

NATIONAL ARTS INDEX 2010

An Annual Measure of the Vitality of Arts and Culture in the United States: 1998–2009





National
ArtsIndex

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AN ANNUAL MEASURE OF THE
VITALITY OF ARTS AND CULTURE IN THE
UNITED STATES: 1998-2009**

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INTRODUCTION

This report is the first annual update of the National Arts Index. The National Arts Index, created by Americans for the Arts, is a highly-distilled measure of the health and vitality of arts in the U.S. It is composed of 81 equal-weighted, national-level indicators of arts and culture activity that covers a 12-year period, from 1998 to 2009. Each indicator is updated annually and a new report is produced.

THE IMPORTANCE OF MEASURING THE VITALITY OF THE ARTS

The arts are a fundamental component of a healthy society, based on virtues that touch the individual, community, and the nation—benefits that persist even in difficult social and economic times:

- **Aesthetics:** The arts create beauty and preserve it as part of culture
- **Creativity:** The arts encourage creativity, a critical skill in a dynamic world
- **Expression:** Artistic work lets us communicate our interests and visions
- **Identity:** Arts goods, services, and experiences help define our culture
- **Innovation:** The arts are sources of new ideas, futures, concepts, and connections
- **Preservation:** Arts and culture keep our collective memories intact
- **Prosperity:** The arts create millions of jobs and enhance economic health
- **Skills:** Arts aptitudes and techniques are needed in all sectors of society and work
- **Social Capital:** We enjoy the arts together, across races, generations, and places

What's treasured is measured. These are the reasons that it is important to understand how the arts thrive and remain healthy, because it enables the arts to deliver these valuable benefits. It is this health and ability to sustain itself over time that we refer to as the “vitality” of arts and culture. The presence of arts and culture is seen in the 2.2 million artists in the U.S. workforce, 109,000 nonprofit arts organizations and 550,000 additional arts businesses, as well as the hundreds of millions of consumers and audiences and billions of dollars in consumer spending.

Given its significance to American life, the vitality of the arts and culture system is a matter of continuing interest, and good information about the condition of the arts is a critical element of that interest. There are many individual studies of artists, markets, and audiences, but few that focus on the whole arts system, and those are intermittent. The National Arts Index addresses this gap. One need not look far to appreciate the ubiquitous presence of indicators in our society. In other areas of broad social interest, like the stock market or the overall economy, there are standard measures that provide a common language and understanding. If someone says that the “Dow” is going up or down, or that Gross Domestic Product (GDP) is rising or falling, we understand that these are broad measures of stock market performance or overall economic strength. Indicators are well understood and respected by public and private sector leaders as well as by ordinary citizens. They compress large amounts of data into one number that is calculated the same way every day (the Dow) and every year or calendar quarter (the GDP), making it easy to compare performance between time periods. The National Arts Index provides an annual measure of the arts with these same qualities, at annual intervals.

The National Arts Index is a tool to stimulate public dialogue about the value of the arts as well as improve policy and decision-making—one that is more considered and lacks the fervor often associated with the typical

impetus for such conversations (“Funding cuts!” or “Public art controversy!”). It provides a common currency of language, a way for more people to talk in an informed manner about the arts, using similar information and terms, about why change is occurring, where things are going in the future, and how the arts can stay vital.

The National Arts Index helps to advance the public discourse about the arts in three ways:

1. We widened the lens to look at all of the different arts sectors—nonprofit arts organizations, for-profit arts businesses, individual artists, as well as amateur levels of activity. Taken together, this gives us a fuller picture of the arts world.
2. The data are contextualized against a backdrop of annual changes in population, economy, inflation, and employment. This ensures that arts changes are distinguishable from trends affecting all sectors. For example, if attendance at a particular art form increases 0.5 percent per year—while total population grows 1 percent—then that art form is losing market share. This context provides “The Honest Look.”
3. We take a systems approach to understanding the ecology of the arts industries. We created the Arts and Culture Balanced Scorecard, a logic model that relates all 81 indicators to each other in a systemic way by grouping the indicators into four key components:
 - Financial Flows—philanthropy, artist income, business revenue—payments for artistic services.
 - Capacity—artists, organizations, employment
 - Arts Participation—consumption of arts activities, attendance, experiences
 - Competitiveness—the position of the arts compared to other sectors—market share, how the arts compete for philanthropy, discretionary spending

New for 2010 are five new indicators, bringing us from 76 to 81, that provide a fuller picture of the visual arts world, live concert revenues, and music sales data that enables us to capture more of the fast-growing online sales. Issued in January 2011, the National Arts Index bears early witness to how the “Great Recession” of 2008 and 2009 affected the arts. The findings and messages are not all new. We can, however, newly pay attention to many of them using an evidence based platform in lieu of our empirical observations. The following pages show the bright and challenging areas of the arts, points out some danger signs, and some ways that the arts can stay vital in a society that needs a healthy arts sector for its own overall vitality.

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EXECUTIVE SUMMARY

In 2009, the National Arts Index fell 3.6 points to a score of 97.7, the lowest point reached in the 12 years measured and the largest single-year change recorded. Losses during the 2007-2009 recession nearly doubled the gains made between 2003 and 2007 (-6.2 percent vs. +3.9 percent, respectively). This reflects declining attendance at larger cultural institutions and is compounded by losses in charitable giving—all of this as the number of nonprofit arts organizations continues to grow. In any given year, some indicators are up and others are down. In 2007, half of the indicators rose; in 2008 one-third were up; and in 2009, just one-quarter increased.

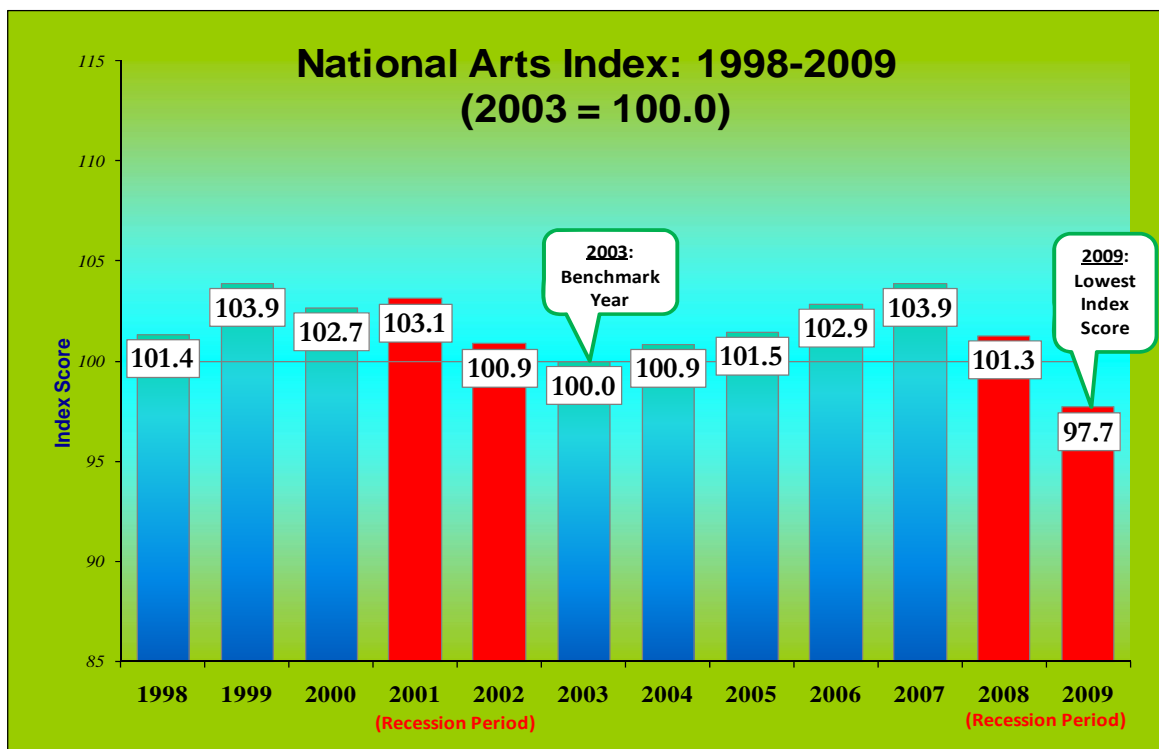


FIGURE A. NATIONAL ARTS INDEX

The 2010 National Arts Index offers the first comprehensive national picture of how the arts fared during the Great Recession period of 2007-09. It is composed of 81 national-level research indicators—the latest available data produced by the federal government and private research organizations—and covers the 12-year span of 1998 to 2009. The Index is set to a base score of 100 in 2003; every point difference represents one percent change.

There is no uppermost Index score, though higher is better. For example, a score of 125 would convey that arts and culture are more highly valued as a fundamental component in American society—characterized by strong financial health, ample capacity, innovation, vigorous participation, and a vital competitive position.

KEY FINDINGS FROM THE NATIONAL ARTS INDEX

1. **The arts follow the nation's business cycle.** The Index is high when Consumer Confidence and GDP growth is high. Figure A shows growth during the middle part of the decade and in the late 1990s when the economy was strong, both following by a decline of the Index during the two recent economic downturns.
2. **The fortunes of the arts affect a great many people.** While it may be no surprise that the arts track the economy, most people are unaware of the size of the sector: 109,000 nonprofit arts organizations and 550,000 more arts businesses, 2.2 million artists in the U.S. workforce, and billions of dollars in consumer spending. The arts are a significant social and economic force.
3. **As a broad-based consumer sector, the arts are struggling to compete.** The public's spending on the arts has remained in the \$150-\$160 billion range, though it slipped steadily since 2002 in terms of share of all expenditures (from 1.88 percent to 1.57 percent). Inevitably, as people lost jobs and had their housing threatened, their expenditures on arts and culture, a discretionary expense, went down, too.
4. **Growth in the number of nonprofit arts organizations and arts businesses.** 2009 was the first year of the 12 Index years reported that saw a slight decrease in the number of artists, arts businesses, and arts-related employment. The number of new nonprofit arts organizations, however, continues to grow annually—increasing in number by 3,000 during the 2007-2009 recession years. Putting this growth into context, in the past decade, nonprofit *arts* organizations have grown 45 percent (75,000 to 109,000), a greater rate than *all* nonprofit organizations, which grew 32 percent (1,203,000 to 1,581,000). Or to look at it another way, between 2003 and 2009, a new nonprofit arts organization was created every three hours in the U.S.
5. **Arts nonprofits are struggling financially.** More nonprofit arts organizations are ending the year with a deficit—41 percent in 2008, which is an increase from the 36 percent in 2007. In both years, larger-budget organizations were more likely to run a deficit, though no specific arts discipline is particularly more likely to run a deficit. Even during the more prosperous years of the decade, more than 1-in-3 ran a deficit. While 41 percent of the nonprofit arts organizations running a deficit is a serious cause for concern, this is actually on par with the universe of *all* charitable nonprofit organizations.
6. **Arts and culture is losing its market share of philanthropy** to other charitable areas, such as human services and health. It is noteworthy that this decline began well before the current economic downturn. The share of all philanthropy going to the arts has dropped from 4.9 percent to 4.0 percent over the past decade. If the arts sector merely maintained its 4.9 percent share from 2001, it would have received \$14.9 billion in contributions in 2009, instead of \$12.34 billion—a \$2.5 billion difference.
7. **Demand for arts in education is up.** The percentage of college college-bound seniors with 4 years of arts or music has grown steadily over the past decade—from 15 percent to 20 percent of all SAT test takers—a

confounding finding to researchers given the evidence of K-12 decreases in arts education overall, and suggesting to researchers a significant educational equity gap. College arts degrees conferred annually have risen steadily from 75,000 to 127,000 in the past decade. Reasons for this include an increase in design degrees and more double-majors, such as science and music. This is promising news for business leaders looking for an educated and creative workforce.

CONTINUING TRENDS IN AUDIENCE ENGAGEMENT

- **How the public participates in and consumes the arts is ever-expanding.** Tens of millions of people attend concerts, plays, operas, and museum exhibitions every year—and those that go usually attend more than once. While attendance numbers at artistic institutions has remained relatively flat over the past decade, the percentage of the U.S. population attending these arts events is shrinking, and the decline is noticeable. Between 2003 and 2009, the percentage of the population attending art museums and performing arts events both decreased (-19 percent and -22 percent, respectively). As the following data show, the public is not walking away from the arts, but they are walking away from some traditional models of delivery.
- **Americans are seeking more personal engagement in their arts participation.** Personal arts creation and arts volunteerism is growing. The number of Americans who personally participated in an artistic activity—making art, playing music—rose 5 percent between 2005 and 2009. During the same period of time, the number of people volunteering for the arts has jumped 11.6 percent. One of the fastest growing areas of interest in the arts is culturally and ethnically diverse arts organizations, which have doubled in a decade (from 4,806 to 9,609). In 2009, there was a fractional decrease in the personal creation measure, though volunteerism continued its upward trend.
- **Technology is having dramatic effects**, which is both encouraging and concerning. In just the past five years nearly half of the nation’s CD and record stores have disappeared. Online downloads of music singles, however, have grown 7-fold to more than one billion units annually. In 2009, digital formats comprised a record 41 percent of total music sales in the United States, up from 34 percent in 2008, and 25 percent in 2007. Savvy nonprofit arts organizations are using technology to broaden their audience base and enrich the audience experience. For example, the Metropolitan Opera simulcasts 12 operas to 1,500 theaters in 46 countries—a program that sold an additional 2.4 million tickets last year alone. Also, the Washington National Opera’s annual simulcast at the Washington Nationals’ baseball stadium attracts 20,000 fans. As in past economic downturns, the motion picture industry performed well with increases in attendance and growth in the number of movie screens.

NOTEWORTHY CHANGES IN THE PAST YEAR

- **Arts employment in the arts remained strong**, especially when compared to labor market difficulties facing all sectors of the economy. A variety of labor market indicators in the Index report show relatively steady levels of compensation and employment.
 - ✓ The self-employed artist-entrepreneur—active as poet, painter, musician, dancer, actor, and in many other artistic disciplines—is alive and well, with total numbers growing every year between 2000 and 2008 (from 509,000 to 676,000).

- ✓ There was a 17 percent increase in the number of working artists from 1996 to 2009 (1.9 to 2.2 million). Artists remained a steady 1.5 percent share of the total civilian workforce.
 - ✓ Arts worker wages kept pace with inflation and showed slight real growth, to about \$49,000.
 - ✓ Songwriter/composer royalties grew from 2003 to 2009, from \$1.27 billion to \$1.66 billion, a 30-percent increase over a six-year span, even after adjusting for inflation
- **New work and innovation.** Arts organizations are settings for artistic entrepreneurship—homes to new ideas and imaginative and innovative leaders. One measure of the Index is the number of premiere performances and films. While there was a 5 percent decrease in this measure between 2008 and 2009, it is still 14 percent higher than in 2005. In 2009, audiences were treated to an impressive 1,022 new opera, theater, film and symphony premieres.
 - **Government arts funding is mixed.** Federal funding to the National Endowment for the Arts increased to \$155 million in funding in 2009, which is just a portion of the \$1.96 billion in total federal arts spending. As a share of the federal domestic discretionary budget, however, total arts funding dropped from 0.42 percent to 0.36 percent, between 2002 and 2009. Many arts programs are also immersed in the budgets of other federal agencies such as GSA, Transportation, and Defense (which boasts vigorous music programs throughout the armed services), but are not included in these totals. In contrast to the federal government, state and local arts funding are decreasing at a rate of about 10 percent per year during the recession.
 - **U.S. cultural destinations help grow the U.S. economy by attracting foreign visitor spending.** Effectively, cultural tourism by foreign visitors is a form of export by domestic arts and culture industries. Since 2003, there has been a 23 percent increase in the number of tourists who fly to the U.S. and attend arts activities as a part of their visit, including Art Gallery/Museums, Concert/Play/Musicals, Cultural Heritage Sites, Ethnic Heritage Sites, American Indian Community, and Historical Places.

FIVE NEW NATIONAL ARTS INDEX INDICATORS IN 2010

1. Record company sales are slipping at the retail cash register, according to data newly added to the Index from Soundscan (see indicator #8).
2. The popular music concert industry has had significant growth since the late 1990s. Pollstar Magazine, the most reliable source of concert industry data, gathers raw data on almost 35,000 concert events each year. All things considered, the 2000s have been a healthy decade for the industry. Increased grosses in 2009 distinguish this industry from some other arts industries that suffered more in the economic downturn. (#9)
3. From Books in Print, we measured the number of books published annually that are coded with the terms “music,” “theatre,” “dance,” or “art.” Overall, there was an increase of about 20 percent—from under 17,000 to over 19,000—between 1999 and 2009. (#36)
4. A new measure of corporate philanthropy from the Committee Encouraging Corporate Philanthropy corroborates the Conference Board’s findings that arts support declined steadily from 2006 through 2009, from 8.0 to 6.2 percent of total corporate giving. (#66)

5. Visual art performs as well as Standard & Poor's 500 over the long haul . . . Since 1958, the Mei-Moses All Art Index shows that art has generated investment returns equal to the Standard & Poor's 500 Stock Index—a 100-fold increase (#78).

LOOKING AHEAD

This first annual update to the National Arts Index provides a picture of how the arts were affected by the unusually difficult economic circumstances of the “Great Recession.” It offers an evidence-based platform to begin a long-term conversation about the arts and their value to communities and a dynamic society. With the Index score at its lowest level in the 12 years studied, and likely to decrease again in 2010, the time to start that conversation is now.

The Index highlights the changing nature of how audiences are engaging with (and spending money on) the arts and the resulting imbalance between supply and demand. There are both demand-side and supply-side solutions to be considered: how do we create more “want” for the arts by the American public using new technologies, alternative venues, and capitalizing on the public's growing interest in personal arts experiences? And on the supply side, with large numbers of nonprofit arts organizations running deficits, should more be considering alternative business models beyond prevailing 501(c)(3) nonprofit, such as arts and business incubators, shared services and spaces, nonprofit/for-profit hybrids, support for unincorporated entities, and use of existing venues. What other funding models for a new competitive world can help funders evolve their role in advancing the arts—even providing funding to help organizations close when it's time (“die with dignity”), or require validation by audiences? Arts organizations have much in common—even those in different arts disciplines or whether they are for-profit and nonprofit. It is important to see how they can exploit their shared circumstances in the form of collaborations, especially those that build demand. There also may be social equity issues related to arts education that need to be addressed in further conversation—who is being left out? When these issues are being discussed, the Index has a supporting role to play.

The balance of this report shows why these issues emerged. Chapter 2 provides additional detail on how the Index data were assembled, and presents the “Arts and Culture Balanced Scorecard” model as a way to frame the information on different indicators in one of four broad components: 1) measures of financial flows into and through the arts, 2) the capacity of the arts to deliver service, 3) levels of arts participation, and 4) the competitiveness of the arts. Chapters 3 through 6 report on each of these four components of the model as well as the 81 individual indicators. In Chapter 7, we present some future considerations for artists, audiences, arts organizations, and communities based on all of the data. Chapter 8 presents the National Arts Index methodology.

The arts are fundamental to the health of a successful society. By understanding how the arts thrive, we can better understand how to make communities thrive. The National Arts Index helps to support that conversation with a broad systemic approach and evidence to support many points of view.

CHAPTER 2. THE “ARTS AND CULTURE BALANCED SCORECARD”

Chapter 1 introduced the Index and some of its major findings related to long-standing issues in cultural policy and arts management. This chapter moves the Index narrative along by showing how the annual indicator data can tell some new stories about the systemic character of the arts, and the ways that the elements of the arts ecology interact with each other. We introduce the ways in which we saw the benefits of the arts and the systematic approach we took to measuring them.

To illustrate this, we introduce the data used to build the Index and show a logic model, the “Arts and Culture Balanced Scorecard,” which links all of the indicators to each other as components of the arts system. Drawing on the highly regarded and widely used Balanced Scorecard system developed by Robert Kaplan and David Norton, the Arts and Culture Balanced Scorecard (ACBS) gives us tools for evaluating the overall vitality of arts and culture. In building the Scorecard, we drew on lessons from various sources, including systems analysis, program evaluation measurement of cultural capacity around the world and in different regions and arts industries, and other policy index reports.

THE DATA IN THE NATIONAL ARTS INDEX

To best explain this model, it is first necessary to briefly describe the data used to compute the National Arts Index. The Index is composed of 81 annual indicators of arts and culture activity, measured at a macro, national level. Each individual indicator is analyzed and reported in a common format with data for the years of (at least) 2003 to 2008, with some data sets extending back to 1999, and most reaching as far forward as 2009. All indicators meet the following eight criteria:

1. The indicator has at its core a meaningful measurement of arts and culture activity.
2. The data are national in scope.
3. The data are produced annually by a reputable organization.
4. Five years of data are available, beginning no later than 2003 and available through 2008.
5. The data are measured at a ratio level (not just on rankings or ratings).
6. The data series is statistically valid, even if based on sample>
7. The data are expected to be available for use in the Index in future years.
8. The data are affordable within project budget constraints>

The data that we found were then “indexed” or set to a base of 2003 using procedures described in Chapter 8.

BUILDING THE ARTS AND CULTURE BALANCED SCORECARD

We identified four different views of the arts system that captured the data we found: financial flows, organizational capacity, arts participation, and competitiveness of the arts. These four are the basis for the **Arts and Culture Balanced Scorecard** (ACBS) system that groups indicators based on where they fit into this systemic view of the arts ecology.

ACBS is a descriptive model, rather than a predictive one, and is a tool for placing the many individual indicators of arts vitality in a systemic relationship to each other. We organized them so that every individual indicator is associated with only one of the four main component of the ACBS model. These four components are shown in Figure B:

1. Financial Flows, which include private and public support to institutions, pay of individual artists, and revenues of arts businesses and nonprofits. All of these are payment for artistic services and provide fuel for capacity to produce arts activities and experiences for arts audiences.
2. Capacity indicators, which measure relatively durable levels of institutions, capital, employment, and payroll levels in the arts and culture system. Capacity and infrastructure transform financial flows into arts activities.
3. Arts Participation indicators measure actual consumption of those activities, which may be in the form of goods, services, or experiences.
4. Competitiveness indicators, which illustrate the position of the arts compared to other sectors in society, using measures of market share and economic impact.

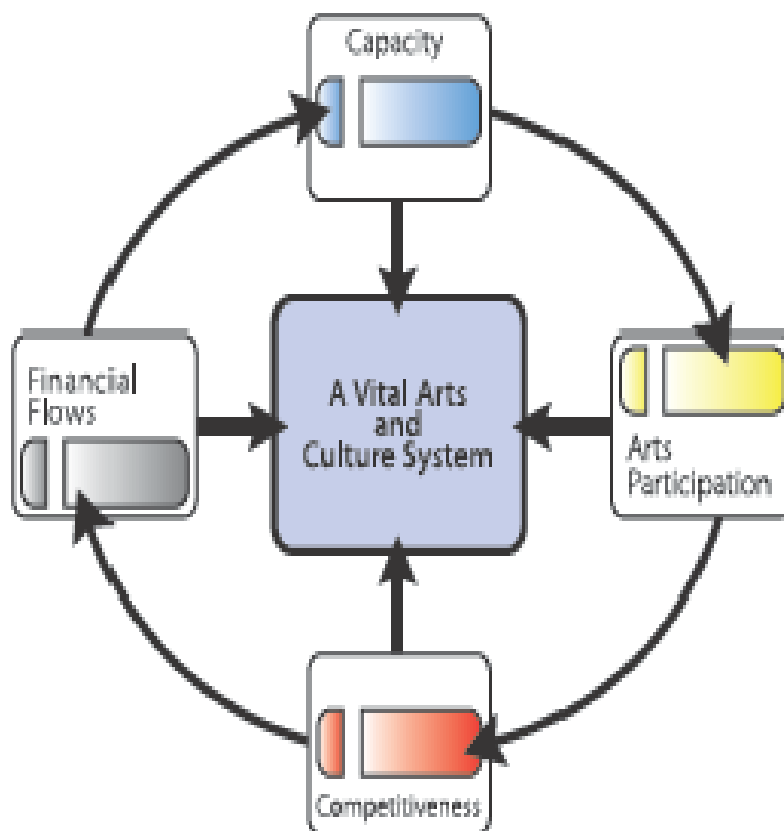


FIGURE B. THE “ARTS AND CULTURE BALANCED SCORECARD”

What ACBS shows, and what the rest of the report illustrates in more detail, is a more fine-grained picture of where the arts are doing well and where they are struggling:

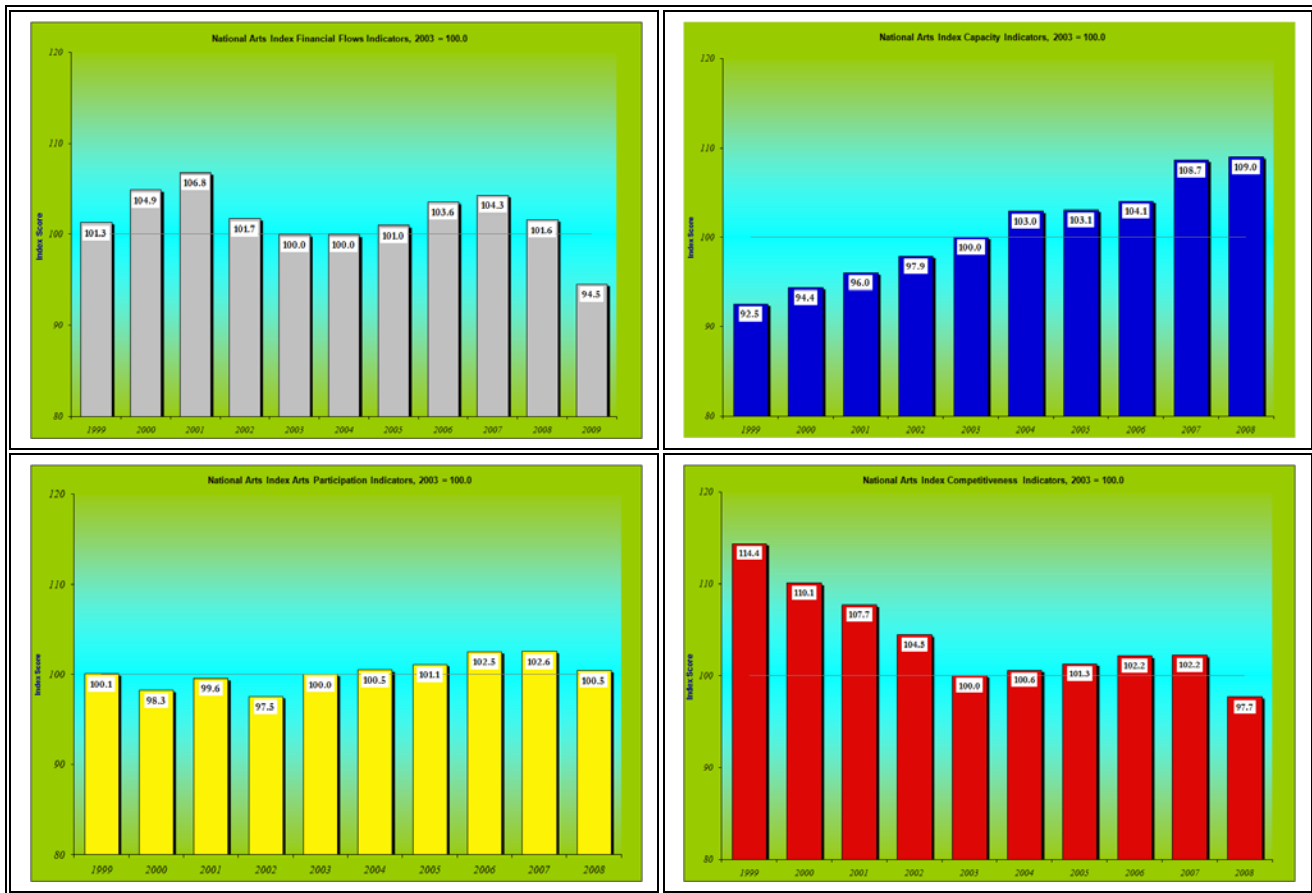


FIGURE C. THE ARTS AND CULTURE BALANCED SCORECARD DASHBOARD (2003 = 100)

1. Financial flows into the arts (gray, upper left quadrant) fell sharply after 2001. While they recovered somewhat after 2003, they never got back to the levels of the late 1990s before declining sharply again in 2008 and 2009.
2. More and more capacity has been added to the arts (blue, upper right quadrant), in numbers of artists, individuals in the workforce, nonprofit arts organizations and arts businesses and other entities that create infrastructure.
3. The level of arts participation (yellow, lower left quadrant)—especially attendance—dropped in the early 2000s, grew gradually from 2002 through 2008, and then began dropping again in 2009.
4. The competitiveness of the arts (red, lower right quadrant), in measures of how the arts compete against other uses of audience members’ time, as well as donor and funder commitment, has fallen noticeably. In this component, the expanding population has a noticeable effect because participation and attendance are measured from a market share perspective.

COMPONENTS AND INDICATORS IN THE ACBS

The 81 indicators were assigned to ACBS components as follows:

TABLE 1. INDICATORS IN THE ACBS

Component	Financial Flows	Capacity	Arts Participation	Competitiveness	Total
Indicators	17	14	23	27	81

Chapters 3 through 6 present summaries of each of the four components, along with detailed data describing the 81 individual indicators using all available data from 1999 to 2009. All indicators associated with each component are presented together.

The four components are reported in Chapters 3 through 6 with:

- A list of specific indicators that go into that component.
- A column chart showing the average of those indicators for all available years from 1999 to 2009, indexed against the 2003 value. The Index score axis is scaled from 0.50 to 1.50. All Index scores are calculated by dividing every year's indicator value by the value in 2003, which makes the 2003 Index equal to 1.00. Because they are averages, they give equal weight to each indicator within each component for each year.
- The number of indicators for which data was available in each year.
- A brief discussion of how the indicators in that component changed from 1999 to 2009.

In those chapters, each individual indicator is reported on a separate page with:

- An explanation of the area of interest and the data, including its sources and limitations.
- A column chart with the Index score for the chosen data series for all available years from 1999 to 2009, indexed against the 2003 value. The Index score (vertical) axis is scaled from 0.50 to 1.50, a range that fits all but one a few Index scores.
- A table of the data used to make the Index score. The upper lines in the table show the raw data used, and any calculations or adjustments. The second-to-last line is the series of numbers used to make that index score, with each year's number divided by the number in 2003. The last line of each table is the resulting Index score for each year. It is this Index score that is displayed in the column chart.
- For indicators using a specific set of codes (as for industries and occupations), the codes are in the appendices.
- A brief note on the source of the data. More detailed source information is in Appendix E.

CHAPTER 3. FINANCIAL FLOWS INDICATORS

Financial Flows is the first of the ACBS components presented. It is made up of 17 Financial Flows indicators, all measured in dollars, and all expressed in inflation-adjusted or “constant” 2008 dollars. These indicators measure how arts and culture incorporate both nonprofit and commercial activities, and how revenues into the sector come from customers, donors, and public support. The ordering of the indicators is (roughly) in a sequence of: individuals’ income, business income, nonprofit income, private philanthropy, and government funding.

Tables 2 and 3 show the indicators used in the Financial Flows component, and how many of them make up the overall Financial Flow score in each year. Those scores are shown in Figure D, below.

TABLE 2. FINANCIAL FLOWS INDICATORS (2008 CONSTANT DOLLARS)

1.	Songwriter and composer performing rights royalties
2.	Wages in artistic occupations
3.	Payroll in arts and culture industries
4.	Publishing industry revenue
5.	Bookseller sales
6.	Musical instrument sales
7.	Recording industry shipment value
8.	Total album sales
9.	Concert industry ticket sales
10.	Revenue of arts and culture nonprofits
11.	Corporate arts and culture funding
12.	Foundation arts and culture funding
13.	Private giving to arts and culture
14.	United arts fundraising campaigns
15.	Federal government arts and culture funding
16.	State arts agency legislative appropriations
17.	Local government funding of local arts agencies

TABLE 3. FINANCIAL FLOWS INDICATORS PER YEAR

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
12	13	13	15	17	17	17	17	17	17

Averaged across all available data, they produce the following ten-year trend:

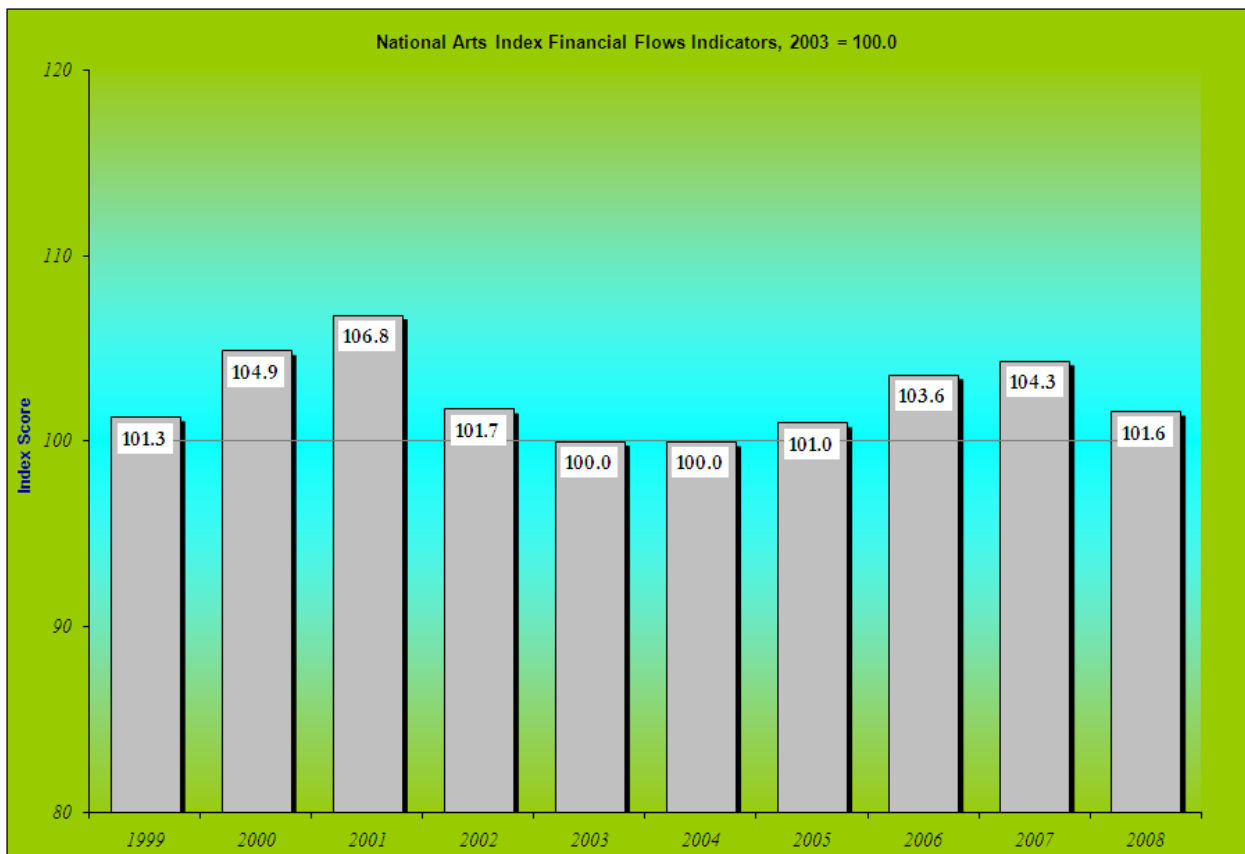


FIGURE D. NATIONAL ARTS INDEX FINANCIAL FLOWS INDICATORS (2003 = 100.0)

The 17 indicators in this component represent financial resources measured in dollars. They function as resources, fuel for the arts workers and organizations that produce artistic activities, goods, products, and experiences. Market sales results show the total size of the market that all competitors are trying to reach. Some examples of financial resources coming into the sector include the royalties earned by composers and songwriters, salaries earned by workers in artistic occupations, and the revenues of nonprofit arts organizations. That is the private sector angle. Those indicators measuring financial resources include several measures of government funding.

All indicators measured in dollars are converted into constant dollars, using the Consumer Price Index (CPI) set to a base of 100.0 in the year 2008. Using “real” or inflation-adjusted dollars shows, more or less, the constant purchasing power of dollars. This is a change from the 2009 National Arts Index report, which used 2003 constant dollars. This change was made to make it easier to interpret financial figures in 2011, 2012, and the future, using a more recent base year.

Inflation has been low on an annual basis since the late 1990s, and has subsided even more in the last years of the 2000s; the CPI measure actually declined very slightly in 2009. Nonetheless, it had a cumulative effect: financial indicators that increased in current dollars actually grew less than they would if measured in current, or nominal, dollars. While it was only two to three percent in most of the years covered in the index, this compounded to a total change in of about 29 percent from 1998 through 2008/09. In 2008, this meant that

almost 30 percent of the increase in dollars generated over the ten-year span by arts entities was not because of more volume, (i.e., more art, more performances, more books). Rather, it was the effect of general price level changes on overall revenues. Inflation had a significant effect in particular on sales by publishers and booksellers and sales of recorded music and musical instruments, accentuating the drop in current dollar sales.

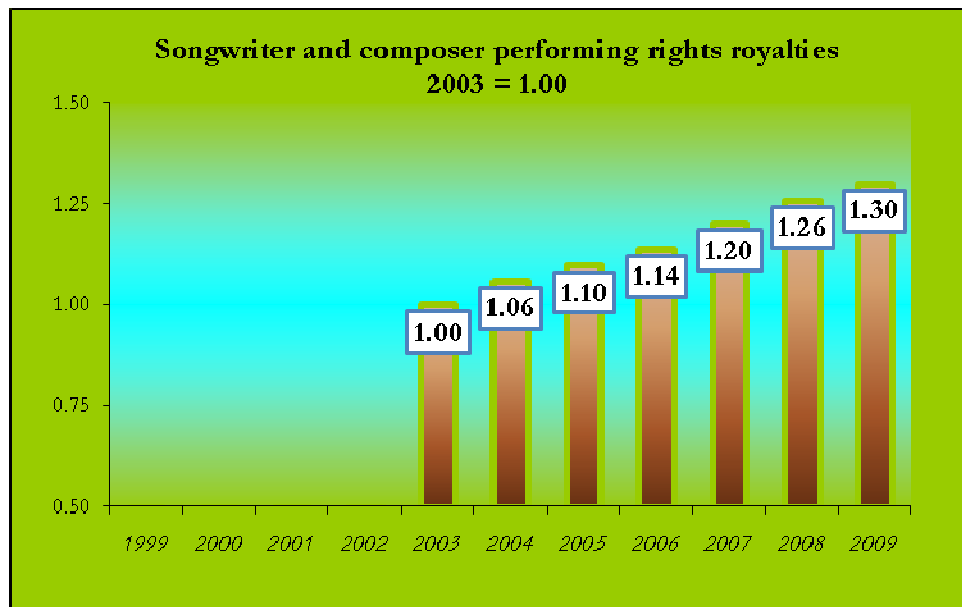
Of the 17 Financial Flows indicators, 13 were available for 2009 at the time of publication, and they show a decline in the Financial Flows component to 94.5. This steep drop vividly illustrates the impact of the recession on the arts sector.

The following 17 pages provide additional detail on what has been an uneven time for the flow of resources available to arts and culture. Considered together, these indicators confirm in specific terms what has been a widely suspected reduction in resources flowing into the arts industries. This chart reveals that the decline was systemic, with an overall drop from the high point in 2001 to 2003. From 2003 to 2007, financial turnover in the arts improved. But, heading into a difficult economic period from 2008 through 2011, it is clear that the arts have been competing in a smaller market, with fewer inputs and resources—especially financial ones—than they had access to in the last decade. Regaining access to customer and support dollars will be a significant challenge to the sustainability of many arts organizations.

1. SONGWRITER AND COMPOSER PERFORMING RIGHTS ROYALTIES

Royalties for use of copyrighted materials are one source of revenue for artistic creators and producers. Royalties are paid to copyright owners for live performance of music, in return for licenses issued to live performance venues and broadcasters. Composers in the U.S. have the choice of affiliating with one of three designated performing rights licensing organizations: American Society of Composers, Authors, and Publishers (ASCAP); Broadcast Music, Inc. (BMI); and Society of European Stage Authors & Composers (SESAC). Of these three, the first two are nonprofit and annually report total receipts and disbursements to copyright owners (either the original composers or publishers). SESAC, which is by far the smallest of the three, does not make this information available.

This indicator measures the total amount of songwriter/composer royalties paid by ASCAP and BMI, adjusted to constant 2008 dollars. This royalty stream grew from 2003 to 2009, from \$1.27 billion to \$1.66 billion, a 30 percent increase over a six-year span, even after adjusting for inflation. This speaks to the resiliency of demand for new musical compositions. This is not a complete picture of the royalties available from copyrighted music: there are also streams of revenues for other uses as well as emerging approaches to securing and licensing performing rights for transmission of music over the internet.

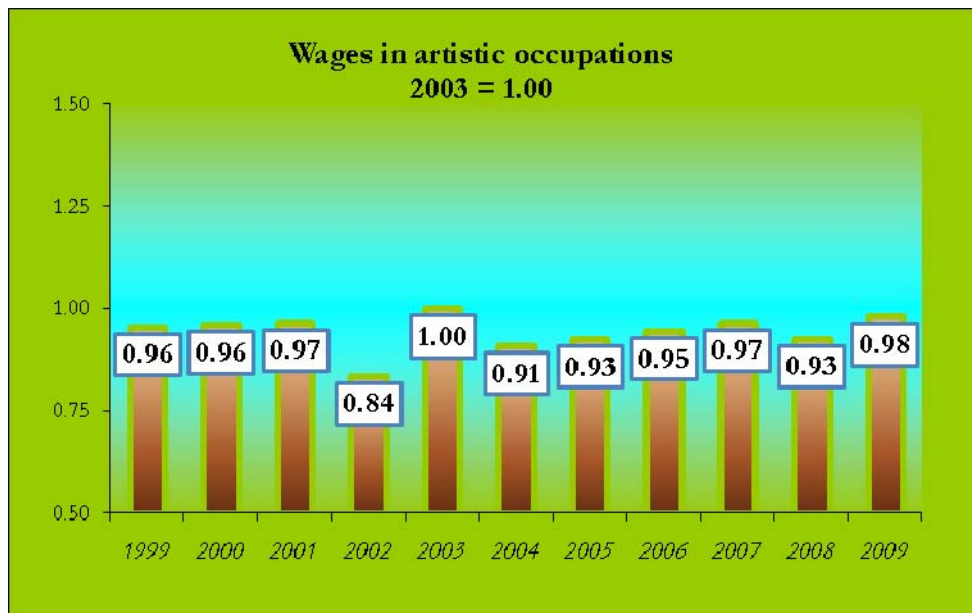


(\$ in millions)	1999-2002	2003	2004	2005	2006	2007	2008	2009
Royalties paid by ASCAP		531	610	645	680.3	741.6	817	863
Royalties paid by BMI		556	573	623	676	732	786	788
Total Royalties Paid		1,087	1,183	1,268	1,356	1,474	1,603	1,651
CPI at 2008 = 100.0		85.5	87.7	90.7	93.6	96.3	100.0	99.6
Constant Dollar songwriter and composer royalties paid for performing rights (\$M)		1,272	1,348	1,398	1,448	1,530	1,603	1,657
Indexed to 2003 = 1.00	N/D	1.00	1.06	1.10	1.14	1.20	1.26	1.30

2. WAGES IN ARTISTIC OCCUPATIONS

Employment can be classified in more than way—for example, some indicators in this report are based on the North American Industrial Classification System industry classification, which associates workers with the kind of place where they work. A different perspective on the arts labor market looks at the kind of work, or occupation. Defining work by occupation helps to give a more complete picture of how people work in the arts. The Bureau of Labor Statistics (BLS) monitors the workforce using the Standard Occupational Code system (SOC). The SOC system has approximately 450 separate occupational types, of which 46 are substantially related to arts and culture (listed in Appendix B). An example is “Floral Designer”—a type of worker who would not be included in a count based on industry, because florists might not generally be considered arts and culture businesses. Data from BLS also indicate average annual wages earned by workers in each occupation.

This indicator measures the average annual salary of all 46 occupations, adjusted to constant 2008 dollars. These are weighted by the number of workers in each occupation as a share of workers in all artistic occupations. This reduces the effect of outliers, so that neither comparatively high-income jobs with few employees (such as architects), or low income positions with many workers (like cinema ushers) distort the average. Work in some occupations is only part-time, and adjustments were made for those occupations where the percentage of full-time workers was available. Taking into account an increase in consumer prices of about 29 percent in current dollars from 1999 to 2009, real wages, adjusted for inflation, rose only three percent over that same span.

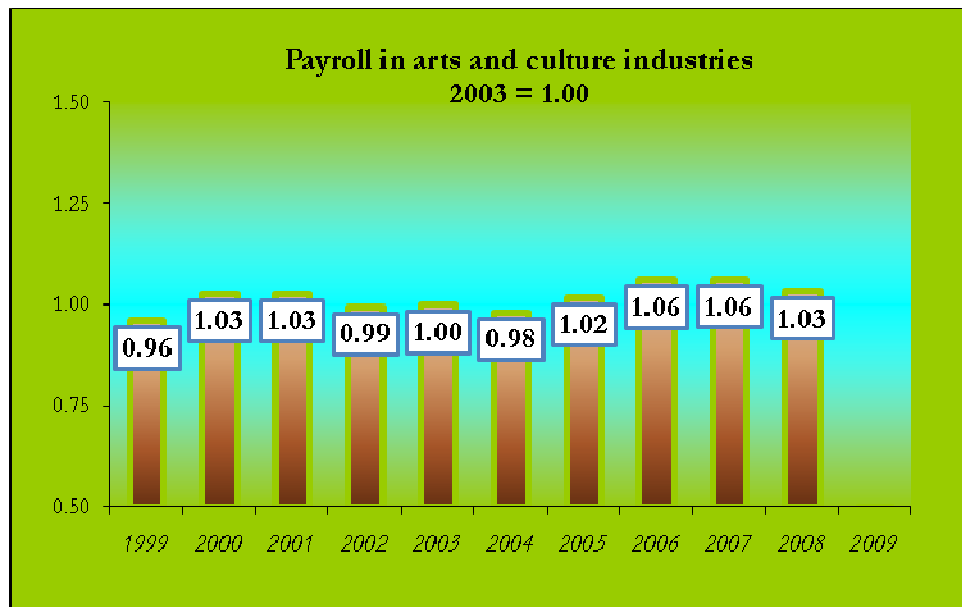


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Average salary paid in 45 artistic occupations (\$)	36,583	38,009	39,333	41,320	42,261	39,479	41,525	43,801	46,006	45,825	48,301
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Constant dollar average annual salary paid in 45 artistic occupations (\$)	47,277	47,522	47,817	41,320	49,450	44,997	45,777	46,778	47,772	45,825	48,473
Indexed to 2003 = 1.00	0.96	0.96	0.97	0.84	1.00	0.91	0.93	0.95	0.97	0.93	0.98

3. PAYROLL IN ARTS AND CULTURE INDUSTRIES

Payroll expenditures by employers, like the number of establishments and employees, are a basic measure of the economic scale of arts and culture. Other than visual arts and crafts organizations and activities, arts and culture organizations are more likely to provide services than to create arts objects in quantity. Payroll typically makes up a greater share of total expenditures in these businesses and nonprofits.

