a future in the making

Socio-economic survey of the craft sector in Northern Ireland, 2006

Executive Summary Report

a future in the making

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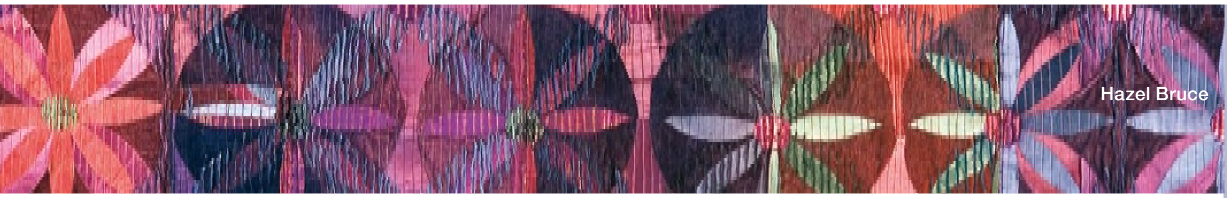
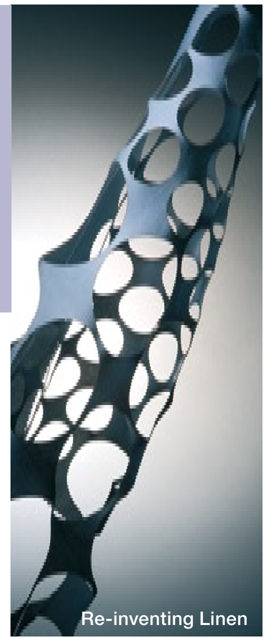


Hazel Bruce



Re-inventing Linen

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Cover: Peter Meanley

craft northern ireland


John McKeag


Jeremy Suffern

Craft Northern Ireland is the sectoral development lead body for the craft industry. Its role and function is to support both the creative and economic development of the sector. It does this by promoting the need for investment in the supporting infrastructure and the development of the market for contemporary crafts.

Craft NI recognises that the contemporary craft sector is broad and diverse. It encompasses designer-makers, applied artists, artists and designers who design and prototype for commercial manufacture and for the built environment as well as those working to a client brief or commission in the public and private sectors. The sector includes makers whose practice is linked to:

- **lifestyle**
- **fashion** *and*
- **critiques of contemporary arts practice**

along with those working within a traditional and vernacular style associated with heritage.

Quality is the key characteristic of all practice that it supports. Quality is not only about ensuring high standards of technical skill and design, but also work that:

- **is challenging and innovative in its use of materials and its aesthetic vision**
- **demonstrates investigation of processes and critical enquiry at a high level** *and*
- **does not seek to reproduce or restore and reflects the signature of the individual maker.**

Craft NI faces outwards to the market with the firm aim of establishing an international profile for contemporary crafts from Northern Ireland. It also faces inwards to the craft community and the individual designer-maker / artist with a clear focus on:

- **raising quality**
- **communicating and promoting good practice** *and*
- **establishing standards and qualitative measures**

as the necessary foundation for the delivery of the longer-term ambitions for the sector. Craft NI recognises its role in providing information and market intelligence for the sector in order to address the challenges facing it.

Craft NI is the regional champion and advocate for craft sector growth and development. In doing so it acknowledges that partnership is both an effective and efficient way to develop the infrastructure the sector needs. To this end Craft NI advocates strongly the creation of partnerships that have the same aspiration to see the development of the craft infrastructure in supporting individual artistic practice and business development.

introduction


Cara Murphy

The research report **A Future in the Making, a socio-economic survey of makers in Northern Ireland**, was commissioned, in 2006, by Craft Northern Ireland to fill the too long neglected need for information on the state of the craft sector. Not since John Myerscough's research monograph for the NI Economic Council in 1996, **The Arts and the Northern Ireland Economy**, had anyone attempted to establish the size and the economic contribution of the craft sector to the regional economy.

Recognising the use of research as a tool to generate support for craft sector development, Craft NI commissioned Professor Andrew McAuley and Dr Ian Fillis from the Department of Marketing, University of Stirling to establish baseline levels on the size and nature of the sector in NI, the characteristics of its business owners and the issues critical to the development of the sector. McAuley and Fillis were also to benchmark these findings against similar studies undertaken for the countries and regions of Great Britain and in the Republic of Ireland, including the report Making it in the 21st Century commissioned by the Crafts Council (London) and the Arts Councils of England and of Wales.

The core aim was to provide a comprehensive and reliable base of information to underpin planning and policy making, to contribute to the evaluation of policy effectiveness and to provide information, which could be used for advocacy purposes. The research was carried out by postal survey in spring and early summer 2006 and achieved a highly respectable response rate in excess of 38%.

This document summarises the findings of the study, it details: -

- **the background to the craft businesses responding to the survey, their products, the markets they trade in and their success**
- **the key issues facing those designer-makers / artists who choose to work within the craft sector**
- **a series of measures by which the stage of development of the craft sector in NI might be compared with the industry across the rest of the UK and in Ireland.**

Overview

In overview it might be said that: -

- Designer-makers in textiles, wood, ceramics and jewellery dominate the craft industry in Northern Ireland.
- Women outnumber men 2:1 and the pressures of childcare and looking after adult dependents influence the working-life of the majority of designer-makers.
- Most designer-makers have been trained to degree level in NI or are self-taught.
- East coast counties provide the core location for the NI crafts cluster with most business owners rurally based and working from home.
- Portfolio working is common.
- Commissions and direct sales through craft fairs / markets and the maker's workshop remain the primary mechanisms for generating business.
- Around one quarter of the businesses contributing to the survey have existed for over 10 years but, perhaps more importantly, the rate of business start-up has increased significantly with 58 new businesses entering the market since the Millennium; businesses in the sector are, as a result, much younger than in GB.
- Importantly, the mood in the sector is positive, with growth being the common aspiration fuelled by a willingness to collaborate and to network as the best way to build awareness, and to reach and penetrate the clearly defined target markets on which a successful business may be built.

