

“Life is short, art is long”: from Bohemian graduates to the creative class

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Outline

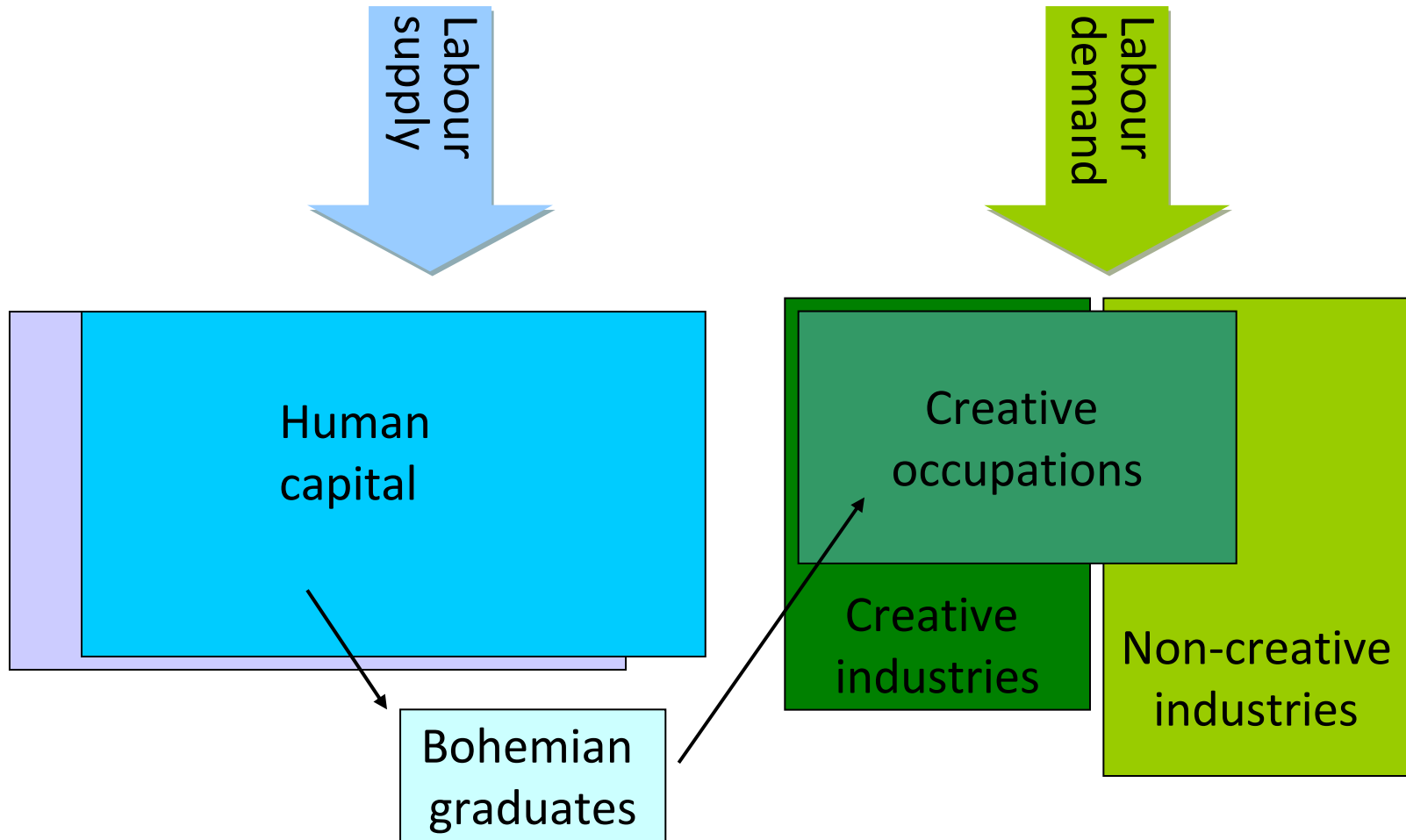
- The ‘creative’ policy debate
- Conceptual framework
 - Creative labour supply and demand
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- Data
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Creative policy debate

- Since 1998 there has been increasing economic policy interest in the creative industries in the UK:
 - A means to *'pull Britain out of recession'* (Gordon Brown)
- On the international policy agenda, the rise of the creative class:
 - *'Driving force in regional economic growth and prosperity'* (Richard Florida)
- Are there higher economic rewards for a creative labour force?

Conceptual framework: Comunian, Faggian and Li (2010)



Previous findings

- Comunian, Faggian and Li (2010) show that bohemian graduates face great difficulties in the labour market:
 - They earn lower salaries than non-bohemian graduates
 - They are less likely to find a graduate-level job
- The analysis is based on data collected six months after graduation (HESA)





Previous findings

- This confirmed a general public perception, but also the findings from qualitative studies within the fields of cultural studies and sociology:
 - Menger (1999) referring to bohemians says that they face ‘*higher rates of unemployment and of several forms of constrained underemployment*’ (p.545).
 - Nemko (2006) refers to artistic careers are ‘*the world’s best hobbies but the worst careers*’.
 - Abbing (2002) explores these issues in a book entitled “Why artists are poor?”