This indicator measures constant dollar total payroll in firms in the arts and culture industries, defined by the 43 NAICS codes listed in Appendix A, and used in measures of employment and establishments. These data are gathered by the Census Bureau and published annually in *County Business Patterns*. This total grew from about \$69 billion in 1999 to \$95 billion in 2007 in current dollars. When inflation is factored in, the rise was more moderate: from \$88 billion to \$95 billion in constant 2008 dollars. This increase in payroll stands in contrast to the relatively flat level of employment and numbers of establishments in these same industries, suggesting that arts industries were gradually paying their staff more considering the time period as a whole.

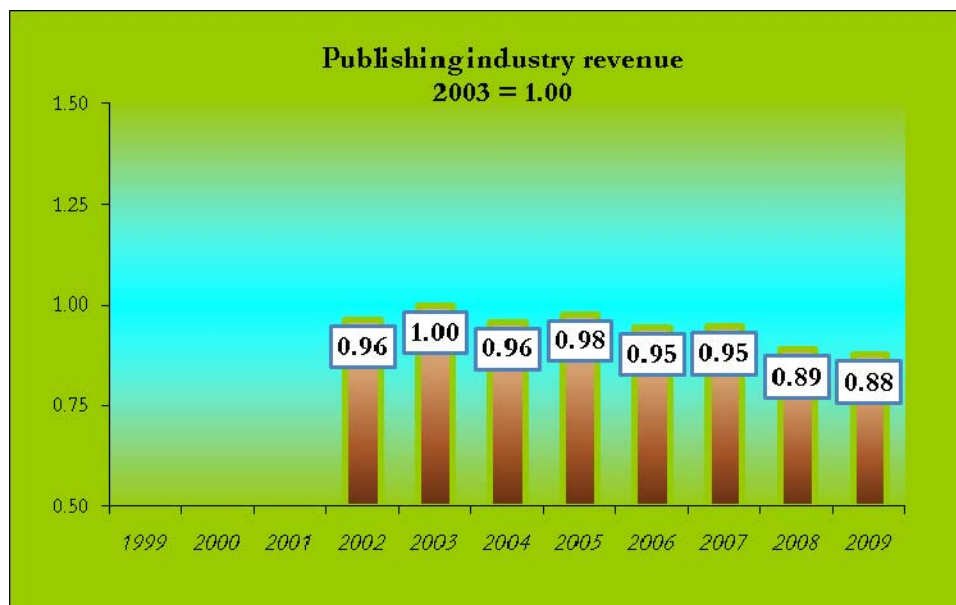


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Payroll in selected NAICS codes related to arts and culture (\$M)	64,180	68,528	75,815	77,866	76,583	78,722	79,481	85,167	91,574	94,302	
CPI at 2008 = 100.0	75.7	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	
Constant dollar payroll in selected NAICS codes related to arts and culture (\$M)	84,773	88,560	94,791	94,662	91,652	92,113	90,589	93,889	97,797	97,921	
Indexed to 2003 = 1.00	0.96	1.03	1.03	0.99	1.00	0.98	1.02	1.06	1.06	1.03	N/D

4. PUBLISHING INDUSTRY REVENUE

The publishing industry plays a vital role in the dissemination of the written word. Companies in the industry serve as intermediaries, financiers, and gatekeepers between authors, poets, playwrights, essayists, and their various distributors and readers. Figures from American Association of Publishers (AAP) estimate total publishers revenue, collected from its members, about 260 publishing firms, which produce trade, text, mass market paperback, and other forms of books. Like so many other forms of media and intellectual property, published materials find their way to readers in new ways and over new media. For example, AAP estimates that e-book sales increased at an annual rate of 55.7 percent between 2002 and 2007, compared to single-digit annual growth rates in all other book product categories (and declines in some other product categories). In 2009, e-book sales grew by 176 percent from the prior year. Because of that, revenues are a better way to measure industry fortunes over time than are counts of volume.

This indicator tracks “Estimated Book Publishing Industry Net Sales,” adjusted to constant 2008 dollars. Current dollar net sales grew by about eight percent from 2002 to 2009, reaching \$2390 billion. However, the effects of inflation over that time span counteracted that growth. When converted to constant dollars, there was a slight decline in industry revenue starting in 2005.

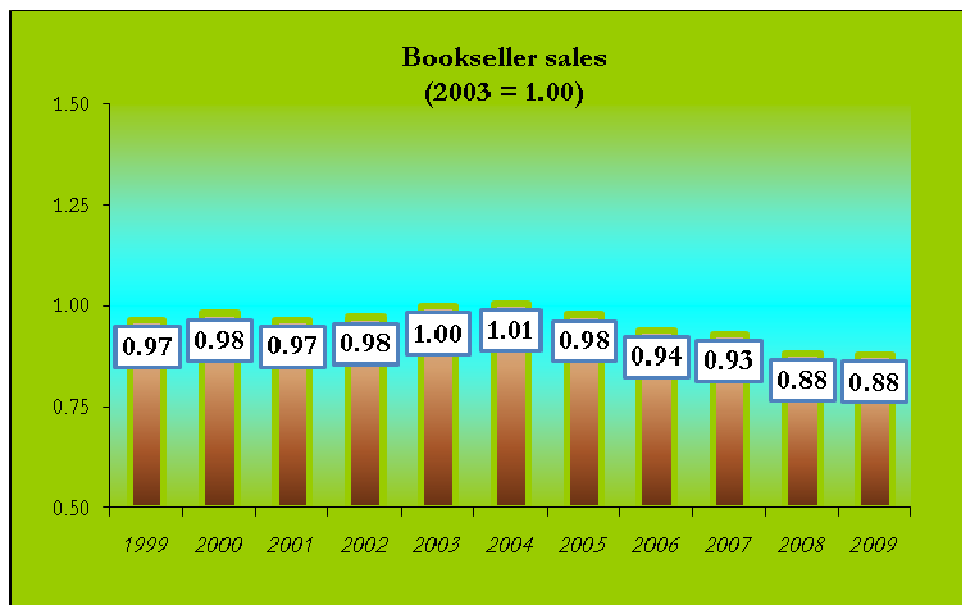


	1999-2001	2002	2003	2004	2005	2006	2007	2008	2009
AAP revenues (\$M)		22,033	23,358	23,006	24,263	24,197	24,960	24,303	23,856
CPI at 2008 = 100.0		83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Constant dollar AAP revenues (\$M)		26,368	27,331	26,221	26,748	25,841	25,918	24,303	23,941
Indexed to 2003 = 1.00	N/D	0.96	1.00	0.96	0.98	0.95	0.95	0.89	0.88

5. BOOKSELLER SALES

Book sales are a primary means of transmission for the written word in general, and for fiction and literature in particular. This measure is based on data collected by the Census Bureau on monthly sales data for some 70 different types of retailers. Of the retailers listed, only booksellers with NAICS 451211 fall into the arts and culture area. This measure does not distinguish between independent and chain booksellers, making it impossible to judge the health of the prototypical small, independent book store in American commerce

This indicator shows a retail sector that maintained a steady level of increase through 2005 in overall sales, which precedes a multi-year decline in both current and constant dollars. When inflation is factored in, the picture is even less reassuring for years 2005 through 2009. Note: Figures for 2005 through 2008 are changed slightly in this report from the 2009 NAI report based on new data provided by the Census Bureau during a periodic revision.

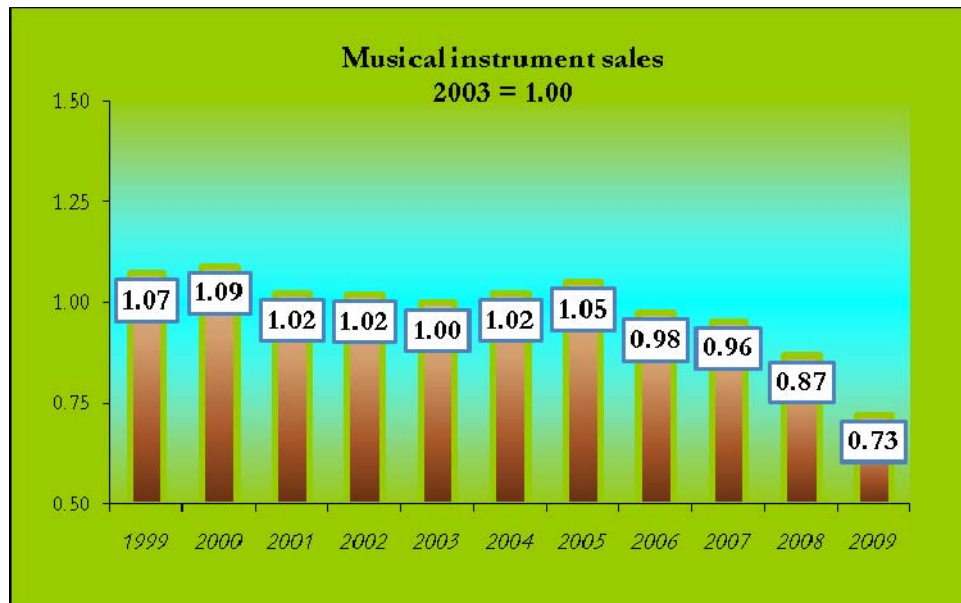


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Bookstore (NAICS 451211) sales (\$M)	14,185	14,892	15,110	15,450	16,179	16,757	16,861	16,733	17,021	16,744	16,604
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Constant dollar bookstore revenue(\$M)	18,332	18,619	18,369	18,490	18,931	19,099	18,588	17,870	17,674	16,744	16,663
Indexed to 2003 = 1.00	0.97	0.98	0.97	0.98	1.00	1.01	0.98	0.94	0.93	0.88	0.88

6. MUSICAL INSTRUMENT SALES

Along with drawing, painting, and photography, playing a musical instrument is one of the most common ways for individuals to first become involved in the arts. The nation’s cultural traditions, its love for instrumental music, and the role of instruments in supporting live performance by vocalists in pop music are all sources of demand for musical instruments. NAMM, the National Association of Music Merchants, measures annual U.S. sales of fretted, keyboard, wind, and percussion instruments, as well as printed music, electronics for music making, and sound reinforcement.

This indicator measures total U.S. sales in these musical instrument and related categories, adjusted to 2008 constant dollars. Sales reported in this indicator are at the wholesale level, which means that retail-level instrument sales are certainly higher than the amounts reported here, depending on markups for each kind of instrument and in each retail store. While instrument sales in current dollars were consistently over \$7 billion until 2008, they did not keep pace with inflation, and constant dollar sales trended generally downwards since 2000. 2009 continued a difficult downward period for instrument sales, with a decline of 17 percent following a drop of 10 percent in 2008.

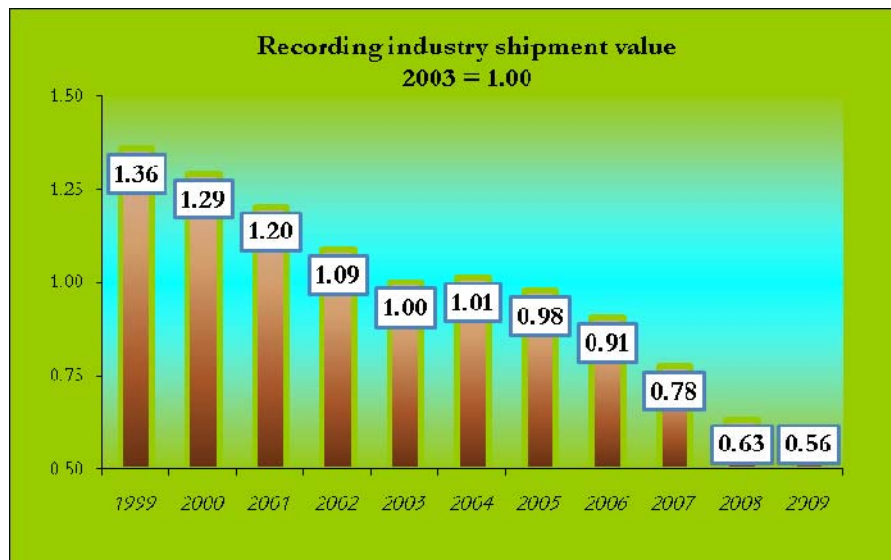


(\$ in millions)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
NAMM sales	6,802	7,154	6,894	6,984	6,990	7,354	7,810	7,483	7,538	7,128	5,911
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Deflated NAMM sales	8,790	8,945	8,381	8,358	8,179	8,382	8,610	7,992	7,827	7,128	5,932
Indexed to 2003 = 1.00	1.07	1.09	1.02	1.02	1.00	1.02	1.05	0.98	0.96	0.87	0.73

7. RECORDING INDUSTRY SHIPMENT VALUE

Records are the principal channel for music reaching listeners, whether through physical or digital media. Changes in the recording industry provide some of the most visible examples of how digitization of content and file transfers over the internet are reshaping the arts industries. The Recording Industry Association of America (RIAA) tallies total units sold and total value of units shipped in various forms: CD, Cassette, LP, DVD, music video, and digital download (the latter since 2004). RIAA statistics cite volume and shipment counts for uses of recorded music ranging from recorded CDs to 30-second cell phone ringtones. Because these different units are counted in many ways, and because of the rapid growth of digital uses of music, there are very wide swings in product counts. RIAA data show that albums downloaded digitally increased from 4.6 million to 76.4 million between 2004 (the earliest year for which data are available) and 2009, while digital single downloads grew from 139 million to 1.14 billion. These swings make it practically impossible to derive a single measure of how many of a standard “unit” is sold that incorporates all of these diverse media. However, information on the dollar value of all uses of music is kept by RIAA, and can be used as a proxy for recording industry activity.

This indicator measures the dollar value of recording industry shipments, which incorporate all of those unit volumes at the various prices that recording companies and their distributors charge. This avoids some of the difficulties of unit counts. Despite the trend of increasing numbers of sales of digital music, total industry revenues declined in current dollars, and even more sharply in inflation-adjusted dollars. In both current and constant dollars, revenues in 2009 were \$7.7 billion.

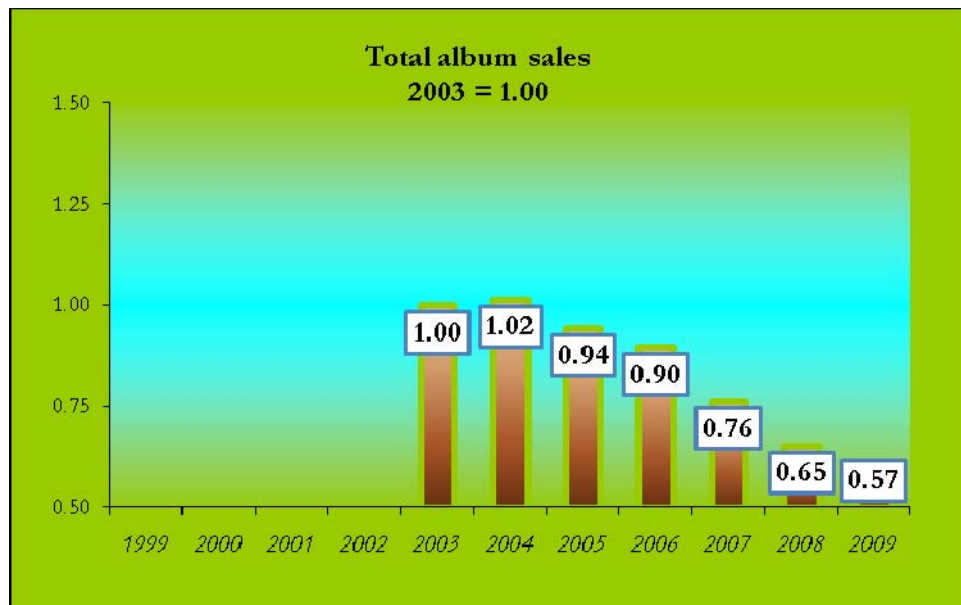


(\$ in millions)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total value of digital and physical shipments	14,585	14,324	13,741	12,614	11,854	12,345	12,297	11,758	10,372	8,768	7,690
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Constant dollar value of recording industry shipments	18,848	17,909	16,705	15,096	13,871	14,070	13,556	12,557	10,770	8,768	7,717
Indexed to 2003 = 1.00	1.36	1.29	1.20	1.09	1.00	1.01	0.98	0.91	0.78	0.63	0.56

8. TOTAL ALBUM SALES (NEW INDICATOR IN 2010)

The recorded music industry has been one of the most turbulent artistic environments. The simultaneous development of digitization, combined with the use of rapid file transfers over both legal and illegal networks, disrupted the “value chain” in the record business and forced many adjustments. Despite the flow of pirated music recordings, there is still vigorous competition for legitimate music sales. Distribution channels have changed in other ways, too; iTunes is the largest music retailer by sales, and physical unit counts have declined. In addition, many more tracks are being purchased individually, downloaded to mobile devices, and used as ringtones. The combined effect is to separate the number of units from the number of albums, which had been the metric for recorded music sales for many decades.

This indicator tracks constant album sales at the retail level as measured by Nielsen Soundscan. Specifically, this indicator is the “Total Album Sales” figure from Soundscan Year-End Music Industry reports. Paradoxically, a decline in album sales is matched by a sharp increase in the sales of individual tracks in album, single, music video, and digital modes—but there is no firm ratio between track sales (which grew by 225 percent from 2003 to 2009) and album sales, which declined 43 percent. Nor is Soundscan data available on the dollar volume of sales. This is a new indicator for the National Arts Index.

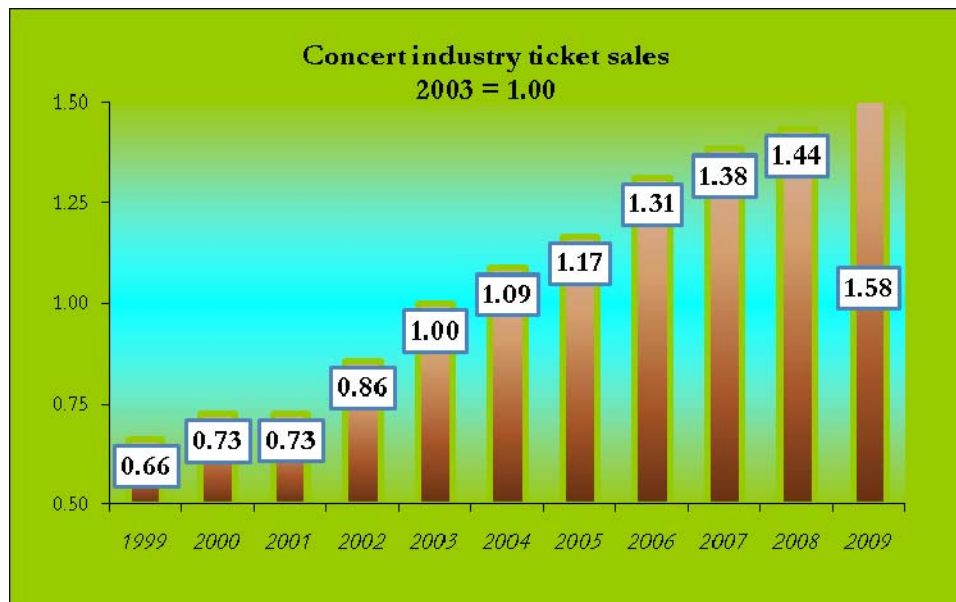


	1999-2002	2003	2004	2005	2006	2007	2008	2009
Album Sales (millions)		656.2	666.7	618.9	588.2	500.5	428.4	373.9
Indexed to 2003 = 1.00	N/D	1.00	1.02	0.94	0.90	0.76	0.65	0.57

9. CONCERT INDUSTRY TICKET SALES (NEW INDICATOR IN 2010)

The popular music concert industry has had significant growth since the late 1990s. Pollstar Magazine, the most reliable source of concert industry data, gathers raw data on almost 35,000 concert events each year, and extrapolates them to total industry estimates for the U.S. and Canada. According to the annual Pollstar Year End Business Analysis of the “Top 100” tours of the year, the leading touring artists in 2009 were U2, Bruce Springsteen and the E Street Band, Elton John and Billy Joel, Britney Spears, and AC/DC. Their five tours grossed more than \$500 million in 269 shows at average prices over \$90, attracting almost six million concert-goers. In total, the top 100 tours featured 5,570 events that grossed \$2.53 billion at average prices of \$63 per ticket.

This indicator measures constant dollar gross concert industry ticket sales, including not only the top 100 tours, but all of the other tens of thousands of performances monitored by Pollstar. Reported revenues have increased every year, driven by the sales figures for those superstar events and by ticket price increases that are far ahead of inflation. The Top 100 generated 55 percent of industry revenue, illustrating a “Long Tail” industry, where a few top sellers capture much of the market share even though there are many smaller offerings. All things considered, the 2000s have been a healthy decade for the industry. Increased grosses in 2009 distinguish this industry from some other arts industries that suffered more in the economic downturn. This is a new indicator for the National Arts Index.

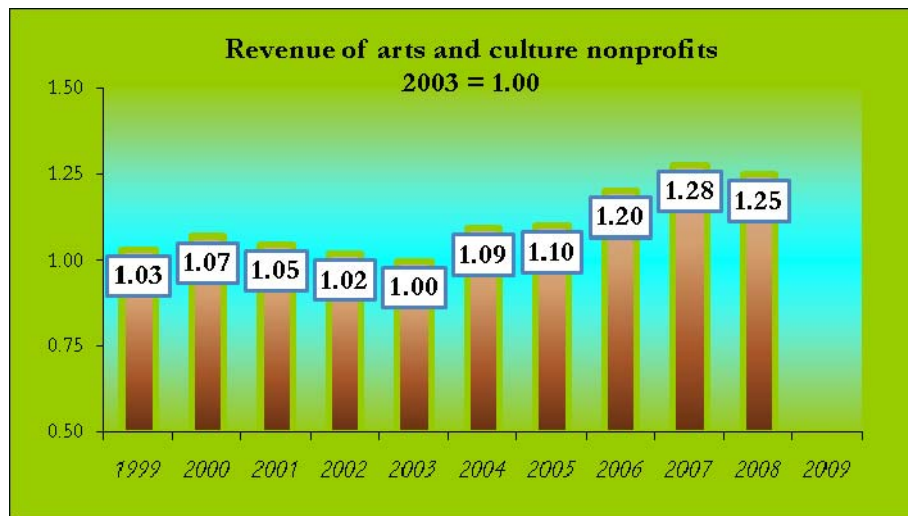


(\$ in millions)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Ticket sales to popular music concerts	1,500	1,700	1,750	2,100	2,500	2,800	3,100	3,600	3,900	4,200	4,600
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	77.4
Constant dollar ticket sales to popular music concerts	1,938	2,125	2,127	2,513	2,925	3,191	3,417	3,845	4,050	4,200	4,616
Indexed to 2003 = 1.00	0.66	0.73	0.73	0.86	1.00	1.09	1.17	1.31	1.38	1.44	1.58

10. REVENUE OF ARTS AND CULTURE NONPROFITS

Nonprofit arts organizations in the arts can be identified using the National Taxonomy of Exempt Entities (NTEE). Organizations in major Group A, plus group N 52 (fairs and festivals) are the prototypical arts producers in the U.S. They are the theatres, orchestras, museums, choruses, community arts schools, dance companies, and more that collectively form the backbone of the U.S. arts and culture systems. Revenues into these charitable nonprofit organizations come from fees paid by arts consumers and audiences, from grants, contributions, and other subsidies, and as income from reserves and endowments. Together, these income streams are resources that arts nonprofits use to produce services and programs that accomplish their missions and meet the artistic interests of their communities. While the total number of arts organizations with 501(c)(3) status grew to 109,000 by 2008, just over one in three (about 35 percent), are large enough to be required to file a Form 990 in any given year.

This indicator measures the total revenues of these nonprofits that do file Form 990, converted to constant 2008 dollars. The total number of reporting organizations grew from about 25,000 in 1999 to 40,000 in 2008, and total revenues increased by about 56 percent in current dollars. The increase was steady through 2007, with a decline in 2008—the first year that total arts nonprofit revenue did not grow. When revenue growth is adjusted for inflation, it becomes only 21 percent in constant dollars, compared to a 60 percent increase in the number of organizations. This means that while total revenues of the field were growing, average “real” revenues of most organizations fell. This is an effect of having so much entry into the field, which newer arts organizations—of which there are many—typically have less revenue than older ones.



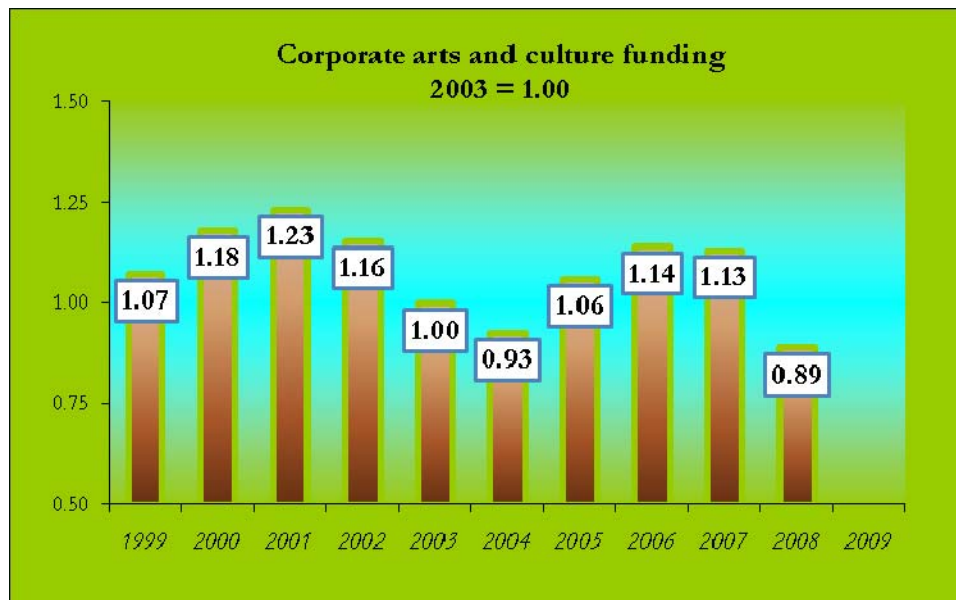
(\$ in millions)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total revenues of arts nonprofits	22,381	23,984	24,139	23,868	23,897	26,848	27,977	31,519	34,461	34,967	
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	
Constant dollar arts nonprofit revenue	28,924	29,987	29,345	28,564	27,963	30,600	30,842	33,661	35,783	34,967	
Indexed to 2003 = 1.00	1.03	1.07	1.05	1.02	1.00	1.09	1.10	1.20	1.28	1.25	N/D

11. CORPORATE ARTS AND CULTURE FUNDING

Along with individuals and foundations, businesses are the third major source of private support of the arts. The Conference Board surveys major corporations every year on their charitable contributions including the sectors to which they give. Response levels range from 189 to 232 companies. The Board estimates that in 2006, these contributions represented 62 percent of overall corporate contributions from U.S.-based companies.

Respondents to Conference Board surveys typically are major corporations. It is important to note that besides these large companies, small businesses that number in the millions also contribute to arts and culture activity, though usually at lower levels.

This indicator measures total corporate giving (by survey respondents) targeted to arts and culture. The survey is annual, but different companies respond each year. Reported support of the arts doubled from \$2.2 billion to \$4.0 billion between 1998 and 2007. However, the effects of inflation eroded much of that increase. After declining sharply after 2001, corporate support of the arts (in current and inflation-adjusted dollars) began to increase again after 2004

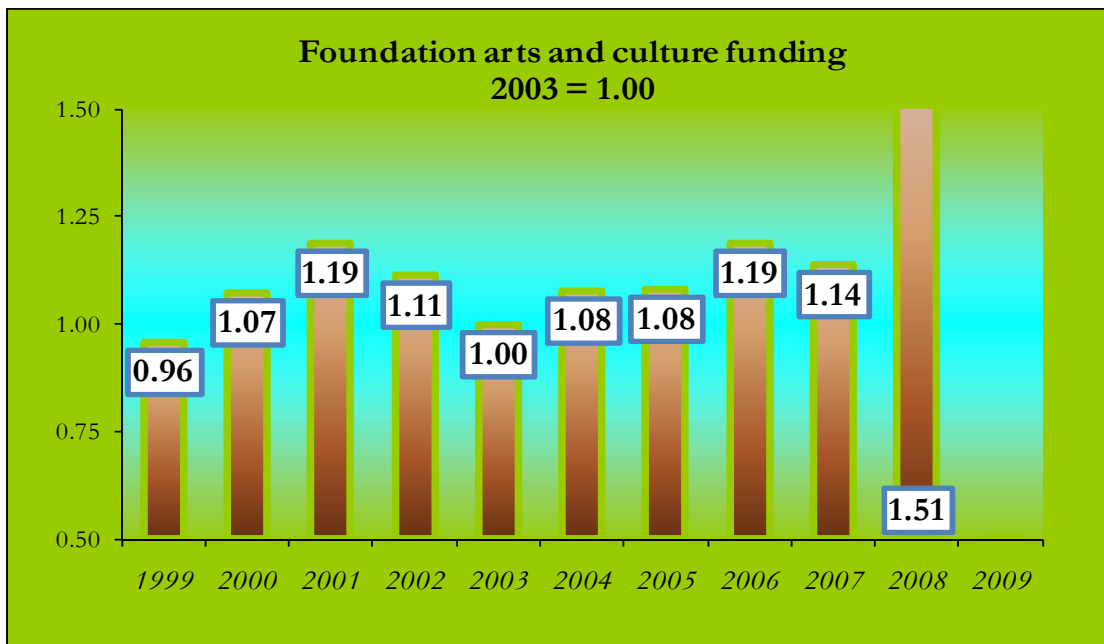


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total corporate giving to the arts (\$000)	304,868	346,527	372,394	354,092	313,465	298,647	352,841	391,911	400,009	326,190	
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	
Constant dollar corporate support of the arts (\$000)	393,986	433,259	452,718	423,769	366,788	340,385	388,974	418,544	415,362	326,190	
Indexed to 2003 = 1.00	1.07	1.18	1.23	1.16	1.00	0.93	1.06	1.14	1.13	0.89	N/D

12. FOUNDATION ARTS AND CULTURE FUNDING

Arts funding by foundations is one of the three main elements of private philanthropy in support of the arts, along with individual and business funding. Across all nonprofit service areas, giving by foundations, including independent, corporate, and community foundations, is second only to individuals as a source of private support for nonprofit work.

This indicator measures total funding by foundations to arts organizations. These data originate in the Foundation Center's annual surveys of foundation grants of \$10,000 or more, made by approximately 1,200 of the nation's largest foundations. Foundation funding thus represents a bright spot for arts funding, especially compared to the losses in corporate support. The number of grants of this scale that are reported in the Center's FC Stats program has increased from 108,000 in 1999 to more than 165,000 in 2008. Along with the number of grants, foundation dollar amounts increased from 1998 through 2008 by almost 60 percent, when measured in current dollars, but by only about 25 percent when adjusted for inflation. Foundation grants to arts and culture as reported by the Center actually decreased in current dollars from 2006 to 2007. However, there was a sharp increase in 2008 to about \$3.16 billion across most arts and culture types. These may be the result of granting decisions made in prior years that were funded in 2008, and it is reasonable to expect that those numbers will come down as the impact of the stock market declines in 2008 affect foundation allocations.

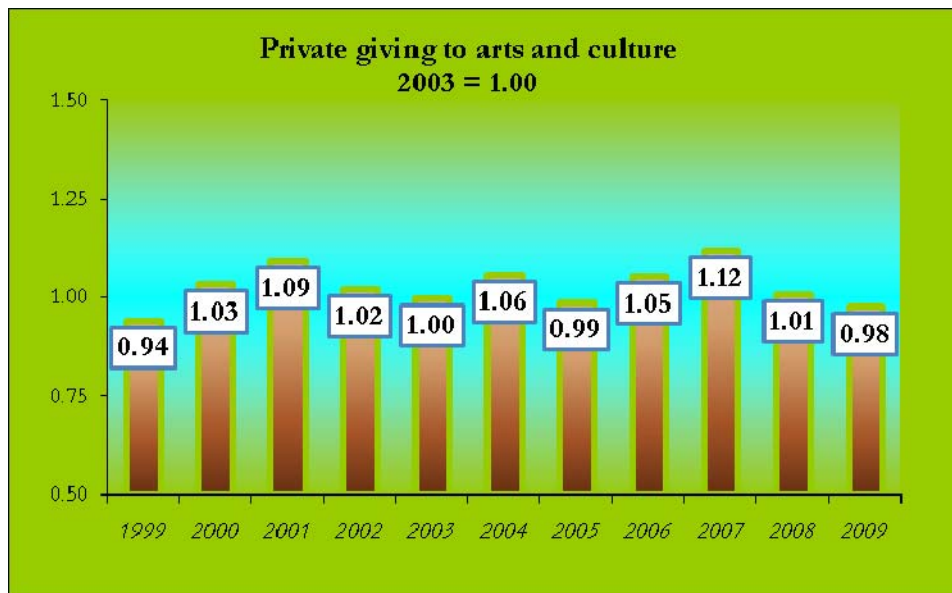


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total foundation grant dollars (\$M)	1,554	1,799	2,048	1,946	1,790	1,980	2,055	2,330	2,294	3,156	
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	
Constant dollar foundation support of the arts(\$M)	2,009	2,249	2,490	2,329	2,095	2,256	2,265	2,488	2,382	3,156	
Indexed to 2003 = 1.00	0.96	1.07	1.19	1.11	1.00	1.08	1.08	1.19	1.14	1.51	N/D

13. PRIVATE GIVING TO ARTS AND CULTURE

Private giving to arts organizations comes primarily from individuals, with major components also coming from foundations, corporations, and bequests. Private funds are typically a much larger source of revenue in arts organizations than public funds, representing about a third of the total income stream of nonprofit arts groups. A reliable source of total private philanthropy to the arts is the annual *Giving USA* report, published by the Giving USA Institute, which is a trade association of major fundraising consulting firms. *Giving USA* presents estimated total private dollars going to arts and culture, one of several other nonprofit sectors. Arts support was \$13.67 billion in 2007 compared to giving of \$102 billion to religion, \$43 billion to education, \$30 billion to human services, \$28 billion to foundations, and \$23 billion each to public-society benefit and to health.

This indicator measures total private giving to arts and culture organizations, converted to 2008 dollars. Total private giving increased in current dollars most years since 1999, but the effects of inflation have reduced the benefits of that increase. Both current and real /constant dollar giving increased through 2007, but declined in the two subsequent years. Private support of the arts, however, varies from year to year, due to business cycle effects. While the arts dollars have increased, the share of private sector giving to the arts has fallen from 4.9 percent to 4.0 percent over the past decade, matching its lowest point.

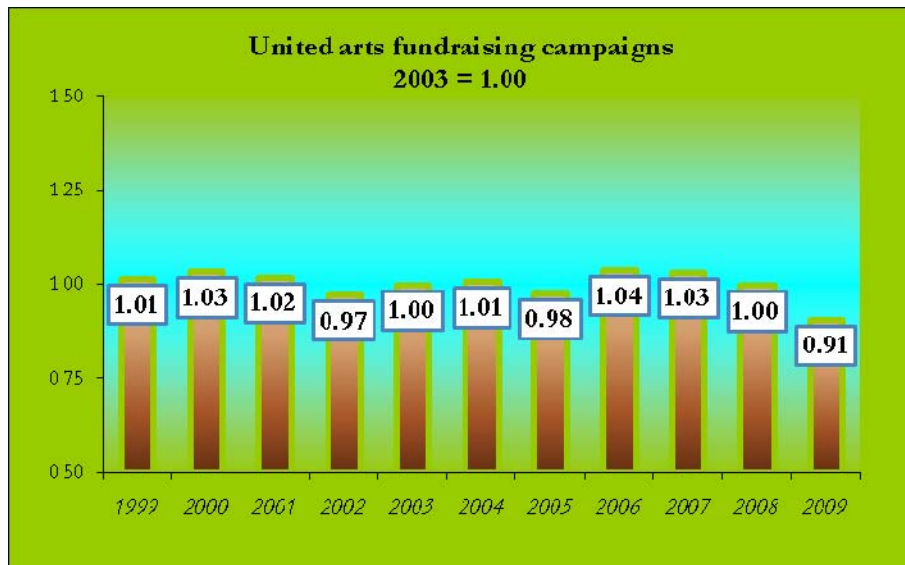


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Private arts philanthropy (\$B)	9.24	10.48	11.41	10.83	10.83	11.78	11.38	12.51	13.67	12.79	12.34
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Constant dollar private arts philanthropy (\$B)	11.94	13.10	13.87	12.96	12.67	13.43	12.55	13.36	14.19	12.79	12.38
Indexed to 2003 = 1.00	0.94	1.03	1.09	1.02	1.00	1.06	0.99	1.05	1.12	1.01	0.98

14. UNITED ARTS FUNDRAISING CAMPAIGNS

United arts funds are federated campaigns, community-wide efforts to raise money to support arts and culture. These funds are analogous in some ways to the United Way, which raises community funds for various human service programs. Americans for the Arts studies United Arts Funds to understand their performance and help them improve their results. Of the more than 60 united arts funds, 28 have reported their performance every year since 1998. In current 2009 dollars, they range from as little as \$40,000 to as much as \$12 million, with a median of about \$1.1 million, six-percent lower than in 2008.

This indicator measures the average revenues of these 28 funds in constant 2008 dollars. While a median would show the typical fund's performance, an average is exactly proportional to the total that all 28 united arts funds were able to bring in. While other sources of support for the arts have varied widely, and mostly declined, united arts funds have been able to sustain consistent levels of support from year to year, at least keeping up with inflation and avoiding wide swings. Even so, their constant dollar revenues have fallen since 2006 by 13 percent, but this is less than the revenue erosion in some other arts sectors over that time span.

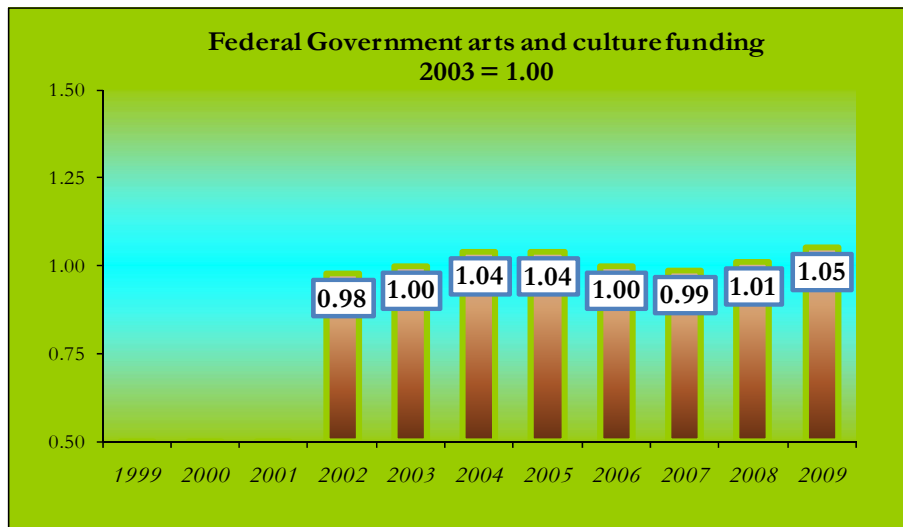


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Avg. raised by 28 UAFs	1,937,339	2,040,149	2,068,563	2,003,007	2,108,917	2,180,889	2,185,027	2,398,638	2,454,005	2,461,162	2,228,733
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Constant dollar funds raised by 28 UAFs	2,503,656	2,550,779	2,514,747	2,397,151	2,467,662	2,485,682	2,408,788	2,561,641	2,548,192	2,461,162	2,236,659
Indexed to 2003 = 1.00	1.01	1.03	1.02	0.97	1.00	1.01	0.98	1.04	1.03	1.00	0.91

15. FEDERAL GOVERNMENT ARTS AND CULTURE FUNDING

The federal government is a vitally important source of funds for arts and culture in the U.S. Much attention is focused on the National Endowment for the Arts, but it is only one of several federal arts and culture programs. Others include the National Endowment for the Humanities, Institute for Museum and Library Services, and Corporation for Public Broadcasting, all of which, like the NEA, support arts activities around the country. Some attractions in Washington, D.C. have wide impact both as national centers and visitor attractions—the Smithsonian Institution, Holocaust Museum, National Gallery, and the Kennedy Center.

This indicator measures funding of the listed programs, adjusted to 2008 dollars. Spending was at its highest level of the years measured in 2009 at \$1.97 billion in constant dollars. Overall, the recent growth in federal arts spending on these programs is running slightly ahead of inflation. Many (comparatively smaller) arts programs are also immersed in the budgets of other federal agencies including the Defense Department, for example, which has a vigorous music program throughout the armed services. Additionally, arts facilities and amenities are often included in the design of federally-funded activities and buildings throughout the federal government.

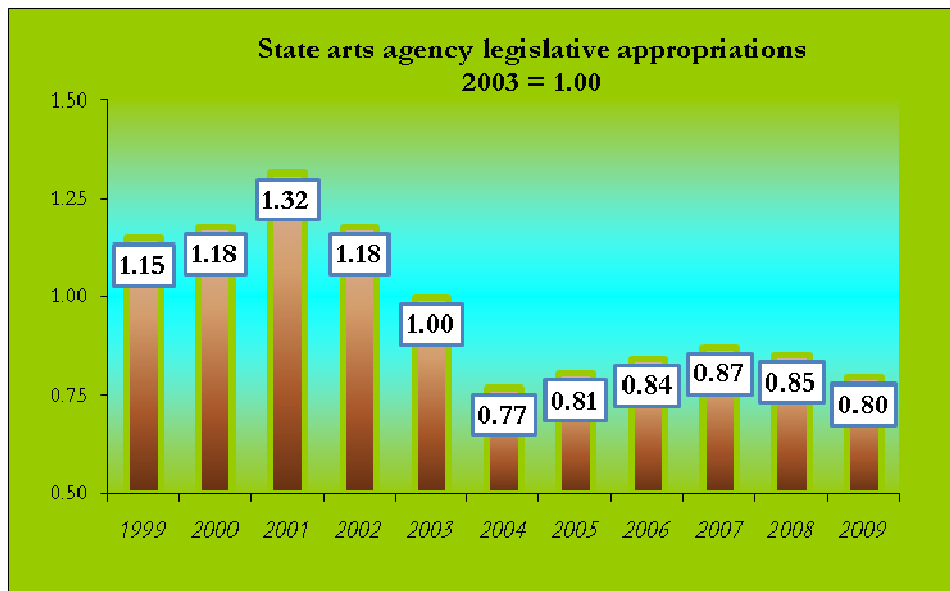


(All figures in \$000)	1999-2001	2002	2003	2004	2005	2006	2007	2008	2009
NEA Total		115,234	115,732	120,972	121,264	124,406	124,562	144,706	155,000
NEH		124,504	124,936	135,310	138,054	140,949	141,105	144,707	144,355
IMLS		221,501	243,890	262,240	280,564	247,144	247,144	263,507	268,193
Smithsonian		518,860	544,875	596,279	615,158	615,097	634,895	682,629	716,400
Kennedy Center		38,310	33,690	32,159	33,021	30,347	30,389	42,674	33,300
National Gallery of Art		85,335	92,842	98,225	102,653	111,141	111,729	117,866	119,567
Commission of Fine Arts		1,224	1,216	1,405	1,768	1,865	1,873	2,059	2,234
Institute of American Indian		4,490	5,454	6,173	5,916	6,207	6,207	7,183	7,900
Holocaust Memorial		36,028	38,412	39,505	40,858	42,150	42,349	44,786	48,082
Arts in Education		30,000	33,779	35,071	35,633	35,277	35,277	37,533	37,000
Corporation for Public Broadcasting		350,000	362,800	377,800	386,800	396,000	400,000	400,000	430,000
Total Federal Arts Spending		1,525,486	1,597,626	1,705,139	1,761,689	1,750,583	1,775,530	1,887,650	1,962,031
CPI at 2008 = 100.0		83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Deflated federal arts spending		1,825,665	1,869,396	1,943,443	1,942,097	1,869,546	1,843,677	1,887,650	1,969,009
U.S. population (000)		287,804	290,326	293,046	295,753	298,363	301,580	304,375	307,007
Federal arts spending per capita		\$5.30	\$5.50	\$5.82	\$5.96	\$5.87	\$5.89	\$6.20	\$6.39
Deflated federal arts spending per capita		\$6.34	\$6.44	\$6.63	\$6.57	\$6.27	\$6.11	\$6.20	\$6.41
Indexed to 2003 = 1.00	N/D	0.98	1.00	1.04	1.04	1.00	0.99	1.01	1.05

16. STATE ARTS AGENCY LEGISLATIVE APPROPRIATIONS

State governments are important supporters of arts and culture, reaching many communities, organizations, and artists. Every state has a state arts agency, which is funded by allocations from state legislators as well as by funds from Congress passed through the National Endowment for the Arts.

This indicator measures funding in constant dollars provided to state arts agencies from their legislatures, using data from the National Assembly of State Arts Agencies. Arts funding at the state level has typically tracked the business cycle, increasing in good times and declining when the economy is sliding. During the various “boom and bust” times between 1998 and 2008, total state funding grew by 17 percent in current dollars, from \$304 million to \$354 million. Current dollar support dropped in 2009, and when converted to constant 2008 dollars, state funding declined by more than 31 percent from start to finish, and by more than 40 percent from its peak in 2001.

