market in 2016

The Industry Earnings of the Colorado Art Market

The industries of the Art Market can be measured in terms of both Earnings and Sales. Earnings are calculated by aggregating the compensation paid for the labor of all workers in a given industry. This includes: wages, salaries, supplements and proprietor earnings. The Colorado Art Market achieved \$917,835,636 in earnings in Art Market industries in 2016.

Fig. 2: Colorado Art Market Industry Earnings for 2016.

NAICS Code	Industry	Earnings 2016
-	Total Industry Earnings	\$917,835,636
327110	Pottery, ceramics, and plumbing fixture manufacturing	\$80,008,373
327212	Other pressed and blown glass and glassware manufacturing	\$6,253,207
332323	Ornamental and architectural metal work manufacturing	\$49,801,239
339910	Jewelry and silverware manufacturing	\$21,062,049
423940	Jewelry, watch, precious stone, and precious metal merchant wholesalers	\$62,837,371
448310	Jewelry stores	\$113,539,869
453310	Used merchandise stores	\$183,560,327
453920	Art dealers	\$48,729,499
541430	Graphic design services	\$188,249,126
541921	Photography studios, portrait	\$89,094,144
541922	Commercial photography	\$49,214,712
811420	Reupholstery and furniture repair	\$18,105,637
812921	Photofinishing laboratories (except one-hour)	\$7,380,091

Report on the Colorado Art Market in 2016

The Industry Sales of the Colorado Art Market

Industry Sales data is arrived at by multiplying the price at which goods or services are sold by the number of units sold. This estimate is adjusted for discounts and deductions for returned merchandise. The Colorado Art Market achieved \$2,145,482,250 in sales in 2016.

Fig. 3: Colorado Art Market Industry Sales for 2016.

NAICS Code	Industry	Sales 2016
-	Total Industry Sales	\$2,145,482,250
327110	Pottery, ceramics, and plumbing fixture manufacturing	\$207,172,493
327212	Other pressed and blown glass and glassware manufacturing	\$22,549,377
332323	Ornamental and architectural metal work manufacturing	\$183,200,183
339910	Jewelry and silverware manufacturing	\$77,704,263
423940	Jewelry, watch, precious stone, and precious metal merchant wholesalers	\$164,400,870
448310	Jewelry stores	\$263,415,585
453310	Used merchandise stores	\$427,994,834
453920	Art dealers	\$112,579,796
541430	Graphic design services	\$340,139,868
541921	Photography studios, portrait	\$194,752,446
541922	Commercial photography	\$107,411,429
811420	Reupholstery and furniture repair	\$31,188,132
812921	Photofinishing laboratories (except one-hour)	\$12,972,974

Report on the Colorado Art Market in 2016

The Leading Art Scenes of the Colorado Art Market according to Industry Sales

Using zip code targeting, we measured the leading Colorado Art Market centers according to Industry Sales data. We employ the term Art Scene to designate a self-contained art community and market. These include multiple locations within the metro Denver area, as well as individual smaller communities spread throughout the state. Some communities' art scenes were spread over multiple zip codes and in order to achieve comparable results, we elected to show data from only individual zip codes. For example, the areas of Central Denver known as the Golden Triangle and the Arts District on Santa Fe spreads over two zip codes 80204 and 80205. Therefore, each zip code was included separately. For larger communities outside of Denver (Boulder, Colorado Springs, Fort Collins, Greeley, Lakewood, Loveland, and Pueblo), we included multiple zip code locations because each represented significant economic activity. The largest Art Scene by zip code in the State of Colorado is the River North Arts District (80216) of Denver known as RiNo with \$65,837,691 in sales. Outside of Denver, the largest market was the Boulder zip code of 80302 with \$53,943,070 in sales. We included data from each of Colorado's Certified Creative Districts.

Art Scene	Zip code	Industry Sales
Aspen	81611	\$32,174,021
Basalt	81621	\$8,746,838
Boulder	80301	\$14,317,418
Boulder	80302	\$53,943,070
Breckenridge	80424	\$7,479,576
Carbondale	81623	\$8,792,670
Cherry Creek	80206	\$51,671,194
Colorado Springs	80903	\$12,578,946
Colorado Springs	80904	\$16,912,460
Crested Butte	81224	\$2,962,249
Durango	81301	\$16,438,331
Fort Collins	80524	\$29,702,362
Fort Collins	80525	\$33,217,448
Golden Triangle and Santa Fe	80204	\$19,474,409
Golden Triangle and Santa Fe	80205	\$37,197,246
Grand Junction	81501	\$12,736,135
Greeley	80631	\$7,485,369
Greeley	80634	\$8,662,544
Lakewood	80214	\$5,127,159
Lakewood	80226	\$19,196,693

Report on the Colorado Art Market in 2016

LoDo	80202	\$30,411,498
Loveland	80537	\$7,841,801
Loveland	80538	\$14,871,952
Mancos	81328	\$308,241
Manitou Springs	80829	\$4,022,068
Montrose	81401	\$6,374,422
Ouray	81427	\$491,969
Paonia	81428	\$1,315,734
Pueblo	81003	\$5,410,762
Pueblo	81008	\$8,842,526
Ridgway	81432	\$4,737,741
RiNo	80216	\$65,837,691
Salida	81201	\$5,556,920
Steamboat Springs	80477	\$3,241,197
Telluride	81435	\$5,081,460
Trinidad	81082	\$573,114
Vail	81657	\$14,963,021
Westwood	80219	\$6,669,783

Appendix 1: Data Sources

Economic Modeling Specialists International (EMSI); National Assembly of State Arts Agencies; National Center for Charitable Statistics; Western States Arts Federation (WESTAF) data service CVSuite.

About the Master in Gallery Management & Exhibitions Specialization

The Master in Gallery Management & Exhibitions Specialization (MGES) at Western State Colorado University is an innovative graduate program in the field of visual arts management. The program provides a hybrid low-residency terminal professional M.A. degree. Our graduates are prepared for art business fields such primary and secondary market galleries, museums, art fairs, auctions, antiques, collections management and advising, and careers such as curator, registrar, preparator, installer, director/manager.

The MGES also works with our partners to undertake research projects on the art market by making innovative use of new data tools. The *Report on the Colorado Art Market in 2016* represents the first step in producing a *Report on the US Art Market in 2017* by employing the same methodology. The *Report on the US Art Market in 2017* will be released in late 2018.