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**STUDY SHOWS THAT THE NONPROFIT ARTS INDUSTRY
GENERATES \$134 BILLION IN ECONOMIC ACTIVITY AND
\$24 BILLION IN TAX REVENUES IN THE U. S. ANNUALLY**

**Study Is Based On Surveys Of 3,000 Local Arts Organizations
And 40,000 Attendees At Arts Events In 91 Cities, In 33 States**

Washington, D.C.— June 10, 2002 — Americans for the Arts announced today the results of the most comprehensive economic impact study of the nonprofit arts industry ever conducted in the United States. Entitled *Arts & Economic Prosperity: The Economic Impact of Nonprofit Arts Organizations and Their Audiences*, the report is based on surveys of 3,000 nonprofit arts organizations and 40,000 attendees at arts events in 91 cities in 33 states, plus the District of Columbia.

The study reveals that America's nonprofit arts industry generates \$134 billion in economic activity every year, resulting in \$24.4 billion in federal, state, and local tax revenues. The \$134 billion total includes \$53.2 billion in spending by arts organizations and \$80.8 billion in event-related spending by arts audiences:

- The \$53.2 billion represents a 45 percent increase (from \$36.8 billion) since Americans for the Arts last studied spending by arts organizations eight years ago.
- The \$80.8 billion in event-related spending by arts audiences reflects an average of \$22.87 per person in spending for hotels, restaurants, parking, souvenirs, refreshments, or other similar costs—with non-local attendees spending nearly twice as much as local attendees (\$38.05 compared to \$21.75).

The \$134 billion in total economic activity has a significant national impact, generating the following:

- 4.85 million full-time equivalent jobs
- \$89.4 billion in household income
- \$6.6 billion in local government tax revenues
- \$7.3 billion in state government tax revenues
- \$10.5 billion in federal income tax revenues

“When communities invest in the arts, there is a tendency to think that they are opting for cultural benefits at the expense of economic benefits,” stated Robert L. Lynch, President and CEO of Americans for the Arts. “This study demonstrates that the arts are an industry that generates extraordinary economic activity, jobs, and tax revenues. When we say that the arts mean business, that’s not just a slogan; it’s the truth.”

The study was conducted by Americans for the Arts in 91 communities in 2000 and 2001. The diverse communities range in population (4,000 to 3,000,000), 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.

Indianapolis Mayor Bart Peterson, who serves as the Chair of the Arts, Parks, Entertainment & Sports Committee for the United States Conference of Mayors, and whose city participated in the study, stated: "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."

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.

The study was funded by the American Express Company, the National Endowment for the Arts, and community-based arts partners in each of the 91 cities. The full text of the report is available at www.AmericansForTheArts.org/EconomicImpact.

“Our involvement in funding the arts has shown what an important role the arts play in the quality of the community. We also have seen how the arts are central to the economic growth and vitality of communities around the world,” said Mary Beth Salerno, President, American Express Foundation. “This study adds to the prior research and we hope it will be a tool that can continue to build the case that investing in the arts is good policy and good business.”

Americans for the Arts is the leading nonprofit organization for advancing the arts in America. With offices in Washington, DC, and New York City, it has a 40-year record of objective arts industry research. 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.