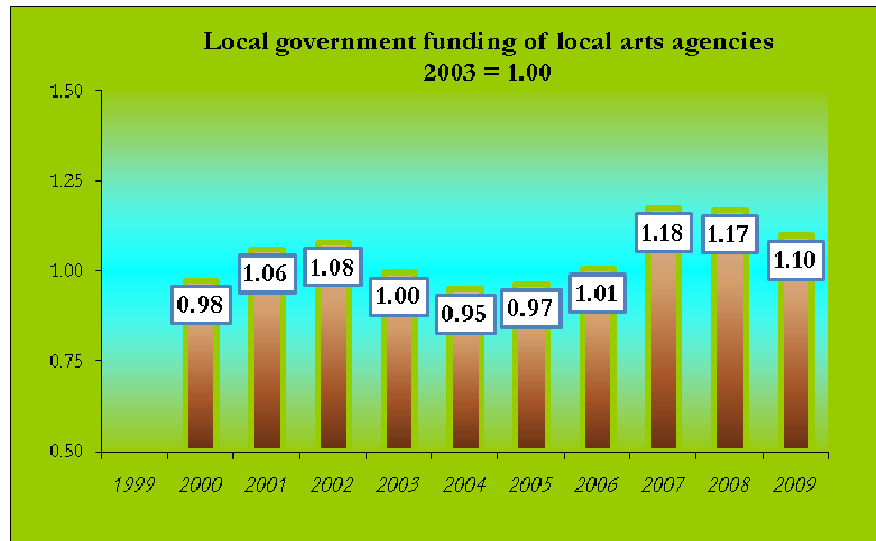


(\$ in millions)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
State arts agency legislative appropriations	370.3	392.3	450.6	409.7	355.7	282.0	304.2	328.9	350.1	354.7	329.8
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Constant dollar state funding of state arts agencies	478.6	490.5	547.8	490.3	416.2	320.3	335.4	351.2	363.6	354.7	331.0
Indexed to 2003 = 1.00	1.15	1.18	1.32	1.18	1.00	0.77	0.81	0.84	0.87	0.85	0.80

17. LOCAL GOVERNMENT ARTS FUNDING OF LOCAL ARTS AGENCIES

Local governments play a major role in public sector funding of the arts. With thousands of counties, cities, townships, and other local entities, there is no consistent measure of local support that covers the entire country. One area in common is that local government funding is channeled through local arts agencies and councils. Arts councils in and of themselves vary widely in their structures and roles. Some are nonprofits that seek funds from private and public sources; others are offices of local government. Some arts councils give grants to artists and arts organizations, while others produce programs directly—and some do both. Through its United States Urban Arts Federation members program, Americans for the Arts gathers annual data from the 60 most populous U.S. cities on local government support of local arts agencies.

This indicator measures the total level of funding provided by local governments to those arts agencies. The range of support to individual local arts agencies in this group is wide, ranging from about \$20,000 to over \$150 million in 2009. The five largest local arts agencies account for about half of the total. Over the last decade, local governments provided steadier levels of funding directly to local arts agencies than have state governments to their counterparts. Still, local support in 2009 was six percent lower than in 2008.



(\$ in millions)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total local government support of local arts agencies in 60 large cities		281.7	315.4	326.0	308.3	301.0	316.0	340.7	408.7	422.7	395.4
CPI at 2008 = 100.0		80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Constant dollar local government support of local arts agencies in 60 large cities		352.2	383.4	390.1	360.8	343.0	348.4	363.8	424.4	422.7	396.8
Indexed to 2003 = 1.00	N/D	0.98	1.06	1.08	1.00	0.95	0.97	1.01	1.18	1.17	1.10

CHAPTER 4. CAPACITY INDICATORS

There are 14 Capacity indicators. Capacity indicators measure the numbers and strength of individuals and organizations that provide arts and culture in the U.S. Capacity is also visible in the channels through which specific art forms (movies and music) reach their audiences, in the level of capital investment in business and nonprofit, and in the organizational networks that create a supportive infrastructure. They are presented here in an order roughly from individuals to institutions.

The next two tables show the indicators used in the Competitiveness component, and the number of indicators that are used to make up the overall Competitiveness score in each year. Those scores are shown in Figure N below.

TABLE 4. CAPACITY INDICATORS

18.	Artists in the workforce
19.	Workers in arts and culture occupations
20.	Employees in arts and culture industries
21.	"Creative Industries" employment
22.	Arts union membership
23.	CD and record stores
24.	Independent artists, writers, and performers
25.	Movie screens
26.	Establishments in arts and culture industries
27.	"Creative Industries" establishments
28.	Registered arts and culture 501(c)(3) organizations
29.	Arts support organizations
30.	Capital investment in arts and culture industries
31.	Capital investment in nonprofit arts organizations

TABLE 5. CAPACITY INDICATORS PER YEAR

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
9	11	11	11	14	14	14	14	14	14

Averaged across all available data, they produce the following ten-year trend:

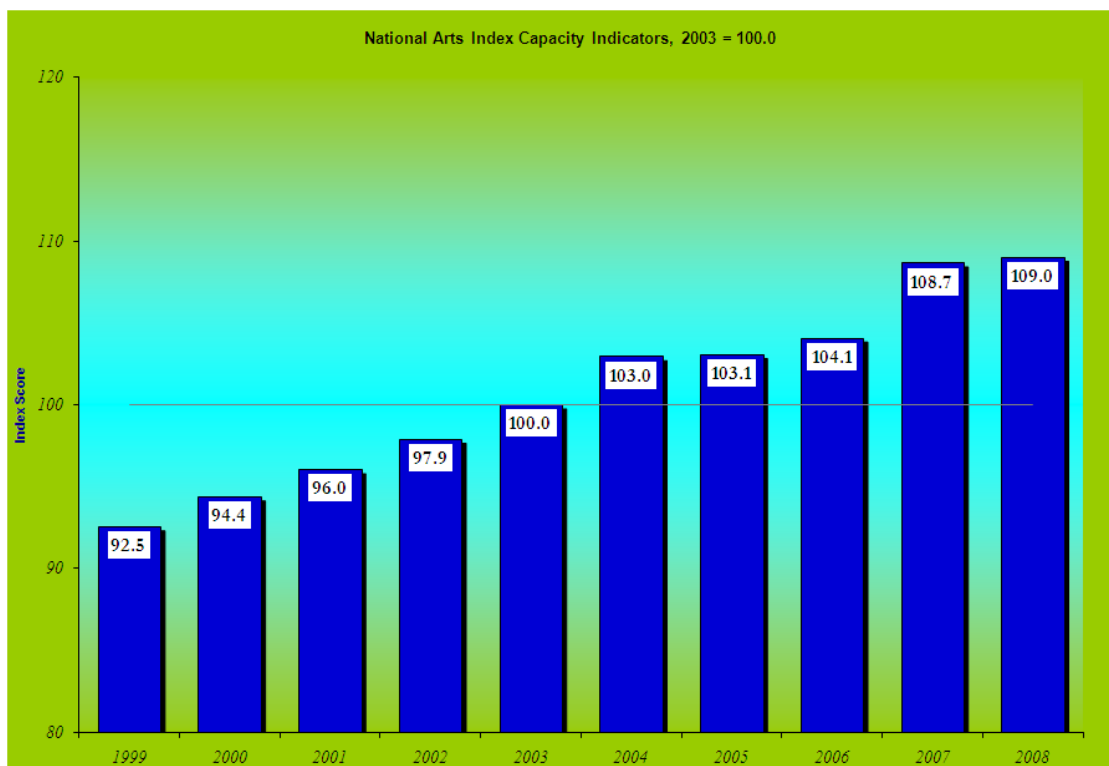


FIGURE E. NATIONAL ARTS INDEX CAPACITY INDICATORS (2003 = 100.0)

This component illustrates one of the most striking results we found: the rapid increase in the capacity of the arts industries shown in this figure. This was visible in both human and financial terms. Every year from 1999 through 2008, the arts attracted more and more workers, employees, and individual artists—even during two recessions. These effects were seen in both the nonprofit and business sectors. Organizations had a similar growth in capacity, with more arts businesses and nonprofits. Nonprofit growth in particular was rapid, but the number of CD stores has dropped sharply, as consumers switch their music buying to the web. What is more, the level of capital investment in the arts grew, at a pace far greater than inflation. Some of that capital is in the familiar form of concert halls and exhibit spaces, but other arts and culture capital is based in technology.

Taken together, every year in that span showed an increase in capacity, but some indicators grew more than others, and some did shrink. Most measures of employment stayed steady, in an environment where the labor market was shrinking. Some kinds of establishments maintained a steady level (movie screens), while others (CD stores) continue to decline in number. Capital investment in arts and culture businesses slipped back in 2009 after years of steady increase, but nonprofit arts capital growth continued. It is worth noting that all of these changes are net increases or decrease, meaning that they only report on the total number of organizations, individuals, or the amount of capital each year. They don't show the detail of adding new organizations while some existing ones go out of business, for example.

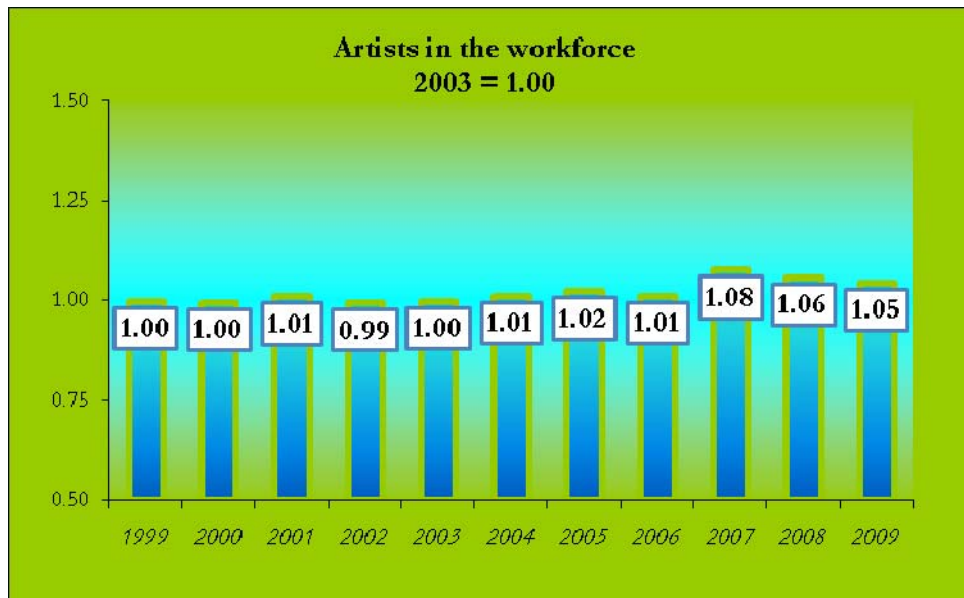
Thus, they can't tell us about the level of attrition in existing capacity, as some organizations fail or workers find other occupations. It is likely that in 2010, 2011, and beyond, the level of attrition will be more pronounced.

The individual indicators described in the following 14 pages provide additional detail on the overall increase in capacity in the arts and culture industries from 1999 to 2008. Of the 14 Capacity indicators, nine were available for 2008, and they show a decline in the Financial Flows component to 106.8.

18. ARTISTS IN THE WORKFORCE

Employment in the arts is perhaps the most fundamental signal of the health and vitality of the arts sector. In this report, three different measures provide alternative views of the arts labor market. This employment indicator is a measure of the *kind of work* people do. This measure in particular is based on data published by the National Endowment for the Arts. The Endowment’s Research Division uses data from the monthly Current Population Survey (CPS) of the Census Bureau, and classifies workers as “artists” if their primary occupation is one of eleven occupational types related to artistic work in the Bureau of Labor Statistics categorization scheme.

This indicator measures the total number of artists in the civilian workforce, based on the CPS data published by the Endowment. According to this measure, there were between 2.0 million and 2.2 million artists in the workforce from 1998 through 2008. The jump from 2006 to 2007 was driven by increases in the number of architects, designers, producers, and directors (four of the eleven). A decline that began in 2008 continued for a second year. The CPS determines a respondent’s occupation based on the work that they do that takes the most time during the prior week. This is an important distinction because of how many artists work part time and/or hold multiple jobs.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total artists in the civilian workforce (000)	2,113	2,106	2,136	2,103	2,114	2,142	2,164	2,141	2,277	2,240	2,210
Indexed to 2003 = 1.00	1.00	1.00	1.01	0.99	1.00	1.01	1.02	1.01	1.08	1.06	1.05

19. WORKERS IN ARTS AND CULTURE OCCUPATIONS

This employment indicator is another measure of the *kind of work* people do. Other indicators have detailed the number of workers in arts industries. However, artistic work is defined by occupation as well as by industry. To illustrate the difference, consider that a theatre company (an organization in an arts industry) may employ one or more accounting staff (who are not specifically artistic workers). Correspondingly, a department store (not an arts and culture industry) may employ designers (who work in artistic occupations).

This indicator measures the total number of workers in 46 arts occupations defined by the Standard Occupational Code system of the Bureau of Labor Statistics (see Appendix B). This total increased every year, from 1.30 million in 1999 to 1.69 million in 2009, a rise of about 29 percent. It should be noted that the BLS periodically changes its measurement systems, and did so in 2004, recognizing more detailed types of occupations, and making the overall national estimates more accurate. This is part of the reason for the increase in the number of arts and culture workers between 2003 and 2004. However, the rise in numbers of workers from 2004 through 2009 is for the same set of occupations.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Workers in arts and culture industries	1,298,420	1,356,200	1,407,060	1,401,150	1,437,610	1,563,740	1,565,990	1,590,720	1,652,270	1,661,130	1,685,910
Indexed to 2003 = 1.00	0.90	0.94	0.98	0.97	1.00	1.09	1.09	1.11	1.15	1.16	1.17

20. EMPLOYEES IN ARTS AND CULTURE INDUSTRIES

This employment indicator is a measure of *where* people work. Employment in the arts and culture industries signals overall economic vitality, engagement by workers, and is a clear economic benefit of demand for artistic products and services. The federal government classifies businesses by industry using the North American Industrial Classification System (NAICS). NAICS has about 1,800 six-digit codes, of which 43 describe firms in the arts and culture industries. Because SIC-coded data are no longer easily available, this set of NAICS codes was selected to match the larger list of SIC codes used in the annual *Creative Industries* studies. Data on numbers of employers, employees, and total payroll are available from the Census Bureau in *County Business Patterns*. These figures refer specifically to employees of companies in arts industries, not to all artists or to workers in all artistic occupations (which are the basis for other indicators). Given the big impact of the recession labor markets, this is a timely and significant indicator of the health of the arts industries.

This indicator measures the total number of employees working in establishments in those 43 industries (listed in Appendix C). According to this measure, there have been between 1.9 million and 2.1 million workers in these industries from 1999 through 2008, with a gradual increase but no dynamic changes. Even in the recession period of 2008, employers in those industries were able to maintain overall employment levels.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Annual employees in arts-related NAICS industries (000)	2,009	2,100	2,109	2,055	2,052	2,053	2,084	2,126	2,103	2,095	
Indexed to 2003 = 1.00	0.98	1.02	1.03	1.00	1.00	1.00	1.02	1.04	1.03	1.02	N/D

21. "CREATIVE INDUSTRIES" EMPLOYMENT

Because employment is such a key measure of overall vitality of the economy and the nation, and because there is more than one way to tally employment, the Index includes more than one reliable employment measure. Another research project of Americans for the Arts is an annual (since 2003) "Creative Industries" study of businesses involved with the production and distribution of the arts. These studies use data from Dun & Bradstreet, a well-known business information provider. The "Creative Industries" are defined by Americans for the Arts as fitting into one of 643 Standard Industrial Classification (SIC) codes. The SIC is the predecessor to NAICS but was more detailed, incorporating about 18,500 individual codes at the eight-digit level, while there are fewer than 1,900 NAICS codes. Thus, the SIC system, for example, has 23 separate classifications for various specific musical instrument manufacturers, whereas the NAICS system has only one.

This indicator measures the number of employees in "Creative Industry" organizations. As we note elsewhere, this measure does not distinguish between artistic and non-artistic workers, even though they are all in artistic industries (e.g., both actors and finance managers might work in a theatre organization). Employment in these industries has stayed in the range of 2.8 million to just under 3 million, declining except for a one year peak in 2007. Viewed as a fraction of employees in all industries where D & B gathers data, the "Creative Industries" share of all employment has ranged from 2.0 percent to 2.2 percent, and was in the higher end of that range in 2009.

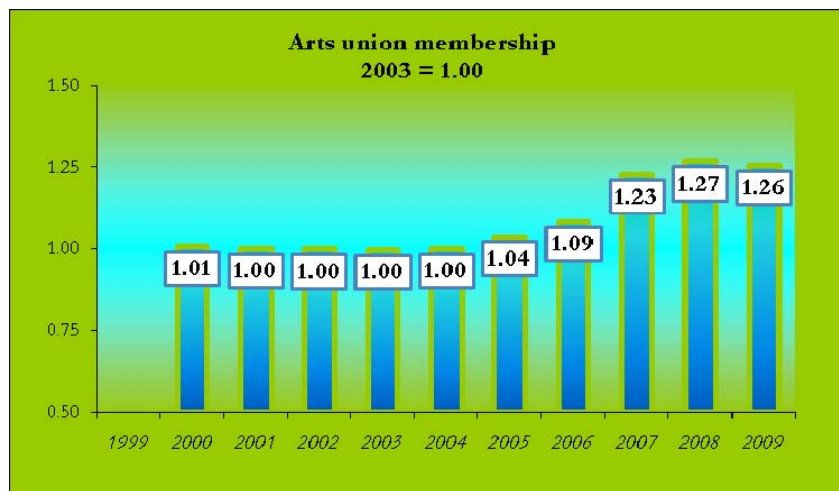


(All figures in 000)	1999-2002	2003	2004	2005	2006	2007	2008	2009
Arts Employees		2,989	2,966	2,869	2,671	2,981	2,817	2,991
Total D&B Employees		137,936	135,312	130,208	132,436	135,607	138,177	137,364
Arts as % of total		2.2%	2.2%	2.2%	2.0%	2.2%	2.0%	2.2%
Indexed to 2003 = 1.00	N/D	1.00	0.99	0.96	0.89	1.00	0.94	1.00

22. ARTS UNION MEMBERSHIP

Professionals in many fields organize in associations and guilds to maintain professional standards and protect their members' rights in the workplace. Certain unions, especially in performing arts and movie-making, serve the arts and culture fields as bargaining agents for actors, musicians, writers, directors, choreographers, and others. Union membership totals do not equate to the number of jobs, as many arts unions members are typically self-employed and freelance. Nonetheless, labor organizing in the arts is included as a measure of arts capacity.

This indicator measures total membership in ten such arts-related unions. Data are from the Office of Labor Management Standards in the U.S. Department of Labor, using self-reported data from those unions. Overall arts union membership was flat before rising sharply starting in 2006. Some of this increase in the total tally results from multiple union memberships by some performing artists. For example, Screen Actors Guild and American Federation of Television and Radio Artists may have as much as 40 percent shared membership, based on the work of performers in new digital media platforms. On the other hand, some arts workers, such as ticket takers, are represented by unions not listed here (e.g., Teamsters or Service Employees International Union). Total membership in these unions was 540,000 in 2009.

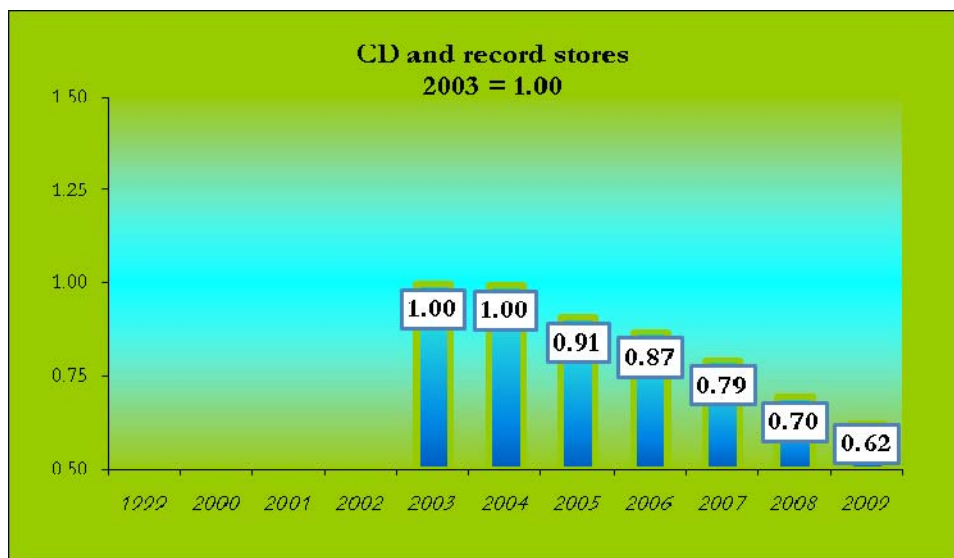


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Actors Equity		44,000	44,232	45,096	46,013	46,772	39,397	39,969	41,358	42,166	42,676
American Federation of Musicians		110,000	104,000	102,000	98,893	96,632	92,006	89,860	89,460	88,423	89,349
American Federation of Television and Radio Artists		62,400	62,084	63,212	64,980	59,431	57,452	70,106	59,788	70,716	61,522
American Guild of Musical Artists		5,835	5,835	7,000	6,778	8,775	9,525	6,886	6,821	7,084	6,937
American Guild of Variety Artists		3,900	3,900	3,900	3,900	3,900	3,900	3,100	2,697	2,894	2,917
Directors Guild of America		12,160	12,460	12,763	12,885	13,124	13,384	13,326	13,775	14,310	14,478
International Association of Theatrical Stage Employees		100,000	101,890	103,506	104,102	105,180	105,273	105,366	108,386	110,784	112,424
Motion Picture Industry Basic Crafts		5,600	5,600	5,600	5,600	5,600	5,600	6,329	6,015	6,075	6,050
Screen Actors Guild		77,278	77,278	74,162	73,759	78,698	107,547	108,484	176,455	178,437	179,262
Stage Directors and Choreographers Society		1,326	1,752	1,765	1,854	1,948	2,031	2,169	2,274	2,371	2,394
Writers Guild of America East		3,900	4,107	4,173	4,161	4,229	3,810	3,770	3,800	3,791	3,777
Writers Guild of America West		8,355	8,377	7,646	7,601	7,580	7,627	18,032	18,519	18,881	19,354
Total		434,754	431,515	430,823	430,526	431,869	447,552	467,397	529,348	545,932	541,140
Indexed to 2003 = 1.00	N/D	1.01	1.00	1.00	1.00	1.00	1.04	1.09	1.23	1.27	1.26

23. CD AND RECORD STORES

Arts and culture products like books and records often reach their end consumer markets through traditional retailers. The number of retail outlets helps to indicate the capacity of the marketplace to serve the needs of music customers. Clearly, much of this traffic has moved to the internet, changing the ways that recording artists and record labels reach their listeners; 41 percent of all sales according to the Recording Industry Association of America. The Almighty Institute of Music Retailing monitors the retail sector, maintaining a database that is updated three times each year. The Institute covers all retailers including “big box” retailers, department stores, record company chains, and independent “mom and pop” record stores, as long as they regularly stock a minimum of 200 unique new recordings.

This indicator measures the number of independent retail locations and record store chains in the U.S. The data show that record retailing has suffered as fewer small competitors remain in business, and as big box retailers, legal downloads, and online retail have been capturing market share. In 2003, there were 3,329 such independent retailers, but the number had declined by more than a third, to 2,100 by 2009. Note: Figures for 2003 through 2008 are changed in this report from the 2009 NAI report based on new data provided by the Institute.

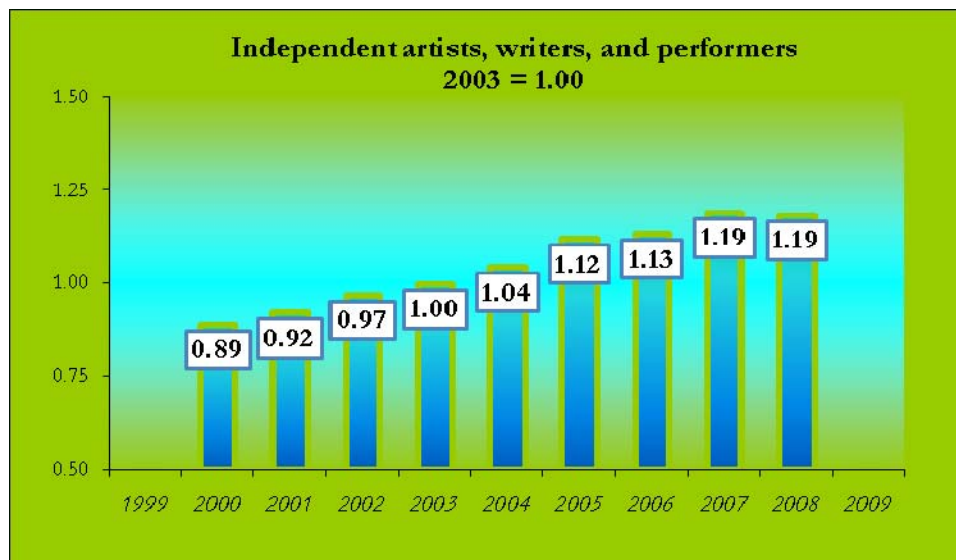


	1999-2002	2003	2004	2005	2006	2007	2008	2009
Independent CD Stores		3,329	3,315	3,024	2,892	2,641	2,316	2,074
Indexed to 2003 = 1.00	N/D	1.00	1.00	0.91	0.87	0.79	0.70	0.62

24. INDEPENDENT ARTISTS, WRITERS, AND PERFORMERS

While much of the attention paid to the arts in the public arena is to established arts organizations and institutions, individuals also enter the arts as entrepreneurs and proprietors. Individual arts entrepreneurs, or soloists, are active as poets, painters, musicians, dancers, actors, and in many other artistic disciplines. The solo artist who works without employees is one such entrepreneur. Many independent artists ply their cultural trade on a part-time basis, combining arts entrepreneurship with other jobs and work. Data on the number of “non-employers” in business are kept by the Census Bureau.

This indicator measures the total number of individual artists in NAICS 7115 who are not employers, labeled “Independent artists, writers, and performers.” This figure grew every year between 2000 and 2008, from 509,000 to 676,000. Of these, more than 97 percent are in fact sole proprietors, with small numbers of corporations and partnerships. The steady growth in the numbers of these proprietors—one third over eight years—is a mark of continuing interest, and shows enthusiasm on the part of individual artists to be commercial competitors.

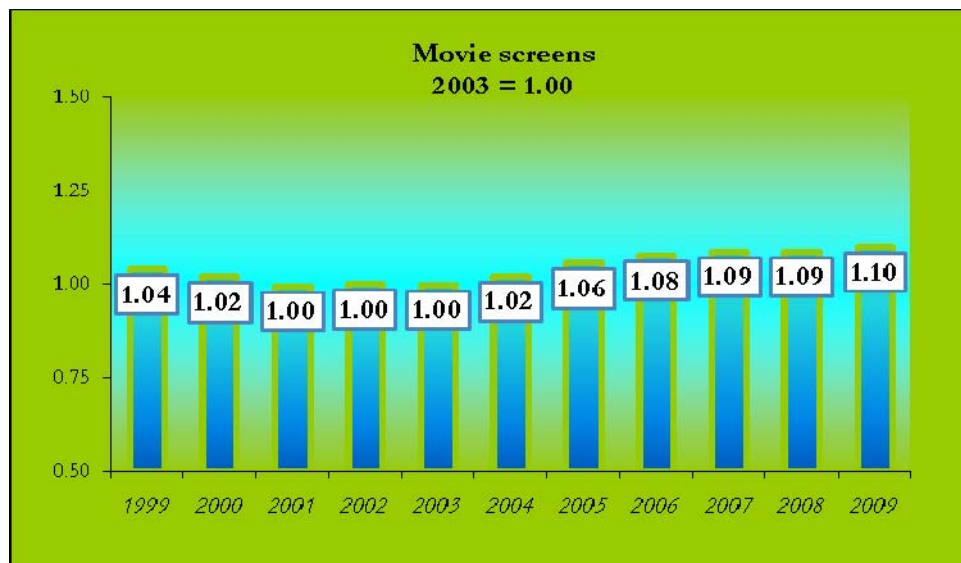


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Independent artists, writers, and performers		508,608	525,921	553,776	570,577	595,845	639,149	646,865	679,247	676,182	
Indexed to 2003 = 1.00	N/D	0.89	0.92	0.97	1.00	1.04	1.12	1.13	1.19	1.19	N/D

25. MOVIE SCREENS

Film production reaches audiences on screens in movie houses, via their televisions, distributed on film or (increasingly) in the form of digital files. Even while some of this distribution migrates to the internet and bypasses movie houses, the viewing experience of the cinema is still a vital element of the movie ecology.

This indicator measures the number of movie screens, as reported by the National Association of Theatre Owners. This increased from about 37,000 in 1999 to about 39,000 in 2009. This translates into almost 128 screens available per million population, making movie screens one of the most widely available venues for public arts and culture presentations. It is worth noting that with so many screens in multiplex cinemas, there are certainly fewer cinema facilities than screens. Figures for numbers of screens are changed significantly in this report from the 2009 NAI report based on new data provided by NATO during a periodic revision.

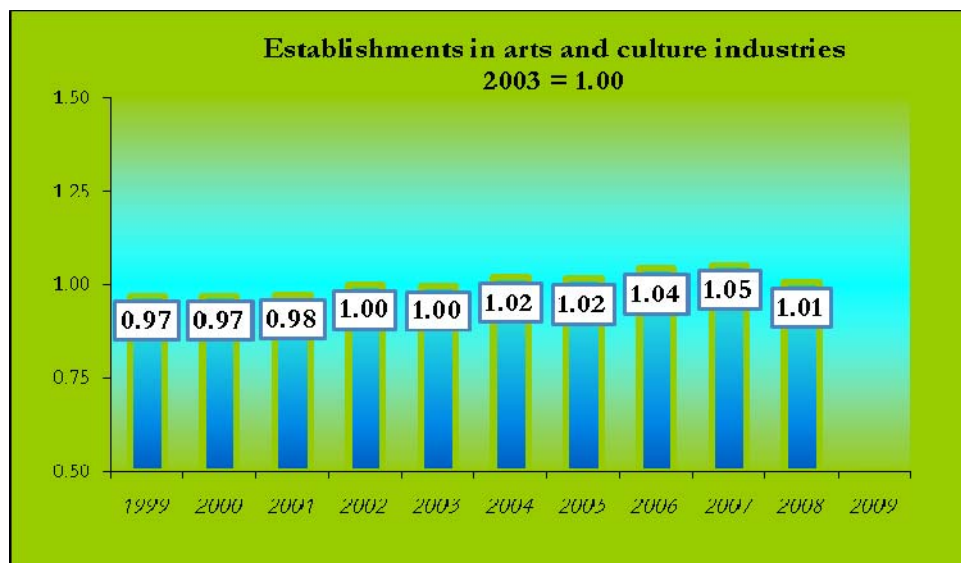


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Movie Screens	37,131	36,379	35,506	35,688	35,650	36,435	37,688	38,415	38,794	38,834	39,233
U.S. population (millions)	279.0	282.2	285.1	287.8	290.3	293.0	295.8	298.4	301.6	304.4	307.0
Movie screens per million population	133.1	128.9	124.5	124.0	122.8	124.3	127.4	128.8	128.6	127.6	127.8
Indexed to 2003 = 1.00	1.04	1.02	1.00	1.00	1.00	1.02	1.06	1.08	1.09	1.09	1.10

26. ESTABLISHMENTS IN ARTS AND CULTURE INDUSTRIES

Arts organizations and businesses are the backbone of arts and culture activities, as producers of arts goods, services, and arts experiences. Both profit-seeking and nonprofit organizations have important roles to play. They are repositories of artistic and creative technique, maintain artistic traditions, and provide employment for artistic workers.

This indicator measures the number of all establishments that are in arts and culture industries, using the same 43 NAICS codes and *County Business Patterns* data that are used to describe total employment. Almost 220,000 arts firms, both commercial and nonprofits, play important roles as intermediaries between individual artists and creative ensembles on the one hand, and audiences on the other. The tally of arts establishments grew slowly, but steadily, from 1999 through 2007. 2008 was a different story, with 10,000 establishments (about 4.4 percent) fewer in 2008 during the late-decade recession.

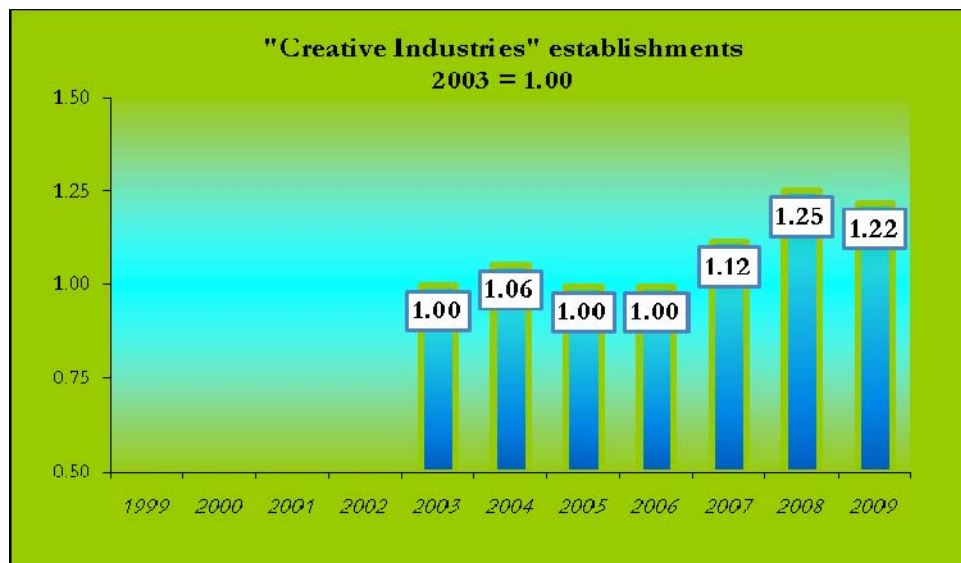


	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Establishments in all NAICS industries	210,785	211,448	216,995	216,480	221,107	220,185	225,880	228,377	218,328	
Indexed to 2003 = 1.00	0.97	0.98	1.00	1.00	1.02	1.02	1.04	1.05	1.01	N/D

27. "CREATIVE INDUSTRIES" ESTABLISHMENTS (DUN & BRADSTREET DATA)

In addition to studying the numbers of employees, the Americans for the Arts "Creative Industries" studies count the total number of establishments. This count includes different kinds of establishments, such as sole proprietors, business companies of any size, and nonprofits. "Establishments" refers to locations, so that companies with more than one location are counted more than once. The "Creative Industries" are defined by the same set of SIC codes used in the count of "Creative Industries" employees.

This indicator measures the number of establishments in the "Creative Industries." There were about 670,000 in 2009, an increase of 22 percent since 2003. "Creative Industries" firms maintain a steady share of between 4.0 percent and 4.4 percent of all establishments counted by Dun & Bradstreet, although, like employment, the share has been declining over the long run and stood at 4.1 percent in 2009.

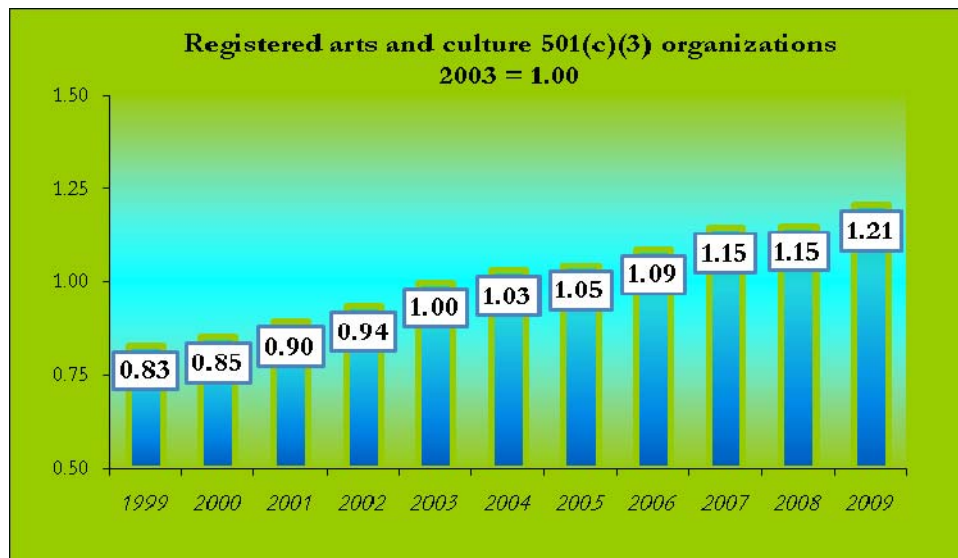


	1999-2002	2003	2004	2005	2006	2007	2008	2009
Arts Businesses		548,281	578,487	546,466	546,558	612,095	686,076	668,267
Total D&B Businesses		12,784,363	13,273,733	12,758,821	12,944,618	14,324,023	16,325,581	16,504,276
Arts as % of total		4.3%	4.4%	4.3%	4.2%	4.3%	4.2%	4.1%
	N/D	1.00	1.06	1.00	1.00	1.12	1.25	1.22

28. REGISTERED ARTS AND CULTURE 501(c)(3) ORGANIZATIONS

The vigor of the arts rests in many ways on thousands of nonprofit organizations that present and organize arts programs in communities around the country. In many arts and humanities disciplines (visual and performing arts, historical and museum organizations, and arts education), nonprofit status is the norm. Most of these are charitable organizations as defined by section 501(c)(3) of the Internal Revenue Code.

This indicator is based on the National Taxonomy of Exempt Entities (NTEE), which includes about 400 different organizational types. Of special interest are those in 43 different categories in NTEE Major Group “A” (Arts Culture and Humanities), such as music, theatre, visual arts, dance, museums, and media, and those in group N52, Fairs and Festivals. The data come from the National Center for Charitable Statistics in the Urban Institute. The total number of organizations in these categories increased from about 75,000 in 1999 to almost 109,000 in 2009. It is worth noting that only about 35 percent of these organizations file IRS Form 990 in any given year. The most likely reason for this is that they are small; organizations with less than \$25,000 in total revenues are not required to file Form 990. Note: In 2010, the IRS reviewed the eligibility for 501(c)(3) status of organizations that have not regularly filed Form 990; this scrutiny is expected to reduce the number of organizations, perhaps significantly, because some will have their status revoked.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Registered 501(c)(3) organizations	75,037	76,981	80,889	84,518	90,354	93,151	94,503	98,359	103,563	103,937	108,902
Indexed to 2003 = 1.00	0.83	0.85	0.90	0.94	1.00	1.03	1.05	1.09	1.15	1.15	1.21

29. ARTS SUPPORT ORGANIZATIONS

A healthy arts ecology clearly requires organizations whose primary mission is to actually create arts products, services, and experiences. Those producing organizations can benefit from the help of partners to support them through advocacy, fundraising, and research. Examples include local arts agencies, united arts funds, national service organizations for many artistic disciplines, auxiliary groups or guilds raising money for specific arts organizations, advocacy groups focused on cultural policy, researchers on philanthropy, many local arts agencies, and more (Many such organizations have generously provided data for this report).

This indicator measures the number of arts organizations classified in the National Taxonomy of Exempt Entities as Alliance/Advocacy Organizations, Research Institutes and/or Public Policy Analysis, Monetary Support—Single Organization, Monetary Support—Multiple Organizations, and Nonmonetary Support Not Elsewhere Classified. The number of such support organizations increased from about 2,600 in 2000 to more than 3,700 in 2008.

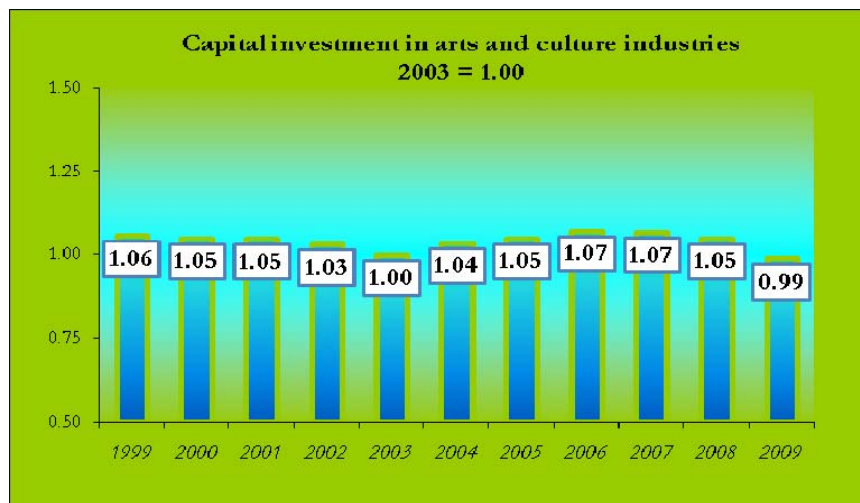


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Arts support organizations	2,893	2,945	3,061	3,223	3,305	3,458	3,546	3,627	3,620	3,690	
U.S. population (millions)	279.0	282.2	285.1	287.8	290.3	293.0	295.8	298.4	301.6	304.4	
Arts support organizations per million population	10.4	10.4	10.7	11.2	11.4	11.8	12.0	12.2	12.0	12.1	
Indexed to 2003 = 1.00	0.88	0.89	0.93	0.98	1.00	1.05	1.07	1.10	1.10	1.12	N/D

30. CAPITAL INVESTMENT IN ARTS AND CULTURE INDUSTRIES

Most forms of artistic production need one or another kind of capital equipment, if not to produce the most basic form (the song, or the dance), then certainly to reach larger audiences. “Capital” here refers to long-lasting assets that organizations use to produce output. In accounting statements, capital assets are designated as “property, plant and equipment” or some similar language. The Bureau of Economic Analysis (BEA) estimates the depreciated value of capital stock of firms in different industries at the national level, classified at the four-digit level in NAICS.

This indicator tracks inflation-adjusted net capital in industries related to arts and culture (Motion Picture and Sound Recording, and Book Publishing). The Bureau’s data do not describe all six-digit NAICS industries, so the share of the entire publishing industry (which includes software, directories and magazines as well as books) was adjusted using the share of revenue earned by different kinds of publishers. Companies in industries that create and disseminate literature, film, and music invested more every year (except during the 2000-01 recession). In any year, some capital spending is for expansion, and some is to replace equipment that has been fully depreciated, so total capital spending is probably understated in the table. Current dollar capital increased 37 percent to \$65 billion in 2008, but constant dollar change was only three percent.

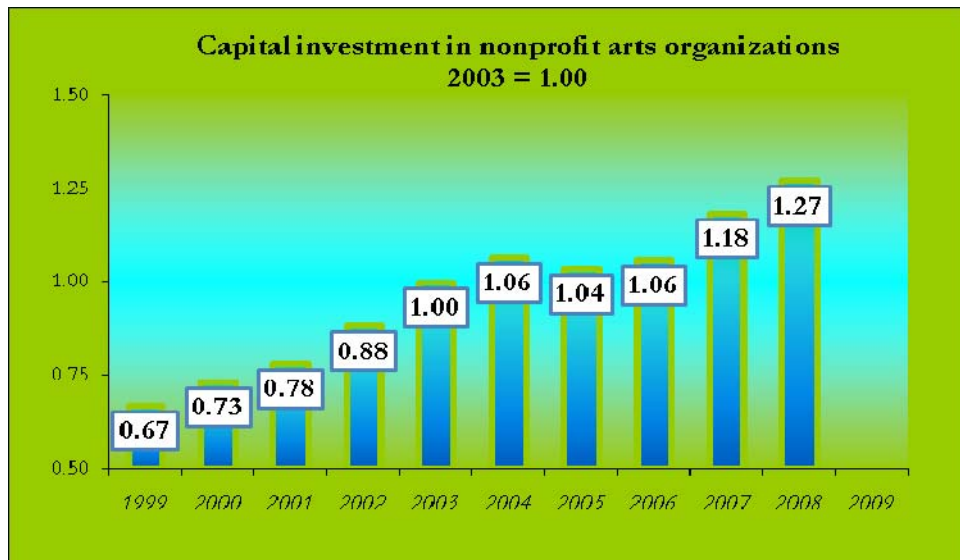


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Net Capital Stock of NAICS 511,- Publishing Industries (\$M)	47,420	50,145	51,775	50,786	51,442	52,996	54,447	57,384	59,872	62,841	60,895
Share of revenue in NAICS 511 from NAICS 5113, Book Publishers	17.6%	17.5%	18.5%	19.1%	18.5%	19.4%	18.8%	18.7%	19.0%	19.0%	19.0%
Book publisher share of 5110 capital stock (\$M)	8,342	8,758	9,574	9,724	9,501	10,267	10,239	10,758	11,389	11,954	11,584
Net Capital Stock of NAICS 5120 - Motion Picture and Sound Recording Industries (\$M)	31,020	31,588	31,903	31,704	31,626	33,471	35,558	37,516	38,081	38,511	35,777
Total net capital stock of selected industries	39,362	40,346	41,477	41,428	41,127	43,738	45,797	48,274	49,470	50,465	47,361
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Constant dollar total net capital stock of selected industries (\$M)	50,868	50,444	50,424	49,580	48,123	49,850	50,487	51,554	51,369	50,465	47,529
Indexed to 2003 = 1.00	1.06	1.05	1.05	1.03	1.00	1.04	1.05	1.07	1.07	1.05	0.99

31. CAPITAL INVESTMENT IN NONPROFIT ARTS ORGANIZATIONS

The physical capital of nonprofit arts organizations includes property, plant, equipment, and facilities. Museums, theatres, concert halls, and the equipment in them are examples of this kind of asset. These are one measure of the capacity of nonprofits to provide services and activities, even while they only reach their full potential for the arts when artists and audiences fully activate them. In the business sector, the NAICS system can be used to identify companies that operate in one industry or another. In the nonprofit sector, the NTEE system is used.

