

Economic Impact of America's Nonprofit Arts Industry

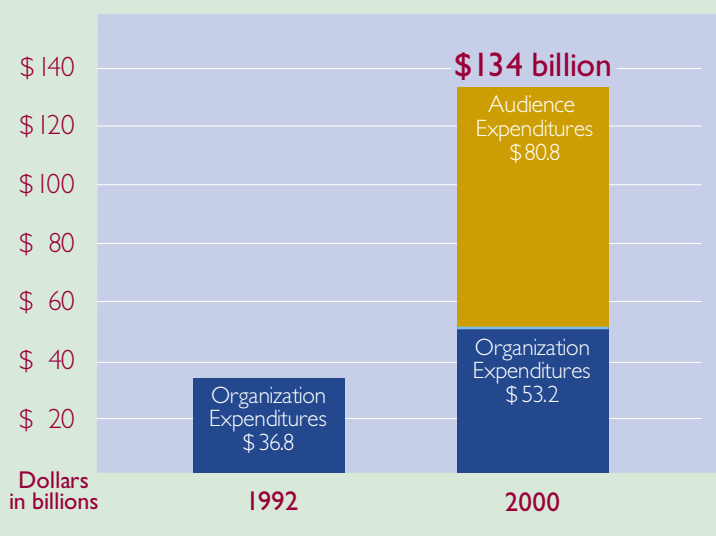
America's nonprofit arts industry generates \$134 billion in economic activity every year—\$53.2 billion in spending by arts organizations and an additional \$80.8 billion in event-related spending by arts audiences. This economic activity has a significant national impact.

Total Impact of the Nonprofit Arts Industry Includes organization and audience expenditures

Total Expenditures	\$ 134.0 billion
Full-Time Equivalent Jobs	4.85 million
Resident Household Income	\$ 89.4 billion
Local Government Revenue	\$ 6.6 billion
State Government Revenue	\$ 7.3 billion
Federal Income Tax Revenue	\$ 10.5 billion

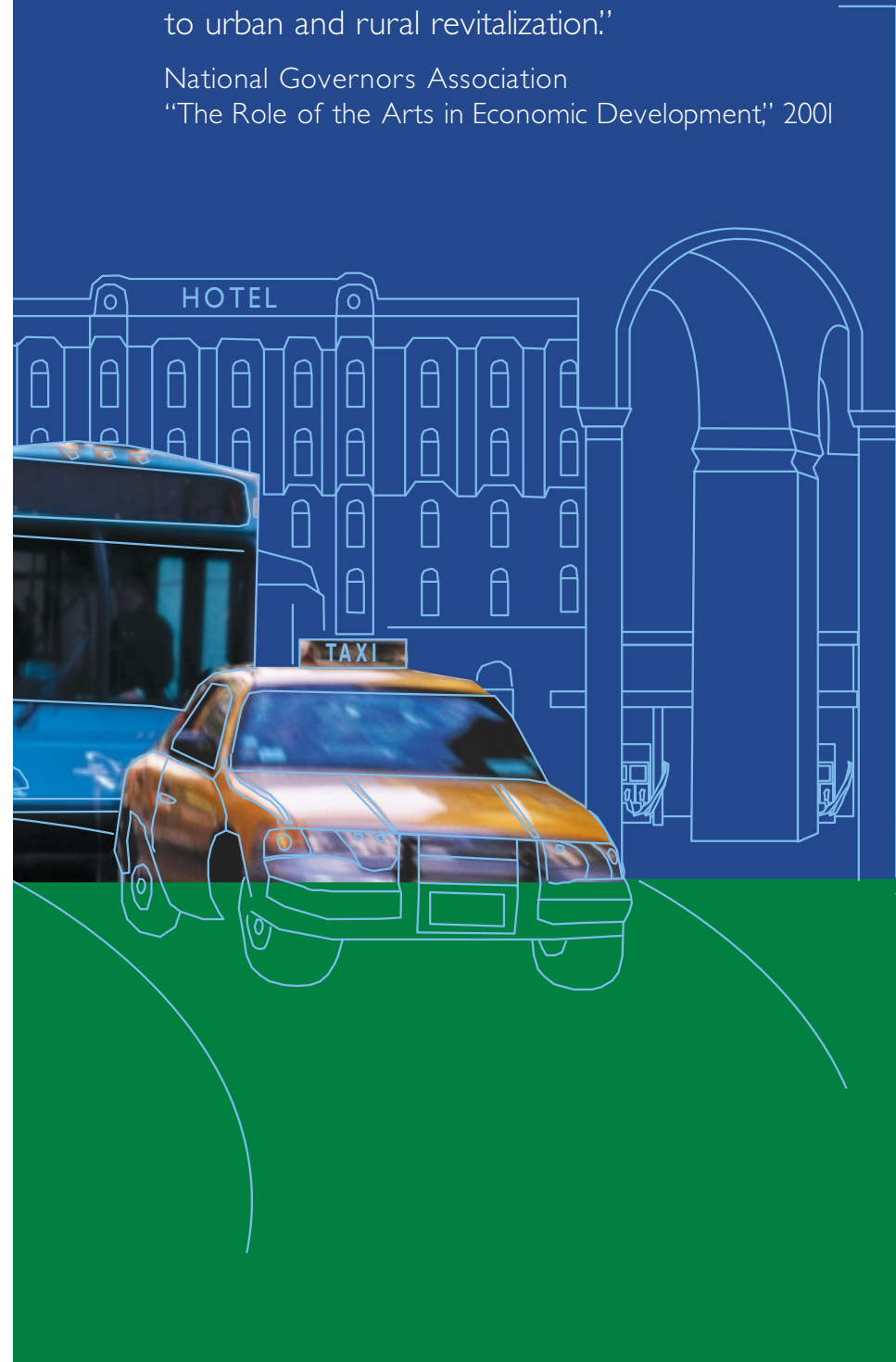
The nonprofit arts are a growth industry in the United States. Spending by arts organizations increased from \$36.8 billion in 1992 to \$53.2 billion in 2000 (45 percent).

