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Study Shows $166 Billion in Economic Activity and 5.7 Million Jobs are Generated Annually by the Nonprofit Arts and Culture Industry

WASHINGTON, D.C. — Americans for the Arts announced today the results of the most comprehensive economic impact study of the nonprofit arts and culture industry ever conducted in the United States. Entitled Arts & Economic Prosperity III, the report reveals that the nonprofit arts industry generates $166.2 billion in economic activity every year, resulting in $29.6 billion in federal, state, and local tax revenues.

The nation’s nonprofit arts and culture industry has grown steadily since the first analysis by Americans for the Arts in 1992, expanding at a rate greater than inflation. Between the second study conducted in 2000 and 2005, spending by organizations and their audiences grew 24 percent, from $134 billion to $166.2 billion in total economic activity—$63.1 billion in spending by organizations and an additional $103.1 billion in event-related spending by their audiences. The total economic activity has a significant national impact, generating the following:

• 5.7 million full-time equivalent jobs
• $104.2 billion in resident household income
• $7.9 billion in local government tax revenues
• $9.1 billion in state government tax revenues
• $12.6 billion in federal government tax revenues

“This study is a myth buster,” said Robert L. Lynch, president and CEO of Americans for the Arts. “Most Americans understand that the arts improve our quality of life. This study demonstrates that the arts are an industry that stimulates the economy in cities and towns across the country. A vibrant arts and culture industry helps local businesses thrive.”

The Arts & Economic Prosperity study shows that nonprofits arts support more jobs than accountants and auditors, public safety officers, and even lawyers, and just slightly fewer than
elementary school teachers. Spending by nonprofit arts and culture organizations provide
rewarding employment for more than just artists, curators, and musicians but they also
directly support builders, plumbers, accountants, printers, and an array of occupations.

In addition, the study reveals that the nonprofit arts industry is the cornerstone of tourism.
The $103.1 billion in event-related spending by arts audiences reflects an average of $27.79
per person in spending for hotels, restaurants, parking, souvenirs, refreshments, or other
similar costs—with non-local attendees spending twice as much as local attendees ($40.19 vs.
$19.53). When a community attracts cultural tourists, it harnesses significant economic
rewards.

This study documents the economic impact of the nonprofit arts and culture industry in 156
communities and regions (116 cities and counties, 35 multi-county regions, and 5 states),
representing all 50 states and the District of Columbia. The diverse communities range in
population (4,000 – 3,000,000) and type (rural to urban). Researchers collected detailed
expenditure and attendance data from 6,080 nonprofit arts and culture organizations and
94,478 of their attendees to measure total industry spending. The project economists from
the Georgia Institute of Technology customized input-output analysis models for each study
region to provide specific and reliable economic impact data.

To derive the national estimates, the 116 city and county study participants—multi-regions
and states are excluded from this analysis—were first stratified into six population groups,
and an economic impact average was calculated for each group. Second, the nation’s largest
12,662 cities were assigned to one of the six groups based on their population as supplied by
the U.S. Census Bureau. Third, each city was assigned the economic impact average for its
population group. Finally, the values of the cities were added together to determine the
national economic impact findings. The two largest U.S. cities, New York and Los Angeles,
each with more than $1 billion in organizational expenditures, were excluded from this study
to avoid inflating the national estimates. In addition, Laguna Beach, CA, and Teton County,
WY, were removed when calculating the national estimates due to their comparably high
levels of economic activity in their population category.

The results of the economic impact of the arts for each of the 116 city and county participants,
as well as comparative data for the 25 communities that participated in both the 2002 and
current study will be released on June 6, 2007.

The Arts & Economic Prosperity III study was conducted by Americans for the Arts and
supported by the Paul G. Allen Family Foundation, the John D. and Catherine T. MacArthur
Foundation, and The Ruth Lilly Fund of Americans for the Arts. Americans for the Arts’ local
and statewide project partners contributed both time and financial support to the study. The full text of the report is available online.

**Americans for the Arts** is the leading nonprofit organization for advancing the arts and arts education in America. With offices in Washington, D.C. and New York City, it has a record of more than 50 years of service. Americans for the Arts is dedicated to representing and serving local communities and creating opportunities for every American to participate in and appreciate all forms of the arts. Additional information is available at [www.AmericansForTheArts.org](http://www.AmericansForTheArts.org).

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