This indicator measures the constant dollar average annual value of physical capital on the balance sheets of nonprofits in NTEE Major Group A, plus group N52 (fairs and festivals), net of depreciation. The average is the average of beginning- and end-of-year values for each year converted to 2008 dollars to adjust for inflation. After several years of steady increase from 1998 through 2004, capital stock leveled off, then grew again through 2008, ending at \$30.6 billion in constant dollars. Because these figures are reduced from their original value by depreciation, and because they are converted to constant dollars, they reflect a vigorous level of capital investment. Further, just as in the figures for nonprofit revenue, they only describe the 35 percent of arts organizations that file the IRS Form 990. The overall growth in capital spending is probably greater than reported, because the reports do not distinguish between capital spending for expansion, and capital spending to replace equipment that has been fully depreciated.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Capital assets net of depreciation (\$M)	12,474	14,080	15,471	17,744	20,563	22,480	22,610	23,867	27,424	30,595	
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	
Constant dollar net capital assets (\$M)	16,120	17,604	18,808	21,236	24,062	25,622	24,925	25,489	28,476	30,595	
Indexed to 2003 = 1.00	0.67	0.73	0.78	0.88	1.00	1.06	1.04	1.06	1.18	1.27	N/D

CHAPTER 5. ARTS PARTICIPATION INDICATORS

There are 23 indicators of arts participation. The indicators in this component represent arts and culture activity in society and in the markets. While the Financial Flows indicators in Chapter 2 were all described in dollar terms, the indicators in this component mainly measure activity and experience in the arts, in the forms of personal engagement, being a part of audiences for public broadcasting, museums, and live performances; and spending on cultural experiences and products. Like some of the Financial Flows indicators, the indicators in this section offer visible and easily recognized measures of the arts—they answer the questions, “how much art is being produced,” and “how many people are consuming the arts?” Here, however, they are tracked mainly in terms of numbers of people.

The next two tables show the indicators used in the Arts Participation component, and the number of indicators that are used to make up the overall Competitiveness score in each year. Those scores are shown in Figure F below.

TABLE 6 ARTS PARTICIPATION INDICATORS PER YEAR

32.	Personal arts creativity experiences
33.	Copyright applications
34.	Personal expenditures on arts and culture
35.	New work in theatre, orchestra, opera, Broadway, and film
36.	Books published on music, theatre, dance, or art
37.	Volunteering for the arts
38.	Performance of SAT test takers with four years of art or music
39.	Arts majors by college bound seniors
40.	Visual and performing arts degrees
41.	Non-commercial radio listenership
42.	Public television viewing
43.	Foreign visitor participation in arts and culture activity
44.	Attendance at Broadway shows in New York City
45.	Attendance at touring Broadway shows
46.	Attendance at live popular music
47.	Attendance at symphony, dance, opera, and theatre
48.	Motion picture attendance
49.	Art museum visits
50.	Museum visits
51.	Opera attendance
52.	Symphony attendance
53.	Nonprofit professional theatre attendance
54.	Citations of arts and culture in bibliographic databases

TABLE 7. CAPACITY INDICATORS PER YEAR

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
15	16	16	19	23	23	23	23	23	23

Averaged across all available data, they produce the following ten-year trend:

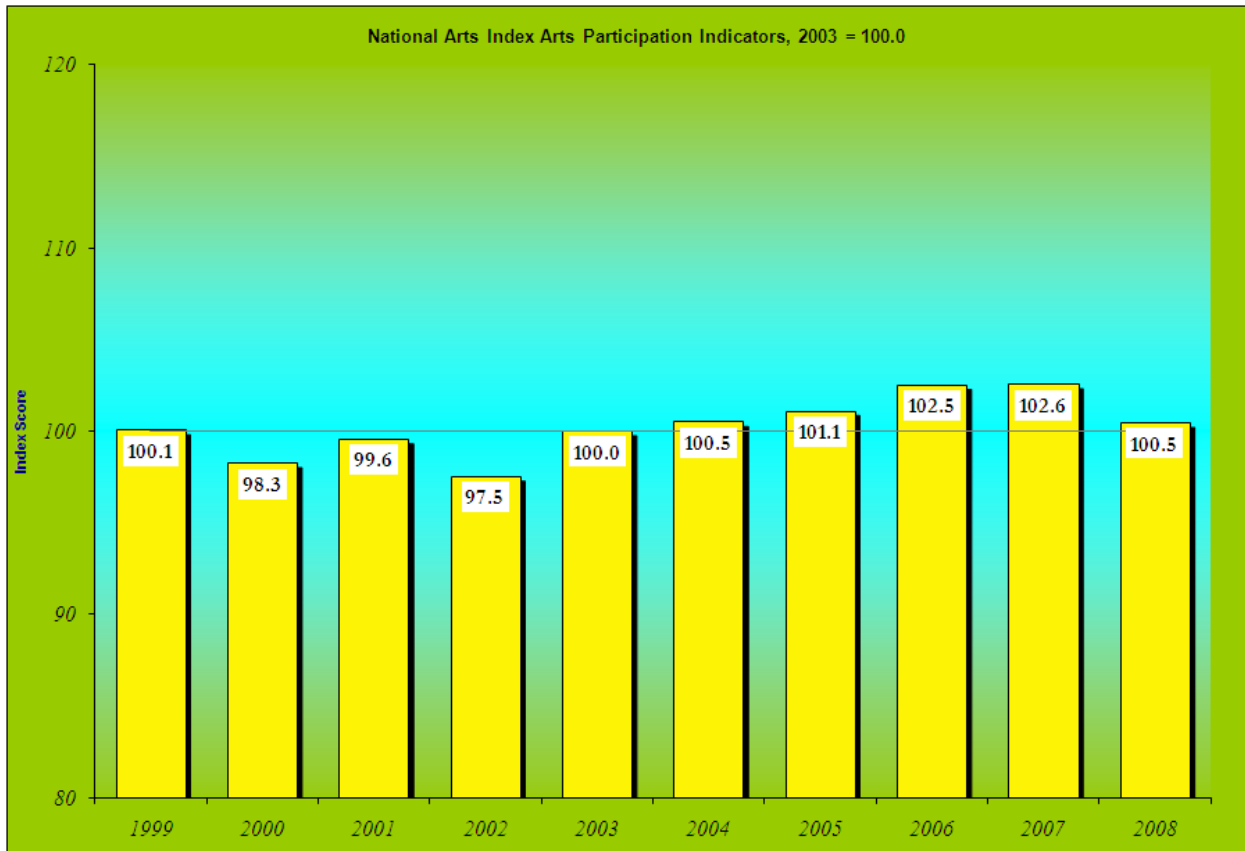


FIGURE F. NATIONAL ARTS INDEX ARTS PARTICIPATION INDICATORS (2003 = 100.0)

The Capacity indicators in Chapter 4 showed a steady increase over the ten-year span. An initial look at the chart suggests that this has not been echoed in the delivery of art services. This is one of the more striking findings of this research in both the initial 2009 report and this second release—that the vigor of the arts industries (the supply side) were not matched by a parallel increase in participation and engagement. Capacity has expanded, but demand has not kept pace – when measured in the number of people who are consuming, as opposed to the dollars generated.

23 indicators comprise the arts participation measure. Taken together, they steadily increased from 2002, albeit very slowly, through 2007. The 2007 index score of 102.6 is the highest of the 11 years of data. Yet in important ways, demand for long-standing art forms lagged. They show major shifts in how Americans are consuming the arts, some of which are positive, others more or less stable, but many negative.

Attendance at mainstream nonprofit arts organizations is in a long-term decline. Market data gathered by Scarborough Research (200,000 surveys annually in the largest 81 metropolitan areas) indicates a steady decline in the percentage of the population attending museums and performing arts events (symphony, dance, opera, theater)—decreases of 19 percent and 22 percent, respectively, between 2003 and 2009. These are structural problems.

Personal arts creation by the public also had been increasing (making art, playing music). Technology has also had an impact: While the number of CD stores has been reduced by half in just past five years, online downloads of singles and albums grew four-fold in three years. Attendance at Broadway shows and participation by foreign visitors in American arts and culture increased by varying amounts. College students maintain vigorous interest in the arts in their choice of majors. But almost all of these indicators fell in 2008 compared to 2007.

Arts participation and vitality is being heavily driven by smaller, community-based and culturally specific arts organizations. The number of these organizations has grown faster than the rate of growth for all nonprofit arts organizations and even faster than the rate of the minority population in the U.S. Additional analysis of their financial data reveals that they are more likely to complete their fiscal year without a deficit than the remaining universe of nonprofit arts organizations.

Overall, we reiterate the finding of the 2009 National Arts Index report, that levels of production and consumption of the arts were not very satisfying. The concern that these indicators raise is that despite the virtues of the arts, the attention they receive, and the vigorous increase in arts capacity, demand is not vigorous. Some of these effects will be seen again in Chapter 6, which looks at the competitiveness of the arts. The changes in this component are less variable than for the Financial Flows component.

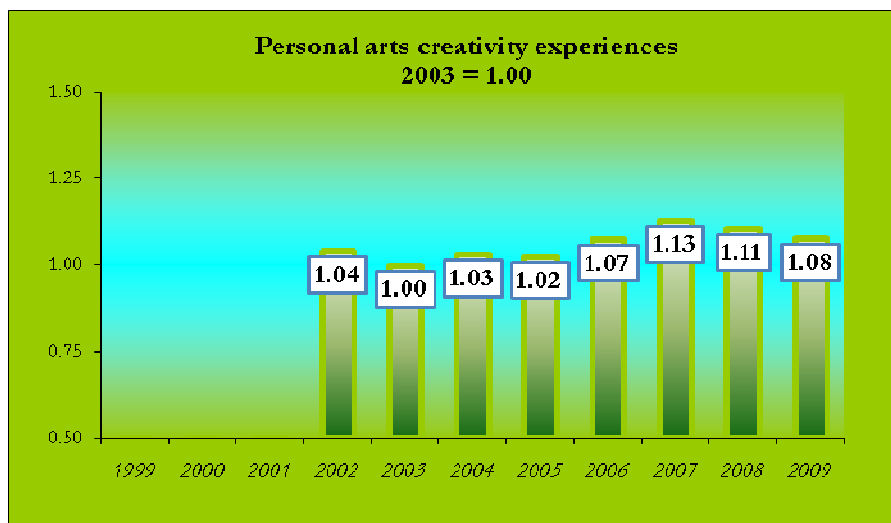
The individual indicators described in the following 23 pages provide additional detail on the sometimes stable, but mostly declining levels of consumption and participation in arts industries, including goods, services, and experiences in arts and culture from 1999 to 2008.

The estimate of the 2009 Arts Participation component score was 96.6, based on 21 of the 23 indicators available as this report was finalized. This decline is to be expected given the general economic circumstances facing the arts, and is a companion to the decline in financial flows.

32. PERSONAL ARTS CREATIVITY EXPERIENCES

Personal engagement in the creative process is a basic driver of arts and culture vitality, typically driven by individual creativity, a desire to express oneself, and interest in creative technique. Some evidence of personal engagement and creativity is shown in the indicator that measures purchases of musical instruments. Writing poetry and prose, and exploring movement through dance or drama through theatre are other examples of this engagement, as are creation of visual arts through painting or drawing. Photography is another individual creative process, one that has both grown in accessibility and declined in expense with the advent of digital photography.

This indicator uses Mediamark data reported in the Statistical Abstract of the U.S. to measure activity in making music, painting, drawing, and/or photography. These activities have engaged tens of millions of Americans in recent years, with total participation exceeding 60 million in 2007, but declining since then. It should be noted that these totals do not differentiate between those people who participate in only one of these creative activities and those who participate in all of them; there are certainly people who paint, take photographs, *and* play musical instruments. Thus, this is a maximum number of participants, and clearly not a comprehensive list of all creative activities, only those covered by this data source. For example, the Statistical Abstract reported that between 2 and 3 million people also participated in ceramics through 2006 (it stopped reporting these data in 2007). It also does not count the 6.6 million Americans who indicate in the Current Population Survey that music making is their main form of volunteering, or the members in America's 250,000 choruses or many other community or social artistic activities.

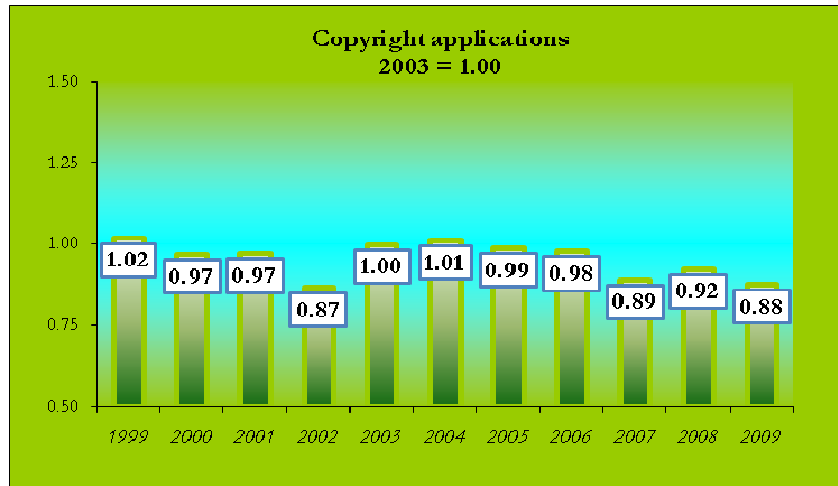


	1999-2001	2002	2003	2004	2005	2006	2007	2008	2009
Ceramics/pottery (000) (for informational purposes only; not included in total or analysis)		3,102	2,993	2,437	2,263	2,221	N/D	N/D	N/D
Painting, drawing (000)		15,145	14,089	14,020	13,746	12,356	15,146	14,425	13,681
Photography (000)		24,973	23,794	24,645	25,561	28,504	28,340	28,445	26,268
Play musical instrument (000)		15,744	15,828	16,680	15,727	16,852	17,108	16,526	17,863
Total participation in music making, painting, drawing, and/or photography (000)		55,862	53,711	55,345	55,034	57,712	60,594	59,396	57,812
Indexed to 2003 = 1.00	N/D	1.04	1.00	1.03	1.02	1.07	1.13	1.11	1.08

33. COPYRIGHT APPLICATIONS

The copyright system gives the creators or authors of original material a way to register ownership of their creations, which may include literary, dramatic, musical, artistic, and certain other intellectual works. It provides us, therefore, with a measure of creation of new work. Of course, the formal copyright system is inherently only the tip of the iceberg—many more artistic creations are not registered. However, these additional protections are meaningful to many creators for artistic and/or commercial reasons. The rights of copyright are distribution, duplication, public performance and/or exhibit, and preparation of derivative works. In the common law, copyright exists from the moment a work is created, but registering a work creates a more formal and legally defensible documentation of ownership. The Copyright Office in the Library of Congress administers copyright in the United States. Creators of new work such as authors, composers, lyricists, playwrights, and others claim copyright by submitting a copy of it, along with an information form. The Copyright Office then formally registers the claim.

This indicator measures the number of claims to copyright made in each year in the U.S. Claims differ from registration in that they flow in from the creators of artistic work. However, there is a lag between when a copyright claim is submitted and when it is registered, and in recent years there have been an unusually high number of claims in process. So, claims submitted by creators of new work represent a better measure of underlying artistic activity. The number of claims declined about 14 percent from 1999 through 2009. Part of this may be because the registration fees increased in 1999 and 2006, making it more costly for creators to register their work, or because of the influence of Creative Commons licenses issued by authors as a substitute for formal copyright claims.

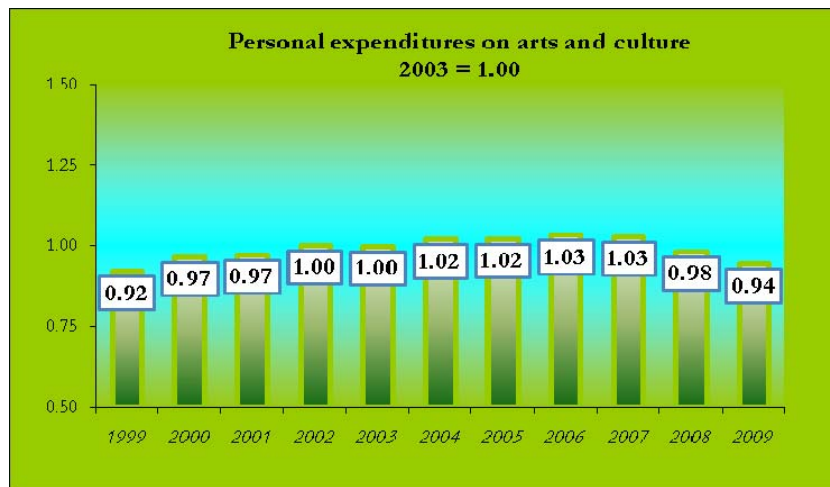


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Copyrights claims received	619,022	588,498	590,091	526,138	607,492	614,235	600,535	594,125	541,212	561,428	532,370
Copyrights registered	594,501	515,612	601,659	521,041	534,122	661,469	531,720	520,906	526,378	232,907	382,086
Indexed to 2003 = 1.00	1.02	0.97	0.97	0.87	1.00	1.01	0.99	0.98	0.89	0.92	0.88

34. PERSONAL EXPENDITURES ON ARTS AND CULTURE

Total expenditure by consumers on arts and culture goods and services is measured at an aggregate level by the federal government. In the National Income and Product Accounts, the Bureau of Economic Analysis (“BEA”) presents yearly data on personal consumption expenditure on different kinds of consumer items.

This indicator measures the total of those expenditures as a share of total personal consumption expenditures, and is the largest-scale economic indicator in this Index. This is fitting, because it is personal expenditure that is motivated by the underlying demand for arts and culture. The items covered include arts and culture goods, services, and experiences: books, recorded audio and video media, tickets to live performing arts and movies. This indicator is significantly changed from the 2009 National Arts Index report, incorporating more detailed data on arts and culture spending categories. Between 1999 and 2009, these expenditures increased from \$119 billion to \$157 billion in current dollars, a total growth of 39 percent. The tempering effects of inflation reduce that to a constant dollar rise of 12 percent over ten years, a fairly steady pace. Like many other indicators, this one declined in 2008 and 2009.

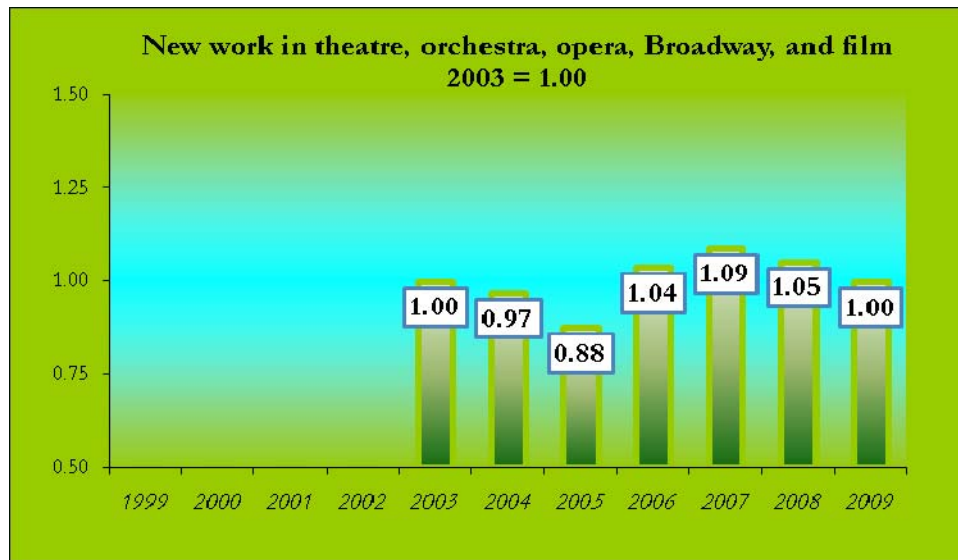


All figures in \$M	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Audio equipment	16,277	17,751	17,944	18,573	18,972	20,929	24,324	26,426	26,936	25,750	23,199
Prerecorded and blank audio discs/tapes/digital files/downloads	18,513	19,123	19,288	19,007	18,669	19,425	19,934	20,314	20,612	21,074	19,723
Video cassettes and discs, blank and prerecorded	11,802	14,499	16,890	19,167	18,479	19,954	20,367	21,261	21,523	21,635	18,849
Photographic equipment	3,551	3,726	3,638	3,641	3,777	3,886	4,034	4,192	4,390	4,505	3,935
Recreational books	22,690	24,423	24,749	25,902	27,151	28,599	29,845	31,435	33,209	33,871	33,818
Musical instruments	3,926	4,748	4,932	5,180	5,181	5,600	5,795	6,307	6,574	6,271	5,587
Educational books	8,564	9,043	9,230	9,702	10,148	10,367	10,235	10,222	10,423	10,306	10,125
Motion picture theaters	7,948	8,611	8,993	9,597	9,883	9,867	9,083	9,413	9,619	9,546	10,388
Live entertainment, excluding sports	9,504	10,364	11,104	11,880	12,692	13,158	13,786	14,913	15,342	15,529	14,493
Museums and libraries	3,306	3,800	4,051	4,787	5,197	5,539	5,889	6,444	7,030	7,158	6,352
Photo processing	6,629	6,409	6,060	5,946	5,761	5,247	4,204	3,219	3,183	2,938	2,810
Photo studios	6,396	6,529	6,635	6,546	6,752	6,916	7,307	7,470	7,885	8,017	7,902
Total personal consumption expenditure on selected goods	119,106	129,026	133,514	139,928	142,662	149,487	154,803	161,616	165,386	164,001	157,181
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Constant dollar personal consumption on selected goods	153,923	161,320	162,313	167,462	166,930	170,379	170,656	172,599	171,734	164,001	157,740
Indexed to 2003 = 1.00	0.92	0.97	0.97	1.00	1.00	1.02	1.02	1.03	1.03	0.98	0.94

35. NEW WORK IN THEATRE, ORCHESTRA, OPERA, BROADWAY, AND FILM

The creation of new artistic work is critical to a successful arts ecology. The major performing arts disciplines are exciting settings for the presentation of new work, and data on premieres by American theatre companies, symphony orchestras, operas, Broadway producers, and filmmakers are available from their national service organizations: Broadway League, League of American Orchestras, Motion Picture Association of America, Opera America, and Theatre Communications Group. These service organizations do valuable work in gathering information on their members' activities and summarizing that information for the public.

This indicator measures the number of world premieres and new films presented by these arts organizations as they report to their associations. That is, the figures below are the only ones reported to these organizations, and therefore probably understate the numbers. There is certainly a lag between the concept for a new work and its eventual premiere, because performing arts seasons and films are planned years in advance. So, the increase from 2004 to 2007 probably reflects optimism and willingness to invest among producers in different disciplines that occurred sometime beforehand. Of the different sources for new productions, film is the most dynamic, while the live performing arts disciplines maintained approximately the same level of new work from 2003 through 2007, and then declined slightly through 2009. Note: Figures for numbers of new movies in 2005-2007 are changed in this report from the 2009 NAI report based on new data provided by MPAA during a periodic revision.

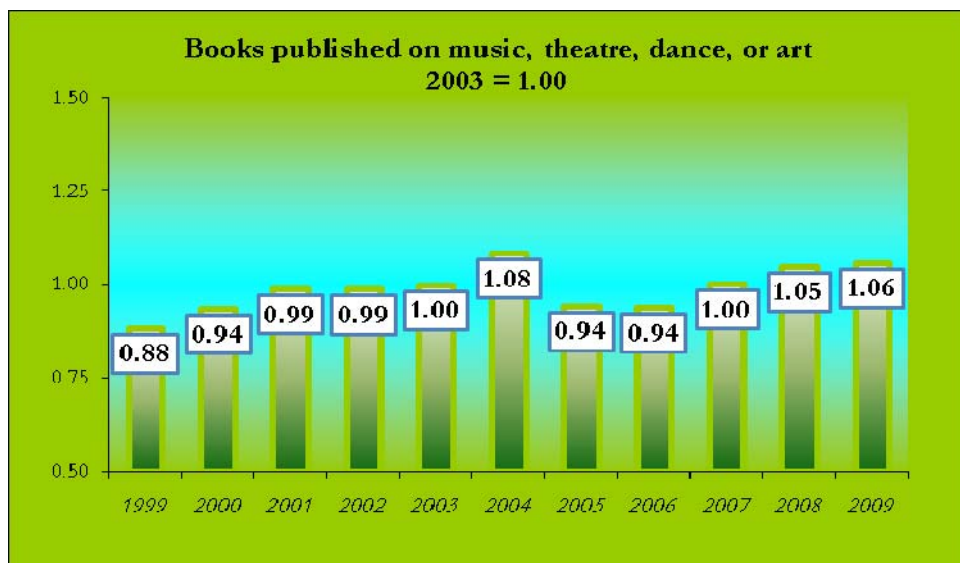


	1999-2002	2003	2004	2005	2006	2007	2008	2009
World premieres performed by American opera companies		8	13	9	8	10	19	24
New Productions on Broadway		36	33	39	39	35	36	43
World premieres performed by American orchestras		104	109	79	111	124	139	150
World premieres performed by American theatres		348	288	262	310	337	250	247
Movies released		528	549	507	594	609	633	558
Total new work in opera, Broadway, symphony, and theatre		1,024	992	896	1,062	1,115	1,077	1,022
Indexed to 2003 = 1.00	N/D	1.00	0.97	0.88	1.04	1.09	1.05	1.00

36. BOOKS PUBLISHED ON MUSIC, THEATRE, DANCE, OR ART (NEW INDICATOR IN 2010)

The “Books in Print” directory is highly regarded by librarians and bookstore buyers as a definitive source of data about book publication and availability for in-print and out-of-print books. Published annually by R.R. Bowker LLC, its printed and online versions are widely available. Bowker is also the official U.S. agency for the International Standard Book Numbering (“ISBN” system). Bowker classifies its books by subjects and it is possible to search through the directory using subject key words.

This indicator shows the number of books published annually that are coded with the terms “music,” “theatre,” “dance,” or “art.” Overall, there was an increase of about 20 percent—from under 17,000 to over 19,000—between 1999 and 2009. The total number of books published in all subjects increased very rapidly since 2006, as Bowker issued ISBNs to more self-published and internet-published books. This is a new indicator for the National Arts Index.

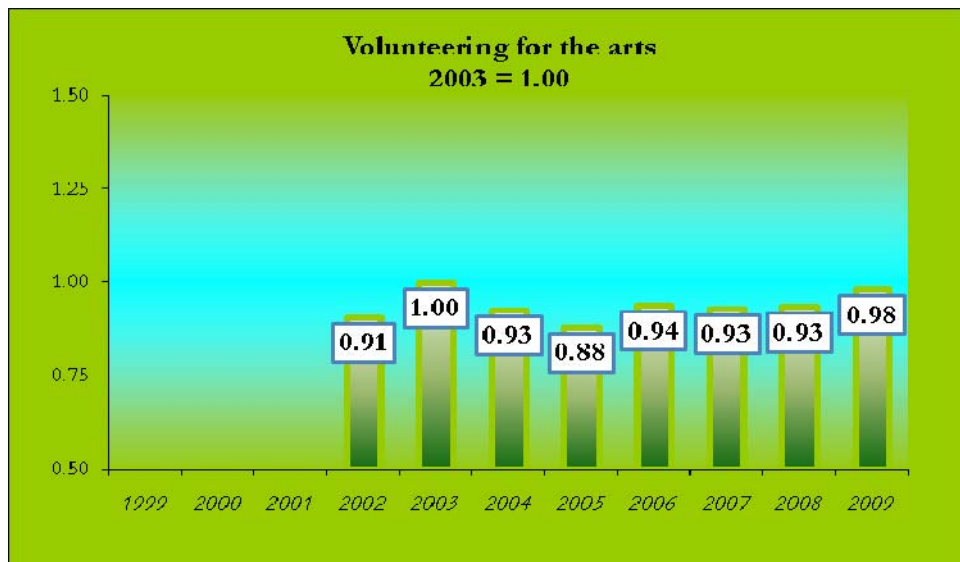


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Books published on music, theatre, dance, or art	16,634	17,587	18,589	18,574	18,806	20,384	17,733	17,654	18,838	19,719	19,919
Indexed to 2003 = 1.00	0.88	0.94	0.99	0.99	1.00	1.08	0.94	0.94	1.00	1.05	1.06

37. VOLUNTEERING FOR THE ARTS

Nonprofit arts organizations can accomplish their missions using a combination of paid staff and volunteers. Some arts organizations, like choruses and community theatre, use only or mainly volunteers, while others are more likely to be fully staffed with professionals (such as urban symphonies). Overall, voluntarism is critical to the arts. In its annual Current Population Survey (CPS), the Census Bureau gathers data on Americans' volunteer activity, including the organizations where they volunteer.

This indicator measures the number of volunteers who identify an arts and culture organization as the first, second, or third choice among the organizations they serve. In the list of possible organizations, arts ranked between tenth and twelfth from 2003 to 2009, behind religion, youth sports, social and community groups, health, and education, among other types. The number of arts volunteers reported in the CPS has stayed between 1.8 million and 2.0 million in the years since the CPS started reporting volunteering activity. However, the number of arts volunteers is almost certainly much higher than these numbers suggest. Since 2005, the Bureau has gathered additional data on the work that volunteers perform (i.e., not *where* you volunteer, but *what do you do* while you are there). In 2008, an estimated 6.6 million volunteers said that they serve mainly as musicians. This most likely refers to choral singers in worship and community settings, among other avocational artists.

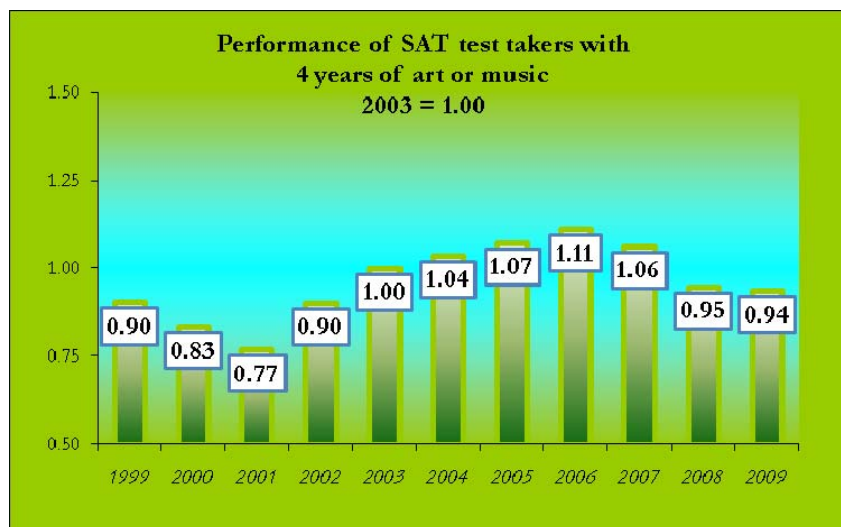


	1999-2001	2002	2003	2004	2005	2006	2007	2008	2009
Volunteering for arts and culture organizations (1st)		1,092,554	1,205,615	1,029,455	1,037,312	1,166,473	1,084,873	1,082,362	1,123,554
Volunteering for arts and culture organizations (2nd)		476,682	568,618	595,106	517,735	480,229	503,286	552,077	611,322
Volunteering for arts and culture organizations (3rd)		249,940	232,451	236,249	210,708	237,449	278,439	240,973	235,566
Volunteering for arts and culture organizations (1st, 2nd, or 3rd)		1,819,176	2,006,684	1,860,810	1,765,755	1,884,151	1,866,598	1,875,412	1,970,442
Indexed to 2003 = 1.00	N/D	0.91	1.00	0.93	0.88	0.94	0.93	0.93	0.98

38. PERFORMANCE OF SAT TEST-TAKERS WITH 4 YEARS OF ART OR MUSIC

Arts education is generally associated with higher scores on student achievement tests. One way to evaluate this is to compare standardized testing scores such as the SAT 1 Reasoning Test offered by the College Board. SAT scores are a measure primarily used by college admissions officers as a factor in college admission decisions. The Board publishes SAT 1 scores of college-bound seniors that illustrate the impact of studying the arts in school.

This indicator is the percentage difference in SAT I scores between students with four years of art or music courses and the scores of all other test takers. It is calculated by taking the total of verbal and math for 1998 to 2005 (critical reading and math in 2006 and 2007), subtracting a minimum score of 400 that is reached by every test taker, and calculating the percent difference between those with four years of arts courses, and all other test takers. This adjusted margin averaged almost nine percent from 1998 to 2008, and rose steadily from 2001 through 2006, then declining through 2008. These results and trends should be interpreted carefully, and do not imply that taking arts courses is the cause for this difference. SAT scores typically predict about nine percent of the variation in first year college GPA. Other factors influencing test scores include the type of school, student socioeconomic status or IQ, and high school coursework, so high school students with multiple years of arts education may not be representative of all college-bound seniors. Without information on within- or between-group variation, it is not possible to draw any inferences about the statistical significance of these margins. The persistence of this margin, which is eight percent at its lowest and has stayed above nine percent for several years, speaks favorably to the worth of a greater arts component in K-12 education.

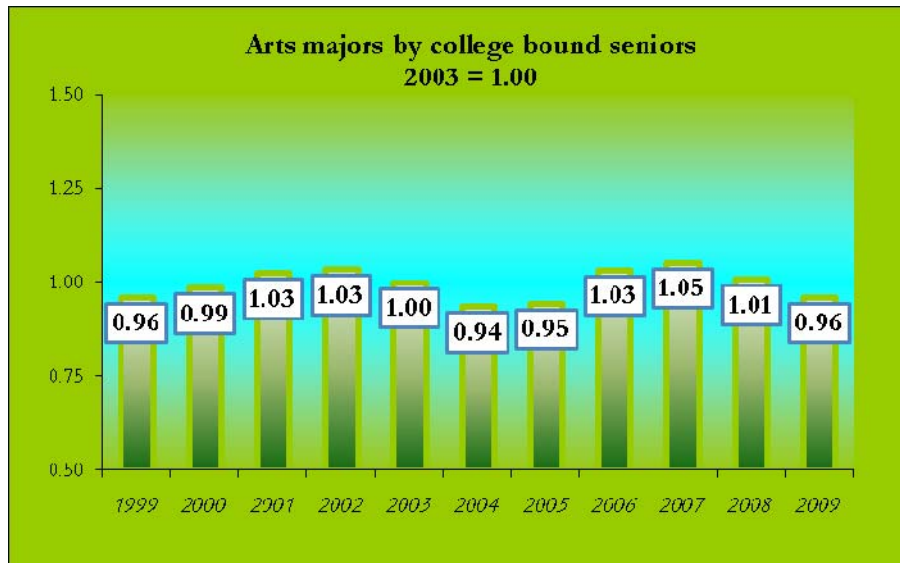


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Mean score of SAT 1 test takers with four years art and/or music	1,069	1,068	1,065	1,070	1,075	1,074	1,084	1,083	1,080	1,063	1,070
Mean score of all other SAT 1 test takers	1,013	1,016	1,017	1,014	1,013	1,010	1,017	1,014	1,014	1,005	1,012
Mean score of all other SAT 1 test takers	1,013	1,016	1,017	1,014	1,013	1,010	1,017	1,014	1,014	1,005	1,012
Mean score of SAT 1 test takers with four years art and/or music less minimum score	669	668	665	670	675	674	684	683	680	663	670
Performance margin for four years	9.1%	8.4%	7.8%	9.1%	10.1%	10.5%	10.9%	11.2%	10.7%	9.6%	9.5%
Indexed to 2003 = 1.00	0.90	0.83	0.77	0.90	1.00	1.04	1.07	1.11	1.06	0.95	0.94

39. ARTS MAJORS BY COLLEGE-BOUND SENIORS

High school students taking the SAT I are asked to indicate a major that they may pursue. Certainly many students in all prospective majors change their path to pursue new majors, so their responses are not sole indicator of students' final educational plans. Still, they do point to later graduation and career expectations, and informs colleges and universities about trends in demand for particular programs. While some students will change out of arts majors, there are others who change into and add majors and minors in the arts disciplines.

This indicator measures the share of college-bound seniors taking the SAT I reasoning tests who declare an initial interest in a major in the performing or visual arts. The number of such students rose from about 76,000 in 1999 to 86,000 in 2009. The share has ranged close to seven percent, though dropped to 6.7 percent in 2009. Interestingly, the number of bachelor's degrees in the arts is higher in every year than the number of intended majors in the arts stated by SAT test-takers four years prior, showing that undergraduate students migrate into arts majors during their college careers.

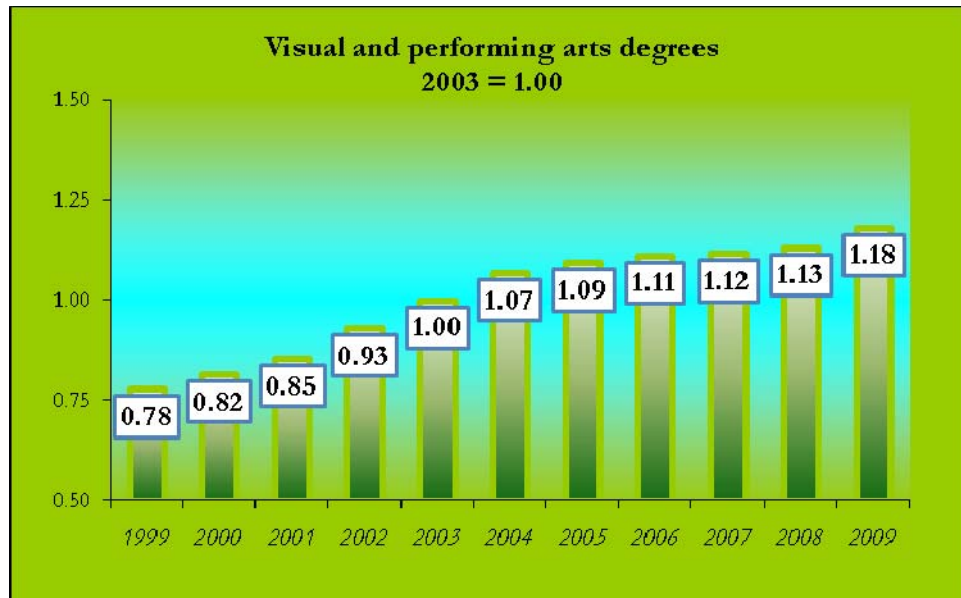


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
SAT test takers declaring a visual or performing arts major	75,808	78,736	80,154	79,865	75,823	76,172	84,367	84,828	88,575	81,784	84,946
All SAT test takers	1,302,903	1,353,713	1,368,850	1,425,889	1,504,831	1,519,870	1,575,979	1,465,744	1,494,531	1,518,859	1,530,128
Nonrespondents to Student Descriptive Questionnaire	173,475	210,875	250,266	321,635	420,014	355,708	299,236	292,105	290,815	358,820	265,355
All test takers declaring a major (000)	1,129	1,143	1,119	1,104	1,085	1,164	1,277	1,174	1,204	1,160	1,265
Visual and performing arts share of intended majors by SAT test takers	6.7%	6.9%	7.2%	7.2%	7.0%	6.5%	6.6%	7.2%	7.4%	7.1%	6.7%
Indexed to 2003 = 1.00	0.96	0.99	1.03	1.03	1.00	0.94	0.95	1.03	1.05	1.01	0.96

40. VISUAL AND PERFORMING ARTS DEGREES

Educated artists make long-lasting contributions to artistic creation and activity. They sustain quality, technique, and artistic traditions. The personal investment in an associates, baccalaureate, masters, or doctorate in the arts is not just a signal of an individual’s personal interest and accomplishment—it also holds the promise for future artistic creation. Growing demand for arts training is self-sustaining, too, as some trained artists themselves become educators, and as graduates at one level continue on to further study.

This indicator measures the total number of associates, bachelors, masters, and doctoral degrees in the visual and performing arts. The data for this measure are from the National Center for Educational Statistics in the U.S. Department of Education. The Center uses the Classification of Instructional Programs (CIP), an exhaustive list of postsecondary instructional programs and majors. From 1997 to 2009, more than 1.3 million degrees were awarded in visual and performing arts, with annual graduations growing steadily from 75,000 to 128,000—an increase of 71 percent.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Visual and performing arts associates degree	17,640	17,100	18,435	20,911	23,120	23,949	22,650	21,754	20,244	18,890	18,643
Visual and performing arts bachelors degree	54,404	58,791	61,148	66,773	71,482	77,181	80,955	83,297	85,186	87,703	93,009
Visual and performing arts masters degree	10,753	10,918	11,404	11,595	11,982	12,906	13,183	13,530	13,767	14,164	14,986
Visual and performing arts doctoral degree	1,130	1,127	1,167	1,114	1,293	1,282	1,278	1,383	1,364	1,453	919
All visual and performing arts degrees	83,927	87,936	92,154	100,393	107,877	115,318	118,066	119,964	120,561	122,210	127,557
Indexed to 2003 = 1.00	0.78	0.82	0.85	0.93	1.00	1.07	1.09	1.11	1.12	1.13	1.18

41. NON-COMMERCIAL RADIO LISTENERSHIP

Public broadcasting, both radio and television, has long been regarded as one of the principal means of transmitting culture. Public radio incorporates a wide range of radio station types, from the well-known National Public Radio stations to more community- or campus-based stations.

This indicator measures the share of the U.S. population age 12 and older that listens to non-commercial radio supported by the Corporation for Public Broadcasting at least once during the year. The measure is calculated by Radio Research Consortium (RRC), the firm that publishes the industry standard Arbitron ratings. These figures are reported as share data by RRC. Public radio, in all its forms, attracted a share of listeners that rose to 11.3 percent of adults in 2003, and has maintained that level ever since. Because the population has been growing, this represents a progressively larger listenership.

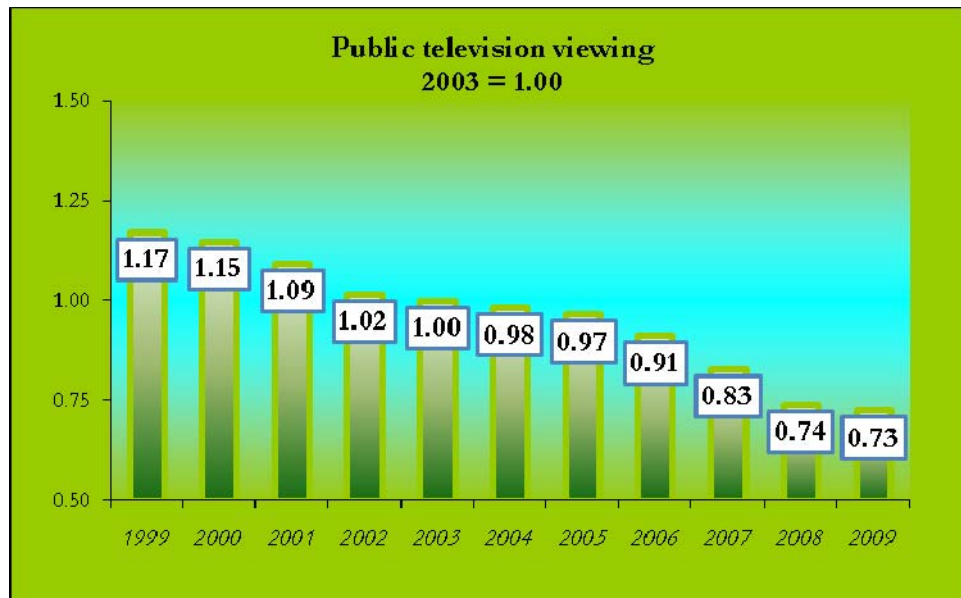


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Share of U.S. Population listening to non-commercial radio	9.9	9.7	10.5	10.8	11.3	11.1	10.9	10.8	11.1	11.3	
Indexed to 2003 = 1.00	0.88	0.86	0.93	0.96	1.00	0.98	0.96	0.96	0.98	1.00	N/D

42. PUBLIC TELEVISION VIEWING

While public radio is fragmented among different kinds of stations, public television broadcasting is primarily in the domain of affiliates of the Public Broadcasting System (PBS). The national programming of PBS in educational, cultural, news, and scientific content is broadcast in full or in part over a network of 356 TV stations. While there are other noncommercial and cable access TV stations, PBS is recognized an especially significant contributor to arts and culture.

This indicator measures the so-called “household cume,” the percentage of homes that tune to a particular station for six minutes or more during a measurement time period. These data were provided by PBS from the Nielsen Television Index. They measure average public television cumulative households viewing (24 hours/7 days) using the average of one week per month in September and October each year. The percentage of households that view public television viewing has declined fairly consistently from 56 percent to 34 percent. It is likely that some of the decline is attributable to shifts in viewing from broadcast networks and towards cable, satellite, and internet transmission, as well as improvements in data collection by Nielsen during the change to digital TV broadcasting.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Household “Cume”	55.1	54	51.4	47.8	47	46.2	45.4	42.9	39	34.8	34.1
Indexed to 2003 = 1.00	1.17	1.15	1.09	1.02	1.00	0.98	0.97	0.91	0.83	0.74	0.73

43. FOREIGN VISITOR PARTICIPATION IN ARTS AND CULTURE ACTIVITIES

Effectively, cultural tourism by foreign visitors is a form of export by domestic arts and culture industries. Just like Americans who travel abroad, foreign tourists in the U.S. also participate in the American arts and culture sectors as audience members at arts events and visitors to cultural attractions.

This indicator measures tourists who fly to the U.S. who participate in one or more of six arts and culture activities while in the U.S. The data are collected by the International Trade Administration in the Department of Commerce. The ITA’s monthly Survey of International Air Passengers is conducted on a voluntary basis on in- and out-bound flights to the U.S. The survey lists 29 leisure activities, of which six are most closely related to arts and culture: Art Gallery/Museum, Concert/Play/Musical, Cultural Heritage Sites, Ethnic Heritage Sites, Visit American Indian Community, and Visit Historical Places. Survey sample sizes have exceeded 21,000 since 2002, and were over 31,000 in 2008. The indicator shows fairly steady growth since 2002.

