

Why online content creators are key to boosting economic growth

One of my favourite academic books of the last two decades must be the “Rise of the Creative Classes” by Professor Richard Florida.

This was one of the first detailed studies of the growing group of individuals who use their creativity and mental labour to earn a living and not only included those in arts and entertainment, but also people working in science and technology as well as knowledge-based professions such as healthcare, law, business, and finance.

It changed the way many policymakers considered the impact of a fast-changing workforce especially in many urban environments but, most important of all, it was one of the first studies to examine how the motivations and impact of this type of worker were different to what had been discussed before.

Fast forward to 2022 and Professor Florida has written an updated report on the creative classes although he and his team now identify a different type of individual who is taking full advantage of the growth in digital platforms, social media, and online marketplaces.

Such ‘creators’ are defined as those who use digital technology to make and publish unique creative content, whether in the form of video, film, art, music, design, text, games, or any other media that audiences can access and respond to.

They also make their money differently through memberships, subscriptions, digital tips, advertising, brand partnerships,

endorsements, direct funding from platforms, and other forms of digital payment.

As with any new phenomenon, it is difficult to estimate exactly how many creators are in the economy. For example, a recent study from Adobe estimated that one in four of the population of countries such as the UK, USA, Germany, and Australia are contributing to online space through engagement with platforms.

However, very little of this is monetized although another report showed that 17 million creators in the USA (or 5% of the population) are actually paid for developing their personal content on digital platforms such as Instagram and YouTube.

This is higher than the numbers directly employed in traditional sectors such as manufacturing, finance, or construction and the impact of creatives, as well as the ecosystem that supports them, is substantial with some estimating it to be worth as much as £90 billion.

In terms of age, whilst the archetypal image may be that of young people posting constantly on social media, surveys have shown that the average age of creators is 40 or over. Whilst just over half (55%) are male, this is actually a higher proportion of women in creative activity than we normally see for other types of entrepreneurial activity.

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As noted earlier, creators are involved predominantly in developing and posting original content online, using a variety of different media such as video, photography, music, podcasts, webinars and courses, games, blogs, and newsletters. More relevantly, the platforms they use will differ by the areas in which creators specialise.

For example, YouTube, TikTok, or Instagram is used by those posting videos about health and fitness, beauty and fashion, or travel and lifestyle whilst music-oriented creators will use Spotify and iTunes. For written content in areas such as politics and business, creatives will concentrate on Medium or Twitter.

As to what motivates creators, data shows that whilst a very small proportion can earn large sums from this activity, two thirds of creators earn less than \$25,000 annually.

And whilst money is an important factor in developing and delivering such content, the main drive of creators is all about their passions and working on ideas, activities, and projects that give them a sense of purpose. In addition, connecting with like-minded others is important as is engaging in work that is challenging, interesting and fun.

Given this profile of creators and their impact on the economy, what can be done to help develop more sustainable creators who can earn a living from their production?

There is clearly a role for digital platforms in ensuring that less-established creators are better promoted so that they reach a wider audience. Also, there is a need to support them in understanding how they can improve their effectiveness through encouraging sharing of best practice.

Policymakers can also help by encouraging and supporting

clusters of creators as they do with other industries and universities, especially those with creative schools, can develop programmes to ensure students are given the skills to generate revenue streams and build audiences.

Therefore, creators are important to furthering economic growth in the future and, while this is a relatively new phenomenon, such individuals are the vanguard in ensuring that the creative potential of as many people as possible benefit the economy and wider society.

As the report notes, the very nature of this work is also an essential conduit for meaning and purpose for hundreds of millions of people every year and, more importantly, a source of real community in a world where more and more people are becoming increasingly isolated.

Certainly, the more people we have involved in creative work, the better the prospects for a more productive, balanced, and innovative economy where everyone has the real possibility of fulfilling their potential.