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THE GRAPHIC ART INDUSTRY AND U.S. ECONOMIC GROWTH

The graphic art industry is a fundamental component of both the California economy and the United States economy at large. Graphic arts play an integral role in such varied industries as textiles, video games, apparel, wallpaper, computer graphics, carpets, greeting cards, postcards, stationery, needlework, posters, record jacket artwork, shower curtains, ceramics, figurines, stained glass designs, architectural blueprints, scientific publications, commercial art, and many more. The graphic art industry has been immensely successful, making contributions to Gross Domestic Product that are disproportionately larger than its own profit margins.

According to the 2002 Economic Census, there are 15,828 establishments dedicated to graphic design, employing over 60,000 individuals, and generating over \$8 billion worth of revenue. If we look at the category of “specialized design services,” which includes the closely related industries of interior and industrial design, these numbers increase to over 30,000 establishments employing over 116,000 workers generating almost \$17 billion in revenue.¹ As a point of reference, if we look *only* at the greeting card industry, and ignore the myriad of other functions that graphic artists perform, we still see an industry with 3,000 establishments nation-wide, selling cards to approximately 100,000 retail outlets around the country, and generating nearly \$7.5 billion in sales.²

In addition to its substantial size, the graphic art industry is also steadily growing. According to the 2002 Economic Census, between 1997 and 2002, specialized design companies increased by over 15% in absolute number, and increased their revenue by over 19%.³ Of course California leads the nation in the size of its graphic arts industry. In California alone, there are over 4,400 graphic art companies, generating over \$3 billion in revenue, and employing almost 19,000 workers.⁴

¹ “Specialized Design Services: 2002.” 2002 Economic Census. 2002. US Census Bureau. January 20, 2007. <http://www.census.gov/prod/ec02/ec0231aca.pdf>.

² “The Greeting Card: General Facts.” The Greeting Card Association. http://www.greetingcard.org/thegreetingcard_facts.html. January 3, 2007.

³ “Graphic Designers.” U.S. Department of Labor: Bureau of Labor Statistics Occupational Outlook Handbook. August 4, 2006. <http://www.bls.gov/oco/ocos090.htm>. January 19, 2007.

⁴ “Specialized Design Services: 2002.” 2002 Economic Census. 2002. US Census Bureau. January 20, 2007. <http://www.census.gov/prod/ec02/ec0231aca.pdf>.

In fact, graphic arts, like other copyright industries, contribute far more than their current dollar value to Gross Domestic Product growth. According to the Intellectual Property Alliance's 2006 Report on Copyright Industries, total copyright industries accounted for an estimated \$1.38 trillion or 11.12% of current U.S. GDP, but their actual contribution to GDP growth was much higher, accounting for almost 24% of U.S. economic growth in 2005. This is because the performance of copyrighted industries affects the performance of numerous other types of businesses. Thus, if a graphic art company makes an eye-catching cover for a new CD, or a vibrant design for an upcoming line of apparel, that helps not only its own business, but its client's business as well.

From the moment you get up in the morning, your day is influenced by graphic art. Your sheets are designed by a textile artist; and so are the fabrics you wear. The eye-catching labels on the food you buy at the grocery store or the bags and containers that you get from a fast-food restaurant are designed by a graphic art company. Your morning paper or TV news program was formatted by a graphic designer. The book or magazine you read as you commute to work has a title design or jacket cover created by artists – that book or magazine also contains photographs shot by a professional photographer. The medical journal that your doctor subscribes to in order to quickly grasp the newest advances has content created by medical illustrators. Indeed, the very font with which this memo was typed was ultimately developed by a graphic artist.

A prime example of the graphic art industry's central economic role is shown in the textile field. By creating complex fabric designs that could be quickly reproduced in the marketplace, graphic artists helped to rejuvenate the textile industry in Southern California.⁵ Flash fashion retailers such as *Express* or *H&M* depend on graphic designers to produce highly intricate and unique fabric designs to meet the increasingly rapid changes in consumer's fashion preferences. In the end, the graphic arts-based Flash Fashion business model revitalized Los Angeles' 7,860 textile firms, helping California to "position itself as a global service industry."⁶

Software also benefits tremendously from the graphic arts industry. Today, the graphic arts are being revolutionized by state-of-the-art Computer Aided Design (CAD) programs, which allow rapid production of increasingly intricate and detailed designs.⁷ Graphic designers use these programs to create high-tech web pages and software programs with highly interactive Flash coding, unique "look and feel" pages, and varied visual presentations. The significance of the computer industry and its heavy reliance on graphic design in the U.S. economy, and California in particular, is well-known and undisputed.

⁵ "Fashion Forward: Assessing the Future of Apparel Manufacturing in Los Angeles County." The Los Angeles County Workforce Preparation and Economic Development Collaborative. February 2002. www.cdtech.org/workforce/reports/apparel.pdf. January 26, 2007.

⁶ "L.A.: The Global Content Provider: The Changing Face of the Apparel and Textile Industry." 2005. California Fashion Association. December 19, 2006. <http://www.californiafashionassociation.org>

⁷ "Graphic Design." Wikipedia. January 15, 2006. http://en.wikipedia.org/wiki/Graphic_design. January 18, 2007.

Although integral to the American economy, the graphic art industry is uniquely vulnerable to design infringement. If corrupt infringers can take credit for designs they simply did not create, the incentive to produce innovative or unique designs in the first place would rapidly extinguish. The U.S. Chamber of Commerce estimates that U.S. companies lose over \$200 billion from counterfeited and pirated goods in China *alone*,⁸ while the Organization for Security and Cooperation in Europe states that over 70% of counterfeit goods originate from Asia, with China as the primary infringer.⁹ Frighteningly, these infringements are not simply isolated mistakes made out of ignorance, but are part of an overarching business strategy to capture maximum market share in copyrighted industries. Indeed, counterfeit goods make up an estimated *15 to 20 percent* of all products manufactured in China.¹⁰

Without strong copyright protection, not only would the graphic art industry cease to be profitable, but the myriad of other industries that depend on graphic arts would greatly suffer as well. Unless the Copyright Act is dramatically changed (as it would have been, with Orphan Works legislation proposed in the 109th Congress), we can expect the graphic arts industry to continue to grow, producing jobs for American constituents, and inspiration for American corporations.

⁸ "US May Take China to WTO on \$200 Billion Piracy." Reuters. May 17, 2005.

http://www.financialxpress.com/latest_full_story.php?content_id=91135. January 26, 2007.

⁹ Sforza, Tiziana. "The Fake Side of Fashion." Cafebabel.com. March 4, 2006.

<http://www.cafebabel.com/en/article/asp?T=T&Id=6455>. January 31, 2007.

¹⁰ Krause, Susan. "Legislators Detail Concerns About Counterfeit Goods from China." USINFO.

June 12, 2006. <http://usinfo.state.gov/xarchives/display.html?p=washfileenglish&y=2006&m=June&x=20060612124226ASesuarK0.5563623>. February 5, 2006.