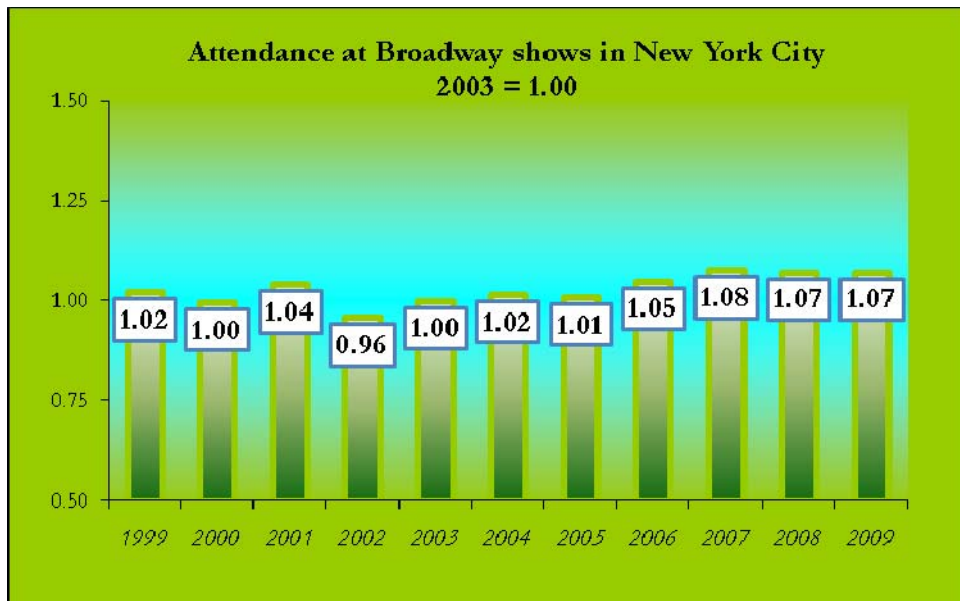


(Percent attending)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Art Gallery/Museum	19.6	19.6	19.4	18.1	17.7	18.9	20.2	20.4	21.1	22.3	23.5
Concert/Play/Musical	12.4	12.7	12.3	12.9	13.7	13.4	14.7	14.5	15.3	16.3	16.8
Cultural Heritage Sites	18.3	17.8	18.4	17.7	18.1	19.4	18.5	19.9	19.5	22.2	22.7
Ethnic Heritage Sites	4.9	4.8	4.9	4.6	4.9	4.8	4.5	5.2	4.1	4.3	4.2
Visit Am. Indian Comm.	4.1	3.7	3.8	3	3.1	3.7	3.3	3.2	2.9	3.4	3.2
Visit Historical Places	31.8	31.2	33.3	30.9	31.4	33.3	34.8	35.7	35.3	37.9	38.6
Cumulative participation by foreign visitors in one more arts and culture leisure activity	91.1	89.8	92.1	87.2	88.9	93.5	96	98.9	98.2	106.4	109
Indexed to 2003 = 1.00	1.02	1.01	1.04	0.98	1.00	1.05	1.08	1.11	1.10	1.20	1.23

44. ATTENDANCE AT BROADWAY SHOWS IN NEW YORK CITY

Broadway refers to the theatre district in New York City, generally thought of as the most prominent venue for American theatre. The success of Broadway has long been regarded as a significant measure of the overall health of live theatre around the country, not just in New York.

This indicator is total attendance at Broadway shows in New York, using data from the Broadway League (formerly the League of American Theaters and Producers). Up until 2000-2001, the League reported data rounded to the nearest 10,000, but has been more precise since then. The indicator illustrates a widely-reported trend, that attendance dropped after September 11, 2001 (in the 2002 season), but gradually increased in the years since, reaching historically high levels in 2007 and 2008, and then subsiding only slightly in 2009.

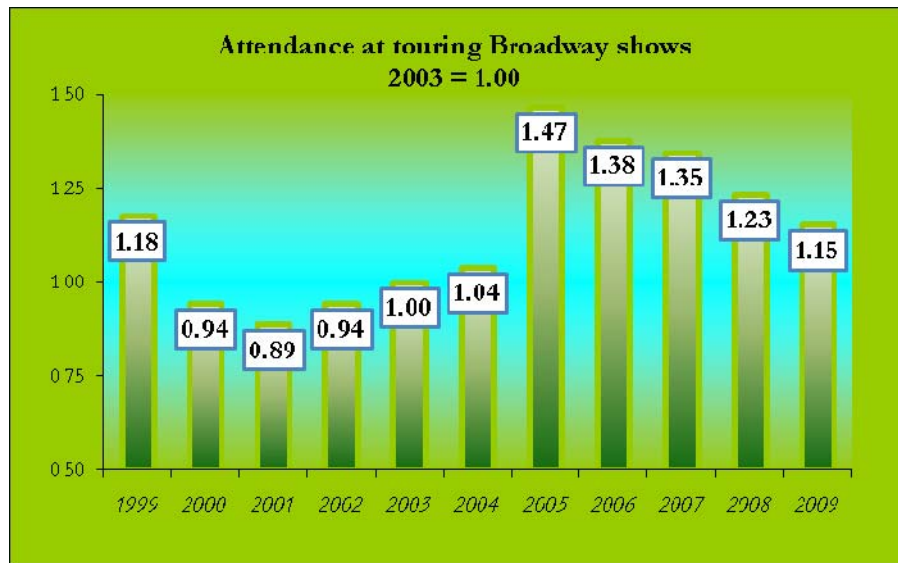


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Attendance (000)	11,670	11,380	11,896	10,955	11,423	11,605	11,527	12,003	12,312	12,267	12,250
Indexed to 2003 = 1.00	1.02	1.00	1.04	0.96	1.00	1.02	1.01	1.05	1.08	1.07	1.07

45. ATTENDANCE AT TOURING BROADWAY SHOWS

Musicals, plays, songs, and stars come to wide attention and national prominence on Broadway, and shows that have succeeded there have spawned successful tours over the entire span of American theatrical history (After all: “If you can make it there ...”). Broadway shows tour the U.S. to audiences in many other cities and communities, bringing productions from the New York theatre district all over the country.

This indicator measures attendance at touring productions of Broadway shows, rounded to the nearest 100,000 (provided by the Broadway League). Through almost all years, more people saw Broadway shows on tour than did in New York—almost twice as many in the mid-90s, about one quarter more in recent years. While attendance at Broadway shows in New York has remained steady, touring Broadway attracted progressively smaller audiences from 2005 through 2009.

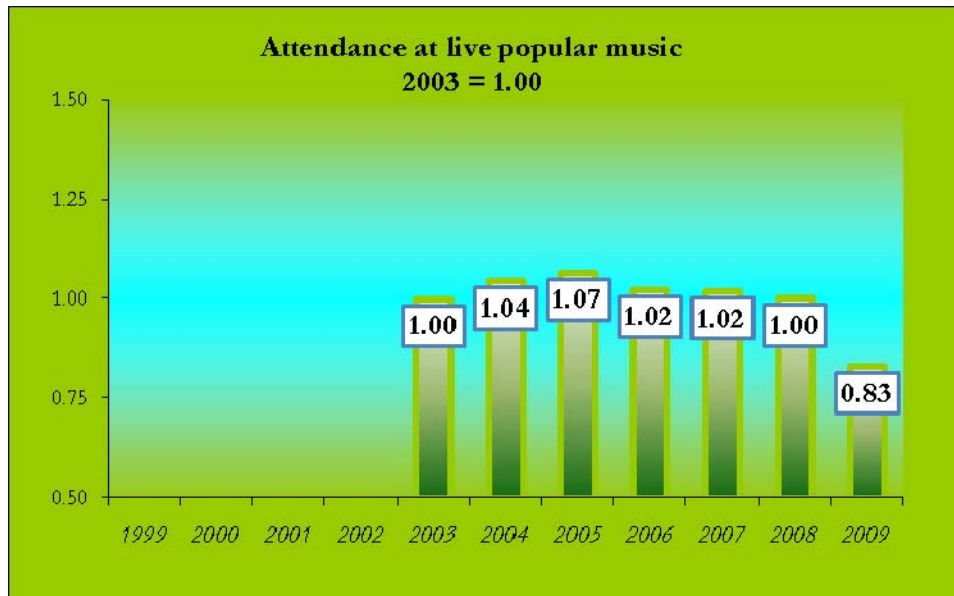


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Tickets sold (millions)	14.6	11.7	11	11.7	12.4	12.9	18.2	17.1	16.7	15.3	14.3
Indexed to 2003 = 1.00	1.18	0.94	0.89	0.94	1.00	1.04	1.47	1.38	1.35	1.23	1.15

46. ATTENDANCE AT LIVE POPULAR MUSIC

Attending the many varieties of popular music in concert is one of the main ways that new songs, styles, and sounds are communicated to the public. While the natural domicile of symphonic or operatic music may be the concert hall, pop styles like rock, hip-hop, or country are more likely to be heard in clubs, arenas, outdoor amphitheatres, and stadiums. Scarborough Research conducts large-scale studies, involving more than 200,000 interviews and questionnaires, in 81 metropolitan areas in the U.S. on a wide range of consumer behaviors including participation in arts activities.

This indicator, using data obtained by Scarborough, estimates the number of people in its survey base who attended one or more popular music concerts in the prior 12 months. Scarborough estimates that the population in the 81 markets it studies is about 232 million in 2009, or about 75 percent of total U.S. population. Attendance at these events has ranged from 40.4 million people to 51.8 million people over the six years of available data, peaking in 2005 and declining annually since then.

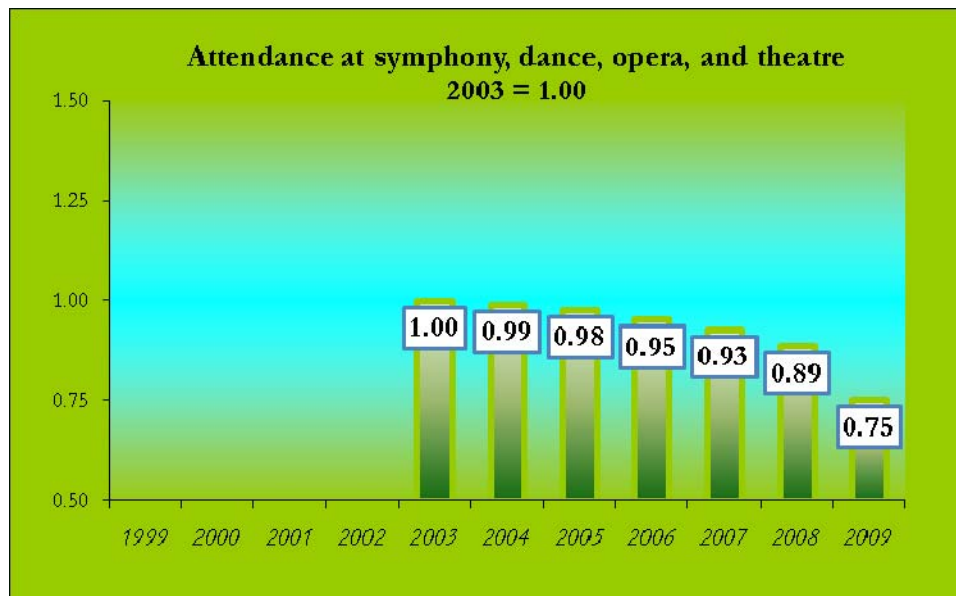


(All figures in 000)	1999-2002	2003	2004	2005	2006	2007	2008	2009
Country music concert		15,835	16,976	17,424	16,906	17,544	16,658	11,997
R&B/rap/hip-hop concert		7,508	7,659	8,122	7,625	7,039	6,938	6,243
Rock concert		25,236	26,108	26,271	25,227	24,931	25,062	22,134
Total live popular music		48,579	50,742	51,818	49,758	49,513	48,657	40,375
Indexed to 2003 = 1.00	N/D	1.00	1.04	1.07	1.02	1.02	1.00	0.83

47. ATTENDANCE AT SYMPHONY, DANCE, OPERA, AND THEATRE

For many decades, the performing arts have been associated especially strongly with the fields of dance, opera, symphony, and theatre. For this reason, it helps to understand the vitality of arts and culture overall to look at attendance at these four art forms collectively as well as individually. These kinds of programs are typically presented by nonprofit entities that are often influential not only for their performing arts forms, but also as important cultural institutions. Data on attendance at events in these forms is gathered by Scarborough Research in 81 metropolitan areas that have about 75 percent of the entire U.S. population, along with data Scarborough collects on attendance at museums and at popular music events.

This indicator is Scarborough’s estimate of attendance at these performing arts events. This wide diversity of artistic genres contributes to a large audience base, of some 86.4 million in 2003, declining to 65.0 million in 2009. Certainly, there is some double counting among all of these measures, as audience members for one genre may well be devotees of others as well—and may also attend popular music concerts and visit museums. However, the trend of continuing decline is a cause for attention and concern.

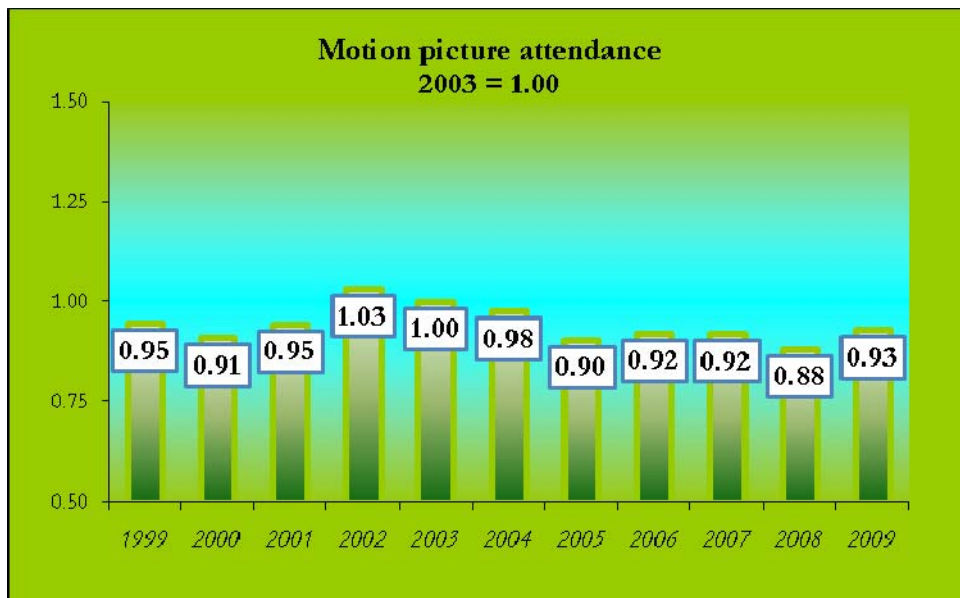


(All figures in 000)	1999-2002	2003	2004	2005	2006	2007	2008	2009
Dance or ballet performance		15,797	15,153	15,258	14,803	15,114	14,880	12,347
Live theater		50,059	50,292	49,154	48,337	48,099	47,307	39,615
Symphony concert, opera, etc.		20,521	20,151	20,063	19,140	16,920	14,492	13,029
Surveyed population in 81 metropolitan markets attending symphony, dance, opera, and theatre		86,376	85,596	84,475	82,280	80,134	76,678	64,990
Indexed to 2003 = 1.00	N/D	1.00	0.99	0.98	0.95	0.93	0.89	0.75

48. MOTION PICTURE ATTENDANCE

Attendance at feature films is one of the most popular and widespread forms of participation in the arts. Hundreds of millions of people attend showings of hundreds of films, presented in tens of thousands of movie theatres around the country. While digital video over the internet continues to grow in popularity, and in its impact on how feature films are delivered, cinema showings continue to attract the largest audiences of the activities tracked in this Index.

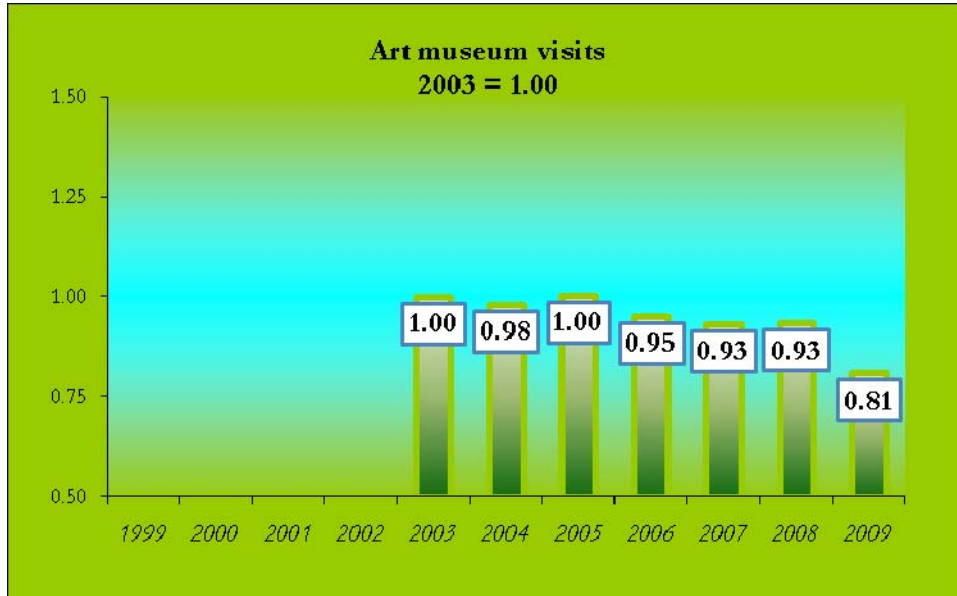
This indicator measures total attendance at movies according to the Motion Picture Association of America (MPAA) data, in the U.S. and Canada. MPAA, like some other trade associations, combines Canadian and U.S. data in its annual tallies. This is problematic in some ways, because the data include some foreign activities. However, it is very likely that Canadian movie-going is sufficiently close to American movie-going that rates of change are very close in both countries. Total attendance peaked in 2002, declined until 2005, and has grown slightly since. Note: Figures for 2002, 2004, and 2006 are changed slightly in this report from the 2009 NAI report based on new data provided by MPAA during a periodic revision.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Motion picture Attendance (billions)	1.440	1.383	1.438	1.57	1.521	1.484	1.376	1.401	1.4	1.341	1.414
Indexed to 2003 = 1.00	0.95	0.91	0.95	1.03	1.00	0.98	0.90	0.92	0.92	0.88	0.93

49. ART MUSEUM VISITS

While concert attendance events are widely distributed and are accessible in both larger and smaller markets, art museums tend to be concentrated in metropolitan areas—including the 81 regions where Scarborough Research collects data. Art museums are only a subset of the whole museum field, so art museum attendance is just one subset of total museum attendance. This indicator, provided by Scarborough, is an estimate of the number of people in its survey base (of 200,000 individuals) who visited an art museum one or more times in the prior 12 months. Art museum attendance in metropolitan areas declined from about 33.0 million visitors to 26.7 million between 2003 and 2009.

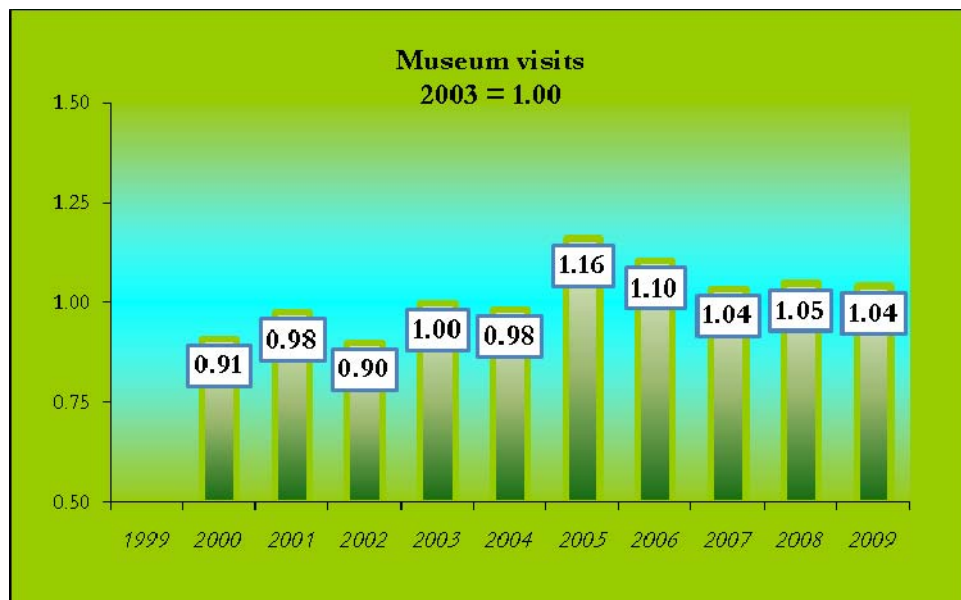


	1999-2002	2003	2004	2005	2006	2007	2008	2009
Art museum attendance in 81 metropolitan markets		33,070,245	32,412,840	33,190,473	31,448,974	30,828,672	30,862,704	26,736,049
Indexed to 2003 = 1.00	N/D	1.00	0.98	1.00	0.95	0.93	0.93	0.81

50. MUSEUM VISITS

Museums are repositories of cultural materials, places of vision, often with singular appearance in architecture and presence, and prominently located in cities and towns. They are also destinations for visitors, whom they attract through permanent and special programs. A museum visit, with its opportunities for discovery and adventure, is a cultural experience that almost every American has had at least once, and they are important for education in art, history, culture, and the sciences. The American Association of Museums (AAM) gathers annual data from its members on operations, finances, and attendance, receiving between 600 and 900 total responses per year including between 100 museums that have responded every year that the survey has been administered.

This indicator measures the annual visitor counts at the median museum in this group of 100. AAM membership is diverse, comprising large metropolitan art museums, and specialized museums in smaller places, and much else besides. Nonetheless, the median attendance in that trend group tracks overall increases or decreases in attendance. While museum attendance declined since 2005, it still remains higher than in the late 1990s and its drop from 2008 to 2009 is less severe than those experienced by some other cultural institutions.

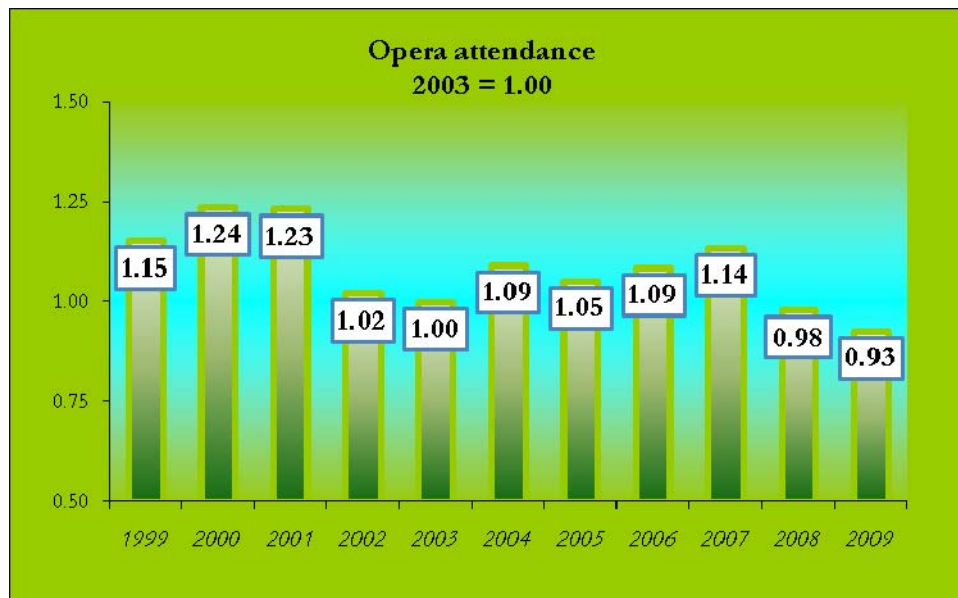


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Median attendance at museums		76,500	81,905	75,731	83,953	82,617	97,509	92,761	87,063	88,022	87,500
Indexed to 2003 = 1.00	N/D	0.91	0.98	0.90	1.00	0.98	1.16	1.10	1.04	1.05	1.04

51. OPERA ATTENDANCE

Opera is one of the most comprehensive and ambitious of live performance enterprises, encompassing visual, musical, and dramatic elements in a complex performance. There are more than 100 professional opera companies in the U.S., collectively offering hundreds of productions and more than 2,000 performances each year. Opera America, the national service organization for the opera field, conducts an annual Professional Opera Survey. Respondents to this survey include opera companies representing over 90 percent of professional opera activity in the U.S.

This indicator measures total attendance at mainstage season performances by reporting opera companies. From 1998 through 2007, this ranged between 2.9 million and 3.9 million, with a peak last reached in 2000, and a recent declining trend. This refers only to mainstage performances, so it certainly understates the total audience. Like symphony, theatre, dance, and other art forms, much opera activity is offered in educational and community settings with even larger audiences. Those audiences, however, are not systematically counted.

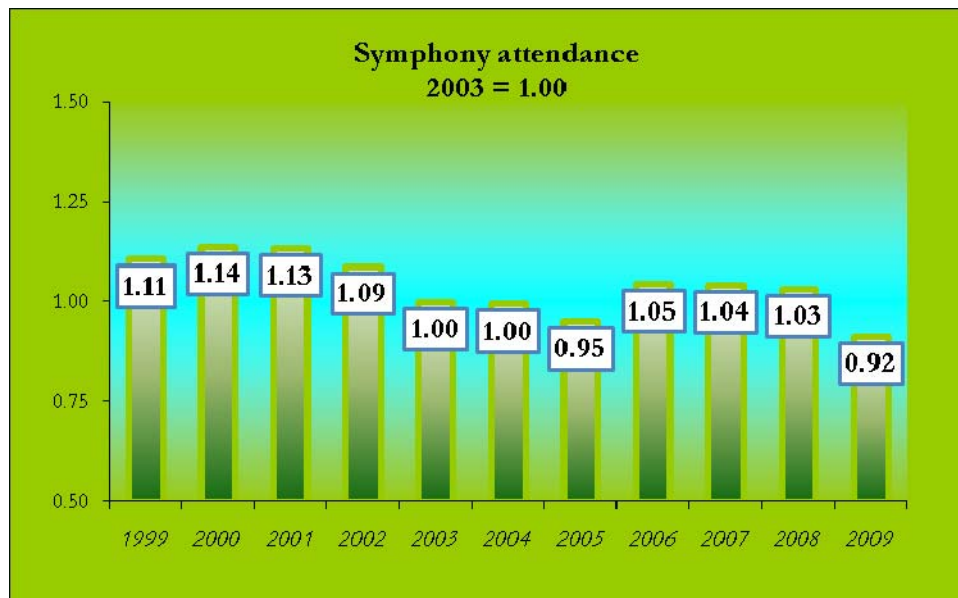


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Professional opera attendance (000)	3,624	3,887	3,872	3,211	3,142	3,436	3,309	3,411	3,568	3,078	2,914
Indexed to 2003 = 1.00	1.15	1.24	1.23	1.02	1.00	1.09	1.05	1.09	1.14	0.98	0.93

52. SYMPHONY ATTENDANCE

Symphony as both an art form in the concert hall and an institutional presence in American communities is one of the mainstays of the lively arts in the American cultural experience, a role it shares with opera, theatre, and dance. With hundreds of symphony orchestras around the country, founded in every time period from the mid-19th century to the 1970s and even later, orchestral music is among the most accessible of classical music types. Data on symphony orchestra attendance is gathered annually by the League of American Orchestras for publication in its Orchestral Survey Reports.

This indicator tracks total attendance at symphony concerts in the U.S. as estimated by the League. In addition to reporting data from 197 responding orchestras, the League estimates attendance at all orchestra concerts by extrapolating to the population of symphony orchestras. This indicator reports those extrapolated estimates. While orchestra audiences decline, over 25 million people experienced their music in 2009 at almost 33,000 concerts.

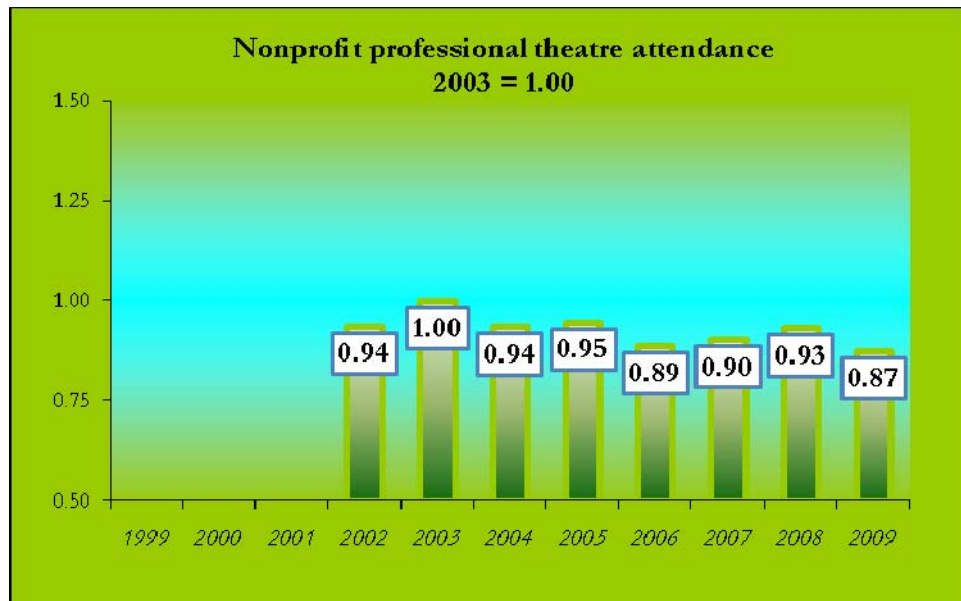


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total symphony performance Attendance (000)	30,796	31,667	31,533	30,305	27,802	27,683	26,471	29,070	29,016	28,718	25,443
Indexed to 2003 = 1.00	1.11	1.14	1.13	1.09	1.00	1.00	0.95	1.05	1.04	1.03	0.92

53. NONPROFIT PROFESSIONAL THEATRE ATTENDANCE

Live theatre is a core component of the performing arts, one that is deeply embedded in the American cultural experience. Theatre is presented in any number of venues, by nonprofit groups with volunteer or professional actors, in private and public schools at all levels, and by professional theatrical businesses, on Broadway and elsewhere.

This indicator measures total annual attendance at nonprofit professional theatres using data published annually by Theatre Communications Group (TCG) in the annual Theatre Facts report. TCG makes an annual estimate of attendance, based on responses to its annual survey. Those are then extrapolated by TCG to the larger population of all nonprofit professional theatres. Total attendance has ranged from 30 million to 34 million (2003). 2009 was at the low end of the range.

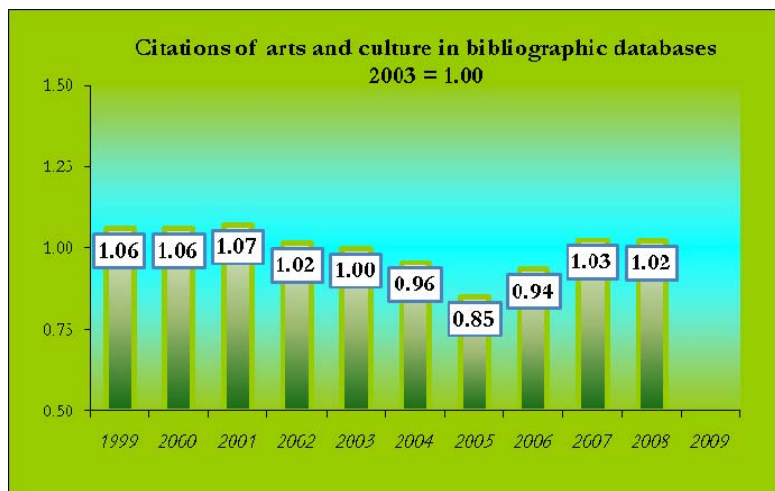


	1999-2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Attendance at nonprofit professional theatre (000)		32,200	34,300	32,100	32,500	30,500	31,000	32,000	30,000
Indexed to 2003 = 1.00	N/D	0.94	1.00	0.94	0.95	0.89	0.90	0.93	0.87

54. CITATIONS

Arts and culture activities in all domains are the subject of communication in conversation, correspondence, and writing. Much—probably most—of the interaction between people about the arts goes on away from the public view, or is only disseminated via the internet. However, many documents that are more formally published refer to arts and culture. In particular, we can measure what people write and publish about the arts in bibliographic databases of published work in newspapers, magazines, and academic journals.

This indicator shows how commonly some arts-related search terms are used as keywords in some well-known bibliographic research databases. The terms are: “Musician,” “Artist,” “Playwright,” “Dancer,” “Arts and Culture,” “Creativity,” “Aesthetic,” “Arts Education,” “Opera,” “Fine Arts,” “Theatre,” and “Symphony.” The databases were Ebsco Academic Search Premier, Proquest Classic Research Library, Proquest Dissertation, and WilsonWeb OmniFile, all of which are commonly used for scholarly research—but also for locating articles in magazines and newspapers with general circulation. The total of arts entries was compared to all entries in the databases. The arts terms ranged from about 224,000 entries dated 1999 to 477,000 by 2007, while total entries ranged from about 2.3 million to about 6.2 million. So, the arts-related items appear in between 7.2 percent and 8.0 percent of entries over those years.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Articles	2,978,311	2,983,814	2,970,350	3,427,276	3,749,084	4,381,915	5,394,257	6,184,418	6,215,636	4,217,547	
Keywords:											
Musician	24,712	24,553	24,431	24,962	26,057	28,258	30,163	39,436	50,204	33,296	
Artist	73,413	74,620	73,844	78,434	85,653	95,837	101,503	121,064	132,478	98,103	
Playwright	4,949	5,119	5,249	5,585	6,121	6,434	7,079	8,826	9,377	7,176	
Dancer	8,206	8,717	8,941	9,811	10,761	11,145	12,494	18,551	20,567	13,180	
"Arts and Culture"	1,329	1,278	1,407	1,451	1,681	1,935	2,198	3,147	3,446	2,141	
Creativity	20,107	20,660	20,752	22,626	24,080	28,090	31,948	36,297	36,937	25,186	
Aesthetic	18,354	18,617	19,600	22,133	24,406	28,091	32,747	35,818	33,870	17,907	
"Arts Education"	1,937	1,907	2,190	2,180	2,317	2,640	2,986	3,973	4,454	3,537	
Opera	18,995	18,925	19,333	21,582	23,166	26,706	29,596	36,189	36,455	27,541	
"Fine Arts"	7,110	6,685	6,454	6,897	7,435	8,594	9,060	14,837	17,276	13,426	
Theatre	48,928	47,683	48,623	56,817	59,743	66,516	72,847	99,671	114,258	69,911	
Symphony	7,837	7,488	7,174	7,600	8,359	9,163	10,165	14,600	17,213	10,980	
Total Arts Articles	235,877	236,252	237,998	260,078	279,779	313,409	342,786	432,409	476,535	322,384	
Keywords % of Total	7.92%	7.92%	8.01%	7.59%	7.46%	7.15%	6.35%	6.99%	7.67%	7.64%	
Indexed to 2003 = 1.00	1.06	1.06	1.07	1.02	1.00	0.96	0.85	0.94	1.03	1.02	N/D

CHAPTER 6. COMPETITIVENESS INDICATORS

There are 25 Competitiveness indicators that illustrate how arts and culture co-exist with other forces in society. Of course, many of the other indicators show the role of the arts in a specific context. But these Competitiveness indicators have more of a systemic and societal orientation, showing the arts in their broader ecological settings.

The next two tables show the indicators used in the Competitiveness component, and the number of indicators that are used to make up the overall Competitiveness score in each year. Those scores are shown in Figure G below.

TABLE 8. COMPETITIVENESS INDICATORS

55.	Population share engaged in personal creativity activities
56.	Arts and culture share of private giving
57.	Arts and culture share of personal expenditures
58.	Visual and performing arts share of all degrees
59.	Share of employees in arts and culture industries
60.	Share of workers in arts and culture occupations
61.	Share of payroll in arts and culture industries
62.	Share of SAT I test takers with 4 years of art or music
63.	Share of establishments in arts and culture industries
64.	Arts and culture share of foundation funding
65.	Arts and culture share of corporate funding (Conference Board)
66.	Arts and culture share of corporate funding (CECP)
67.	Federal government arts and culture funding per capita
68.	Arts and culture share of federal domestic discretionary spending
69.	State arts agency funding per capita
70.	State arts agency share of state general fund expenditures
71.	Population share attending Broadway shows in New York City or on tour
72.	Population share attending live popular music
73.	Population share attending symphony, dance, opera, and theatre
74.	Population share visiting art museums
75.	Population share attending opera
76.	Population share attending symphony
77.	Population share attending nonprofit professional theatre
78.	Year-end value of the Mei Moses® All Art index
79.	Arts, culture, and humanities in the Philanthropic Giving Index
80.	Return on assets of arts businesses
81.	Share of nonprofit arts organizations with end-of-year surplus

TABLE 9. COMPETITIVENESS INDICATORS PER YEAR

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
18	18	19	23	27	27	27	27	27	27

Averaged across all available data, they produce the following ten-year trend:

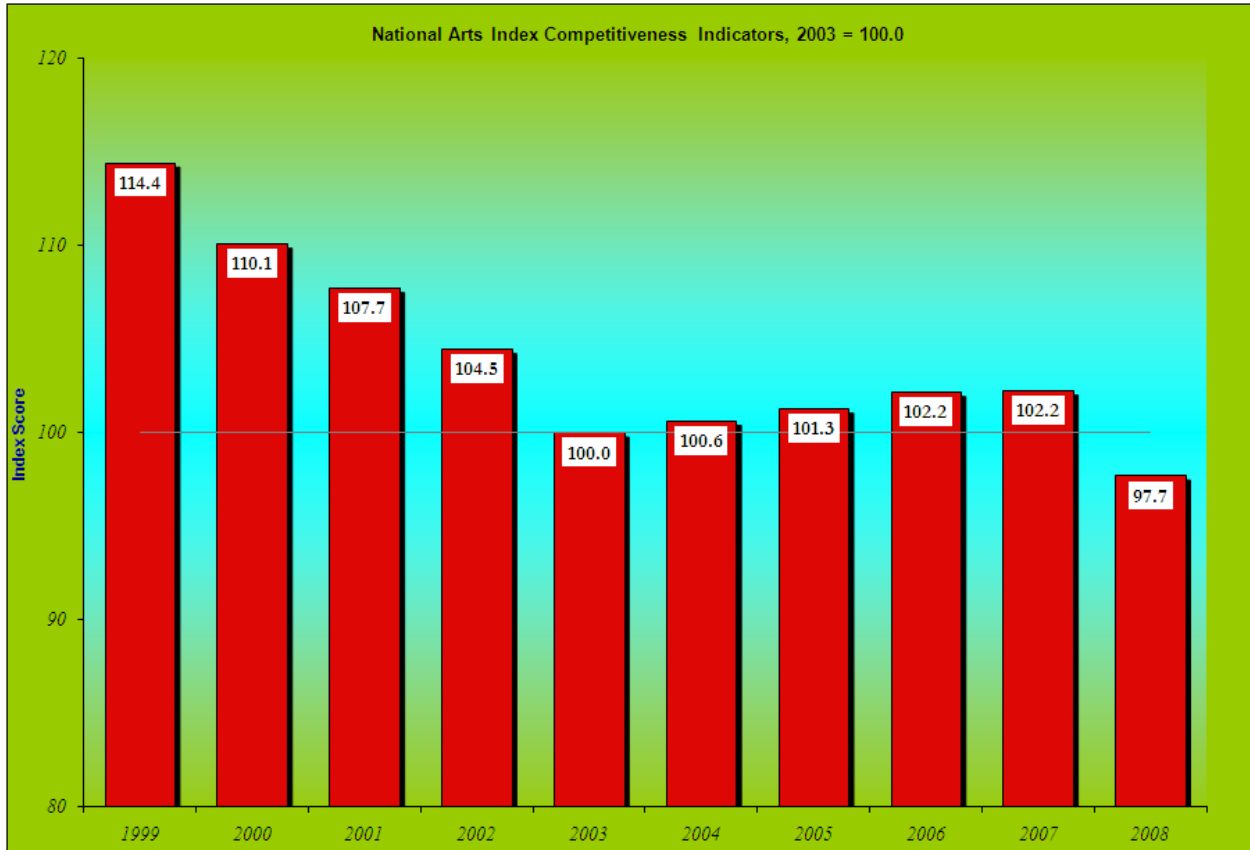


FIGURE G. NATIONAL ARTS INDEX COMPETITIVENESS INDICATORS (2003 = 100.0)

The term “competitiveness” is not often applied to the arts. Yet a number of these indicators assess the position of the arts in their various markets against other possible uses of audience members’ time, donors’ contributions, and institutional funding. The logic is similar to what companies use when assessing their market share: it shows how an organization is faring when taking into account all of the other providers of its goods and services, as well as overall growth (or shrinkage) of the marketplace. Similarly, the percentage of the overall population engaging in one or more arts activities points to how the arts are competing against all of the other ways that consumers can spend their time and money. For example, some of the Capacity indicators measure changes in the number of workers in artistic industries or artistic occupations; in the Competitiveness component, the focus is on the artistic share of total workers or total industries, because these are also changing all the time. Thus, a one percent annual increase in attendance for a given art form is a positive, but it has less of an impact if the population has grown more than one percent.

Other measures in this component relate to arts education, including arts education of college-bound seniors, and the visual and performing arts share of higher education degrees. There are views of the role of government funding derived by looking at the per capita funding of the arts provided by the federal and state governments, and at the share of discretionary spending that Congress and the state legislatures commit to the arts. Where indicators describing corporate and financial philanthropy in the Financial Flows section were measured in dollars, those same dollars here are used to evaluate the share of total corporate and foundation dollars.

Compared to the 2009 National Arts Index report, this year's tally shows a slightly more positive review of arts competitiveness in the last years of the 2000s. Some of this is from the influence of a new indicator, the Mei Moses® All Art index, which tracked a successful period in the art sales market. The arts and culture share of foundation giving also rose in 2008. But the overall trend in these Competitiveness indicators is in parallel to, but less vigorous than the trend for Arts Participation indicators. To the extent that the arts are viewed as co-existing in ecology with other powerful forces in society, its impact will necessarily be affected by those other forces. The other forces—population growth and diversity, multiple public policy changes, the global environment, changes in peoples' access to and use of technology—are not our main subject in this report, but their general effects, and especially the way in which they contend with arts for resources and attention, are vital matters for the arts sectors.

Overall, we see the cumulative evidence of indicators in this component as showing that the arts are becoming less competitive and that this decline threatens the vitality of the arts, just as increased participation fuels its future.

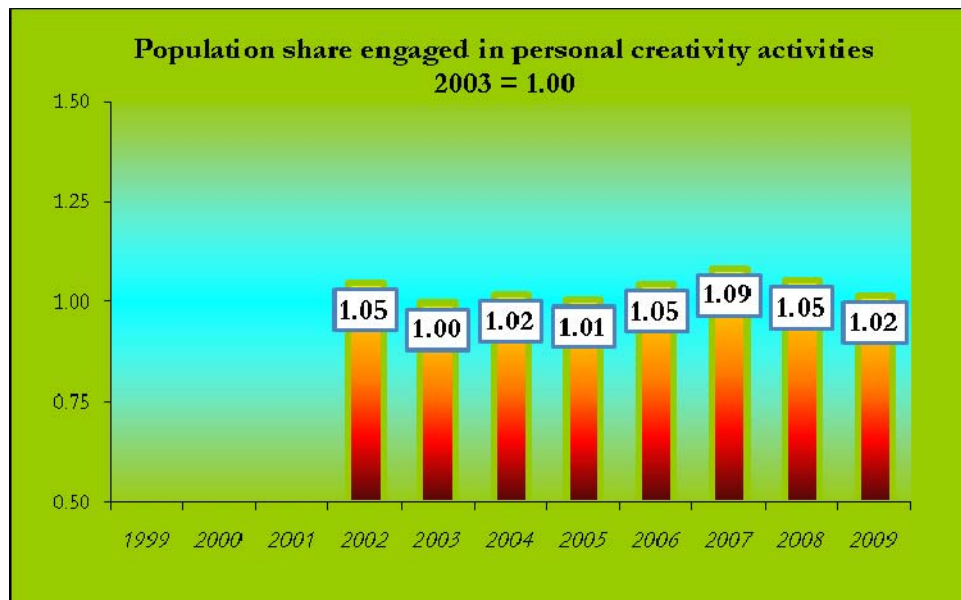
The individual indicators described in the following 27 pages provide additional detail on the competitiveness of arts and culture from 1999 to 2008.

The initial estimate of the Competitiveness component score for 2009, using 20 indicators, is 93.1. This continues the steep slide in competitiveness that began in 2000 and continued through the decade, with only a brief pause in 2004.

55. POPULATION SHARE ENGAGED IN PERSONAL CREATIVITY ACTIVITIES

People who engage directly in personal creativity do so in addition to (or even in place of) other choices that they make. As for many other variables, we calculate the share of the population that is engaged in personal creativity.

This indicator is created by taking the total of individuals involved in the specific creative activities reported using Mediamark data in the Statistical Abstract of the United States and dividing it by total U.S. population in that year. While total numbers are fluctuating, they generally changed in the same direction and scale as the overall population. This means that the maximum rate of participation in these specific activities peaked in 2007 and declined to 18.8 percent of the population in 2009.