The Survey Results

In the sections that follow, the research is used to define the nature and scale of the craft community, its creative and business focus and the scale of operations common in the sector. The research goes on to examine how individual designer-makers approach the craft business as a means by which to earn a living and to consider their perspectives on barriers to and opportunities for business development. This includes collaboration through partnerships or co-operatives, the role of craft associations and networks and interventions, by way of sectoral development initiatives, that would make the greatest impact on business sustainability into the long term.

Rachel McKnight

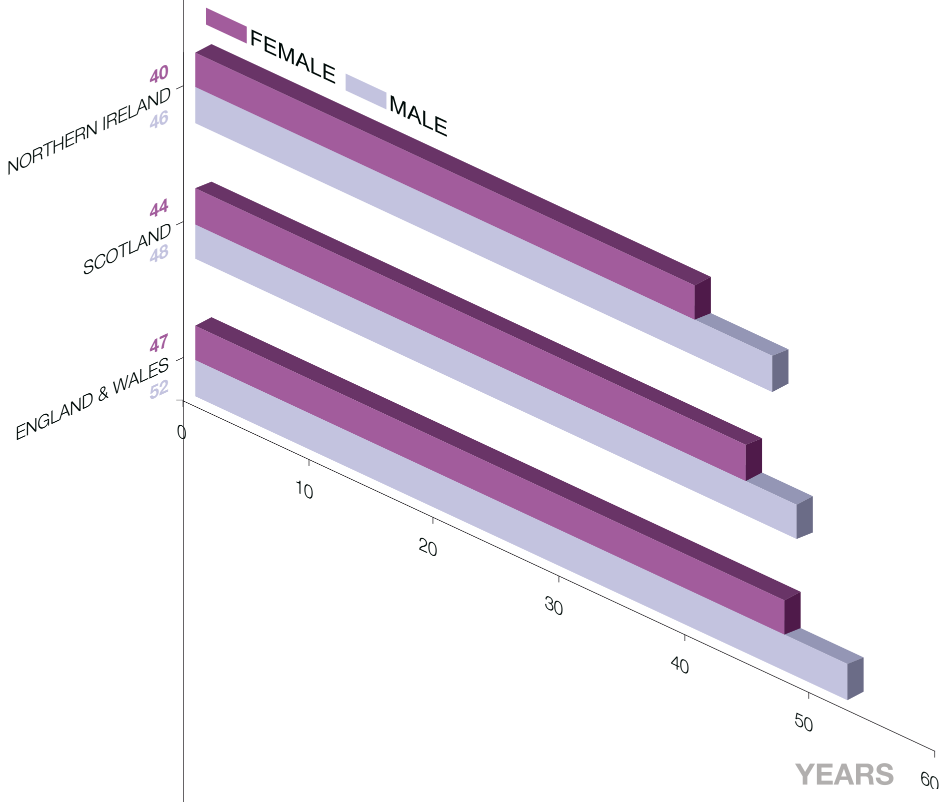
survey findings

Re-inventing Linen

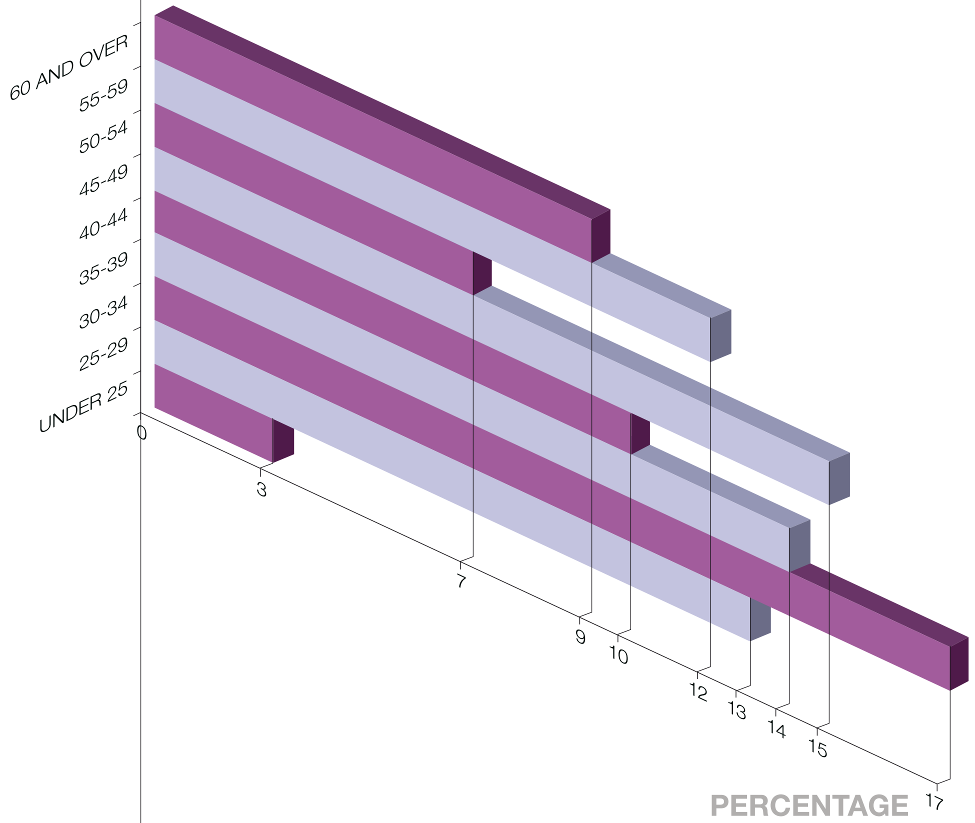
The Community of Designer-makers / Artists

