



**ARTSFUND**

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### **Regional Cultural Activity Provides Significant Impacts in Economy**

Recession or not, cultural activity has a significant impact on the economy of the Central Puget Sound Region according to a new study by ArtsFund. Collectively, in 2009, some 360 cultural groups ranging from arts to zoos and their patrons generated \$1.9 billion in business activity (i.e. business sales), supported 32,520 jobs and \$882 million in labor income. This activity resulted in \$83 million in state and local taxes. Approximately one-quarter of these impacts is in the form of “new money” coming from outside the region.

The study, almost a year in the making, was made possible by a major grant from The Paul G. Allen Family Foundation. It was prepared by Professor William B. Beyers of the University of Washington with GMA Research Corporation of Bellevue.

“The main reason for having a strong cultural life is because of the inspiration, education and uplifting experiences it provides the region. In the process, cultural organizations and their patrons generate considerable impact with a long ripple effect that reaches industry sectors from restaurants and hotels to accounting firms and transportation companies,” said Jim Tune, ArtsFund President and CEO.

Sue Coliton, Vice President of The Paul G. Allen Family Foundation, said, “This economic impact study demonstrates the significant contributions made by arts, cultural and scientific nonprofits beyond the profound benefits of their public programs. The Foundation is proud to be able to support research of this kind, which vividly illustrates the multiple ways cultural activity, organizations, artists, and nonprofit leaders enrich our communities.”

## Scope of study

Data for the study came from 357 nonprofit arts, heritage and scientific organizations in King, Pierce, Snohomish and Kitsap Counties with budgets of \$30,000 or more and from a statistically valid survey of almost 3,000 cultural patrons. Patron data were collected through surveys at cultural events during spring and summer of 2010. Data from cultural organizations were from the organizations' most recently completed fiscal year.

## New Money

A significant portion of economic impacts comes from patrons from outside the Central Puget Sound Region. In addition, cultural organizations receive a portion of their income from sources outside of the area. This all represents "new money" that would not be spent in the region without these cultural activities. New money accounts for 17 percent of the revenues of cultural groups and about 44 percent of patron spending. New money impacts in 2009 created 8,273 jobs, \$573 million in business activity, \$247 million in labor income and \$43 million in tax revenues.

## Spending

Spending by patrons directly attributed to attendance at cultural events was \$712 million. Tickets or admissions accounted for \$222 million of those expenditures. The balance was spent on such things as dining before or after the event, transportation, shopping, child care and lodging.

Cultural organization spending totaled \$482 million to provide services to the public. Income of the organizations was just slightly more at \$488 million.

## Employment

The study estimates that 32,520 jobs in the Central Puget Sound Region were related to the activities of cultural organizations. Of these, 17,052 were directly tied to these organizations. Interestingly, many cultural organizations conduct their work with a relatively small base of full-time employees, hiring artists or technicians as needed to complete particular productions or exhibitions. Overall, full-time employment at cultural organizations accounts for 19 percent of jobs; part-time and contractual employment each account for about 37 percent and interns account for about six percent.

### Attendance

In 2009, cultural organizations provided 13.2 million admissions to residents and visitors. To put that number in perspective, it is more than three and a half times the 3.6 million population of the four-county area.

### Volunteers

Cultural organizations could not run without the support of volunteers who provide assistance with administrative work as well as artistic, professional and technical work. Cultural organizations reported use of 48,000 volunteers with an annual average of 27 hours per volunteer providing a total of 1.3 million hours of activity. That number of volunteer hours is equivalent to approximately 677 full-time positions.

### Values regarding cultural activity

The patron survey also asked a number of questions about respondents' experiences with and perceptions of cultural activity. Most patrons were introduced to arts, cultural, and scientific organization programs while they were young, either in school or through family and friends. Most attend arts, cultural, or scientific organizations at least monthly, and indicate that the value of these organizations has increased to them in recent years. More than half of the patrons regularly make cash

contributions to arts, cultural, or scientific organizations, and 57 percent use attendance at these organizations' events to meet with family and friends. Nearly 64 percent of patrons with children have them participate in arts, cultural or scientific activity outside of school.

### Trends among a comparable base

This is the fourth economic impact study ArtsFund has conducted. The current study is broader in scope in terms of geography and the types of organizations covered than the previous three. Nonetheless, all four have a comparable base of King County arts and heritage organizations which Professor Beyers isolated to allow for meaningful comparisons. The previous three studies were conducted based on financial information from the years 1992, 1997 and 2003.

### *New money*

The increase in "new money" impacts from the 2003 study is one of the most significant changes. Compared to the 2003 study, new money employment impacts have climbed 19 percent, business activity (sales) impacts increased 46 percent and labor income impacts were up 60 percent (as measured in constant \$2009).

### *Income*

Since 2003, the make-up of income for these comparable organizations has changed somewhat. Most notably, "earned income" (primarily from ticket sales but also from such things as rentals of sets, etc.) has climbed to an average of 56 percent of total income in 2009 from 49 percent in 2003 (performing arts organizations tend to have higher levels of earned income while museums tend to have lower levels). Percentages of contributed income from different sources have shifted somewhat since the 2003 study. Contributions from government, which tend to have longer lead times, climbed somewhat since 2003. Donations from foundations rose significantly and those from corporations fell modestly. Contributions from individuals remained relatively unchanged as a percentage but are by far the largest source of contributed income.

### *Attendance*

Among the base of comparable organizations, attendance has declined slightly (two percent) since 2003. More notably, reflecting the challenges of current economic times, those attending are paying less. Patrons attending on season tickets or memberships dropped by more than 15 percent. Those attending on single tickets or admissions declined more than five percent. Both discounted student tickets and free admissions, on the other hand, climbed by about 22 percent each from their 2003 levels.

### *Number of organizations*

Another interesting change in this comparable base of information is the growth in the number of organizations, to 265 in 2009 from 145 in 1992, an 83 percent increase. During the same period, the population of King County has grown by 20 percent. With a few exceptions, the additions have been among smaller arts and heritage groups.

Full reports are available on line at [www.artsfund.org](http://www.artsfund.org).

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