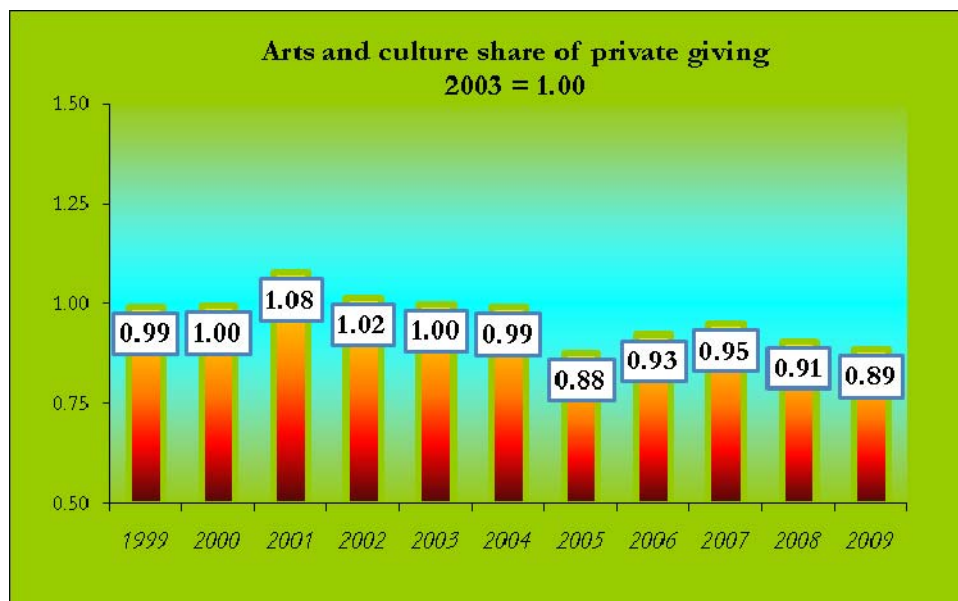


(All figures in 000)	1999-2001	2002	2003	2004	2005	2006	2007	2008	2009
Total participation in music making, painting, drawing, and/or photography		55,862	53,711	55,345	55,034	57,712	60,594	59,396	57,812
U.S. population (000)		287,804	290,326	293,046	295,753	298,363	301,580	304,375	307,007
Population share participating in music making, painting, drawing, and/or photography		19.4%	18.5%	18.9%	18.6%	19.3%	20.1%	19.5%	18.8%
Indexed to 2003 = 1.00	N/D	1.05	1.00	1.02	1.01	1.05	1.09	1.05	1.02

56. ARTS AND CULTURE SHARE OF PRIVATE GIVING

Nonprofit arts organizations seeking philanthropic support have to compete with the many other nonprofit industries that depend on private giving. Arts and culture is just one of several charitable options for individuals, corporations, and foundations. The question of interest is, how well do arts and culture do in this competition?

This indicator measures the share of total private philanthropy given to arts and culture organizations. This share averaged 4.6 percent over the whole eleven-year span. While total private giving to *all* charities (in current dollars) increased every year, support of the arts has gone up and down over the years. The cumulative effect is that the “market share” of arts and culture in the overall philanthropy market in this decade has progressively declined, especially when compared to the late 1990s. In some years, even when arts dollars have increased, the share of private sector giving to the arts has decreased. Private sector giving to the arts has fallen from 4.9 percent to 4.0 percent over the past decade, matching its lowest point.

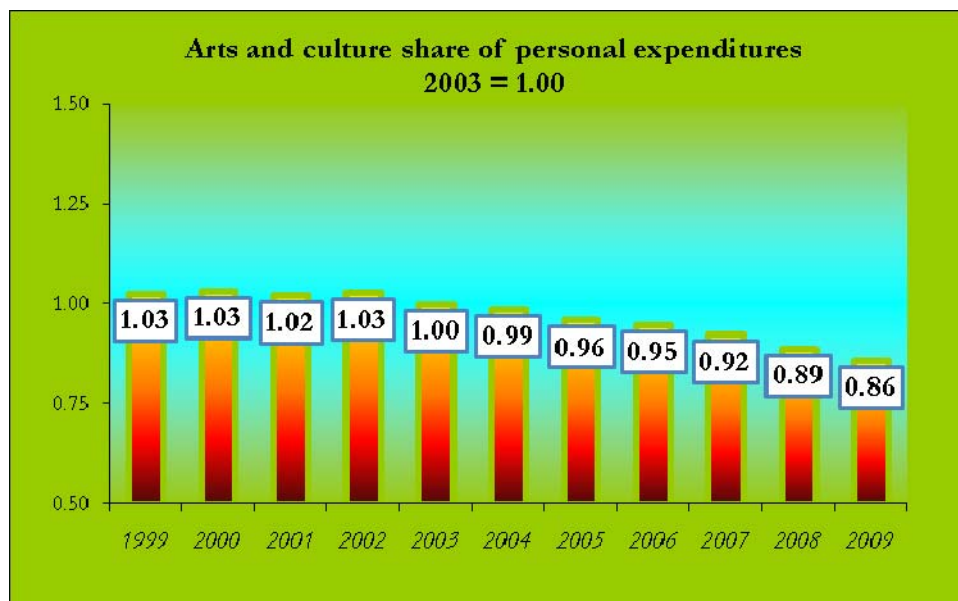


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total private philanthropy (\$B)	202.74	229.71	231.08	232.54	236.28	259.02	283.05	295.02	314.07	307.65	303.75
Private arts philanthropy (\$B)	9.24	10.48	11.41	10.83	10.83	11.78	11.38	12.51	13.67	12.79	12.34
Arts philanthropy as a share of total philanthropy	4.6%	4.6%	4.9%	4.7%	4.6%	4.5%	4.0%	4.2%	4.4%	4.1%	4.0%
Indexed to 2003 = 1.00	0.99	1.00	1.08	1.02	1.00	0.99	0.88	0.93	0.95	0.91	0.89

57. ARTS AND CULTURE SHARE OF PERSONAL EXPENDITURES

In the U.S. economy, personal and household consumer spending represents about two thirds of total activity, a proportion that has stood up well over time. However, the actual composition of consumer spending within that aggregate can and does change. For this reason, it is important to track how consumer spending on arts and culture—which is discretionary—changes as a component of overall consumption.

This indicator measures the total of those expenditures as a share of total personal consumption expenditures, using the National Income and Product Accounts available from the Bureau of Economic Analysis. Total personal consumption spending increased (in current dollars) from \$6.3 trillion to \$10.0 trillion between 1998 and 2009. Over the same time period, arts and culture consumption grew from \$118 billion to \$157 billion, but this increase was less than the increase in total spending. The net effect is a decade-long slide from 1.8 percent to 1.6 percent of personal spending.

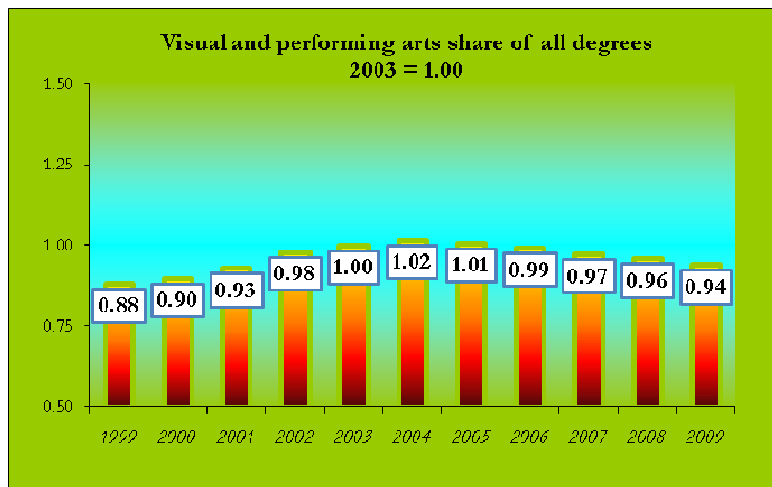


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
All personal consumption expenditures (\$B)	6,343	6,830	7,149	7,439	7,804	8,285	8,819	9,323	9,806	10,104	10,001
Total selected arts and culture expenditures (\$B)	119.1	129.0	133.5	139.9	142.7	149.5	154.8	161.6	165.4	164.0	157.2
Arts and culture expenditures as percentage of total	1.88%	1.89%	1.87%	1.88%	1.83%	1.80%	1.76%	1.73%	1.69%	1.62%	1.57%
Indexed to 2003 = 1.00	1.03	1.03	1.02	1.03	1.00	0.99	0.96	0.95	0.92	0.89	0.86

58. VISUAL AND PERFORMING ARTS SHARE OF ALL DEGREES

In total, more than 29 million degrees, from associates to doctoral level, were conferred between 1999 and 2009. Students pick their major from a range of subjects. Successive cohorts of college students have evolving interests, resulting in shifts in which majors end up being more or less popular to students as time goes on.

This indicator measures the share of those degrees that were in visual and performing arts. This indicator uses data from the National Center for Education Statistics in the U.S. Department of Education. Starting at 3.7 percent in 1999, the share of visual and performing arts degrees among all degrees peaked at 4.3 percent in 2004, capping several years of steady increase. Even though the total number of arts degrees continued to rise, its growth was not as high as the growth in the number of total degrees. In 2009, visual and performing arts degrees comprised 4.0 percent of all degrees.

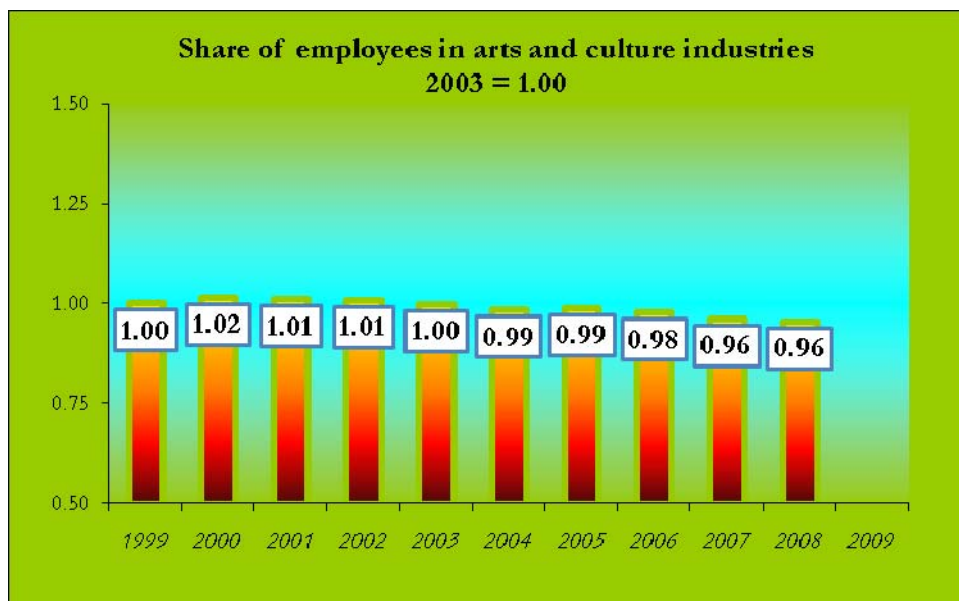


("VPA" = Visual & performing arts)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
VPA associates degree	17,640	17,100	18,435	20,911	23,120	23,949	22,650	21,754	20,244	18,890	18,643
All associate degrees	559,954	564,933	578,865	595,133	634,016	665,301	696,660	713,066	728,114	750,164	794,455
VPA bachelors degree	54,404	58,791	61,148	66,773	71,474	77,181	80,955	83,297	85,186	87,703	93,009
All bachelor's degrees	1,200	1,238	1,244	1,292	1,349	1,400	1,439	1,485	1,524	1,563	1,698
VPA masters degree	10,753	10,918	11,404	11,595	11,986	12,906	13,183	13,530	13,676	14,164	14,986
All masters degrees	439,986	457,056	468,476	482,118	513,339	558,940	574,618	594,065	604,607	625,023	669,545
VPA doctoral degree	1,130	1,127	1,167	1,114	1,293	1,282	1,278	1,383	1,364	1,453	919
All doctoral degrees	44,077	44,808	44,904	44,160	46,042	48,378	52,631	56,067	60,616	63,712	37,315
All VPA degrees	83,927	87,936	92,154	100,393	107,873	115,318	118,066	119,964	120,470	122,210	127,557
All degrees	2,244,320	2,304,672	2,336,416	2,413,311	2,542,208	2,672,161	2,763,173	2,848,440	2,917,429	3,001,968	3,199,138
Associate VPA share of total	3.2%	3.0%	3.2%	3.5%	3.6%	3.6%	3.3%	3.1%	2.8%	2.5%	2.3%
Bachelors VPA share of total	4.5%	4.7%	4.9%	5.2%	5.3%	5.5%	5.6%	5.6%	5.6%	5.6%	5.5%
Masters VPA share of total	2.4%	2.4%	2.4%	2.4%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.2%
Doctoral VPA share of total	2.6%	2.5%	2.6%	2.5%	2.8%	2.6%	2.4%	2.5%	2.3%	2.3%	2.5%
Total VPA share of total	3.7%	3.8%	3.9%	4.2%	4.2%	4.3%	4.3%	4.2%	4.1%	4.1%	4.0%
Indexed to 2003 = 1.00	0.88	0.90	0.93	0.98	1.00	1.02	1.01	0.99	0.97	0.96	0.94

59. SHARE OF EMPLOYEES IN ARTS AND CULTURE INDUSTRIES

In a dynamic economy, the total number of workers changes as people enter and exit the labor force. As the labor force grows and contracts, some industries will tend to have larger shares of all employees, while others will see their share of the workforce decline. While there is a long-running (multi-decade) expansion of the labor force as the population grows, the rate of growth is inconsistent and even becomes negative in times of poor economic performance. The overall economy in 2007-2009 has been particularly tumultuous for the labor markets.

This indicator measures the employees in arts and culture industries as a share of total employees in all industries, using the 43 NAICS code industries listed in Appendix A. This indicator has generally stayed between 1.7 percent and 1.8 percent of total employees, though it has generally trended downward since 2000. In 2008, 1.73 percent of employees worked in arts and culture industries.

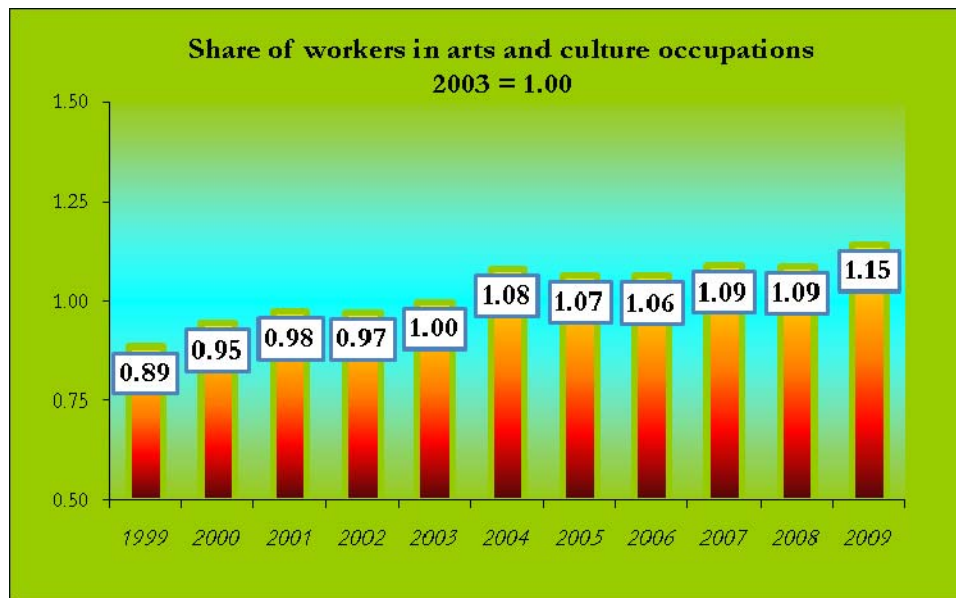


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Employees in all NAICS industries (000)	110,706	114,065	115,061	112,400	113,398	115,075	116,317	119,917	120,604	120,904	
Employees in arts-related NAICS industries (000)	2,009	2,100	2,109	2,055	2,052	2,053	2,084	2,126	2,103	2,095	
Share of arts-related employees	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.7%	1.7%	N/D
Indexed to 2003 = 1.00	1.00	1.02	1.01	1.01	1.00	0.99	0.99	0.98	0.96	0.96	N/D

60. SHARE OF WORKERS IN ARTS AND CULTURE OCCUPATIONS

The increase in the number of workers in artistic occupations can be evaluated against changes in the total number of workers in all occupations over the same time period, to determine the proportion of all workers who are in artistic occupations. The same BLS data that describe occupations of workers can be used to make this comparison.

This indicator measures the share of workers in all 450 occupations classified in the Standard Occupational Code system who have arts and culture occupations (See Appendix B). These workers have an increasing share of total work, with their share increasing 30 percent between 1999 and 2009 (though that is an amount just over one percent of all workers). This occurred because the total number of workers declined in 2009 during the recession. Over the ten year span, there was practically no change in work in all occupations, but a 30 percent increase in work in arts occupations. A change in measurement systems to identify occupations more precisely accounts for part of the increased number of workers in arts and culture occupations after 2003.

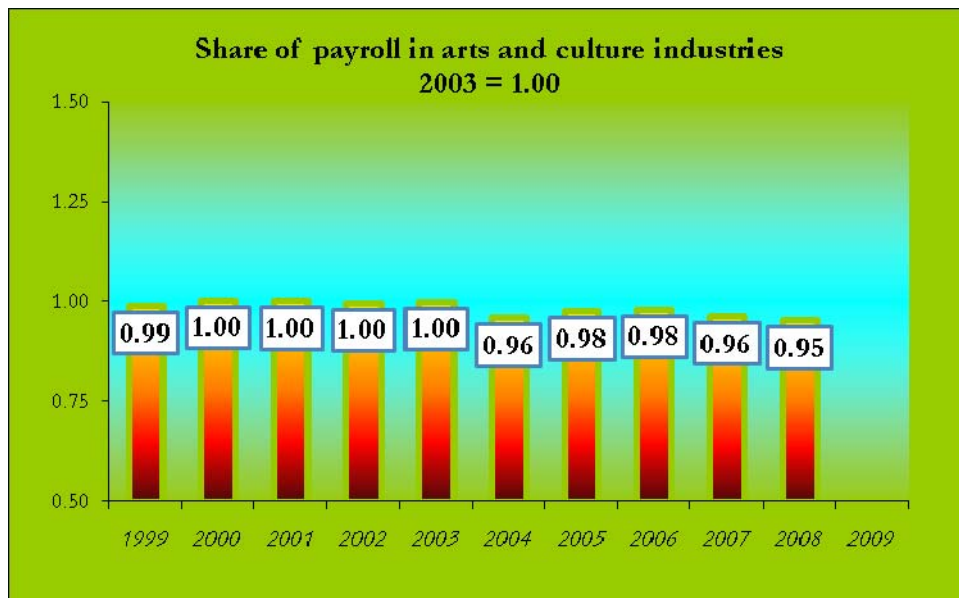


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Workers in all occupations (000)	129,739	127,274	127,980	127,524	127,568	128,127	130,308	132,605	134,354	135,185	130,648
Workers in 45 arts occupations (000)	1,298	1,356	1,407	1,401	1,438	1,564	1,566	1,591	1,652	1,661	1,686
Share of workers in arts occupations	1.00%	1.07%	1.10%	1.10%	1.13%	1.22%	1.20%	1.20%	1.23%	1.23%	1.29%
Indexed to 2003 = 1.00	0.89	0.95	0.98	0.97	1.00	1.08	1.07	1.06	1.09	1.09	1.15

61. SHARE OF PAYROLL IN ARTS AND CULTURE INDUSTRIES

Absolute payroll dollars give a sense of scale, but not of the impact they have in the overall economy. To get that impact, they should be compared to total payrolls for all industries.

This indicator measures the share of all payroll in the arts and culture industries, defined by the same set of 43 NAICS codes used to estimate numbers of employees and establishments, and shown in Appendix A. This represented close to 1.9 percent of payroll in all industries, a range that was fairly stable over the past decade—though lower in the last years of the series. The share of total payroll in arts and culture industries is larger than the share of total employees in those same industries, additional evidence that, while competition for arts employment is fierce, workers in arts industries earn a premium over workers in all industries.

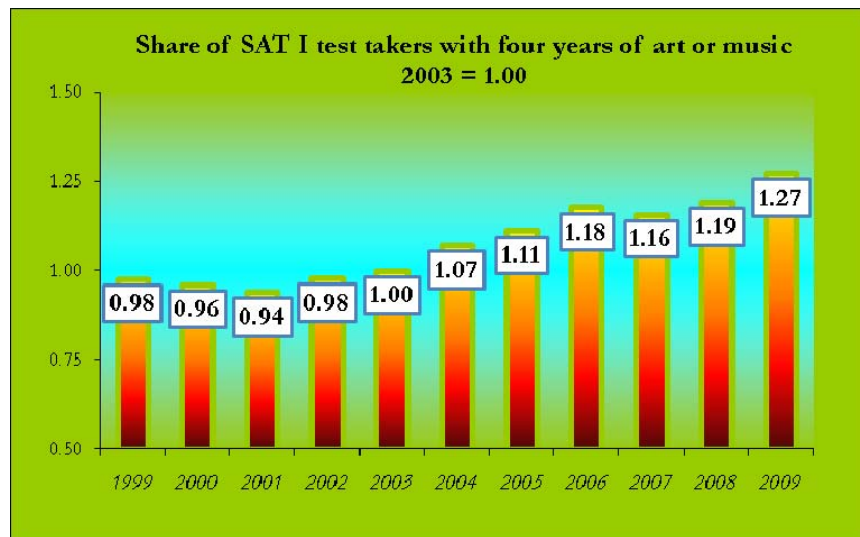


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Annual payroll in all NAICS industries (\$M)	3,556	3,879	3,989	3,943	4,041	4,254	4,483	4,793	5,027	5,131	
Annual payroll in arts-related NAICS industries (\$M)	68,528	75,815	77,866	76,583	78,722	79,481	85,167	91,574	94,302	95,239	
Share of arts-related payroll	1.93%	1.95%	1.95%	1.94%	1.95%	1.87%	1.90%	1.91%	1.88%	1.86%	
Indexed to 2003 = 1.00	0.99	1.00	1.00	1.00	1.00	0.96	0.98	0.98	0.96	0.95	N/D

62. SHARE OF SAT I TEST-TAKERS WITH 4 YEARS OF ART OR MUSIC

It is widely reported that art and music instruction in public education are declining because of competitive pressures from other subjects, and the difficulty of obtaining necessary resources. Some evidence of the impact of these declines comes from the curriculum experience of students, as shown in the courses they have taken. For college-bound high school seniors, data on SAT I test takers in the College Board’s annual “College-Bound Seniors” report provides this information. The reports show two years being the average length of time that a college-bound senior student takes art and/or music, a measure that is consistent from year to year.

This indicator measures the number of SAT test takers with four years of art and music as a share of all test takers who provide data on their curriculum experience. Students with four years of art and/or music in high school made up a growing percentage of college-bound seniors, reaching 20 percent in 2009.

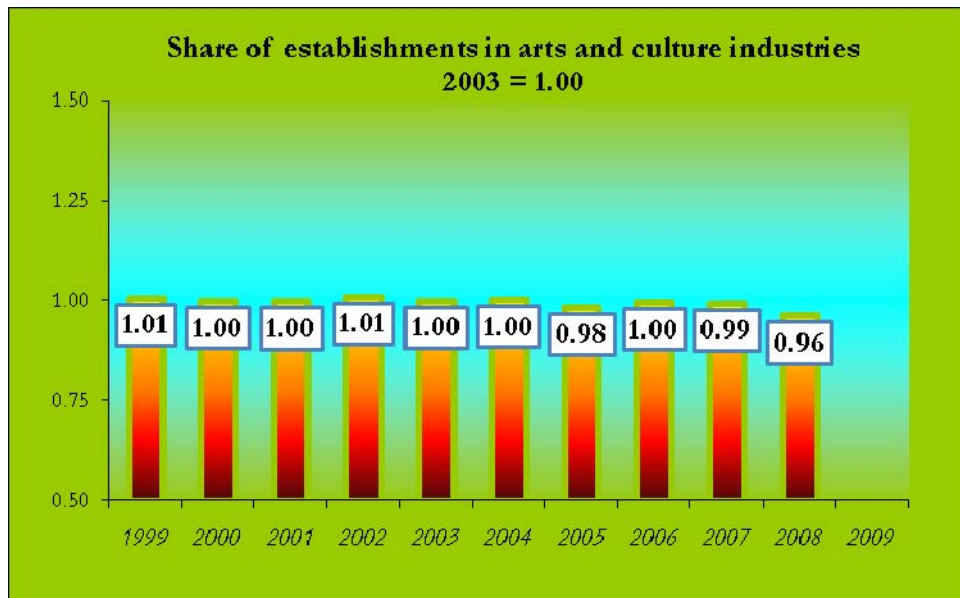


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Students with SAT I Scores	1,220,130	1,260,278	1,276,320	1,327,831	1,402,324	1,419,007	1,502,623	1,465,744	1,494,531	1,518,859	1,530,128
Nonrespondents to Student Descriptive Questionnaire	173,475	210,875	250,266	321,635	420,014	355,708	299,236	292,105	290,815	358,820	265,355
SAT test takers with more than 4 years of art or music	84,786	92,260	93,535	82,151	72,892	66,604	66,391	60,672	61,851	58,647	63,211
SAT test takers with 4 years of art or music	162,549	160,305	153,040	156,470	156,012	180,813	212,535	219,380	221,509	219,705	255,744
SAT test takers with 2 years of art or music	174,227	176,183	175,818	177,813	176,403	195,854	220,644	218,816	225,460	227,788	269,190
SAT test takers with 1 year of art or music	285,137	283,357	276,028	273,148	272,238	297,924	327,658	327,202	338,727	321,390	321,979
SAT I test takers with one-half year or less of arts or music	223,302	215,427	204,751	198,018	187,875	197,442	241,043	211,510	212,989	189,668	184,882
Share of responding test takers with 4 years of art or music	15.5%	15.3%	14.9%	15.6%	15.9%	17.0%	17.7%	18.7%	18.4%	18.9%	20.2%
Indexed to 2003 = 1.00	0.98	0.96	0.94	0.98	1.00	1.07	1.11	1.18	1.16	1.19	1.27

63. SHARE OF ESTABLISHMENTS IN ARTS AND CULTURE INDUSTRIES

In a dynamic economy that mostly grows and sometimes contracts, the number of firms in a particular industry will change. Economic circumstances may favor one kind of company over another. From 1999 through 2007, there was an increase in the total number of arts and culture establishments that paralleled similar change in the broader economy (i.e., the total number of establishments grew in every industry). With data from 2008, it is possible to see some of the impact of the recession on the arts’ “slice of the pie” of total business establishments.

This indicator measures the share of all establishments that are in arts and culture industries—industries defined by the NAICS codes listed in Appendix A. This has been in a gradual but long-term decline, and is now below 3.0 percent for the first time in the years covered in this report. The gradual decline means that, while the recession has had a negative impact on the share of arts establishments, it only slightly exacerbated a continuing trend. The share of establishments continues to be higher than the share of total employees in the same industries (usually about 1.7 percent to 1.8 percent). This implies that the typical arts and culture firm has fewer employees than other businesses.

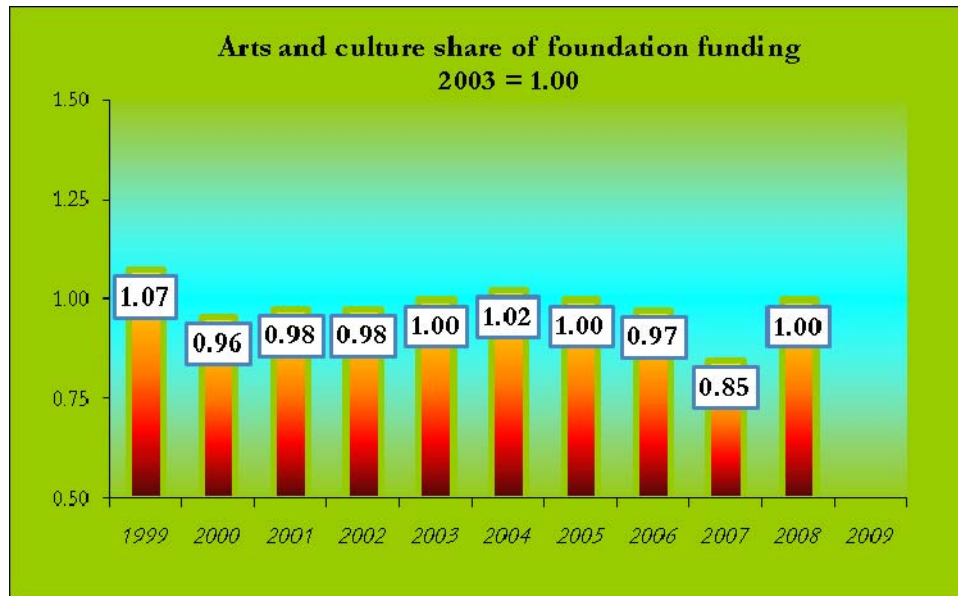


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Establishments in all NAICS industries (000)	7,008	7,070	7,095	7,201	7,255	7,388	7,500	7,601	7,705	7,601	
Establishments in arts-related NAICS industries	210,599	210,785	211,448	216,995	216,480	221,107	220,185	225,880	228,377	218,328	
Share of arts-related establishments	3.00%	2.98%	2.98%	3.01%	2.98%	2.99%	2.94%	2.97%	2.96%	2.87%	
Indexed to 2003 = 1.00	1.01	1.00	1.00	1.01	1.00	1.00	0.98	1.00	0.99	0.96	N/D

64. ARTS AND CULTURE SHARE OF FOUNDATION FUNDING

Foundations that support the arts often support other nonprofit areas as well, such as human service, health, education, or the environment. Arts organizations, therefore, have to compete against these other worthy demands for support.

This indicator measures the share of total foundation funding of arts and cultures organizations as a share of all foundation funding. The Foundation Center annual tallies are based on grants of \$10,000 or more, made by approximately 1,200 of the nation's foundations. From 1998 to 2000, the arts and culture share declined compared to other nonprofit causes, and then increased through 2004, before declining again through 2007. However, in 2008, the share of foundation giving to the arts increased along with the amount of dollars.

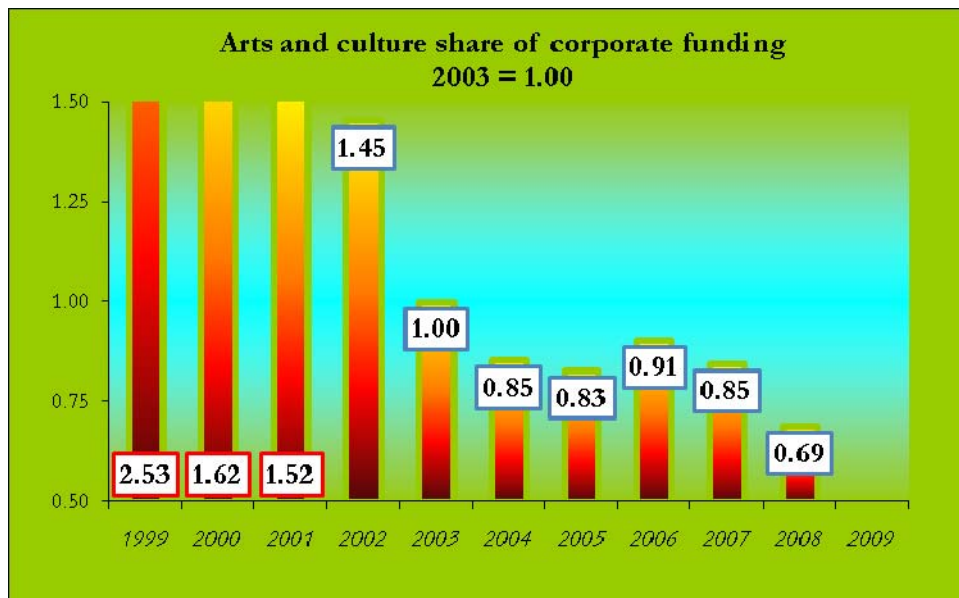


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total foundation grant dollars (\$M)	11,574	15,015	16,763	15,925	14,323	15,478	16,428	19,123	21,650	25,266	
Foundation grant dollars to arts and culture (\$M)	1,554	1,799	2,048	1,946	1,790	1,980	2,055	2,330	2,294	3,156	
Share of foundation giving to arts and culture	13.4%	12.0%	12.2%	12.2%	12.5%	12.8%	12.5%	12.2%	10.6%	12.5%	
Indexed to 2003 = 1.00	1.07	0.96	0.98	0.98	1.00	1.02	1.00	0.97	0.85	1.00	N/D

65. ARTS AND CULTURE SHARE OF CORPORATE FUNDING (CONFERENCE BOARD)

Corporate support is vital to the arts, and also to health, human services, environmental matters, education, and other areas of nonprofit activity. The Conference Board surveys major corporations every year on their charitable contributions including the sectors to which they give. Response levels range from 189 to 232 companies. The Conference Board estimates that in 2006, these contributions represented 62 percent of overall corporate contributions from U.S.-based companies that year. Respondents to Conference Board surveys typically are major corporations; it is important to note that besides these companies, many small businesses, numbering in the millions, also contribute to arts and culture activity, though typically at lower levels.

This indicator measures the share of total corporate giving (by survey respondents) targeted to arts and culture. The survey is annual, but different companies respond each year. The indicator shows how arts and culture compete for corporate dollars with other nonprofit service areas. Total corporate support reported in the survey grew strongly since the late 1990s, from \$2.1 billion to \$8.6 billion, a four-fold increase. Reported support of the arts doubled from \$2.2 billion to \$4.4 billion, which is beneficial. However, the growth in total giving far exceeds the growth in giving to the arts. Thus, as other nonprofit services have captured a progressively larger share of business support, the arts and culture share of major corporate funding has dwindled to less than half of what it was in 1998.

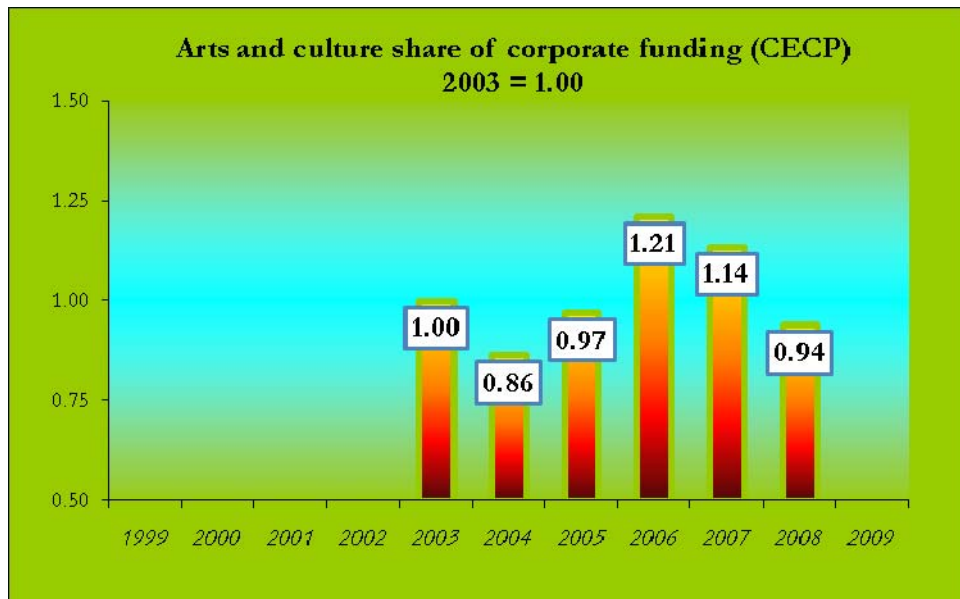


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total corporate philanthropy (\$000)	2,197,630	3,913,240	4,473,362	4,451,215	5,726,990	6,392,007	7,782,704	7,911,731	8,640,919	8,640,919	
Total corporate giving to the arts (\$000)	304,868	346,527	372,394	354,092	313,465	298,647	352,841	391,911	400,009	326,190	
Percent of corporate giving to the arts	13.9%	8.9%	8.3%	8.0%	5.5%	4.7%	4.5%	5.0%	4.6%	3.8%	
Indexed to 2003 = 1.00	2.53	1.62	1.52	1.45	1.00	0.85	0.83	0.91	0.85	0.69	N/D

66. ARTS AND CULTURE SHARE OF CORPORATE FUNDING (CECP) (NEW INDICATOR IN 2010)

Corporate support of the nonprofit sector is a major piece of the financing puzzle, especially for large organizations. The Committee Encouraging Corporate Philanthropy provides data to supplement the view of arts support provided by the Conference Board. CECP's principal purpose is to enhance the quantity and quality of corporate giving. Like the Conference Board, CECP gathers its data mainly from major corporations; its 2010 *Giving in Numbers* report uses data from 171 companies including 61 of the Fortune 100.

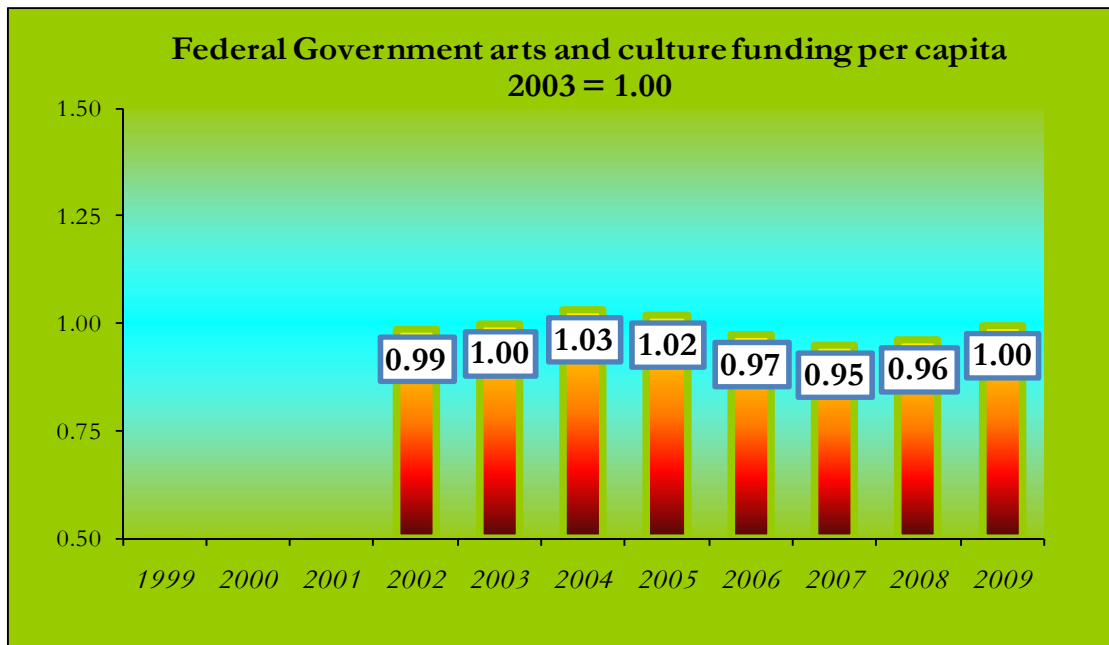
This indicator measures the share of total philanthropy given to support arts, culture, and humanities by respondents to its annual member survey. It is strongly correlated with the Conference Board's findings that arts and culture support declined steadily from 2006 through 2009, from 8.0 to 6.2 percent of total corporate giving. This is a new indicator for the National Arts Index.



	1999-2002	2003	2004	2005	2006	2007	2008	2009
Share of corporate giving to the arts from CECP		6.6	5.7	6.4	8	7.5	6.2	
Indexed to 2003 = 1.00	N/D	1.00	0.86	0.97	1.21	1.14	0.94	N/D

67. FEDERAL GOVERNMENT ARTS AND CULTURE FUNDING PER CAPITA

Government spending reaches the public through funded programs and activities, and funding changes need to account for population changes as well as for inflation. Considering services provided to an entire population on a *per capita* basis helps to show how the federal government has kept up with growth in the American population. Of course, *per capita* measures do not provide any indication of which parts of a population are consuming a particular kind of arts and culture. This indicator measures the provision of arts and culture funding by the federal government to every American. This amount peaked in 2004 at \$6.63 and is down only slightly to \$6.41 in 2009. This includes funding of various programs and offices, including: National Endowment for the Arts, National Endowment for the Humanities, Institute for Museum and Library Services, Corporation for Public Broadcasting, Smithsonian Institution, Holocaust Museum, National Gallery, and the Kennedy Center.

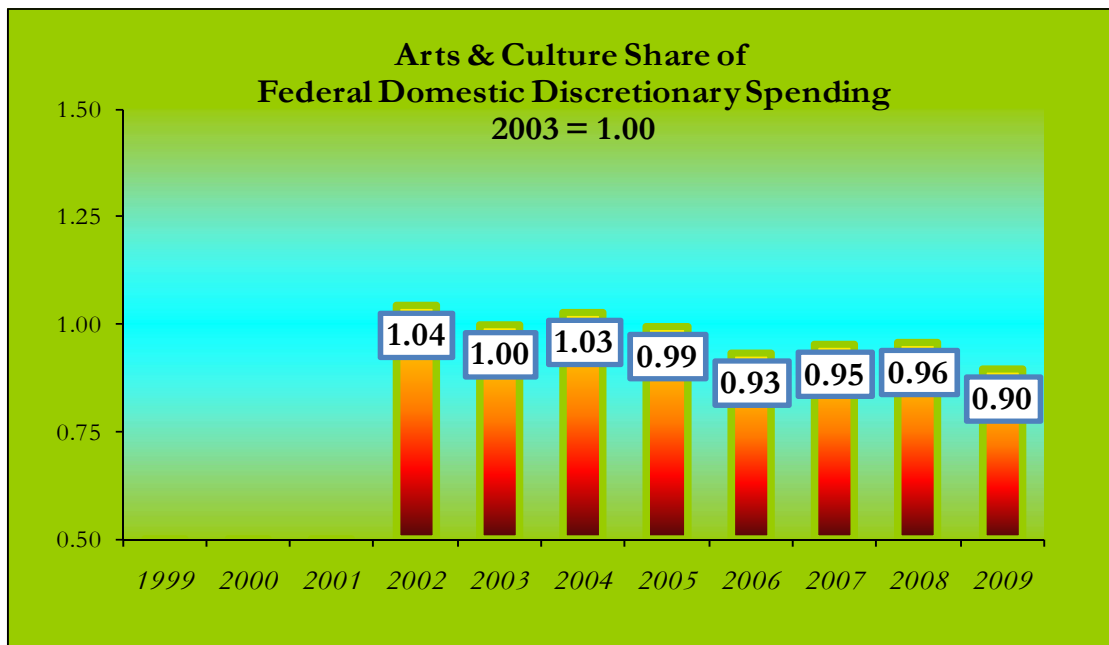


	1999-2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Federal Arts Spending (\$M)		1,525	1,598	1,705	1,762	1,751	1,776	1,888	1,962
CPI at 2008 = 100.0		83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Deflated federal arts spending (\$000)		1,826	1,869	1,943	1,942	1,870	1,844	1,888	1,969
U.S. population (000)		287,804	290,326	293,046	295,753	298,363	301,580	304,375	307,007
Federal arts spending in constant dollars per person		\$6.34	\$6.44	\$6.63	\$6.57	\$6.27	\$6.11	\$6.20	\$6.41
Indexed to 2003 = 1.00	N/D	0.99	1.00	1.03	1.02	0.97	0.95	0.96	1.00

68. ARTS AND CULTURE SHARE OF FEDERAL DOMESTIC DISCRETIONARY SPENDING

Arts and culture competes for federal funding within the domestic discretionary portion of the budget. Total federal government spending has grown significantly in recent years, in both defense and domestic spending. “Domestic” means that this money is not allocated by Congress for any international use (whether foreign aid or military); “discretionary” means that it is money that Congress has the discretion to allocate or not (i.e., not an entitlement program such as Medicare).

This indicator measures total arts funding as a share of total federal domestic discretionary spending, using data from the Budget of the United States and the Congressional Budget Office. From 2002 through 2009, this total grew by 50 percent in current dollars, while arts and culture funding failed to keep pace and grew by just 24 percent. Thus, the arts and culture share dropped from 0.42 percent to 0.36 percent of the federal domestic discretionary budget.

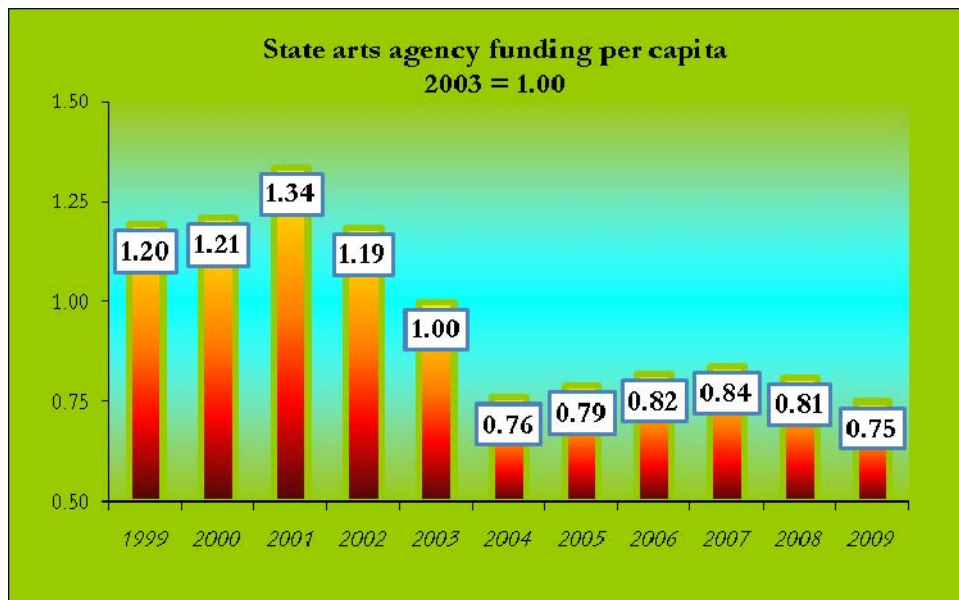


	1999-2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Federal Arts Spending (\$000)		1,525,486	1,597,626	1,705,139	1,761,689	1,750,583	1,775,530	1,887,650	1,962,031
Federal Discretionary Domestic Spending (\$B)		359	393	408	436	461	458	485	538
Percentage of FDD on select arts programs		0.42%	0.41%	0.42%	0.40%	0.38%	0.39%	0.39%	0.36%
Indexed to 2003 = 1.00	N/D	1.04	1.00	1.03	0.99	0.93	0.95	0.96	0.90

69. STATE ARTS AGENCY FUNDING PER CAPITA

Just as for federal arts spending, it is possible to use *per capita* measures to evaluate how state funds are reaching citizens. Combining the data provided by the National Assembly of State Arts Agencies with Census Bureau data on total population makes it possible to calculate this measure for all U.S. residents. The focus again is on funding provided by state legislatures to their state arts agencies.

This indicator measures constant dollar per capita funding by the states. It shows the relationship between total state legislative appropriations to all state arts agencies on the one hand, and total population on the other. State arts funding is volatile, whether rising or falling. Population, on the other hand, has grown steadily in almost every part of the country. The measure is calculated by converting legislative appropriations to constant 2008 dollars, and dividing by total U.S. population. After rising from the late 1990s through 2001, per capita state support in constant dollars dropped sharply through 2004, then gradually growing through 2007. From 2007 to 2009, it fell from \$1.21 to \$1.08 per person.