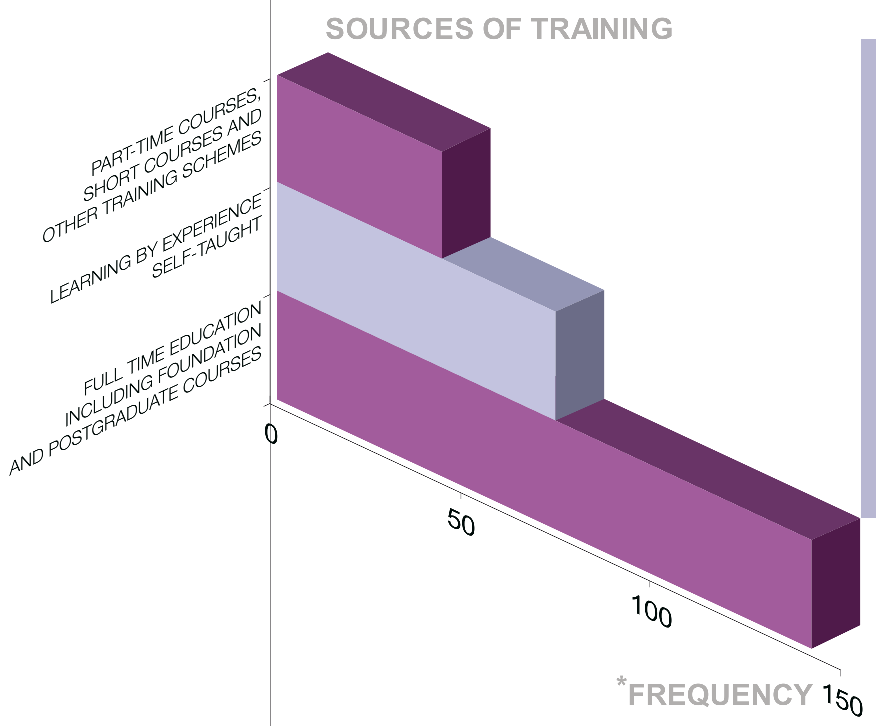
The craft community in Northern Ireland, at least as far as the sample enumerated in the survey is concerned, is largely under 44 (57%) and female (68%); the average age is also younger than in GB – Northern Ireland (females 40, males 46) which may be compared with, England & Wales (females 47, males 52) and Scotland (females 44, males 48). Not surprisingly given the age profile, 40% of the sample had dependents under 16; a further 24% had adult dependents. Cross-tabulation of age and gender has highlighted the fact that more of the younger makers are female than male. Relating this fact to dependency in turn points to the positive perspective in which employment in the sector is held by young women with the appropriate skills.

CRAFT SECTOR AVERAGE AGE BY COUNTRY/GENDER



POPULATION BY AGE GROUP





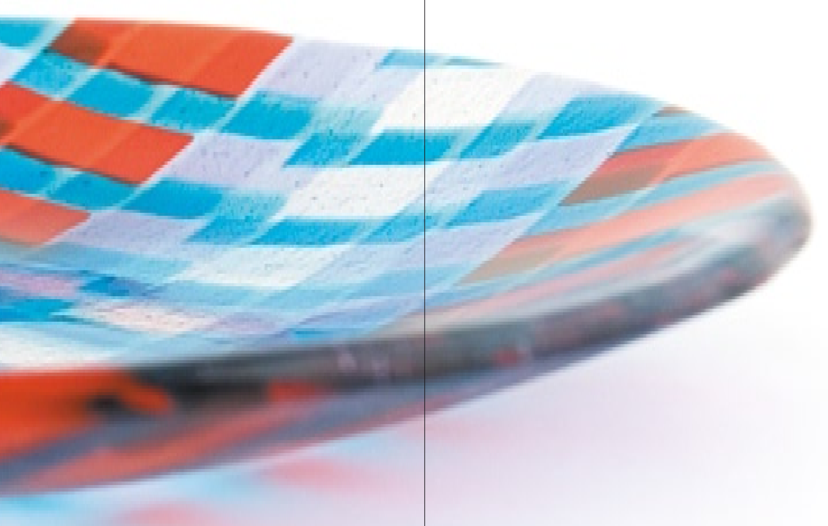
Training and Qualifications

The importance of a full-time art and design qualification (56%) or a foundation course at art college (36%) as the educational precursor to professional participation in the sector should be noted but the number of practitioners (46%) who claimed to be self-taught is highly significant, indicating as it does, an alternative point of entry and the importance of personal motivation as a driver for business development. In considering the relative significance of qualifications on a gender basis, the role for men of formal apprenticeships and government training schemes, and to a lesser degree the importance of working with experienced makers and self-study in providing the way in to the sector, should also be noted.

For men and women both the importance of craft as a second and an aspirational career should be noted; 62% of the sample had worked at another job before starting a craft business while 36% saw craft as what they had 'always wanted to do' or 'an opportunity / interest'. Confirming the relative importance of craft as a career opportunity for those with dependent children, 16% indicated 'family' as their reason for changing career.

While the majority (57%) of respondents are involved in craft businesses on a full-time basis, a significant number are involved part-time (28%) which indicates a pattern of portfolio working. This is common in the sector across the whole of the UK and is also becoming increasingly common outside of the craft sector. It is important to recognise that portfolio working provides an emotionally attractive and economically viable option for workers looking to switch from full to part-time work in association with other income streams. In this respect the craft sector could play a significant role in the wider economy and society at large.