Growth of the Nonprofit Arts Industry



“Cultural activities attract tourists and spur the creation of ancillary facilities such as restaurants, hotels, and the services needed to support them. Cultural facilities and events enhance property values, tax resources, and overall profitability for communities. In doing so, the arts become a direct contributor to urban and rural revitalization.”

National Governors Association
“The Role of the Arts in Economic Development,” 2001



Economic Impact of Spending by Nonprofit Arts Organizations

Arts organizations themselves are responsible businesses, employers, and consumers. Spending by nonprofit arts organizations—only a fraction of the total arts and entertainment industry—amounted to an estimated \$53.2 billion in fiscal 2000.

Impact of Nonprofit Arts Organizations

Total Expenditures	\$ 53.2 billion
Full-Time Equivalent Jobs	2.09 million
Resident Household Income	\$ 47.4 billion
Local Government Revenue	\$ 2.4 billion
State Government Revenue	\$ 3.0 billion
Federal Income Tax Revenue	\$ 5.6 billion

Economic Impact of Spending by Nonprofit Arts Audiences

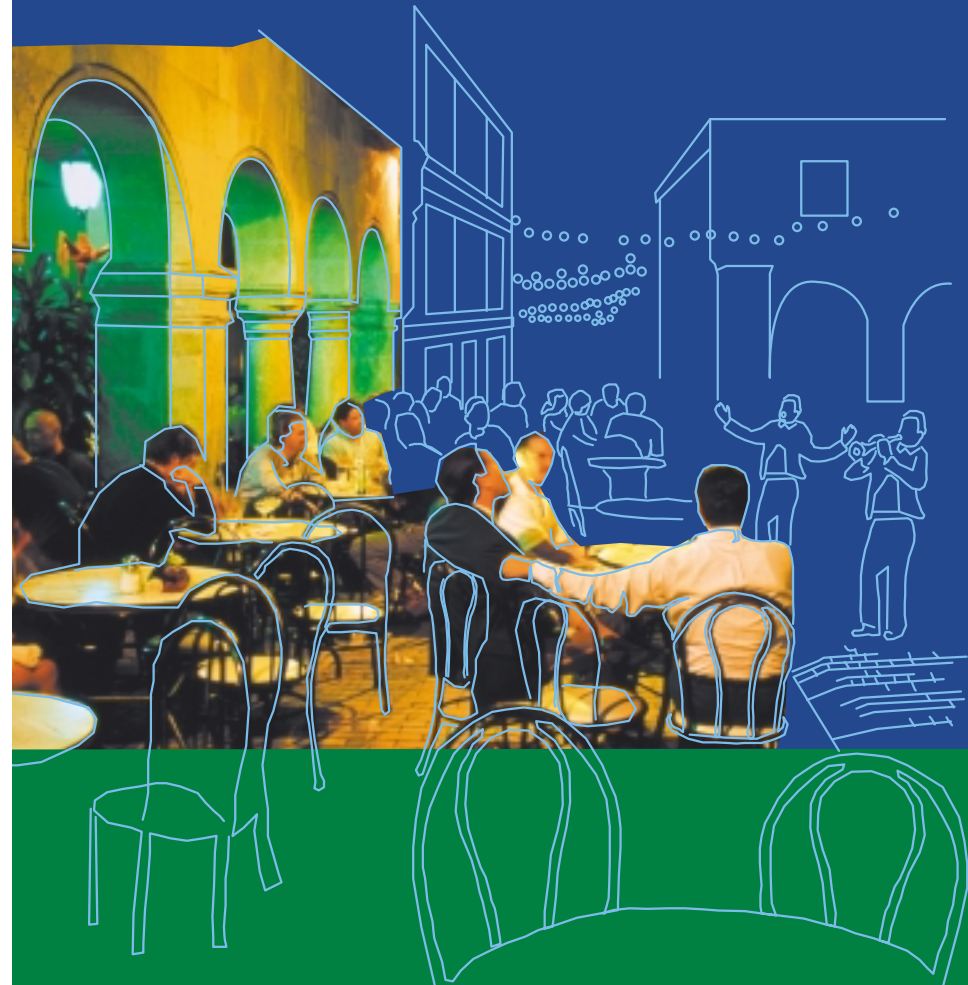
The nonprofit arts, unlike most industries, leverage significant amounts of event-related spending by their audiences. Attendance at arts events generates related commerce for hotels, restaurants, parking garages, and more. Data collected from 40,000 attendees at a range of arts events reveal an average spending of \$22.87 per person, not including the price of admission. This spending generates an estimated \$80.8 billion of valuable revenue for local merchants and their communities.