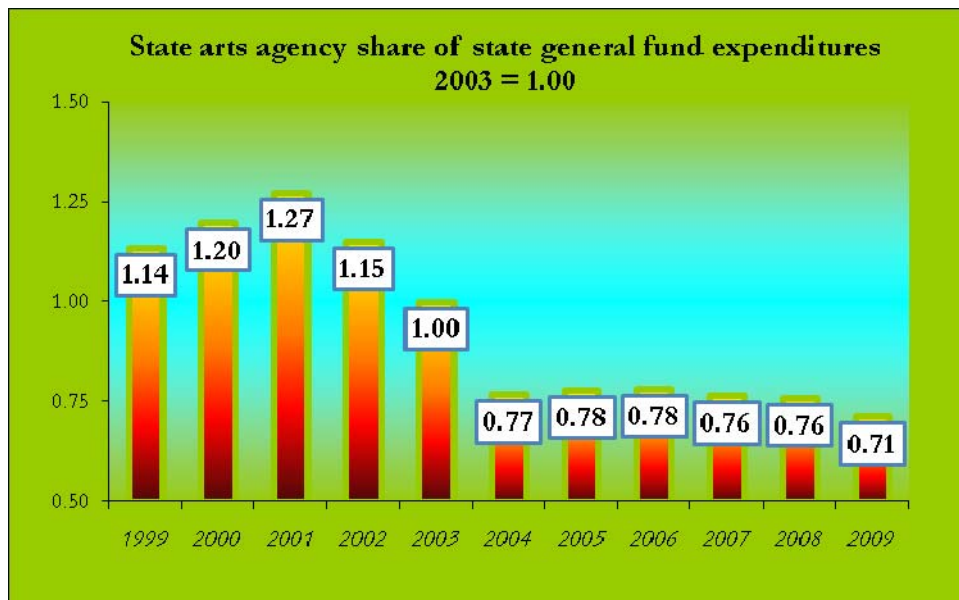


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
State arts agency legislative appropriations (\$M)	370,311	392,325	450,577	409,725	355,673	280,990	304,209	328,859	350,122	354,746	329,801
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6
Constant dollar state funding of state arts agencies (\$M)	478,559	490,521	547,765	490,349	416,176	320,260	335,362	351,207	363,561	354,746	330,974
U.S. population (000)	279,040	282,172	285,082	287,804	290,326	293,046	295,753	298,363	301,580	304,375	307,007
Constant dollar state arts expenditure per capita	\$1.72	\$1.74	\$1.92	\$1.70	\$1.43	\$1.09	\$1.13	\$1.18	\$1.21	\$1.17	\$1.08
Indexed to 2003 = 1.00	1.20	1.21	1.34	1.19	1.00	0.76	0.79	0.82	0.84	0.81	0.75

70. STATE ARTS AGENCY SHARE OF STATE GENERAL FUND EXPENDITURES

The success of the arts at the state level—like at all levels of government—is part of a political process. Like all budgetary allocations, state arts agency funding depends on state legislators in the budget process, who allocate funds to the arts as well as to other public services that compete for money.

This indicator measures the share of general fund appropriations for state arts agencies as a share of all state general fund appropriations. While it would be helpful to consider similar measures for state humanities councils, museums, or other related programs, those data are not available. Arts agency funding as a share of total state general fund spending peaked in 2001 at 0.089 percent, and declined for three subsequent years. In 2009, less than one-twentieth of one percent of general state spending went to arts councils.

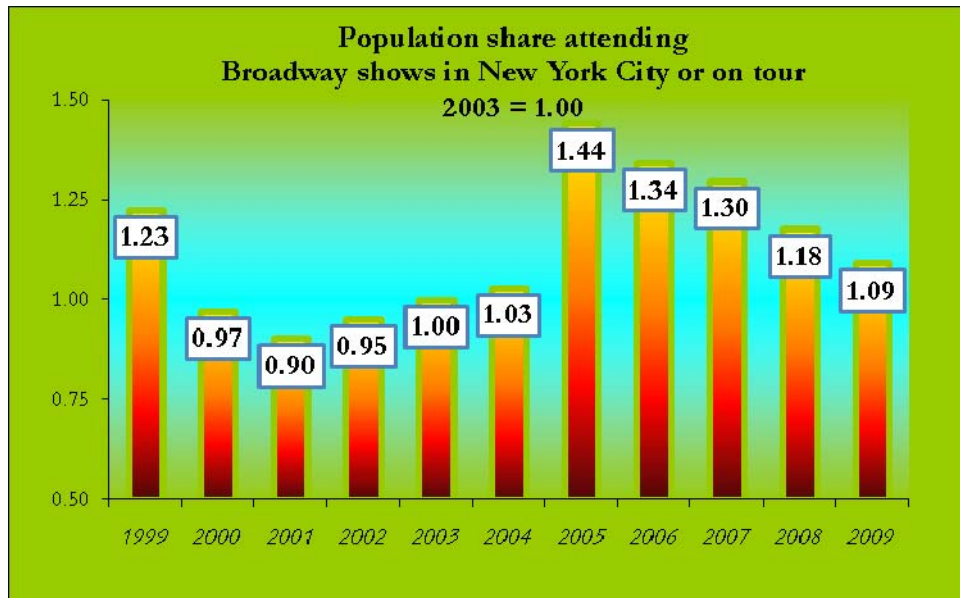


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Aggregate state general fund expenditures (\$000)	465,768	468,222	505,701	508,618	508,290	522,869	558,280	601,107	654,676	667,692	689,100
State arts agency legislative appropriations (\$000)	370,311	392,325	450,577	409,725	355,673	280,990	304,209	328,859	350,122	354,746	343,117
State arts expenditure as % of total state budget	0.080%	0.084%	0.089%	0.081%	0.070%	0.054%	0.054%	0.055%	0.053%	0.053%	0.050%
Indexed to 2003 = 1.00	1.14	1.20	1.27	1.15	1.00	0.77	0.78	0.78	0.76	0.76	0.71

71. POPULATION SHARE ATTENDING BROADWAY SHOWS IN NEW YORK CITY OR ON TOUR

The separate indicators for attendance at Broadway performances in New York City or on tour indicate total demand for Broadway performances. What they do not answer directly is the issue how demand is changing relative to population increases.

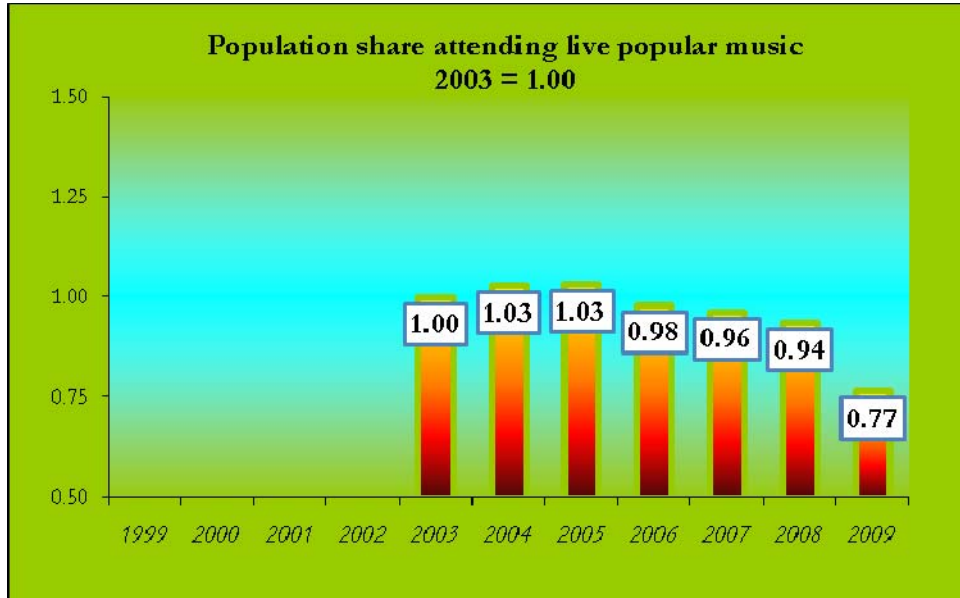
This indicator measures the share of total population that is attending all New York and touring Broadway performances measured by the Broadway League. Attendance at touring Broadway shows comprises the majority of the total audience; the touring audience has been much more variable since 1998. This population share indicator reflects the influence of this dynamic, with increases after 2001, and persistent declines after 2005.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
NYC Attendance (000)	11,670	11,380	11,896	10,955	11,423	11,605	11,527	12,003	12,312	12,267	12,250
Touring Attendance (000)	14,600	11,700	11,000	11,700	12,400	12,900	18,200	17,100	16,700	15,300	14,300
Total Attendance (000)	26,270	23,080	22,896	22,655	23,823	24,505	29,727	29,103	29,012	27,567	26,550
U.S. population (000)	279,040	282,172	285,082	287,804	290,326	293,046	295,753	298,363	301,580	304,375	307,007
Total Attendance as a percentage of total population	5.2%	4.1%	3.9%	4.1%	4.3%	4.4%	6.2%	5.7%	5.5%	5.0%	4.7%
Indexed to 2003 = 1.00	1.23	0.97	0.90	0.95	1.00	1.03	1.44	1.34	1.30	1.18	1.09

72. POPULATION SHARE ATTENDING LIVE POPULAR MUSIC

Scarborough Research collects data on arts attendance by residents in 81 metropolitan areas. The populations of those regions have been growing along with the general population. This indicator measures the share of that survey population of about 232 million that has attended one or more popular music events. In all, between 17 percent and 23 percent of metro area residents have attended one or more such concert events, with steady declines since 2005. Unlike measures based on attendance counts by producers, this indicator refers to separate individuals who indicated they went to one or more music event, so this is a relatively clear population share.

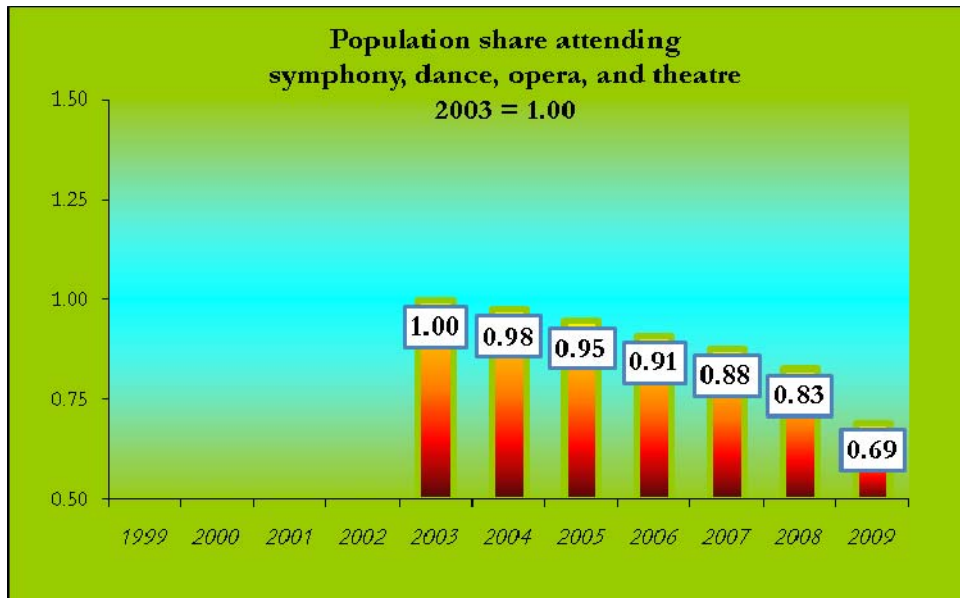


	1999-2002	2003	2004	2005	2006	2007	2008	2009
Total live popular music (000)		48,579	50,742	51,818	49,758	49,513	48,657	40,375
Total surveyed population (000)		213,638	216,884	220,698	223,086	225,650	228,481	232,084
Share of surveyed population in 81 metropolitan areas attending live popular music event		22.7%	23.4%	23.5%	22.3%	21.9%	21.3%	17.4%
Indexed to 2003 = 1.00	N/D	1.00	1.03	1.03	0.98	0.96	0.94	0.77

73. POPULATION SHARE ATTENDING SYMPHONY, OPERA, DANCE, OR THEATER

For many decades, the performing arts have been associated especially strongly with the fields of dance, opera, symphony, and theatre. For this reason, it helps to understand the vitality of arts and culture overall to look at attendance at these four art forms collectively as well as individually. These kinds of programs are typically presented by nonprofit entities that are often influential not only for their performing arts forms, but also as important cultural institutions. Data on attendance at events in these forms is gathered by Scarborough Research in 81 metropolitan areas that have about 75 percent of the entire U.S. population, along with data Scarborough collects on attendance at museums and at popular music events.

This indicator is Scarborough’s estimate of attendance at these performing arts events. This wide diversity of artistic genres contributes to a large audience base, of some 86.4 million in 2003, declining to 65.0 million in 2009. Certainly, there is some double counting among all of these measures, as audience members for one genre may well be devotees of others as well—and may also attend popular music concerts and visit museums. However, the trend of continuing decline is a cause for attention and concern.

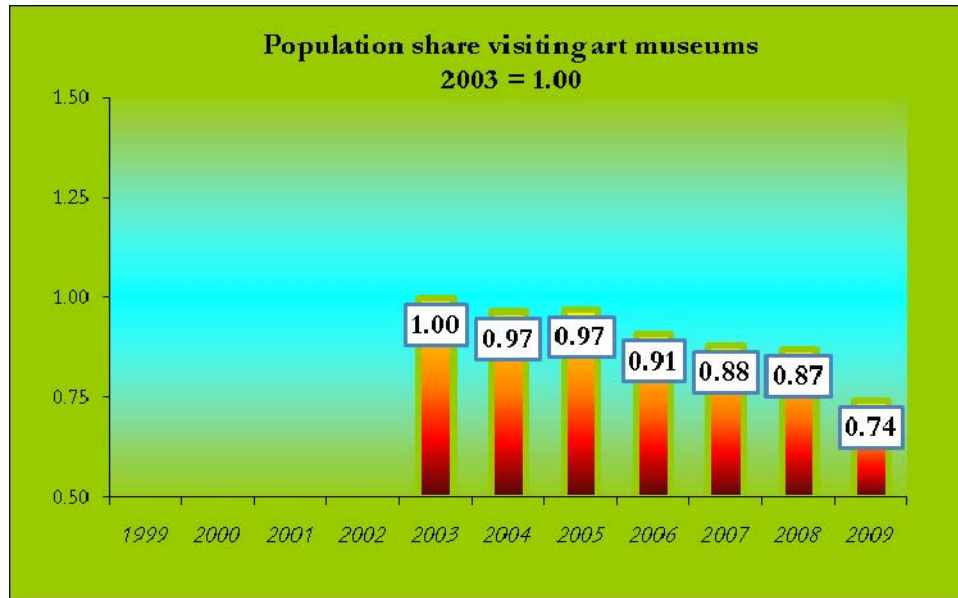


	1999-2002	2003	2004	2005	2006	2007	2008	2009
Total live performing arts (000)		86,376	85,596	84,475	82,280	80,134	76,678	64,990
Total Surveyed population (000)		213,638	216,884	220,698	223,086	225,650	228,481	232,084
Share of surveyed population in 81 metropolitan markets attending symphony, dance, opera, or theatre.		40.4%	39.5%	38.3%	36.9%	35.5%	33.6%	28.0%
Indexed to 2003 = 1.00	N/D	1.00	0.98	0.95	0.91	0.88	0.83	0.69

74. POPULATION SHARE VISITING ART MUSEUMS

Scarborough Research provides data on various forms of arts participation in 81 metropolitan areas. As is true for concert and theatre attendance, total art museum attendance can be evaluated as a share of the population base. In this case, that is the population of the 81 metropolitan markets where Scarborough gathers data.

This indicator measures the share of Scarborough's total survey base that has visited an art museum at least once in the prior 12 months. Scarborough's data show that the share of total population attending art museums shrank from 15.5 percent in 2003 to 11.5 percent in 2009.

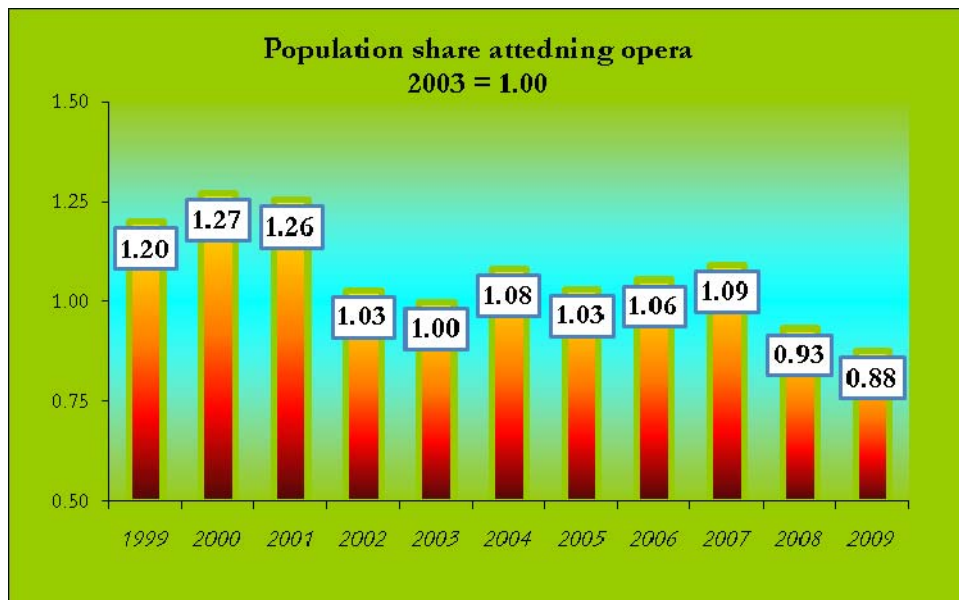


	1999-2002	2003	2004	2005	2006	2007	2008	2009
Art museum attendance in 81 metropolitan markets (000)		33,070	32,413	33,190	31,449	30,829	30,863	26,736
Total Surveyed population (000)		213,638	216,884	220,698	223,086	225,650	228,481	232,084
Population share visiting art museum		15.5%	14.9%	15.0%	14.1%	13.7%	13.5%	11.5%
Indexed to 2003 = 1.00	N/D	1.00	0.97	0.97	0.91	0.88	0.87	0.74

75. POPULATION SHARE ATTENDING OPERA

Opera, like other performing arts activities, competes for audience share with other performing arts, other kinds of participation, and other forms of leisure. Just as for Broadway, nonprofit theatre, popular music, and symphony, the share of population attending performances of a particular art form is a useful measure of its competitive performance.

This indicator measures total attendance at opera companies responding to the Opera America Professional Opera Survey, and divides it by the total U.S. population. This offers a “market share” of the U.S. population perspective on opera. Audiences from 1998 to 2001 made up about 1.36 percent of the population, but opera has had less of a share in the years since then, slipping to below one percent in 2009.

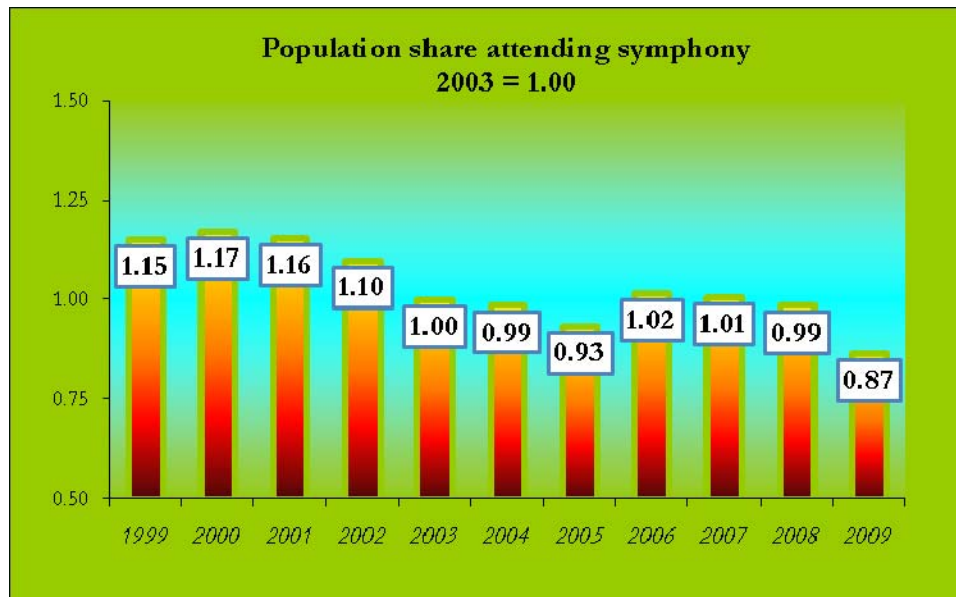


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Professional opera attendance (000)	3,624	3,887	3,872	3,211	3,142	3,436	3,309	3,411	3,568	3,078	2,914
Population (000)	279,040	282,172	285,082	287,804	290,326	293,046	295,753	298,363	301,580	304,375	307,007
Opera attendance as share of population	1.30%	1.38%	1.36%	1.12%	1.08%	1.17%	1.12%	1.14%	1.18%	1.01%	0.95%
Indexed to 2003 = 1.00	1.20	1.27	1.26	1.03	1.00	1.08	1.03	1.06	1.09	0.93	0.88

76. POPULATION SHARE ATTENDING SYMPHONY

As with all other kinds of attendance, audiences at symphony performances choose that form of leisure activity as a way to use their time among many competing alternatives. Looking at how many people make this choice is similar to calculating the market share that symphony has, compared to people's other uses of time, money, and interest.

This indicator takes total attendance at symphony orchestra concerts, provided by the League of American Orchestras, and divides it by a total U.S. population to give a "market share" view. From 2003 to 2007, symphony attendance was eight percent after having been as high as near 12 percent in 1998. Because some patrons make multiple visits to symphony concerts, the actual share of concertgoers in the population is probably less than this percentage.

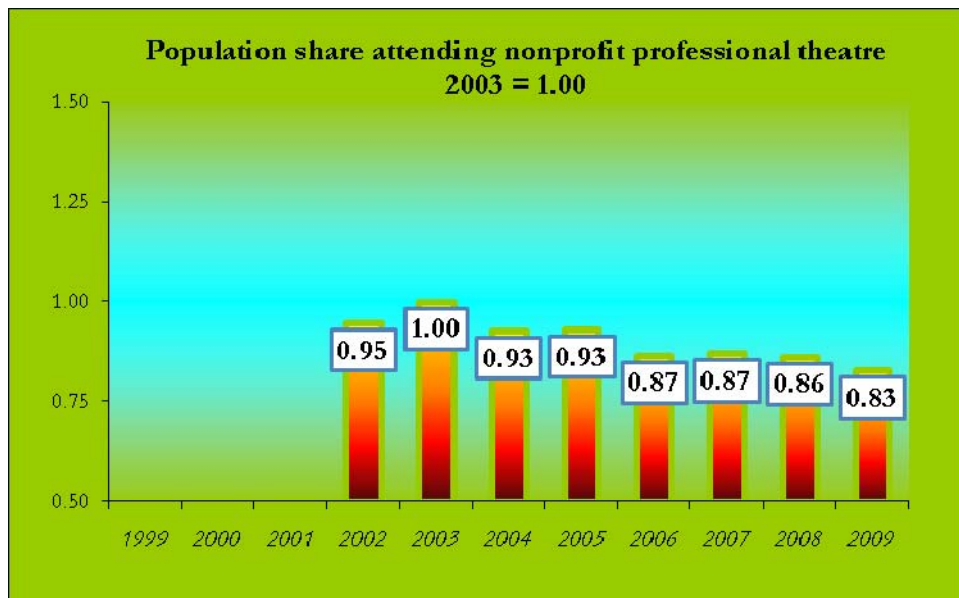


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Attendance (000)	30,796	31,667	31,533	30,305	27,802	27,683	26,471	29,070	29,070	28,718	25,443
Population (000)	279,040	282,172	285,082	287,804	290,326	293,046	295,753	298,363	301,581	304,375	307,007
Total Attendance as a percentage of total population	11.0%	11.2%	11.1%	10.5%	9.6%	9.4%	9.0%	9.7%	9.6%	9.4%	8.3%
Indexed to 2003 = 1.00	1.15	1.17	1.16	1.10	1.00	0.99	0.93	1.02	1.01	0.99	0.87

77. POPULATION SHARE ATTENDING NONPROFIT PROFESSIONAL THEATRE

As with all other kinds of attendance, theatre audiences are exhibiting their own choice, to attend the theatre instead of one or more other competing ways to spend their time. The share of the potential marketplace that actually participates in theatre provides evidence of trends in demand.

This indicator measures total attendance at nonprofit professional theatre as estimated by Theatre Communications Group, and divides it by the total U.S. population. Because some patrons make repeat visits to the theatre, the total attendance number is probably greater than the number of people who attend. The trend since 2003 has been for smaller theatre audiences, which, combined with increases in population, creates a more substantial decline in share, to just under ten percent.

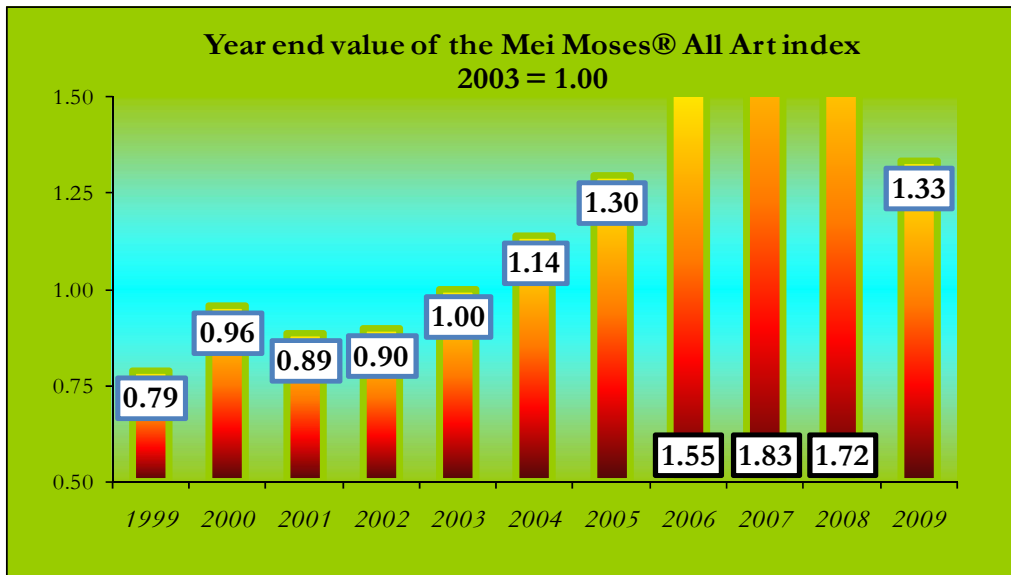


	1999-2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Attendance at theatre (000)		32,200	34,300	32,100	32,500	30,500	31,000	31,000	30,000
Population (000)		287,804	290,326	293,046	295,753	298,363	301,580	304,375	307,007
Total Attendance as a percentage of total population		11.2%	11.8%	11.0%	11.0%	10.2%	10.3%	10.2%	9.8%
Indexed to 2003 = 1.00	N/D	0.95	1.00	0.93	0.93	0.87	0.87	0.86	0.83

78. YEAR-END VALUE OF THE MEI MOSES® ALL ART INDEX (NEW INDICATOR IN 2010)

The health of the market for art as an investment or collectible can be tracked in ways similar to the ways that the markets for other valuable assets, like stocks or bonds, are tracked. One such system for evaluating the performance of the art market is the Mei-Moses® Art Index, which tracks the prices of successive sales of the same pieces in New York and world art markets. As in some other art forms, such as Broadway plays and musicals, New York has an especially strong influence on the national arts scene in specific disciplines, and it is the largest national market place for art sales. The Index is based on analysis of 16,000 art sales going back to 1925. It was first issued in 2001 and has been issued annually since then by Beautiful Asset Advisors® LLC.

This indicator, included with permission, shows the value of the Mei-Moses® Art Index set to a value of 1996=1.0. Even when it is adjusted to the National Arts Index base year of 2003, this indicator shows that art returns more than doubled between 1999 and 2007, before coming down (like many other indicators) in 2008 and 2009. In the very long term (i.e., since 1958), Mei-Moses shows that art has generated investment returns as high as the Standard & Poor’s 500 Stock Index—that is, a 100-fold increase.

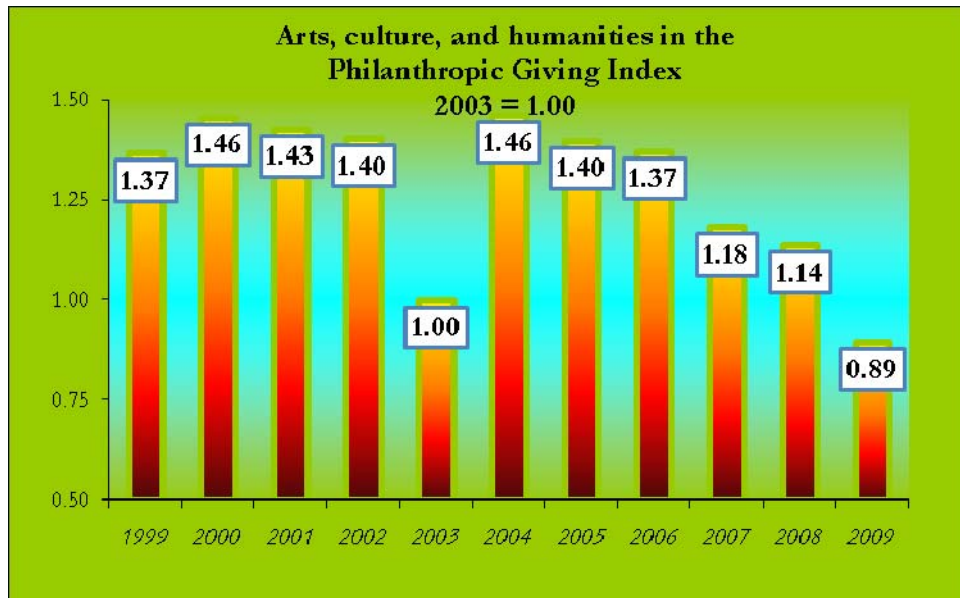


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Year-end value of the Mei Moses® All Art Index	1.189	1.442	1.333	1.349	1.504	1.716	1.951	2.328	2.753	2.593	2.005
Indexed to 2003 = 1.00	0.79	0.96	0.89	0.90	1.00	1.14	1.30	1.55	1.83	1.72	1.33

79. ARTS, CULTURE, AND HUMANITIES IN THE PHILANTHROPIC GIVING INDEX

Professionals in the field of fundraising philanthropy are ideally positioned to report on expectations of future trends in philanthropy. The Indiana University Center on Philanthropy issues a semi-annual Philanthropic Giving Index (PGI), compiled using data gathered from fundraising professionals, who are surveyed twice each year regarding their assessment of the present fundraising environment, and their expectations for the coming six months. The PGI ranges from 0 to 100, with the highest score indicating the highest level of confidence. The Center also calculates index measures for seven subsectors of philanthropic activity, including arts, culture, and humanities.

This indicator shows the mid-year values of the Arts, Culture, and Humanities Index in the annual June PGI report. The dip in 2003, though drastic, is accurate, and probably reflects concerns from the beginning of the Iraq war. Though confidence rebounded in 2004, it has declined every year since then through 2009, to a point even lower than in 2003.

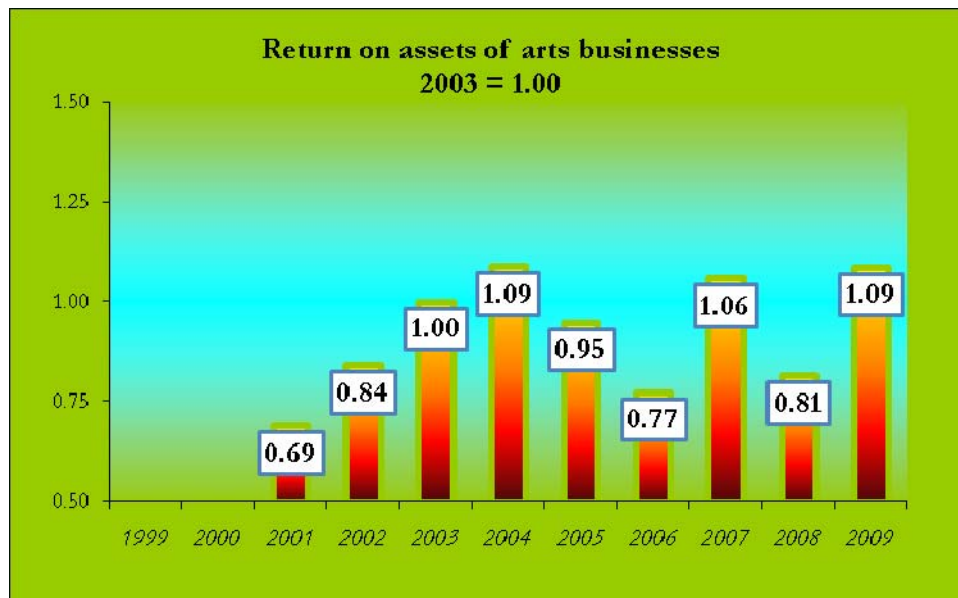


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Arts, Culture, and Humanities Index of the Philanthropic Giving Index	89.6	95.5	93.6	92	65.5	95.9	91.7	89.9	77.5	74.5	58.6
Indexed to 2003 = 1.00	1.37	1.46	1.43	1.40	1.00	1.46	1.40	1.37	1.18	1.14	0.89

80. RETURN ON ASSETS OF ARTS BUSINESSES

There is more than one measure of financial performance and many measures of whether a firm is successful, but one that applies across multiple industries and to businesses of all sizes is return on assets. This ratio is calculated by taking net income for a certain time period as a percentage of assets held during that period. Every year, Robert Morris Associates (RMA) publishes Annual Statement Studies. These Studies present data collected from private commercial lenders and commercial banks, using the financial statements of their current and prospective borrowers and partners. The data are used to calculate key financial management ratios, which are especially useful for small- and mid-sized companies that are trying to compare their performances to others in their industry or size range. The RMA data include data on companies in 23 NAICS codes in the arts and culture industries.

This indicator measures return on assets for between 2,000 and 2,900 companies in those industries, aggregated across industries and size of business. In finance, the variability of returns is generally treated as a measure of risk. The index scores show that these companies were generally profitable, earning returns on assets ranging between 22 percent and 34 percent, and averaging about 29 percent. The performance over time has been very dynamic, with wide ranges up and down from one year to the next; profitability for these firms in 2009 rebounded after a dip in 2008.

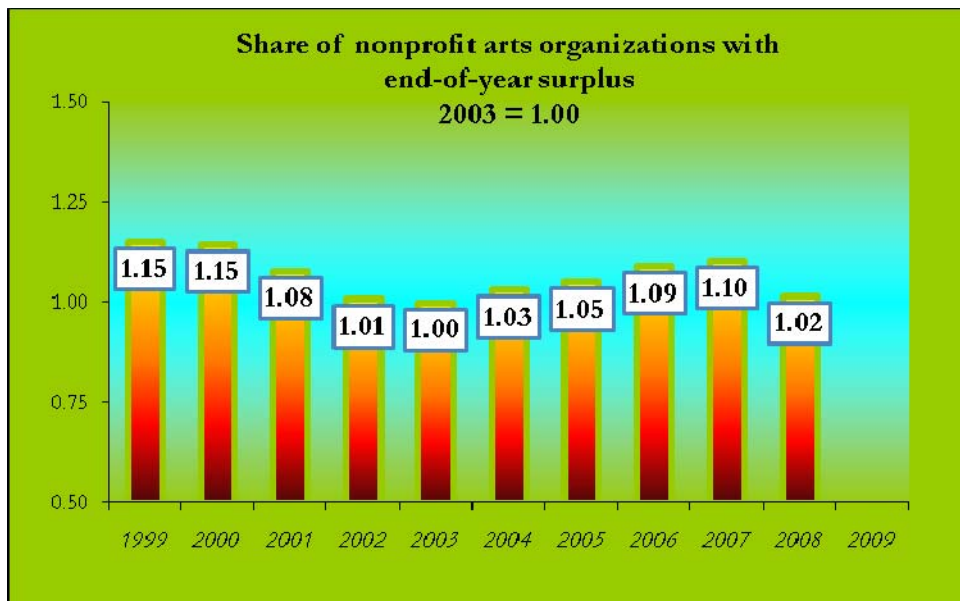


	1999-2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Number of Statements		2,144	2,004	2,336	2,595	2,547	2,515	2,756	2,551	2,906
Total Imputed Profit (\$M) (calculated as % profit x sales)		5,737	6,550	9,805	11,754	10,039	9,166	14,711	11,005	17,199
Net Sales (\$M)		33,986	38,413	49,539	53,633	50,752	46,951	62,507	55,106	66,683
Total Assets (\$M)		26,386	24,700	31,082	34,269	33,589	37,566	44,088	42,836	50,188
Imputed Profit/Total Assets		21.7%	26.5%	31.5%	34.3%	29.9%	24.4%	33.4%	25.7%	34.3%
Indexed to 2003 = 1.00	N/D	0.69	0.84	1.00	1.09	0.95	0.77	1.06	0.81	1.09

81. SHARE OF NONPROFIT ARTS ORGANIZATIONS WITH END-OF-YEAR SURPLUS

For an organization to be classified as “nonprofit” means that it cannot distribute any net earnings or surplus to private individuals for their benefit. On the other hand, nonprofit organizations typically try to earn a surplus each year, so that they can finance their own future programs and activities. Nonprofit managers balance earned and contributed income with expenses, hoping to end up “in the black.” The ability to generate a surplus is critical to the sustainability of any organization, whether for-profit or nonprofit.

This indicator measures the share of all arts nonprofits filing Form 990 that have earned a positive net income in each year, using data from the National Center for Charitable Statistics. In most years, more than 60 percent of nonprofit arts organizations generate an operating surplus or break even, with more doing better than break-even in the years since 2002. That trend was reversed in 2008, with 41 percent incurring deficit. Larger arts organizations with higher revenue and expenses were most likely to incur deficits in 2007 and 2008.



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Percentage of nonprofit arts organizations with end-of-year surplus or break-even budget	67.0	66.6	62.8	58.6	58.2	60.0	61.1	63.5	64.3	59.1	
Indexed to 2003 = 1.00	1.15	1.15	1.08	1.01	1.00	1.03	1.05	1.09	1.10	1.02	N/D

CHAPTER 7. SUMMARY AND CONCLUSIONS

THE NATIONAL ARTS INDEX, ONE YEAR LATER

When the first National Arts Index report was issued in January 2010, it was a milestone for the arts in America. Never before had there been a single, annually-produced gauge of the health and vitality of the arts in America that encompasses all of the different arts sectors—nonprofit arts organizations, for-profit arts businesses, individual artists, and amateur levels of activity. This first annual update provides a picture of how the arts were affected by the unusually difficult economic circumstances of the “Great Recession.” In the prior chapters, we showed many individual facts and gathered conclusions from the data. Many of these issues are not new additions to the arts policy canon and some have been discussed for years—the steadily growing number of arts organizations, that the arts track with the economy, and that demand for the more traditional nonprofit arts is declining. Now, with regular data to underscore such observations on a national scale, we can track how conditions are changing, and even gauge the effectiveness of efforts designed to strengthen the arts.

It is also our objective to create not just a single index score, but a useful compendium of data. This new report brings broad-based evidence about many individual sectors of the arts—nonprofit and for-profit arts organizations, funding and investment, employment, and attendance and personal creation. Beyond that, it promotes a systemic way of thinking about arts and culture with the Arts and Culture Balanced Scorecard, demonstrating that the arts are a series of interdependent industries. It is easy to focus on government funding, for example, but without also concentrating on the demand-side of the equation or if ample infrastructure exists, one is only focusing on part of the system. The Index shows that artists, arts audiences, businesses in the arts and in other sectors, arts nonprofits, individual donors, private funders, government arts agencies, and government budget makers all have critical roles to play in the future vitality of the arts, just as they have had in the past.

Last year, we observed that those roles are just as compelling at the local level. National results are not uniform results for every place and every arts form across the country, or for every arts industry. That is, “your mileage may vary.” The opportunity of national findings is that they offer a new lens with which to view local activity. It is an opportunity to ask, “Is this what we’re seeing locally? How do we stack-up with the national trends?”

The first Index report and this one both reveal a mixture of good and bad news for the arts, a combination of variability and vitality. Some parts of arts are very vital, working well and competing effectively, while others are struggling. It is fairly common knowledge, for example, that movie theaters do a great business during a recession. But overall success became harder to find during the Great Recession. In 2007, more than half of the indicators rose, while just one-third did in 2008. In 2009, only one-in-four indicators improved over the prior year. It is also important to remember that this is a narrative of the past, based on events that have already happened, but may or may not persist. Only seven indicators trended continually up (three) or down (four) since 1998, but the other 74 indicators moved up and down, revealing variability as an ongoing attribute of the arts. This means that annual updates to the Index will help to show the ongoing trends in the various sectors.

USING THE INDEX TO SUPPORT ARTISTS, AUDIENCES, ENTREPRENEURS, MANAGERS, AND POLICY-MAKERS

As it now stands, the Index provides tools that can inform multiple participants in the arts ecology. The benefits of these indicators are how they can inform decisions, support discussions within

communities, provide data from which to forecast and plan, and show opportunities for partnership and collaboration:

Decision Making: A solid foundation of awareness about trends can give decision makers the confidence to take next steps and set goals. Indicators can provide early warnings—scanning the environment for emerging opportunities and crises (e.g., budget deficits vs. surpluses).

Community Dialogue: Some people simply like to be informed about the state of their community and how and why it's changing. Indicators provide a common currency of language among funders, policy makers, and industry professionals. They improve the quality of the public dialogue about the arts and culture by providing understandable quantitative components to what is often a visceral discussion.

Planning and Forecasting: Access to consecutive years of data about one or more specific areas make it easier to forecast the future path of activity in that area.

Building Partnerships: Developing indicators collaboratively can provide arts leaders with a better understanding of the values that drive the community—and how to incorporate the arts into that value system. Indicators help non-arts leaders better understand the value of the arts as a core element of their community which in turn can lead them to become more effective advocates for public support and better partners.

THE NATIONAL ARTS INDEX IN 2011 AND BEYOND

In our initial release, we anticipated that the beginning of a turnaround in the arts would probably wait until late 2011. As we publish this in January 2011, we are anxious, as researchers and also as arts advocates, to see data coming in that will help to validate this projection. Publication of this first annual update is just one of several next steps. In fact, there are four main complementary directions for the future of the National Arts Index.

One is to maintain the data set over time, add new information as it becomes available, and issue annual reports of the indicators and ACBS components with the most current data available. We still expect to publish annual updates of the National Arts Index, with the next one scheduled for January 2012. We also anticipate continuing to improve the quality of Index by finding other measures of the performance of the arts to help fill out the story. One area we are seeking, for example, are measures of the effect of technology on the dissemination of artistic products (music, books, and movies).

A second direction for the Index is to adapt it for local use, creating tools that community arts leaders can use to make longitudinal measures of arts and culture activity at the county level. Because of the level of interest in the local arts measurement question, and with additional support from the Kresge Foundation, Americans for the Arts is happy to report that a new “Local Arts Index” is being developed in partnership with 100 local arts agencies from across the country. Look for a publication of the pilot study in fall of 2011 and a broader implementation in 2012.

A third aim is to delve more deeply into the data set to learn more about individual arts sectors. In 2011, Americans for the Arts expects to issue some brief monographs using National Arts Index data on arts education, nonprofits in the arts, business in the arts, and other areas of interest as well as to compare arts performance to that of other social sectors and the broad economy.

We also see possibilities for making comparisons of the arts and culture sectors in the U.S. to corresponding sectors in other countries. Much of this comparison in past years, especially between the U.S. and Europe, has focused on different systems of government support. In a new era of fiscal restraint, European governments, including some that have been especially generous, are reducing their cultural spending. The National Arts Index provides tools and data for assessing this change and others affecting the arts globally.

Spanning all of these aims is the desire to have the Index serve artists, arts administrators, business and government leaders, policy makers, arts funders, and community leaders as a useful source of data and (we hope) a helpful tool to support to the vitality of arts and culture.

CHAPTER 8. CREATING THE NATIONAL ARTS INDEX

This chapter of the report describes how the Index was put together, and gives interested readers some additional information on our methods. Here, you can find how various policy index models helped inform development of the Index, characteristics of the underlying data, the mathematics of calculating the Index and some strengths and weaknesses of the techniques we used. Along with these are brief discussions of calculated vs. raw indicators, the effects of inflation and population change, the statistical significance of the annual Index scores, data we sought but could not find and data we found but did not use, changes from the 2009 National Arts Index report, and other multivariate approaches to using the data. We also gratefully acknowledge and thank our many collaborators on this project, and note some of the literature that influenced the project. Much of this chapter repeats what was in the 2009 National Arts Index report, with changes noted **.

BENCHMARKS AND MODELS FOR THE NATIONAL ARTS INDEX

In establishing a technique for calculating the Index, we first looked to see how some well-known and long-running policy index reports were produced. We also considered what some global organizations were recommending for measuring the vitality of arts and culture in different national settings. Some of the models we examined include:

- Annie E. Casey Foundation “*Kids Count*” *
- Conference Board *Consumer Confidence Index* and *Help Wanted Index*.*
- Roper *Social Capital Indices*
- Gallup Organization *Index of Leading Religious Indicators**
- *General Social Survey*
- Institute for Supply Management *Report on Business*
- United Way of America *State of Caring* (through 2002) and *Goals for the Common Good* (since 2003) *
- Heritage Foundation *Index of Economic Freedom*
- Jacob Weisberg index at Slate.com
- National Center for Educational Statistics *National Assessment of Educational Attainment*
- Western States *Creative Vitality Index*, developed by Hebert Research
- Performing Arts Research Coalition reports
- United Nations Educational, Scientific, and Cultural Organization (UNESCO) arts measurement reports
- Organization for Economic Cooperation and Development arts measurement reports
- International Federation of Arts and Cultural Councils toolkit

Those marked with an asterisk * were especially helpful in forming National Arts Index: using a model that merges multiple indicators into a smaller number of components, using weighting methods of either identical weights for all indicators, or to comparatively higher weight to some than others.