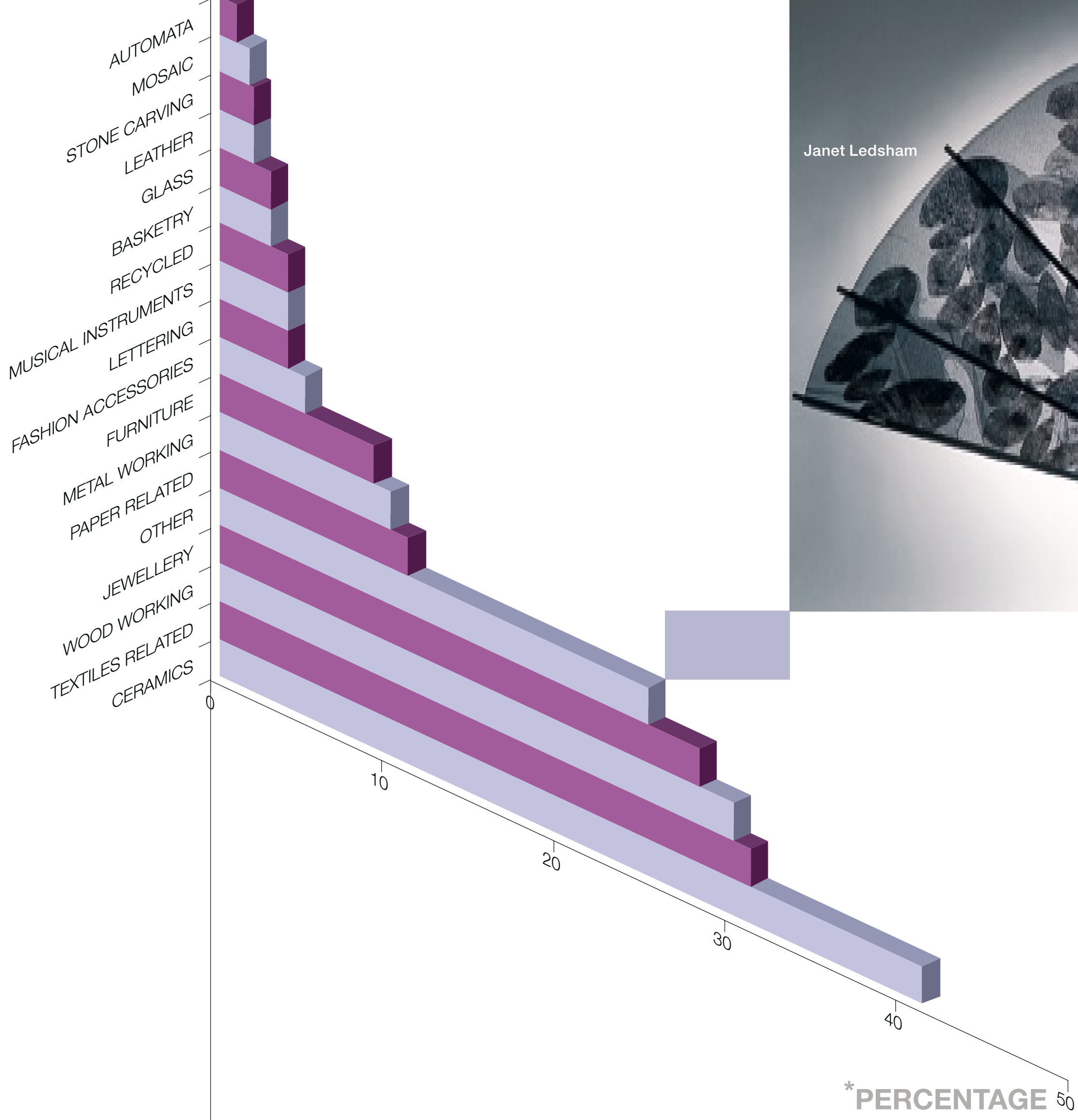
The gender split for full-time workers was 59% female and 41% male and for part-time 78% female and 22% male. Again, while this recognises the child rearing responsibilities that usually fall to women, it also supports the wish to be economically active and provides an outlet for enterprise that might otherwise be lost from the economy.



Abbie Dixon

* Frequency represents responses in multiple catagories

PARTICIPATION BY CRAFT DISCIPLINE



* Total exceeds 100% due to multiple category responses

Craft Businesses

Ceramics (35% of sample) is the dominant professional discipline within the NI craft sector followed by textiles (27%), woodworking (26%) and jewellery (24%). Males are more likely to be involved with woodworking crafts and furniture and are also extensively involved with ceramics while females dominate or hold a share equal to their share of the sample in textiles, ceramics, jewellery and all of the other disciplines as defined.

Most (52%) respondents focus their making within one craft discipline but a sizable number (31%) work in two, few stretch the focus of their making wider than this.

The 1980s initiated a period of business formation seeing business start ups double decade on decade. As a result and not surprisingly, the majority (58%) of businesses responding to the survey were founded post the Millennium. Jewellery (17%), textiles (15%) and wood (13%) took the top spots as the founding disciplines for new business creation over the period since 2000.

The research shows that the vast majority of craft businesses can be categorised as owner / operator with no other full or part-time employees (81%) and located at home / home workshop (75%). Turning over less than £20,000 (76% of sample) only 6 businesses reporting were above the VAT threshold but one of them had a turnover in excess of £250,000. Average turnover for full-time makers was £37,699 with part-time makers turning over £9,749.

More interestingly, when turnover was analysed by gender, it was clear that more of the high performing businesses were led by men than by women. This may be indicative of the conflicting pressures of dependent children / adults that generally may be said to impact more on women than men.

Production capacity for most businesses is limited with 51% of makers reporting output for sale in the region of 101-2,000 pieces per year; only 6% of makers produce more than that. The price range of items produced varies enormously from under £5 to between £10,000-£20,000 but most items sell between £21-£100. The majority (85%) of makers have, however, the opportunity to make and sell pieces that can achieve prices between £500 and £2,000 in addition to lower cost items.

