About This Study

**The Arts Mean Business**

From large urban cities to small rural towns, this research shows that the nonprofit arts and culture industry is an economically sound investment. It attracts audiences, spurs business development, supports jobs, generates government revenue, and is the cornerstone of tourism. Locally as well as nationally, the arts mean business.

This study uses four economic measures to define economic impact: Full-time equivalent jobs, resident household income, and revenue to local and state governments. To collect the most comprehensive data possible, we measured the spending of 9.7 million nonprofit arts and culture organizations and 15,802 of their attendees to determine total industry spending.

Project economists from the Georgia Institute of Technology customized input-output analysis models for each study region. To derive the national estimates, the study regions were stratified into six population groups, and an economic impact average was calculated for each group. Then, the nation’s 159,366 largest cities were assigned the economic impact averages for their populations. Several outlier regions were removed when calculating the national estimates due to their comparably high levels of economic activity in their population categories.

For more information on Arts & Economic Prosperity IV, including information on downloading and purchasing all study reports, please visit www.AmericansForTheArts.org/EconomicImpact.

Americans for the Arts staff are available for speaking engagements. If interested, please contact the Research Department at 202.371.2890 or at research@artsusa.org.
Nonprofit Arts & Culture: A RESILIENT INDUSTRY

ECONOMIC IMPACT of THE NONPROFIT ARTS & CULTURE INDUSTRY (2010)

<table>
<thead>
<tr>
<th>AREA OF IMPACT</th>
<th>ORGANIZATIONS</th>
<th>AUDIENCES</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL DIRECT EXPENDITURES</td>
<td>$61.12 BIL</td>
<td>$74.08 BIL</td>
<td>$135.20 BIL</td>
</tr>
<tr>
<td>FULL-TIME EQUIVALENT JOBS</td>
<td>2.24 MIL</td>
<td>1.89 MIL</td>
<td>4.13 MIL</td>
</tr>
<tr>
<td>RESIDENT HOUSEHOLD INCOME</td>
<td>$47.53 BIL</td>
<td>$39.15 BIL</td>
<td>$86.68 BIL</td>
</tr>
<tr>
<td>LOCAL GOVERNMENT REVENUE</td>
<td>$2.24 BIL</td>
<td>$3.83 BIL</td>
<td>$6.07 BIL</td>
</tr>
<tr>
<td>STATE GOVERNMENT REVENUE</td>
<td>$2.75 BIL</td>
<td>$3.92 BIL</td>
<td>$6.67 BIL</td>
</tr>
<tr>
<td>FEDERAL INCOME TAX REVENUE</td>
<td>$5.26 BIL</td>
<td>$4.33 BIL</td>
<td>$9.59 BIL</td>
</tr>
</tbody>
</table>

PERCENTAGE OF U.S. WORKFORCE (2010)

In 2010, nonprofit arts and culture organizations alone supported 2.2 million full-time equivalent jobs. Of this total, 1.1 million jobs were a result of “direct” expenditures by nonprofit arts organizations, representing 0.82 percent of the U.S. workforce. Compared to the size of other sectors of the U.S. workforce, this figure is significant. Nonprofit arts and culture organizations support more U.S. jobs than there are accountants and auditors, public safety officers, and even lawyers.

ORGANIZATIONS

In 2010, nonprofit arts and culture organizations pumped an estimated $61.1 billion into the economy. Nonprofit arts and culture organizations are employers, producers, consumers, and key promoters of their cities and regions. Most of all, they are valuable contributors to the business community.

AUDIENCES

Dinner and a show go hand-in-hand. Attendance at arts events generates income for local businesses—restaurants, parking garages, hotels, retail stores. An average arts attendee spends $42.60 per event in addition to the cost of admission. On the national level, these events provided $39.1 billion of valuable revenue for local merchants and their communities. In addition, data shows nonlocal attendees spend twice as much as local attendees ($59.86 vs. $17.42), demonstrating that when a community attracts cultural tourists, it harnesses significant economic rewards.

In 2012–2013,Of the 2010 Nonprofit Arts & Culture Impacts, the following were observed:

- $6.67 BIL in attendance
- $13.14 BIL in hotels
- $17.42 BIL in restaurants
- $2.74 BIL in retail
- $13.14 BIL in transportation

The following industries are impacted:

- $5.99 BIL in accounts, auditors, & related services
- $4.33 BIL in admissions
- $1.10 BIL in legal

The following are calculated per person AVERAGE PER PERSON AUDIENCE EXPENDITURE: $36.60

- $0.89 in education
- $0.76 in art/entertainment
- $0.55 in overnight lodging
- $1.45 in local/government/transportation
- $13.14 in meals, snacks, & beverages

America’s nonprofit arts and culture industry generates $135.2 billion in economic activity every year—$61.1 billion in spending by organizations and $74.1 billion in event-related spending by audiences. The industry supports 4.1 million jobs and generates $22.3 billion in government revenue.

“Mayors understand the connection between the arts industry and city revenues. Arts activity creates thousands of direct and indirect jobs and generates billions in government and business revenues. The arts also make our cities destinations for tourists, help attract and retain businesses, and play an important role in the economic revitalization of cities and the vibrancy of our neighborhoods.”

Philadelphia Mayor Michael A. Nutter
President, The United States Conference of Mayors, 2012–2013