Impact of Nonprofit Arts Audiences

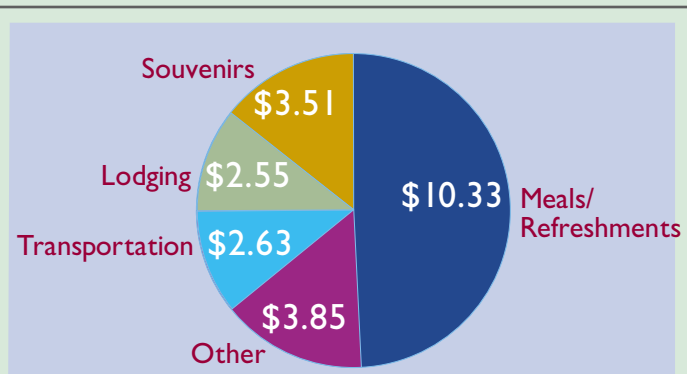
Total Expenditures	\$ 80.8 billion
Full-Time Equivalent Jobs	2.76 million
Resident Household Income	\$ 42.0 billion
Local Government Revenue	\$ 4.2 billion
State Government Revenue	\$ 4.3 billion
Federal Income Tax Revenue	\$ 4.9 billion

“As chairman of the Oklahoma Chamber of Commerce, I have visited almost every city and town in the state. There is a visible difference in places with an active cultural community. I see people looking for places to park, stores staying open late, and restaurants packed with customers. The business day is extended and the cash registers are ringing.”

Ken Fergeson, Chairman and CEO, NBanC, and President-Elect, American Bankers Association



Nonprofit Arts Attendees Spend an Average of \$22.87 Above the Cost of Admission



The findings also reveal that non-local attendees spend nearly twice as much as local attendees (\$38.05 compared to \$21.75), demonstrating that a community that attracts cultural tourists stands to harness significant economic rewards.

The Arts Mean Business

From major metropolitan areas to small rural towns, this research shows that the nonprofit arts are an economically sound investment. They attract audiences, spur business development, support jobs, and generate government revenue. Locally as well as nationally, the arts mean business.

“Nonprofit arts organizations in the United States support millions of jobs and generate billions in government revenue. We now know this is only part of the story. Arts audiences pump an additional \$80 billion in event-related spending to local businesses each year.”

Mayor Bart Peterson, Indianapolis, and
Chair, Arts, Parks, Entertainment & Sports Committee,
United States Conference of Mayors

“What’s good for the arts is good for the economy. The mayors of cities with strong economies tell us that the arts have helped their communities thrive. Federal support for our nation’s cultural organizations is sound public policy.”

Representative Louise M. Slaughter,
United States House of Representatives, and
Chair, Congressional Arts Caucus

About This Study

The *Arts & Economic Prosperity* study was conducted by Americans for the Arts to document the economic impact of the nonprofit arts industry in 91 communities during 2000-2001. The diverse communities range in population (4,000 to 3 million), geography (Anchorage to Miami), and type (rural to large urban). Local arts agencies—public and private organizations working to increase community access to and participation in the arts—served as local research partners, collecting detailed expenditure data from 3,000 nonprofit arts organizations and 40,000 audience members. The project economists, from the Georgia Institute of Technology, customized input/output analysis models for each of the 91 communities to provide specific and reliable economic impact data about their nonprofit arts industry.

The national estimates were derived by using a conservative four-step process. First, the 91 communities were stratified into six population groups and an economic impact average was determined for each group. Second, the nation’s 19,372 cities were assigned to one of the six groups based on their population (supplied by the U.S. Census Bureau). Third, each city was then assigned the economic impact average for its population group. Finally, the values of these 19,372 cities were added together to determine the national economic impact of the nonprofit arts industry. The three largest U.S. cities (New York, Los Angeles, and Chicago)—each with more than \$1 billion in organizational expenditures alone—were excluded from this study to avoid inflating the national estimates.

Americans for the Arts is the nation’s leading nonprofit organization for advancing the arts in America. With a 40-year record of objective arts industry research, it is dedicated to representing and serving local communities and creating opportunities for every American to participate in and appreciate all forms of the arts.





AMERICANS
for the ARTS



Americans for the Arts
1000 Vermont Avenue NW, 12th Floor
Washington, DC 20005
T 202.371.2830
F 202.371.0424
info@artsusa.org
www.AmericansForTheArts.org

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