Given the relatively small population in Northern Ireland it is not surprising that many makers are very active in export markets, 76% of businesses reported some export turnover while 23% reported export sales in excess of 50%.

Two-thirds of businesses reported sales outside the UK domestic market with 36% reporting sales beyond the UK and Ireland. RoI sales can be as much as 49% of total business for 70% of the respondents (for 27% it can take up to 89% of sales). EU / North America / Elsewhere sales typically run at less than 10% for the vast majority of makers. Interestingly, some two-thirds of export businesses are led by women and the research confirms experience elsewhere that shows that small craft businesses do not need to serve a trading apprenticeship in the home market and can be exporting within one year of business start; 64% of NI businesses formed since 2000 are already active exporters.

Income – Employment and Growth Trends

From the information gathered in the survey and knowing that the NI population of craft businesses stands at about 300 it is possible to value the sector as having a turnover of between £7.4m and £8m (Crafts Council of Ireland estimate 2004 - £7.4m). However, if comparison is made on a per capita basis with the findings from the McAuley and Fillis study of the sector in England and Wales (2003) and from the Crafts Council of Ireland study, the NI total should meet or exceed £23m. **This suggests that the sector is still developing and has the potential for greater economic as well as cultural and social impact.**

The profitability of the craft sector when analysed shows that 17% of businesses reported a loss, 52% reported profits under £5,000 and only 8% were able to report profits over £23,000, the average gross pay for a graduate in NI (a relevant benchmark given the extent of graduates working within the craft sector). Notably 12% of males reporting made profits in excess of this figure while only 5% of female makers generated profits at this level.

Looking now at personal income deriving from employment as a designer-maker, the uncertainties of business and the failure, thus far, of the sector to achieve its potential is further reflected by an income distribution picture that shows that while 30% of respondents generated all of their income from craft activities, at the other end of the scale 34% of respondents generated 20% or less from their making. Income from craft activities was subsidised by having a non-craft full or part-time job (31%), income from pensions or investments (17%) or from some other part-time, craft-related activities (3% of sample).

Using the definition of part-time work as 20 hrs per week (full-time 40 hrs), 33% of the sample falls into that bracket; more notably, perhaps 21% work in excess of 50 hrs. Craft teaching was an important part of non-production-related work (and income) for one-third of the respondents but the largest group (16%) of teachers did less than 5 hrs.

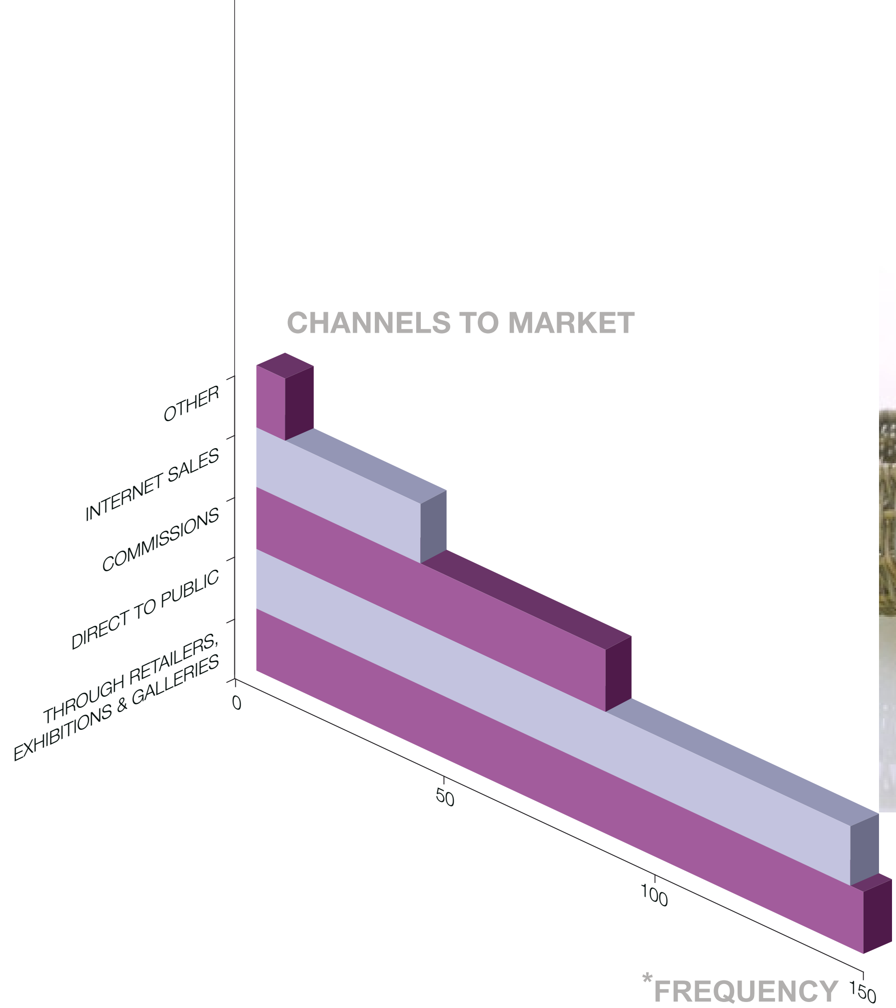
Issues for Business Development

With some understanding of business focus it is important to begin to understand the factors that influence performance. Thereafter, this summary document reports the sector's perspective on the development opportunity, on barriers to growth and the need for support to overcome these obstacles. Consideration of the marketplace and of the range and intensity of marketing activities undertaken by businesses will begin to provide an insight into the questions of scale thrown up by the analysis of turnover and income (above) while a consideration of the extent of time input to making will help define the sector's capacity.

Marketing Processes Used

The experience of designer-makers, as defined by the survey, highlights the extent to which direct sales to the general public are an important characteristic of the market; 74% reported having regular customers, 46% reported selling to private collectors and 78% reported receiving commissions from private individuals. Against this pattern of sales, it is understandable that 61% of respondents indicated that they preferred to sell direct to the public than through a third party.