Possible explanations

- Comunian et al. (2010) propose a number of different explanations:
 - Value system (bohemians do not care about money)
 - Screening (the best HEIs do not offer bohemians subject)
 - Human capital (bohemian graduates do not develop appropriate skills)
 - Externalities (the labour market does not internalise the positive externalities offered by bohemians)
 - Oversupply (too many bohemian graduates)
 - Time horizon



Time horizon

- Analysis six months after graduation may be inappropriate for bohemian graduates because:
 - They have a longer transition period between finishing higher education and establishing a career (Blackwell and Harvey, 1999)
 - They need to build up a portfolio of work (Ekinsmyth, 2002)
 - It is more important for them (than for non-bohemian graduates) to build up their ‘reputation’ (Zafirau, 2008; Blair, 2001)



Aims of the paper

- We explore the time-horizon issue using new data on employment 3 ½ years after graduation.
- We test whether:
 - The employment circumstances of bohemian graduates improve over time
 - There is a better match between creative occupations and bohemian graduates in the medium term
 - The salary gap is persistent over time
- Study the determinants of bohemian vs. non-bohemian salaries both in the short- and medium term



Data sources

- Students in Higher Education 2002/03 data collected by the Higher Education Statistics Agency (HESA)
- Destination of Leavers of Higher Education (DLHE) survey for 2002/03
 - Data on personal, institutional and employment characteristics 6 months after graduation
- Longitudinal DLHE survey 2007
 - Follow-up survey collected 3 ½ years after graduation



Defining ‘bohemian’ graduates

- Bohemian graduates are those for whom a majority of their degree is in a creative subject
- Creative subjects include:
 - Creative arts and design
 - Media, journalism and publishing
 - Software design, multimedia computing
 - Audio and music technology
 - Architecture and landscape design



Defining creative jobs

- We follow the Department for Culture, Media and Sport (DCMS, 1998) definition.
- Creative industries include:
 - Architecture
 - Advertising
 - Media and publishing
 - Photography, video and film
 - Software and computer games
 - Performance arts
- Creative occupations cover a wide range, from architects and town planners to dancers, bookbinders and florists.



Methodology

- Descriptive statistics:
 - Compare labour market outcomes for bohemian vs. non-bohemians, in short and medium term
 - Analyse the transitions for bohemian vs. non-bohemian graduates in and out of creative jobs
- Mincer earnings equations to identify the main factors responsible for the bohemian vs. non-bohemian wages

Graduates in creative occupations (%)

	Non-bohemian		Bohemian	
	6 months	3 ½ years	6 months	3 ½ years
Non-creative	93.2	90.8	66.3	61.3
Creative	6.8	9.2	33.7	38.7

Only one third of bohemian graduates work in the creative sector, increasing only slightly over time.

Mean and median salaries (in £)

	Non-bohemian		Bohemian	
	6 months	3 ½ years	6 months	3 ½ years
Non-creative	19,460 <i>18,000</i>	23,285 <i>22,000</i>	14,114 <i>13,000</i>	18,664 <i>18,000</i>
Creative	19,327 <i>17,000</i>	21,990 <i>20,000</i>	15,149 <i>16,000</i>	18,632 <i>18,000</i>

Bohemian graduates earn less than non-bohemian graduates, even in creative jobs.

Employment circumstances (%)

	Non-bohemian		Bohemian	
	6 months	3 ½ years	6 months	3 ½ years
Full-time paid work	62.9	77.0	50.0	66.7
Part-time paid work	10.2	6.9	15.6	9.3
Self-employed / freelance	1.6	3.2	7.0	10.8
Voluntary / unpaid work	0.8	0.3	0.7	0.6
Further study	3.4	6.9	3.4	4.6
Unemployed	5.1	2.1	8.8	4.0
Not looking for work	1.9	2.1	2.8	2.6
Other	14.1	1.5	11.8	1.5

Job satisfaction after 3 ½ years (%)

	Non-bohemian	Bohemian
Very satisfied	37.9	33.7
Fairly satisfied	48.4	45.0
Not very satisfied	9.6	15.8
Not at all satisfied	4.1	5.5

Freelance, self-employment and part-time work might be chosen by bohemians to preserve artistic freedom. But job satisfaction levels are low after 3 ½ years.

Transitions between sectors (%)

	Non-bohemian		Bohemian	
	Non-creative 3 ½ years	Creative 3 ½ years	Non-creative 3 ½ years	Creative 3 ½ years
Non-creative (6 months)	87.3	5.9	52.0	13.6
Creative (6 months)	3.9	2.9	11.3	23.1

Only 23% of bohemian graduates enter into a creative job immediately after graduation and remain in the creative sector in the medium term. A majority (52%) never work in the creative sector.



