The Arts Mean Business!

Arts & Economic Prosperity 6 (AEP6) is an economic impact study of the nation’s nonprofit arts and culture industry. It is the largest and most inclusive study of its kind ever conducted, with a specific focus on 360 participating communities from across all 50 states plus the District of Columbia.

In 2017, AEP5 documented that the nonprofit arts industry generated $166.3 billion in economic activity (spending by organizations plus the event-related spending by their audiences) which supported 4.6 million jobs and generated $27.5 billion in government revenue. AEP demonstrates that an investment in the arts provides both cultural and economic benefits.

- **Nonprofit arts and culture organizations are businesses.** They employ people locally, purchase goods and services from within the community, are members of their Chambers of Commerce, and attract tourists to their regions.

- **The arts drive commerce to local businesses.** The arts, unlike most industries, leverage significant amounts of event-related spending by their audiences. In 2017, arts attendees spent $31.47 per person, per event, beyond the cost of admission on items such as meals, parking, and lodging—vital income for local businesses.

- **Arts travelers are ideal tourists.** They stay longer and spend more to seek out authentic cultural experiences. One-third of attendees travel from outside the county in which the activity takes place and spend an average of $48 per person. (69% say they traveled specifically to attend the activity.)

- **Small investments. Big returns.** In 2017, the combined $5 billion in direct arts funding by local, state, and federal governments yielded $27.5 billion in government revenue.

Centering Equity and Inclusion in AEP6

Americans for the Arts is committed to addressing equity and inclusion as a critical component of the methodology, organizational participation, and collection of data for AEP6 by centering and representing BIPOC (Black, Indigenous, People of Color) and ALAANA (African, Latinx, Asian, Arab, Native American) identifying communities—a segment of the nonprofit arts and culture sector that has been underrepresented in past studies.

AEP6 is making a significant expansion beyond its previous iterations by centering equity and inclusion across the study. This change is more than simply responding to a priority. It is transforming the study—a full shake-out of the methodology to reduce systemic bias in survey design, data collection and analysis; establishing a new local, state, and national partnership model; community engagement and communications strategies; and the creation of new narratives based on the study results.

For the first time, AEP6 will establish a benchmark of arts and culture organizations that primarily serve communities of color, and the audiences that attend their events. It will also identify organizations that have a chief executive who identifies as BIPOC. Researchers will use the data to calculate the economic impact of the BIPOC arts sector in each of the 360 participating communities.
✓ Miles Partnership has been added to the project team as the **AEP6 equity consultant**.

✓ An **AEP6 Equity Task Force** was created that includes participating AEP6 partners, individuals representing BIPOC organizations that will be surveyed, funders, researchers, and other arts leaders to guide the development and implementation of an Equity Framework.

✓ A **Director of AEP6 Community Engagement & Equity** position was created to support local and state research partners in engaging BIPOC organizations, managing local research, creating training opportunities, and evaluating progress.

### Your Local Economic Impact Study!

While the national economic impact data are formidable, AEP6 is, at its core, a local story. The 360 participating communities include small rural towns, suburban neighborhoods, and large urban cities with diverse populations ranging from 1,500 to 4 million. The message is clear: no matter how large or small the community, the arts have a measurable economic impact.

✓ **Each participating community will receive a customized report** based on their own surveys of nonprofit arts and culture organizations and their audiences. An economic model will be tailored for each community to provide specific data about the industry’s impact on local jobs and government revenue. Reports will have many features including cross-community comparisons with other AEP6 communities, analyses of how spending differs between resident attendees and cultural tourists, and clear explanations about the methodology and how to use the data.

✓ **New! Arts & Creative Economy reports** will be created for each of the nation’s 3,143 counties using federal data about the number of arts business establishments, employment, income, and artist employment. (This analysis is based on both commercial and nonprofit businesses.)

✓ **New!** Improved economic analysis methods will provide each community with specific sources of government revenues generated (e.g., income tax, sales tax, hotel tax, property tax).

✓ **New! Social impact** measures have been added to the audience survey to gauge how arts and culture impacts neighborhood pride and cultural identity.

✓ **New! The AEP6 Playbook** will provide research partners with practical monthly actions to increase local participation and promote the findings (templates, step-by-step instructions, examples of what has worked in other communities, etc.).

To learn more, contact Ben Davidson, senior director of research services (bdavidson@artsusa.org), or Dr. Genna Styles-Lyas, director of AEP6 Community Engagement and Equity (glyas@artsusa.org).

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1 AEP6 includes nonprofit arts and culture organizations as well as municipally owned/operated agencies and facilities; arts and culture programs that are embedded in non-arts organizations (e.g., faith-based organizations, community centers, libraries); living collections (zoos, aquariums); and historical/heritage societies and sites.