Collectors generally were identified as an important element of the market with recent sales to public sector collections (regional and national) being highlighted by 31% of respondents; sales to international collections were highlighted by a further 20% of respondents and 18% highlighted recent sales into corporate collections.



Channels to Market

The importance of trade sales to wholesale and retail outlets was also identified as significant with 50% having made recent sales to regional retailers and 25% having sold to national retailers. Some 37% of respondents had supplied wholesalers in the recent past.

Exploring channels to market further highlights the role of commissions as the most significant mechanism for selling work (72%) with direct sales to the public ranking second (63%). Finally, as far as direct sales are concerned, craft fairs / markets are an important channel for 53% of designer-makers reporting.

Indirect channels are dominated by retail according to 53% of respondents but the importance of the exhibition and gallery sales route was also highlighted (45%). Web-enabled sales (own site or shared portal) were reported by 34% of the sample. Trade fairs (important for export development) were a featured route-to-market for 27% of the sample reporting.

Most respondents reported using more than one channel to market but few used more than five. Where retailers were an important feature of the pattern of selling most (80%) supplied 10 or fewer shops. Craft fair attendance was pursued with a similar intensity. Trade fairs – to access wholesale and retail buyers – were defined as being of significantly less importance which might indicate the lower level of importance placed on developing third party sales. It should be noted that this is not, however, indicative of a lack of interest in exports (the opposite can be seen to be true) rather it focuses attention on the role of the web as a tool for export selling.

Making sales is recognised as presenting difficulties by many (59%) but most of the issues are business rather than making-related; they include lack of outlets, a lack of appreciation of the value of a hand-made item, lack of time, problems in setting and achieving a reasonable price (in the face of rising costs and cheap imports).

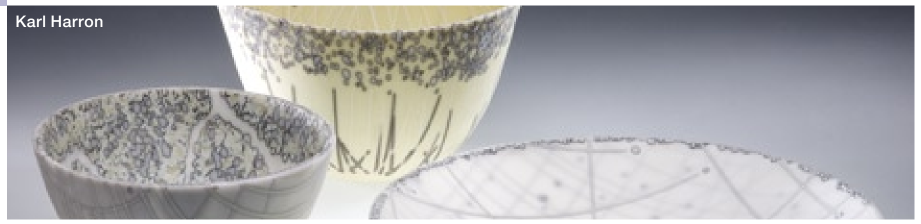
* Frequency represents responses in multiple catagories

Promotional Methods

Promotionally most designer-makers take advantage of as many openings as they can. Opportunities to get in front of the public either by personal selling (70%) including the use of personal networks (47%), doing demonstrations and taking stand space at exhibitions and craft fairs (51%), joint or solo exhibitions (42%) and opening workshops to the public (34%) are the primary contact mechanisms used. The distribution of postcards, leaflets and brochures (70%) is used for 'awareness raising' and driving footfall to the studio / shop; less use is made of PR than might reasonably be expected (albeit that 55% of the sample see getting press coverage as important).

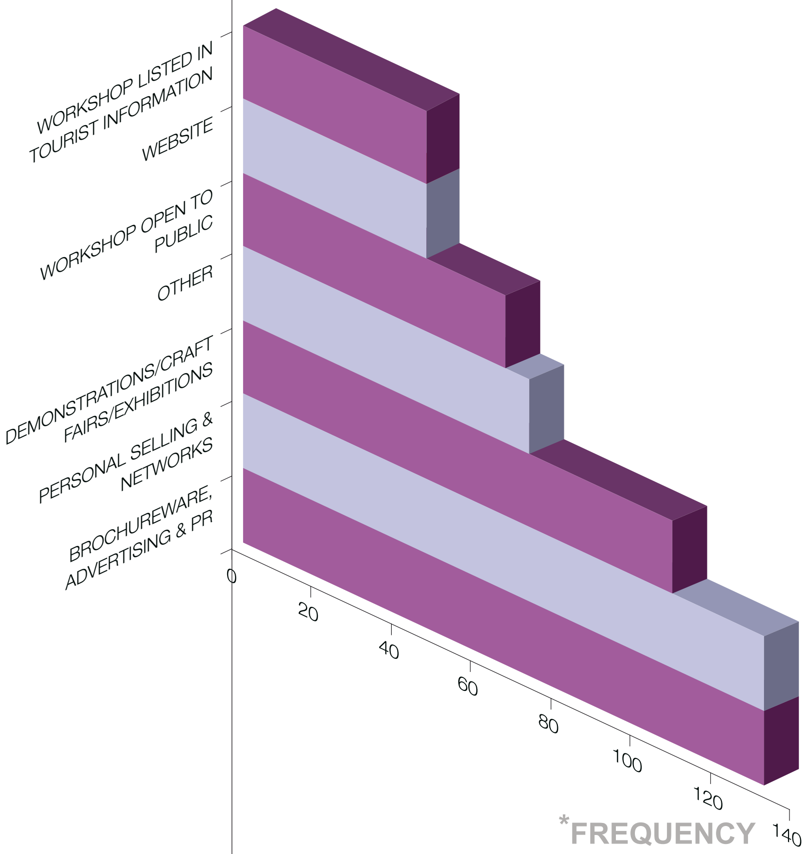
The development of web-assisted sales activities is also significant (40% of respondents - and expected to develop further); 68% of respondents have a broadband connection and report using the internet for business purposes more than 3 times per week – evolving to include research, banking as well as sales and marketing. The relationship with tourist information providers is also seen to be developing as a mechanism for sales generation.

Time commitment to selling, at least as far as (retail) craft fairs is concerned, accounted for up to 10 days per year for the majority (59%) of makers. Attendance at trade fairs was of a similar intensity, although many fewer designer-makers attended such events.