Mincer equations

- Our aim is to explain the difference in wages between bohemian and non-bohemian graduates, in terms of:
 - Personal characteristics (gender, ethnicity, experience)
 - Type of university (Russell or 1994 group, other “old”, new universities, colleges)
 - Degree classification (first, 2.1, 2.2, third, unclassified)
 - Type of employment (full-time, part-time, freelance)
 - Working in a creative job
 - Working in London
 - Sector and occupation

Personal characteristics

	6 months (DLHE)		3 ½ years (LDLHE)	
	(1)	(2)	(3)	(4)
	<i>Non-bohemian</i>	<i>Bohemian</i>	<i>Non-bohemian</i>	<i>Bohemian</i>
Female	-0.055*** (0.003)	-0.045*** (0.009)	-0.085*** (0.014)	-0.085** (0.035)
Experience	0.030*** (0.001)	0.025*** (0.003)	0.011*** (0.001)	0.048** (0.023)
Experience sq	-0.001*** (0.000)	-0.001*** (0.000)	0.000*** (0.000)	-0.001 (0.001)
Non-white	0.017*** (0.005)	0.035** (0.017)	-0.001 (0.015)	0.008 (0.037)

Type of university

	6 months (DLHE)		3 ½ years (LDLHE)	
	(1)	(2)	(3)	(4)
	<i>Non-bohemian</i>	<i>Bohemian</i>	<i>Non-bohemian</i>	<i>Bohemian</i>
Russell or 1994 group	0.014*** (0.005)	-0.015 (0.015)	0.119*** (0.040)	0.064 (0.058)
Other “old” university	-0.009 (0.006)	-0.025 (0.018)	0.072** (0.040)	-0.113* (0.058)
New or ex-polytechnic	-0.013** (0.005)	-0.014 (0.011)	0.042 (0.038)	0.028 (0.049)

Degree class

	6 months (DLHE)		3 ½ years (LDLHE)	
	(1)	(2)	(3)	(4)
	<i>Non-bohemian</i>	<i>Bohemian</i>	<i>Non-bohemian</i>	<i>Bohemian</i>
Class: 1	0.029*** (0.005)	0.027* (0.014)	0.100*** (0.057)	0.048 (0.139)
Class: 2.1	0.015*** (0.004)	0.007 (0.011)	0.044*** (0.016)	0.015 (0.035)
Class: 3	-0.012 (0.009)	0.022 (0.026)	0.016 (0.028)	-0.159 (0.094)
Class: other	0.190*** (0.005)	0.003 (0.025)	0.179*** (0.023)	-0.046 (0.073)

Type of work

	6 months (DLHE)		3 ½ years (LDLHE)	
	(1)	(2)	(3)	(4)
	<i>Non-bohemian</i>	<i>Bohemian</i>	<i>Non-bohemian</i>	<i>Bohemian</i>
Part-time	-0.551*** (0.005)	-0.563*** (0.014)	-0.408*** (0.055)	-0.031*** (0.117)
Freelance	-0.075*** (0.014)	-0.224*** (0.023)	0.001 (0.112)	-0.285** (0.145)
Creative job	0.008 (0.006)	0.021 (0.014)	-0.016 (0.023)	0.019 (0.053)
London	0.214*** (0.005)	0.187*** (0.012)	0.245*** (0.019)	0.140*** (0.041)



Key results

- Being *female* is a disadvantage in the labour market for both bohemians and non-bohemians
- Attending a more *prestigious HEI* has more benefits for non-bohemian graduates
- The *best graduates* (with a first class degree) have an initial salary advantage (2.9% for non-bohemians, 2.7% for bohemians)
 - Over time this advantage increases for non-bohemians (to 10%), but disappears for bohemians



Key results

- The most important determinant for all graduates are the *employment circumstances*
 - Freelance work reduces the earnings of bohemians by 22% in the short term and 29% in the long term
- Bohemian graduates are no better off working in the *creative sector* (as opposed to the non-creative sector)
- Working in *London* is associated with higher salaries, particularly for non-bohemians



Conclusions

- Bohemian graduates are at a disadvantage in the labour market, which persists into the medium term:
 - They are more likely to be employed part-time or freelance
 - They earn less than non-bohemian graduates in both the creative and non-creative sectors
- The salary gap is mainly due to differences in the *impact* of personal characteristics on salary:
 - Less likely that a degree from a top university or a first class degree lead to higher wages
 - The salary premium bohemian graduates working in London is less than that for non-bohemian graduates



Conclusions

- Only 37% of bohemian graduates are employed in a creative job 3 ½ years after graduation
 - 11% drop out of the creative sector in the medium term
 - 52% never work in the creative sector
- The difficulties encountered by bohemian graduates in the job market are not just a short term phenomenon but persist into the medium term