Karl Harron

PROMOTIONAL METHODS



Growth Aspirations

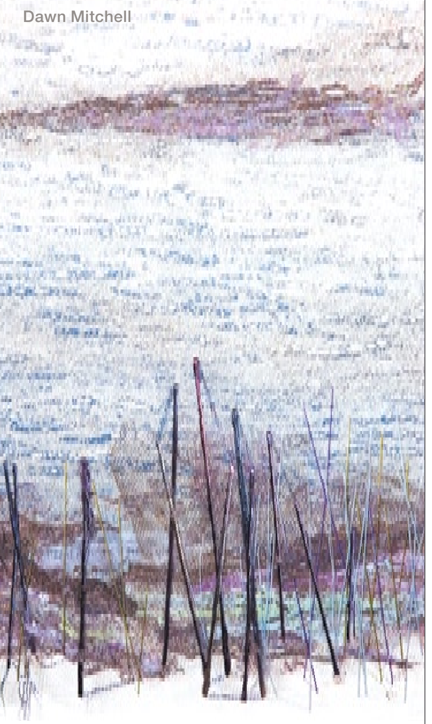
80% of makers in the survey want to grow their business; most (60%) expect moderate growth but 23% are aiming high. Most makers (66%) are confident that if they can increase sales they can up the production to meet the additional demand.

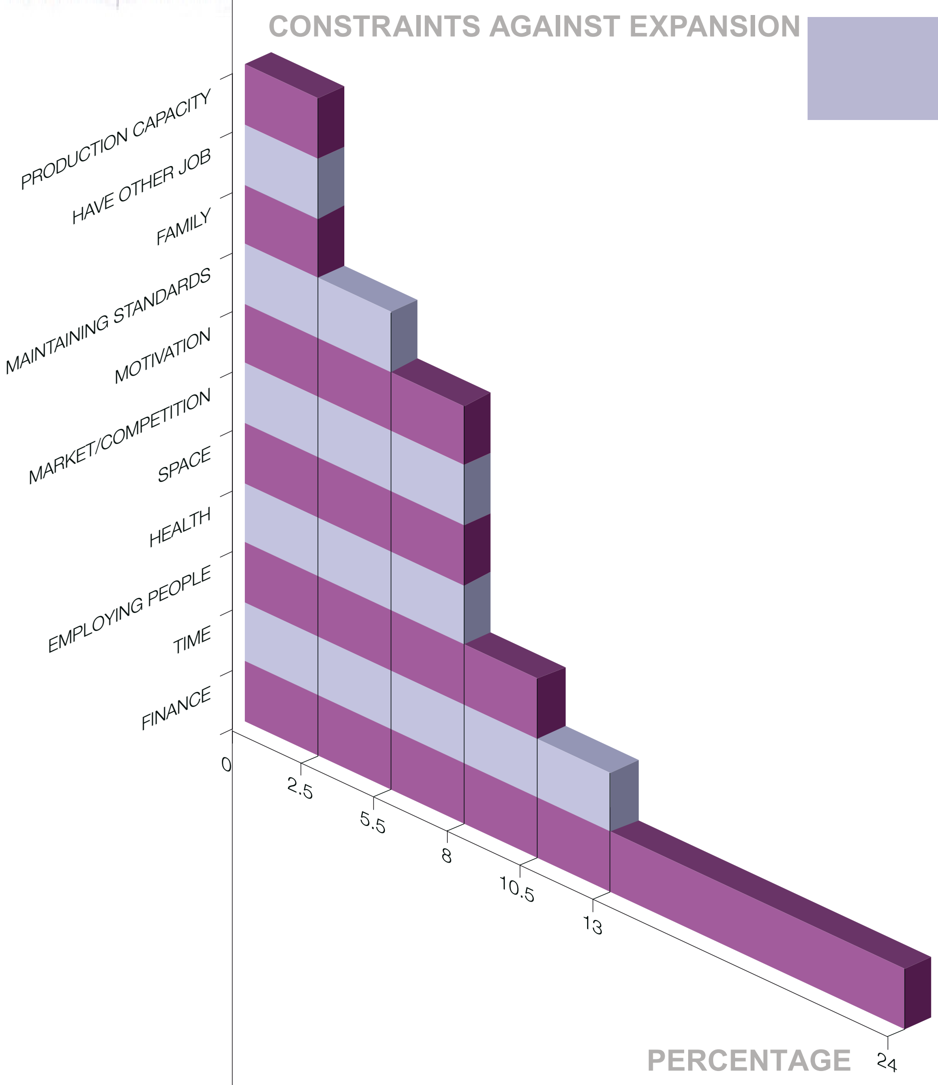
Target markets for growing the business, as identified by the makers, are 20-60 year old females, middle-class professionals, the affluent, discerning and / or educated young consumer and the corporate / public sector buyer. Developing younger audiences for craft was also seen as being important (61% strongly agree). Reaching them, they believe, will be through the development of retail and wholesale distribution including galleries. Commissions and the Internet are also expected to grow in importance but makers are less certain of this.

Plans for meeting the production demand are primarily focused on putting in more time (26% of makers are prepared to commit to this) and/or growing the workforce (30%) but 12% recognise they will need to adapt production methods (including sub-contract) and increase efficiency (5%) and 10% believe they will need to re-equip.

Collaboration could be an important way forward for some enterprises, especially where production is at capacity. Currently 29% of respondents work on a collaborative basis (mainly on production) but 79% of those not yet collaborating indicated a willingness to look at this as an option for growth.

* Frequency represents responses in multiple catagories


Dawn Mitchell



Growth Constraints

The main constraints working against expanding output are perceived to be finance (24%), time (13%) and issues to do with employing people (11%). Space and capacity issues are also recognised as significant by 11% of the sample and 5% are concerned about issues of maintaining standards. Some (8%) have raised the question as to whether or not they have the motivation to grow.

Personal issues also impact on building a business in the craft sector. Fear, isolation and having to do things that they have no training in are significant issues for many. Worrying about health and safety at work (27% strongly agree that this is an issue), the impact on the business of illness (60%) and about isolation (28%) are all personal issues that can impact negatively on both the opportunity for new business starts as well as expansion. In turn these factors are compounded, by practical issues such as:

- **Lack of affordable studio space**
- **Premises that are currently inadequate**
- **Difficulty in finding outlets for work**
- **Lack of health and safety training**
- **Difficulty in finding good outworkers**

Also, experience / training issues such as not knowing how to price work (36%) and not having sales skills leading to a dislike of selling (44%) and a resultant lack of growth in the customer base (29%), can become significant barriers to development.

The biggest personal barrier of all however, is the worry about the need to / how to copyright work (52% strongly agree).

Entrepreneurial Attitudes

The aspiration for growth is founded on the entrepreneurial spirit that came across clearly from the research. The vast majority of respondents enjoy working on their own (82%) and running their own business / being the boss (93%) also, most agree strongly that they enjoy interfacing with other craftspeople. These are positive statements for the structured development of the sector.

Respondents also indicated strongly that they were on the look out for new opportunities in the marketplace (86%) and ideas for new products (88%) and were prepared to try something new if things were not working (87%) even if that meant taking risks with their craft (71%); on the whole they were optimistic about the future of their businesses (68%).

There is a very strong commitment (92%) to the continued development of creative and professional practice and the majority (69%) of respondents also admitted to enjoying developing their business skills. Most (71%) of the respondents recognise a strong connection between making their craft and what their customers wanted.

Use of Support Organisations

It is the norm for craft entrepreneurs to make use of support mechanisms. In the calendar year prior to the research, makers had sought funding, training and advice from Invest NI, the Crafts Council of Ireland (CCoI), Craft NI, Local Authorities and Local Enterprise Agencies. Invest NI was targeted mainly for funding, Craft NI and CCoI mainly for advice and the local authorities and Local Enterprise Agencies were expected to be able to tackle all these issues.

A further 7 organisations (groups) were identified by the research as providing support, the most significant being: -

- **Arts Council of Northern Ireland (ACNI), which supported in all key areas but mainly advice.**
- **LEADER companies which mainly were used for funding but also gave advice and supported training.**

The Rural Development Council, although used for training and advice with some funding support, was not as prominent as might have been expected nor was InterTrade Ireland, despite an obvious relevance to the sector.

Local craft associations were seen as important (national guild hardly at all) with membership of discipline-focused groups (GB, NI or RoI based) at 83% and of other locally-based associations at 58% (Note: makers tend to be members of one association only). Reasons for participation were primarily, the opportunity to exhibit (70%), networking opportunities (65%), selling opportunities (62%) and continuing professional development (CPD – 54%). Almost 70% of respondents undertook CPD targeted, in order of priority, on craft skills, business skills and further education.

The Need for Resources

Recognising that the major constraint to growth was seen as ‘financial’, the research sought to establish the sector’s perspective on how such resources should be used. By and large the areas identified as being in need of support encompassed, recognition and support for promotion, as well as financial support for business start-up, career development and training. It is notable how recognition and promotional support (all factors in long-term business development for the sector as a whole) takes precedence over the provision of other financial resources direct to makers, which could be seen as short-term. In the same vein there is a strong focus on training.

Active intervention that would provide a commercial opportunity but also have a positive impact on society, in the shape of financial resources for commissions for public and private buildings and sites, is also a positive recommendation.

Comparing the findings with other studies

The findings of this study can be recognised as being in line with previous studies in England and Wales and in Scotland: -

- The sectoral focus on ceramics, textiles, jewellery and wood is common to all studies.
- The proportion of female to male makers is in line with other studies.
- The proportion of full-time to part-time makers is in line with England and Wales (2003) but full-time makers are lower than in Scotland (2001 study).
- The businesses in the sector are much younger than in GB and the makers are also younger on average.
- The sector is valued at £8m, which is significantly lower, pro rata, than in GB indicating, given that other significant sectoral indicators bear comparison, that there is significant development potential in economic output terms.
- The prevalence of ‘working from home’ mirrors the experience in GB.
- There is evidence of a well-educated sector with a demand for skills and business training at all levels. More makers are educated to degree level than in Scotland and more are self-taught than in England and Wales.
- Percentages of sole-traders and 1-2 person businesses are in line with the England and Wales 2003 study.
- Portfolio employment is the norm for over 70% of makers, facilitated more easily in NI, perhaps, by the fact that more respondents had had a previous career than in England and Wales.
- Turnover figures for the full sample are in line with the 2003 England and Wales report.
- Craft fairs are more important in promotional terms than in other studies but remain secondary to direct selling and the use of collateral materials.

conclusion

The survey has revealed a sector that has the potential for growth and a strong desire to grow. There is a real capability to contribute to the economic development of Northern Ireland. A total sectoral turnover (for the industry as it stands) of £23m is possible. The sector also makes a contribution to tourism, is partof the creative skills bank developing knowledge-led businesses and helps to sustain rural communities.

For the sector to achieve its potential a coherent regional vision, coordinated by Craft NI on behalf of craft networks, individual makers and the public bodies responsible for supporting the sector, is required. This will mean integrating initiatives, aligning objectives and providing positive leadership for the change process, with the intention of maximising current potential within 8-10 years. Work should commence as soon as possible on a five-year plan for the delivery of this vision.

DESIGNED BY IMAGE ZOO

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Craft Northern Ireland
Cotton Court
42 Waring Street
Belfast
Northern Ireland
BT1 2ED

www.craftni.org