We also learned that once defined, the weighting scheme should persist for many years of creating and maintaining that index. This persistence, in economics, describes a “Laspeyres” index; which uses weights set in the base period. An alternative approach is a “Paasche” index, in which the weights are set based on later periods, and may even use different data. The difference between these became a matter of public issue in

regards to the Consumer Price Index, which was initially defined mainly as a Laspeyres-type index, weighted according to what people were purchasing in the early 1980s. Adjustments to bring current consumption patterns into the CPI were challenging, both methodologically and politically. In developing this initial National Arts Index report, we used a Laspeyres approach, which we plan to maintain for annual updates of the Index.

NATIONAL ARTS INDEX DATA

The Index was always intended to be summary of the best available data describing arts and culture. Although we didn’t use every indicator we found, this data set is the largest ever assembled describing arts and culture in the U.S. When planning began in 2005, we expected to find 25 or 30 indicators meeting the necessary criteria. This turned out to be too low by a wide margin, as we found more than 70 sources of original data, and calculated an additional 23 (not all of these were used). The indicators measure an enormous range of human activities, asset stocks, production, financial flows, employment, self-employment, and voluntarism, production and consumption, creative goods and experiences, public and private, purchase and philanthropy. They came from multiple sources; government bureaus, private membership associations, and academic and policy researchers were most fruitful. Table J below shows the nature of the sources:

Table J. National Arts Index Data Sources	
Type of data source	Indicators
Calculated by combining data from two or more sources	23
Government bureau	18
Membership organization with mainly nonprofit members	12
Research organization	10
Membership organization with mainly business members	10
Business firm	7
Publication	4
Professional society	1

Sources of individual data series are noted on the one-page reports, and a comprehensive list is in Appendix E.

All indicators all meet the following eight criteria:

1. The indicator has at its core a meaningful measurement of arts and culture activity
2. The data are national in scope
3. The data are produced annually by a reputable organization
4. Five years of data are available, beginning no later than 2003 and available through 2008
5. Measured at a ratio level (not just on rankings or ratings)
6. Statistically valid, even if based on sample
7. Expected to be available for use in the Index
8. Affordable within project budget constraints

These criteria cannot overcome every problem in the data. Most of the Index indicators are based on secondary data, which combine virtues and flaws. Some challenges already encountered include lags, sampling problems, and gaps in data. Every data series we wish to use is produced by a public or private organization, with an annual calendar, budget, and processes. Staff at many public and private offices have graciously helped us. All the series can be improved, but we focus on the best available.

A broader challenge is caused by the fact that the nation is constantly changing in ways that affect the arts. Where it makes sense, some indicators in this report are adjusted to account for the effects of broad national change factors, to distinguish arts and culture changes from broad national-level shifts affecting all sectors. For example, attendance at public performances is considered not solely as total numbers, but also as a share of the ever-growing U.S. population. If total attendance at a particular art form increases at a rate of 0.5 percent per year—while total population grows at a 1 percent rate—then that art form is effectively losing ground. That is, even though attendance numbers may be up, a shrinking portion of the population is attending. Reporting both the number of people attending as well as the population share provides a more precise and meaningful measure of activity. Similarly, arts philanthropy can be seen in both dollars and as a share of total philanthropy, government arts funding as a percentage of discretionary government outlays, etc. Doing this made it possible to derive more than one Arts Index indicator from specific secondary data.

COMPUTING THE NATIONAL ARTS INDEX

The National Arts Index measures the vitality of arts and culture in the U.S. from 1998 to 2009, with a scale with a base year of 2003 = 100.0. It is an average of the actual value of 81 different indicators.

In calculating the National Arts Index for 1998 – 2009 every indicator has equal weight for every year that it is measured. For years 2003 – 2008, every one of the 81 indicators has 1.23 percent of the weight (because $100 \text{ percent} / 81 = 1.23 \text{ percent}$). The same method applies to earlier years when there were fewer observations. For example, in 2002, there were 67 observed indicators, so each one has a weight of 1.49 percent in the 2002 Index score ($100 / 67 = 0.0149$).

The Index is calculated as follows: For every indicator, each annual measure is converted into an “index score” by dividing by the same measure value in 2003, adjusting for the number of indicators observed in that year and for the weight assigned to that indicator, then multiplying the result by 100. The last step puts all indicators into a common scale, which is “change leading up to or since 2003” regardless of if they were originally measured in numbers of people, billions of dollars, percentage, or another scale. It also makes it easy to view figures for later or earlier years as percentages of the 2003 figure. 2003 was selected as the base year because it was the first year for which all 81 indicators were available and because it was recent enough to relate the statistical findings of the Index to current events.

The indicator index scores ranged from a low of 0.556 to a high of 2.535. With the exception of six index (Share of corporate funding to arts and culture and Mei-Moses Art index) scores, all other index scores (out of 788) were less than 1.500 for every year. Therefore, the scale of 0.50 to 1.50 was used for the Index Score axis in the figures in the one-page indicator reports, with special graphics to mark those six exceptions.

After this step, all of the index scores are added to get the preliminary National Arts Index score for that year, with an adjustment for late-arriving indicators. The adjusted Index scale is set at 100.0 in 2003, and ranges from a high of 103.9 in 1999 to a low of 97.7 in 2009.

Mathematically, this preliminary score is expressed as:

$$N_Y = \sum_{i=1}^I w_i s_{iy} \times I \div i_Y \times 100$$

, where:

N_Y = the National Art Index for a given year, $y = 1998, \dots, 2008$

i = observed and measured indicators of arts and culture activity, $i = 1, \dots, 81$

o_{iY} = observed indicator i in year Y

$s_{iy} = o_{iY} / o_{i2003}$, the index score for indicator i , calculated by dividing the observed indicator i for a year by its 2003 value

i_Y = total number of indicators observed in a given year, $y = 1998, \dots, 2008$

w_i = the weight assigned to indicator i , $\sum w = 1.0$

Thus, all $s_{i2003} = 1.00$, and $N_{2003} = 100.0$. In calculating the vitality of arts and culture, all w_i are positive, meaning that they all make a positive contribution to that vitality, and none of them are “reverse scored.” But a question remains: are they equally important? To say either yes or no requires some standard of importance. However, we have no theory of arts and culture vitality that declares specific indicators (e.g., artists’ employment? arts philanthropy? or government arts funding) as more or less important than others (e.g., artists’ earnings? orchestra attendance?). Without a specific reason to make some more important than others, we set all w_i equal, meaning that the National Arts Index is an unweighted average.

We recognized that while making every indicator equally important in the Index is the approach used in this report, it need not be the only perspective on the data, just one “meta” or comprehensive view. Other researchers or analysts might want to devise their own “views” of the data with their own weighting schemes. To facilitate such a task, the actual data are in the one-page reports in chapters 3 through 6, and the calculated index scores are in Appendix E.

Given that each indicator is important to one or more audiences, each one should have some impact on the overall score. We believe that “more is better” when it comes to arts activities, and so we view as desirable a progression in which successive scores on this composite measure improve from year to year. But, we have no theory of arts and culture vitality that declares specific sectors (artists’ employment, vs. arts philanthropy) as more or less important than others (artists’ earnings vs. orchestra attendance). We don’t look at any single indicator or small group of indicators and say, “that’s all we need to measure performance.” All of these components are needed for arts and culture to remain vital over time.

If we could say that one was more significant or meaningful than another, we could give it a greater weight to reflect that thought. But we hesitate to do that because it would be arbitrary in some ways, and because we provide alternative viewpoints with different weighting schemes. The basic National Arts Index score thus attaches equal weight or importance to every indicator, making the Index score for each year a simple average of all of the index scores for all available indicators for that year.

ADJUSTING FOR INDICATORS THAT ARRIVE AFTER PUBLICATIONS

The indicator data are issued by their producers at various times during the calendar year, with varying lags from the year that they measure. At the January 15, 2011 cut-off date for data inclusion in the National Arts Index 2010 report, 63 of the 81 indicators were available. This provides us with a preliminary Index score, calculated as shown above. We note that historically, indicators collected after the cut-off date have increased the preliminary score noticeably. In an effort to account for this difference between the preliminary Index score and final Index score, we calculated the Index score for the 63 indicators for each year going back to 2004. We then measured the difference between the preliminary Index score and the final Index score using only those 63 indicators. An average difference was 1.1, bringing the 2009 National Arts Index estimate from 96.6 to 97.7. The final revised score for 2009 will be included in the next report, to be published in early 2012.

Relating the 2009 and 2010 National Arts Index Scores

The 2009 and 2010 National Arts Index scores have small differences in the cumulative annual scores for years 1998 through 2008. There are four sources for these differences.

1. The biggest factor is adding the additional 26 indicators for 2008 that were not available when we published the first report in January 2010. As noted in the prior section, late arrivals of data in a year tend to have an average value of 1.1 Index points above those that have arrived, and that is part of the difference (note that the adjustment was only applied to the 2009 Index score for this report).
2. There were also changes in the context data. Adjusting to 2008 dollars, we made them more current and easy to interpret, but did not change the index scores. After publication, Census issued revised total population estimates for years 2000 (by only 21 people!) through 2005 (closer to 200,000). The revisions are all increases, so per capita and population share indicators would have been lower. The scale of revision is very small, from 0.0 percent in 2000 to 0.1 percent in 2005 – but it would have accentuated the drop in overall competitiveness, and shown lower arts participation per capita to that degree (including the Index base year of 2003).
3. We added five new indicators, using their historic data from 1996 to the present; they naturally had the potential to either increase or decrease the overall National Arts Index score, but their effect was very small.
4. Some of the producers of data in prior years issued revisions of their historical data, and we uncovered some data entry errors. Using the revised indicators and correcting the errors is good because this report is more accurate, but those figures are different from those in the 2009 report. They include:
 - Book Sales: there was a data error for 2008; the correction was about 12 percent for that year
 - Opera revised the figure for main stage attendance for 2007
 - RIAA revised 2008 data in the 2009 report
 - CD Stores – revised data from the source changes the numbers but maintains the same overall decline

- Business Capital – adjusted after BEA’s periodic revision of the data
- Movie Screens, Movie Attendance, and New Work – revised based on new data from the source (MPAA)
- Spending (and therefore Spending Share) had to be recreated but with additional detail

MEDIAN AND ACBS ANNUAL SCORES

The ACBS model implies that all four of the components have equal weight of 25 percent in making up an overall ACBS score. Within each component, each indicator has an equal share of that 25 percent, resulting in the following weight for each indicator within each component in years where all 81 indicators were available:

Financial flows: 1.47 percent, because $0.25 / 17 = 0.147$

Capacity: 1.79 percent

Arts participation: 1.09 percent

Competitiveness: 0.93 percent

The table below shows the overall National Arts Index scores for each year from 1998 to 2008, along with the number of indicators used to calculate each year’s score and the median indicator score in each year. While the full complement of data was available for the six years 2003 through 2008, some data series were not kept or not accessible for years before 2003. Eighteen of the full complement of 81 were not yet available for 2009 when this report went to press.

TABLE 10. NATIONAL ARTS INDEX, MEDIAN INDICATOR, AND ARTS AND CULTURE BALANCED SCORECARD INDEX SCORES											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
National Arts Index Score	103.9	102.7	103.1	100.9	100.0	100.9	101.5	102.9	103.9	101.3	96.5
Median Indicator	100.5	99.8	101.0	99.9	100.0	101.6	100.4	101.7	103.3	99.9	94.5
ACBS	102.2	103.4	103.7	100.1	100.0	101.0	101.6	103.1	104.4	102.2	95.8
Number of Indicators	54	58	59	68	81	81	81	81	81	81	63

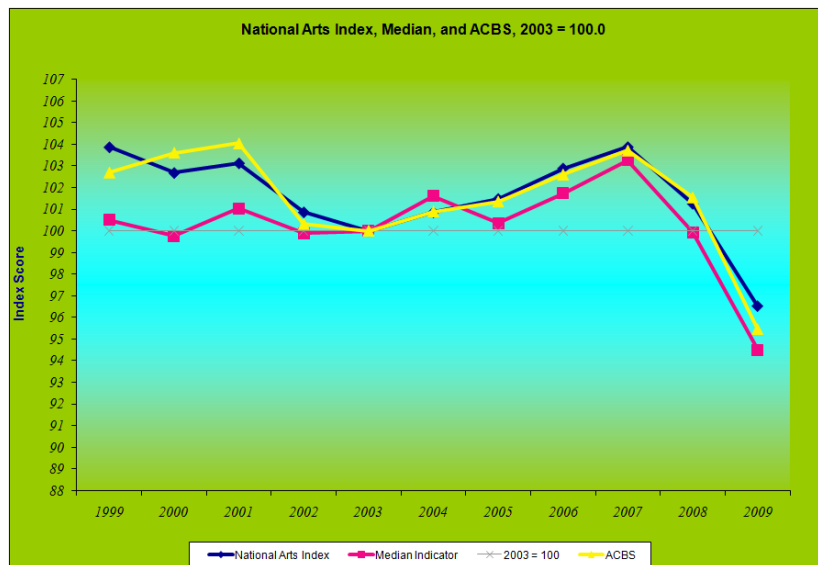


FIGURE H. NATIONAL ARTS INDEX, MEDIAN INDICATOR, AND ARTS AND CULTURE BALANCED SCORECARD INDEX SCORES

Additional information is provided by the median index score for each year, i.e., the value of the middle indicator for each year. In general, year-to-year changes in the National Arts Index score (which is an average) closely parallel differences in each year’s median indicator for each year. A median score is less influenced by outliers, and the median index scores for the period 1998 – 2001 especially attenuate the impact of high levels of philanthropic support that pull the Index score high above the median. However, these differences were less pronounced in recent years, with the median and average tracking each other very closely. Figure H shows the close track of the three different summary scores.

STRENGTHS AND WEAKNESSES OF THE INDEX

One lesson learned from reviewing other policy index projects and reports was the value of transparency and of identifying both the advantages and the problems of the choices made in constructing an index. All data collection and manipulation procedures involve tradeoffs between the overall objective of a robust and informative result on the one hand, and the limitations of method or data or resources on the other. This section discusses some of the tradeoffs we encountered in creating the Index, especially between the precision of data and the desire to report continuing series.

A major overall objective was to create a result that was conceptually easy to understand for a broad-based audience, while providing ample coverage of arts and culture in the U.S, with additional detail on the underlying data. As a time series study, time itself is an important variable. The technique presents data for each indicator in a common measurement format that can be used to compare between indicators and over time. Year-to-year change in each indicator is presented both numerically and visually. In some ways this is a “meta-analysis,” which systematically accumulates evidence from multiple studies of a subject to reach an overall finding. In this case, the subject is manifestations of the vitality of arts and culture. Because the effect we are looking at is the vitality of arts and culture in the relatively recent past, interpreting trends was easier using our memory and current knowledge of the arts and culture world in the U.S. from 1999 to the present.

Like everything, our methods have both strengths and weaknesses. Strengths of our approach include:

- Use of multiple data series from private and public sources to create what we believe is the largest data set ever assembled describing arts and culture in America.
- Deriving a diverse view of artistic businesses and work by using multiple classification systems for industries and occupations
- All data are ratio scaled, and are not measured categorically, ordinally, or in intervals. This consistent numerical characteristic makes it possible to do calculations with the Index scores, for example percentage changes.
- The data series are quite consistent over time. Although many providers modify their procedures from year to year to improve precision, there is generally year-to-year continuity.
- While subject to some flaws noted below, the data series that serve as indicators are the best available data to describe these arts and culture activities nationally and annually.
- The indexing procedure resolves differences between data series measured at different orders of magnitude. For example, activity and participation levels are in the millions or tens of millions of people; but other indicators are measured in small numbers like percentage margins. Financial figures were in billions of dollars. Indexing to a base year makes for consistent year-to-year trend measurement.
- Annual data is much more precise and fine-grained than what is reported on five-plus year intervals by the NEA, Department of Education, or Census Bureau.
- The NAI technique is a model for studies of states, metropolitan areas, and municipalities.
- The NAI has been calculated for two years and can be maintained into the future.
- We added five new series, and produced new benchmark versions of the NAI, with a “crosswalk” to earlier “vintages,” maintaining the equal-weighting policy.
- It appears to be reliable, as alternative measures of central tendency track each other very closely
- Multiple data sources on employment in the arts (government data by SOC-coded occupation and NAICS-coded industry, and private data on SIC-coded industry), enabled us to shed light from multiple perspectives on this critically important indicator of vitality.
- It was developed using standard desktop applications

Weaknesses of our approach include the following considerations:

- Many of the raw data series are based on surveys that are subject to biases, e.g., non-random samples, self-selection, non-response. Private membership organizations especially get their data from annual, voluntary surveys of their members. While their scope may be national, they may still have small sample sizes, and usually don’t have the same respondents in successive years.
- There are lags between when the activity occurred and when the data are released. The lags are predictable, but persistent, and can be as long as two years. They are longest in the areas of employment and payroll, which are usually issued by the Census Bureau about 28 months after the period they describe.

- There is no information available about the variance within individual series (except for a small number of government series), limiting our ability to make assertions about the statistical significance of differences between individual indicators or index scores.
- The Index and selected views are only point estimates of weighted averages.
- The Index scores vary over time, and this variation is the main focus of the analysis. However, there are not enough observations (i.e., years of data) of each indicator to derive views through factor analysis or other multivariate techniques.
- The indicators do not cover every element of arts and culture activities, and many aspects escape annual measurement. We could not find data describing the visual arts market (creation or consumption) to meet our criteria – and similarly for craft-making, dance and choral music. The massive impact of desktop / laptop tools on design and creativity, and the impact of the internet transmission of arts and culture content are similarly absent from our list of indicators. Thus, while the report is comprehensive, it is not exhaustive, and other sectors may come to our attention for planned annual updates of the Index – as is also the case with other policy index reports we learned from. We are keenly aware of these limits and are seeking data sources that illuminate additional areas.

OTHER METHODOLOGICAL NOTES

For those interested in more of how the Index was constructed, here is additional information on how calculated and original / raw data indicators, adjusting for inflation, adjusting for population, overall t-tests of statistically significant difference between overall Index scores for different years, some indicators that we identified but did not use, and alternative ways of presenting the data.

Calculated vs. original indicators: Twenty three indicators were calculated by relating an observed data series describing arts and culture to some wider measure of the U.S. society, such as population, or to some other aggregate such as total government spending. The specifics of these calculations are in the one-page reports (mostly in Chapter 6), and the indicator names usually indicate that they are a “share.”

Adjusting for inflation: Financial figures were converted from current or nominal dollars to constant or inflation-adjusted dollars using the annual average Consumer Price Index for urban consumers at <http://ftp.bls.gov/pub/special.requests/cpi/cpiiai.txt>. The original base period (i.e., when the CPI was 100) is 1983, but price levels have more than doubled since then. To put this into a scale easier to relate to recent price changes, the one-page reports use CPI set to 2008 =100, calculated by dividing average annual CPI figures for Index years by the 2008 CPI, and multiplying by 100:

TABLE 11. CONSUMER PRICE INDICES, 1998 - 2008											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
CPI at 1982 - 1984 = 100	166.6	172.2	177.1	179.9	184	188.9	195.3	201.6	207.3	215.3	214.5
CPI at 2008 = 100.0	77.4	80.0	82.3	83.6	85.5	87.7	90.7	93.6	96.3	100.0	99.6

Thus, the “constant dollar” figures reported are essentially in 2008 dollars. Note that the cumulative effect of inflation from 1999 to 2009 was 28.7 percent, calculated as $(99.6 / 77.4) - 1 = 0.287$. Effectively, a dollar in 2009 bought less than three quarters of what it purchased in 1999. The adjusted CPI figure for 2009 is not a typo: overall price levels as reported in the CPI did decline in 2009 compared to 2008.

On the other hand the GDP deflator (another measure of price change issued by the government) is always being revised retrospectively, and every new “vintage” restates its own past values. This restatement makes comparison of present to past slightly more precise, but much harder to manage.

Adjusting for population change: Population figures are based on the decennial (every ten years) U.S. Census. In intervening years, the Census Bureau estimates population levels as it has done annually since before the 1990 census. When a new decennial census is conducted (as in 2010), the Bureau revises its prior estimates in the light of the actual population count. The National Arts Index uses these so-called “intercensal” estimates of total U.S. resident population on July 1 of 1998 and 1999, at <http://www.census.gov/popest/archives/EST90INTERCENSAL/US-EST90INT-07/US-EST90INT-07.csv>, the actual April 1, 2000 Census count, and annual estimates for 2001 through 2008 (all at <http://www.census.gov/popest/archives/2000s/>). **These historical estimates were revised slightly after the 2009 National Arts Index was published. They are likely to be adjusted and revised again as a result of new data gathered during the 2010 decennial census.

Tests of statistical significance: Without variance information for most indicators, our quest for statistical significance is largely restricted to comparisons of annual National Arts Index scores between years using simple *t*-tests (two-tailed). The table below shows where we found statistical significant differences between the Index scores for specific pairs of year. Significant results are shown at the 10 percent and 5 percent levels of significance, which refers to the probability that the calculated difference came from chance as opposed to a systematic pattern in the data:

TABLE 12. T-TEST OF DIFFERENCES BETWEEN YEARS											
T-Test - one tail	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1998	0.270	0.343	0.303	0.445	0.325	0.425	0.493	0.328	0.239	0.478	0.093
1999		0.371	0.409	0.191	0.118	0.175	0.231	0.365	0.465	0.228	0.033
2000			0.446	0.215	0.088	0.184	0.283	0.497	0.358	0.282	0.021
2001				0.170	0.061	0.141	0.231	0.441	0.414	0.237	0.016
2002					0.238	0.464	0.392	0.162	0.092	0.458	0.047
2003						0.216	0.145	0.030	0.017	0.283	0.065
2004							0.347	0.122	0.066	0.430	0.045
2005								0.237	0.140	0.458	0.033
2006									0.338	0.251	0.012
2007										0.161	0.007
2008											0.061

The numbers in the table are the probabilities associated with a hypothesis that the two Index scores are not the same. The closer the number is to zero, the more likely that the difference is not by chance. Cells **underlined and boldfaced** indicate that the Index scores of two years are different from each other at the 10 percent level

of significance. Specifically, the 2009 Index score is significantly less than the scores of every prior year, with most of the differences at the five percent level of significance. Similarly, the index scores in 2006 and 2007 are markedly higher than the 2002 and 2003 scores. Generally, these *t*-test results suggest that a difference of five Index points is significant at the 10 percent level for comparisons of two years where all 81 indicators are used (as is the case for the comparison between 2006 and 2009).

Data series we did not use: In addition to the data series used to build indicators for the Index, we also found sources describing aspects of arts and culture that we did not use for one (or more) of several reasons, such as: an indirect or limited connection to the arts, concerns about continued availability of the data over time, variability far outside the dynamic range of other indicators, or too close a parallel to available data. Here are some series that we identified but did not use:

- Data on visitation to public libraries for various purposes, obtained from NCES
- Share of the global art auction market sold in U.S. auction houses, obtained from artmarket.com. This has been around 40 percent in recent years.
- A price index of the sales of art in U.S auction houses, also from artmarket.com. This index has fluctuated very widely in recent years
- The share of the Library of Congress collection devoted to works of fine arts and music. This increased from about 19.5 million items to about 23.1million items from 1999 to 2006, representing about 6.8 to 7.0 percent of the total collection
- International trade (both imports and exports) in art and music products defined by the Standard International Trade Classification, from the International Trade Administration
- Number of nonprofit arts organizations filing the annual Form 990 information return. Every year, this represented an almost identical share (about 35 percent) of the total number of registered nonprofit arts organizations, and so would have provided no additional trend information to the Index. Financial figures for nonprofit revenue, assets, and surplus are derived only from those organizations that do file form 990.
- Total movie revenue, which moved in parallel to movie attendance.
- Specific indicators on movie releases, and premieres in opera, theatre, and symphony were combined into one “New Work” indicator

Alternative systems for analyzing the Index data: Our procedure as outlined above involved first indexing the data series (dividing by the 2003 value) and then averaging them, effectively setting all weights equal to each other. The resulting annual Index scores are thus linear point estimates of total variation across all indicators in each year. This was appropriate because of its simplicity and the ease of computation. To group them into components, we used the ACBS model and our own sense of what constituted financial flows, capacity, arts participation, and arts competitiveness.

With additional resources or time, we could have used other systems to categorize the data or find components from the available variance rather than the views implied by the ACBS model. We could not use factor analysis, principal components analysis or structural equation modeling because these approaches need many more

observations than variables, and the Index data include only eleven observations (one per year) of dozens of variables. Optimization techniques like linear programming or data envelopment analysis are not helpful because we do not have a single state of arts and culture to set as that optimum standard, so there is no clear objective to pursue or compare to. For similar reasons, we did not use a Lorenz curve / Ginni coefficient approach to compare actual provision of arts and culture to a conceptual ideal where every person has equal access to the arts.

All this said, we are interested in more elaborate approaches, either those mentioned here, or others. We encourage researchers and analysts to approach us with models for alternatives. Note that Appendix E contains all of the annual index scores for every variable.

Additional years' data: As the project began, we set 1996 as the first year for which we would seek observations. Ultimately, 27 indicators had measurements for 1996, and two more also had 1997 data. Under a rule of thumb that we would not focus on any year with too few indicators, we only present detailed data for 1999 through 2009.

**Detailed data on the year 1998 is available in the 2009 National Arts Index Report. The smallest number of indicators in this span for the first ten years is 54, in 1999. At the time of writing, a total of 63 indicators (more than 77 percent of the maximum) were available for 2009 (compared to 66 percent of all indicators in the 2009 National Arts Index Report. We expect to continue to develop the Index with additional years' data on existing indicators, and hopefully to add new indicators that meet the criteria.

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APPENDIX A: NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM CODES FOR ARTS AND CULTURE INDUSTRIES

NAICS code	Description
334612	Prerecorded Compact Disc (except Software), Tape, and Record Reproducing
339911	Jewelry (except Costume) Manufacturing
339942	Lead Pencil and Art Good Manufacturing
339992	Musical Instrument Manufacturing
423410	Photographic Equipment and Supplies Merchant Wholesalers
443130	Camera and Photographic Supplies Stores
451140	Musical Instrument and Supplies Stores
451220	Prerecorded Tape, Compact Disc, and Record Stores
453920	Art Dealers
511130	Book Publishers
512110	Motion Picture and Video Production
512120	Motion Picture and Video Distribution
512131	Motion Picture Theaters (except Drive-Ins)
512132	Drive-In Motion Picture Theaters
512191	Teleproduction and Other Postproduction Services
512199	Other Motion Picture and Video Industries
512210	Record Production
512220	Integrated Record Production/Distribution
512230	Music Publishers
512240	Sound Recording Studios
512290	Other Sound Recording Industries
515111	Radio Networks
515112	Radio Stations
515120	Television Broadcasting
519120	Libraries and Archives
532230	Video Tape and Disc Rental
541310	Architectural Services
541410	Interior Design Services
541430	Graphic Design Services
541490	Other Specialized Design Services
541810	Advertising Agencies
541921	Photography Studios, Portrait
541922	Commercial Photography
611610	Fine Arts Schools
711110	Theater Companies and Dinner Theaters
711120	Dance Companies
711130	Musical Groups and Artists
711190	Other Performing Arts Companies
711510	Independent Artists, Writers, and Performers
712110	Museums
712120	Historical Sites
712130	Zoos and Botanical Gardens

APPENDIX B: STANDARD OCCUPATIONAL CODES FOR ARTS AND CULTURE OCCUPATIONS

SOC Code	Type of work
131011	Agents and Business Managers of Artists, Performers, and Athletes
171011	Architects, Except Landscape and Naval
171012	Landscape Architects
25-1121	Art, Drama, and Music Teachers, Postsecondary (
254011	Archivists
254012	Curators
259011	Audio-Visual Collections Specialists
271011	Art Directors
271012	Craft Artists
271013	Fine Artists, Including Painters, Sculptors, and Illustrators
271014	Multi-Media Artists and Animators
271019	Artists and Related Workers, All Other
271021	Commercial and Industrial Designers
271022	Fashion Designers
271023	Floral Designers
271024	Graphic Designers
271025	Interior Designers
271026	Merchandise Displayers and Window Trimmers
271027	Set and Exhibit Designers
271029	Designers, All Other
272011	Actors
272012	Producers and Directors
272031	Dancers
272032	Choreographers
272041	Music Directors and Composers
272042	Musicians and Singers
272099	Entertainers and Performers, Sports and Related Workers, All Other
273011	Radio and Television Announcers
273041	Editors
273042	Technical Writers
273043	Writers and Authors
274011	Audio and Video Equipment Technicians
274012	Broadcast Technicians
274014	Sound Engineering Technicians
274021	Photographers
274031	Camera Operators, Television, Video, and Motion Picture
274032	Film and Video Editors
274099	Media and Communication Equipment Workers, All Other
393021	Motion Picture Projectionists
393031	Ushers, Lobby Attendants, and Ticket Takers
393092	Costume Attendants
393099	Entertainment Attendants and Related Workers, All Others
395091	Makeup Artists, Theatrical and Performance
499063	Musical Instrument Repairers and Tuners
519071	Jewelers and Precious Stone and Metal Workers

APPENDIX C: NATIONAL TAXONOMY OF EXEMPT ENTITIES CODES FOR ARTS AND CULTURE NONPROFIT ORGANIZATIONS

NTEE Code	Type of Nonprofit Organization
A01	Alliance/Advocacy Organizations
A02	Management & Technical Assistance
A03	Professional Societies & Associations
A05	Research Institutes and/or Public Policy Analysis
A11	Single Organization Support
A12	Fundraising and/or Fund Distribution
A19	Nonmonetary Support Not Elsewhere Classified
A20	Arts, Cultural Organizations - Multipurpose
A23	Cultural/Ethnic Awareness
A25	Arts Education/Schools
A26	Arts Council/Agency
A30	Media, Communications Organizations
A31	Film, Video
A32	Television
A33	Printing, Publishing
A34	Radio
A40	Visual Arts Organizations
A50	Museums & Museum Activities
A51	Art Museums
A52	Children's Museums
A54	History Museums
A56	Natural History, Natural Science Museums
A57	Science & Technology Museum
A60	Performing Arts
A61	Performing Arts Centers
A62	Dance
A63	Ballet
A65	Theater
A68	Music
A69	Symphony Orchestras
A6A	Opera
A6B	Singing Choral
A6C	Music Groups, Bands, Ensembles
A6E	Performing Arts Schools
A70	Humanities Organizations
A80	Historical Societies and Related Activities
A84	Commemorative Events
A90	Arts Service Activities/ Organizations
A99	Other Art, Culture, Humanities Organizations/Services Not Elsewhere Classified
N52	County/Street/Civic/Multi-Arts Fairs and Festivals

APPENDIX D: NATIONAL ARTS INDEX SCORES

Indicator	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1. Songwriter and composer performing rights royalties						1.000	1.060	1.099	1.139	1.203	1.260	1.303
2. Wages in artistic occupations		0.956	0.961	0.967	0.836	1.000	0.910	0.926	0.946	0.966	0.927	0.980
3. Payroll in arts and culture industries	0.920	0.961	1.029	1.028	0.995	1.000	0.983	1.019	1.062	1.063	1.034	
4. Publishing industry revenue					0.965	1.000	0.959	0.979	0.945	0.948	0.889	0.876
5. Bookseller sales	0.928	0.968	0.984	0.970	0.977	1.000	1.009	0.982	0.944	0.934	0.884	0.880
6. Musical instrument sales	1.037	1.075	1.094	1.025	1.022	1.000	1.025	1.053	0.977	0.957	0.871	0.725
7. Recording industry shipment value	1.306	1.359	1.291	1.204	1.088	1.000	1.014	0.977	0.905	0.776	0.632	0.556
8. Total album sales						1.000	1.016	0.943	0.896	0.763	0.653	0.570
9. Concert industry ticket sales	0.587	0.663	0.727	0.727	0.859	1.000	1.091	1.168	1.314	1.384	1.436	1.578
10. Revenue of arts and culture nonprofits	0.928	1.034	1.072	1.049	1.022	1.000	1.094	1.103	1.204	1.280	1.251	
11. Corporate arts and culture funding	0.777	1.074	1.181	1.234	1.155	1.000	0.928	1.060	1.141	1.132	0.889	
12. Foundation arts and culture funding	0.907	0.959	1.074	1.189	1.112	1.000	1.077	1.081	1.188	1.137	1.507	
13. Private giving to arts and culture	1.029	0.942	1.034	1.095	1.023	1.000	1.060	0.990	1.054	1.120	1.009	0.977
14. United arts fundraising campaigns	0.940	1.015	1.034	1.019	0.971	1.000	1.007	0.976	1.038	1.033	0.997	0.906
15. Federal government arts and culture funding					0.977	1.000	1.040	1.039	1.000	0.986	1.010	1.039
16. State arts agency legislative appropriations	0.964	1.150	1.179	1.316	1.178	1.000	0.770	0.806	0.844	0.874	0.852	0.795
17. Local government funding of local arts agencies			0.976	1.063	1.081	1.000	0.951	0.966	1.008	1.176	1.171	1.100
18. Artists in the workforce	0.961	1.000	0.996	1.010	0.995	1.000	1.013	1.024	1.013	1.077	1.060	1.045
19. Workers in arts and culture occupations		0.903	0.943	0.979	0.975	1.000	1.088	1.089	1.107	1.149	1.155	1.173
20. Employees in arts and culture industries	0.947	0.979	1.024	1.028	1.002	1.000	1.001	1.016	1.036	1.025	1.021	
21. "Creative Industries" employment						1.000	0.992	0.960	0.893	0.997	0.942	1.000
22. Arts union membership			1.010	1.002	1.001	1.000	1.003	1.040	1.086	1.230	1.268	1.257
23. CD and record stores						1.000	0.996	0.908	0.869	0.793	0.696	0.623
24. Independent artists, writers, and performers			0.891	0.922	0.971	1.000	1.044	1.120	1.134	1.190	1.185	
25. Movie screens	0.958	1.042	1.020	0.996	1.001	1.000	1.022	1.057	1.078	1.088	1.089	1.101
26. Establishments in arts and culture industries	0.973	0.973	0.974	0.977	1.002	1.000	1.021	1.017	1.043	1.055	1.009	
27. "Creative Industries" establishments						1.000	1.055	0.997	0.997	1.116	1.251	1.219
28. Registered arts and culture 501(c)(3) organizations	0.805	0.830	0.852	0.895	0.935	1.000	1.031	1.046	1.089	1.146	1.150	1.205
29. Arts support organizations	0.801	0.875	0.891	0.926	0.975	1.000	1.046	1.073	1.097	1.095	1.116	
30. Capital investment in arts and culture industries	1.040	1.057	1.048	1.048	1.030	1.000	1.036	1.049	1.071	1.067	1.049	0.988
31. Capital investment in nonprofit arts organizations	0.614	0.670	0.732	0.782	0.883	1.000	1.065	1.036	1.059	1.183	1.272	
32. Personal arts creativity experiences					1.040	1.000	1.030	1.025	1.074	1.128	1.106	1.076
33. Copyright applications	1.062	1.019	0.969	0.971	0.866	1.000	1.011	0.989	0.978	0.891	0.924	0.876
34. Personal expenditures on arts and culture	0.860	0.922	0.966	0.972	1.003	1.000	1.021	1.022	1.034	1.029	0.982	0.945
35. New work in theatre, orchestra, opera, Broadway, and film						1.000	0.969	0.875	1.037	1.089	1.052	0.998
36. Books published on music, theatre, dance, or art	0.854	0.885	0.935	0.988	0.988	1.000	1.084	0.943	0.939	1.002	1.049	1.059
37. Volunteering for the arts					0.907	1.000	0.927	0.880	0.939	0.930	0.935	0.982
38. Performance of SAT test takers with four years of art or music	0.935	0.903	0.835	0.769	0.902	1.000	1.037	1.074	1.111	1.063	0.948	0.937
39. Arts majors by college bound seniors	0.916	0.960	0.986	1.025	1.035	1.000	0.936	0.945	1.034	1.053	1.009	0.961

Indicator	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
40. Visual and performing arts degrees	0.736	0.778	0.815	0.854	0.931	1.000	1.069	1.094	1.112	1.118	1.133	1.182
41. Non-commercial radio listenership	0.858	0.876	0.858	0.929	0.956	1.000	0.982	0.965	0.956	0.982	1.000	
42. Public television viewing	1.189	1.172	1.149	1.094	1.017	1.000	0.983	0.966	0.913	0.830	0.740	0.726
43. Foreign visitor participation in arts and culture leisure activity	1.058	1.025	1.010	1.036	0.981	1.000	1.052	1.080	1.112	1.105	1.197	1.226
44. Attendance at Broadway shows in New York	1.005	1.022	0.996	1.041	0.959	1.000	1.016	1.009	1.051	1.078	1.074	1.072
45. Attendance at touring Broadway shows	1.226	1.177	0.944	0.887	0.944	1.000	1.040	1.468	1.379	1.347	1.234	1.153
46. Attendance at live popular music						1.000	1.045	1.067	1.024	1.019	1.002	0.831
47. Attendance at symphony, dance, opera, and theatre						1.000	0.991	0.978	0.953	0.928	0.888	0.752
48. Motion picture attendance	0.945	0.947	0.909	0.945	1.032	1.000	0.976	0.905	0.921	0.920	0.882	0.930
49. Art museum visits						1.000	0.980	1.004	0.951	0.932	0.933	0.808
50. Museum visits			0.911	0.976	0.902	1.000	0.984	1.161	1.105	1.037	1.048	1.042
51. Opera attendance	1.191	1.153	1.237	1.233	1.022	1.000	1.094	1.053	1.086	1.136	0.980	0.928
52. Symphony attendance	1.157	1.108	1.139	1.134	1.090	1.000	0.996	0.952	1.046	1.044	1.033	0.915
53. Nonprofit professional theatre attendance					0.939	1.000	0.936	0.948	0.889	0.904	0.933	0.875
54. Citations of arts and culture in bibliographic databases	1.018	1.061	1.061	1.074	1.017	1.000	0.958	0.852	0.937	1.027	1.024	
55. Population share engaged in personal creativity activities					1.049	1.000	1.021	1.006	1.046	1.086	1.055	1.018
56. Arts and culture share of private giving	1.218	0.994	0.995	1.077	1.016	1.000	0.992	0.877	0.925	0.950	0.907	0.886
57. Arts and culture share of personal expenditures	1.005	1.027	1.033	1.022	1.029	1.000	0.987	0.960	0.948	0.923	0.888	0.860
58. Visual and performing arts share of all degrees	0.843	0.881	0.899	0.930	0.980	1.000	1.017	1.007	0.993	0.973	0.959	0.940
59. Share of employees in arts and culture industries	0.993	1.003	1.018	1.013	1.010	1.000	0.986	0.990	0.980	0.964	0.958	
60. Share of workers in arts and culture occupations		0.888	0.946	0.976	0.975	1.000	1.083	1.066	1.064	1.091	1.090	1.145
61. Share of payroll in arts and culture industries	0.995	0.990	1.003	1.002	0.997	1.000	0.959	0.975	0.981	0.963	0.953	
62. Share of SAT I test takers with four years of art or music	0.970	0.978	0.962	0.939	0.979	1.000	1.071	1.112	1.177	1.159	1.192	1.273
63. Share of establishments in arts and culture industries	1.017	1.007	0.999	0.999	1.010	1.000	1.003	0.984	0.996	0.993	0.963	
64. Arts and culture share of foundation funding	1.186	1.074	0.958	0.977	0.978	1.000	1.023	1.001	0.975	0.848	0.999	
65. Arts and culture share of corporate funding	1.878	2.535	1.618	1.521	1.453	1.000	0.854	0.828	0.905	0.846	0.690	
66. Arts and culture share of corporate funding (CECP)						1.000	0.864	0.970	1.212	1.136	0.939	
67. Federal government arts and culture funding per capita					0.985	1.000	1.030	1.020	0.973	0.949	0.963	0.983
68. Arts and culture share of federal domestic discretionary spending					1.044	1.000	1.028	0.993	0.934	0.952	0.956	0.884
69. State arts agency funding per capita	1.015	1.196	1.213	1.340	1.189	1.000	0.762	0.791	0.821	0.841	0.813	0.752
70. State arts agency share of state general fund expenditures	1.058	1.136	1.197	1.273	1.151	1.000	0.768	0.779	0.782	0.764	0.759	0.712
71. Population share attending Broadway shows in New York or on tour	1.290	1.225	0.971	0.903	0.952	1.000	1.031	1.441	1.342	1.297	1.177	1.091
72. Population share attending live popular music						1.000	1.029	1.033	0.981	0.965	0.937	0.765
73. Population share attending symphony, dance, opera, and theatre						1.000	0.976	0.947	0.912	0.878	0.830	0.693
74. Population share visiting art museums						1.000	0.965	0.972	0.911	0.883	0.873	0.744
75. Population share attending opera	1.254	1.200	1.273	1.255	1.031	1.000	1.083	1.034	1.057	1.093	0.935	0.877

Indicator	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
76. Population share attending symphony	1.217	1.152	1.172	1.155	1.100	1.000	0.986	0.935	1.017	1.007	0.985	0.865
77. Population share attending nonprofit professional theatre					0.947	1.000	0.927	0.930	0.865	0.870	0.862	0.827
78. Year end value of the Mei Moses ® All Art index	0.717	0.791	0.959	0.886	0.897	1.000	1.141	1.297	1.548	1.830	1.724	1.333
79. Arts, culture, and humanities in the Philanthropic Giving Index	1.434	1.368	1.458	1.429	1.405	1.000	1.464	1.400	1.373	1.183	1.137	0.895
80. Return on assets of arts businesses				0.689	0.841	1.000	1.087	0.947	0.773	1.058	0.814	1.086
81. Share of nonprofit arts organizations with end-of-year surplus	1.168	1.152	1.145	1.079	1.008	1.000	1.031	1.051	1.092	1.105	1.016	

APPENDIX E: INDICATOR DATA SOURCES

Indicator	Source / Link
1. Songwriter and composer performing rights royalties	ASCAP and BMI, retrieved from http://www.ascap.com/new/ and http://bmi.com/press/
2. Wages in artistic occupations	Bureau of Labor Statistics, Occupational Employment Statistics, retrieved from http://www.bls.gov/oes/#tables and http://www.bls.gov/oes/release_archive.htm , full-time status from http://www.arts.gov/research/ArtistsInWorkforce.pdf
3. Payroll in arts and culture industries	Bureau of the Census, County Business Patterns, retrieved from http://www.census.gov/econ/cbp/index.html
4. Publishing industry revenue	American Association of Publishers, retrieved from http://www.publishers.org/main/IndustryStats/documents/S12007Final.pdf
5. Bookseller sales	Bureau of the Census, Monthly Retail Sales, retrieved from http://www.census.gov/mrts/www/data/excel/mrtssales92-09.xls
6. Musical instrument sales	National Association of Music Merchants, <i>NAMM Global Report Featuring Music USA</i> annual report, retrieved from http://www.namm.org/library/music-usa
7. Recording industry shipment value	Recording Industry Association of America, 2008 Year-End Shipment Statistics, retrieved from http://riaa.org/keystatistics.php
8. Total album sales	Soundscan Year-End Music Sales Reports provided by Soundscan
9. Concert industry ticket sales	Data provided to Americans for the Arts by <i>Pollstar</i>
10. Revenue of arts and culture nonprofits	Data provided to Americans for the Arts by National Center for Charitable Statistics at the Urban Institute
11. Corporate arts and culture funding	Conference Board, <i>2007 and 2008 Corporate Contributions Reports</i> , additional data provided by the Conference Board to Americans for the Arts
12. Foundation arts and culture funding	Foundation Center FCStats, retrieved from http://foundationcenter.org/findfunders/statistics/g_s_subject.html
13. Private giving to arts and culture	Giving USA Foundation, <i>Giving USA</i> annual publication
14. United arts fundraising campaigns	Americans for the Arts, collected for the United States Urban Arts Federation
15. Federal government arts and culture funding	Congressional Research Service <i>Arts and Humanities: Background on Funding</i> , retrieved from http://italy.usembassy.gov/pdf/other/RS20287.pdf ; General Printing Office, retrieved from http://www.gpoaccess.gov/usbudget/browse.html
16. State arts agency legislative appropriations	Data provided to Americans for the Arts by National Assembly of State Arts Agencies
17. Local government funding of local arts agencies	Americans for the Arts, collected for the United States Urban Arts Federation
18. Artists in the workforce	National Endowment for the Arts Research Notes 76, 87, 90, and 97 retrieved from http://www.arts.gov/research/ResearchNotes_chrono.html
19. Workers in arts and culture occupations	Bureau of Labor Statistics, Occupational Employment Statistics, retrieved from http://www.bls.gov/oes/#tables and http://www.bls.gov/oes/release_archive.htm , full-time status from http://www.arts.gov/research/ArtistsInWorkforce.pdf
20. Employees in arts and culture industries	Bureau of the Census, County Business Patterns, retrieved from http://censtats.census.gov/cgi-bin/cbpnaic/cbpsel.pl
21. "Creative Industries" employment	Americans for the Arts; data collected for the annual Creative Industries reports described at http://www.americansforthearts.org/information_services/research/services/creative_industries/default.asp
22. Arts union membership	Office of Labor Management Standards, Department of Labor, retrieved from http://kcerds.dol-esa.gov/query/getOrgQry.do
23. CD and record stores	Data provided by Almighty Institute of Music Retail
24. Independent artists, writers, and performers	Bureau of the Census, Non-Employer Statistics, retrieved from http://www.census.gov/epcd/nonemployer/2002/us/US000.HTM
25. Movie screens	Motion Picture Association of America, 2008 MPA Theatrical Statistics, retrieved from http://www.mpa.org/2008_Theat_Stats.pdf
26. Establishments in arts and culture industries	Bureau of the Census, County Business Patterns, retrieved from http://censtats.census.gov/cgi-bin/cbpnaic/cbpsel.pl
27. "Creative Industries" establishments	Americans for the Arts; data collected for the annual Creative Industries reports described at http://www.americansforthearts.org/information_services/research/services/creative_industries/default.asp
28. Registered arts and culture 501(c)(3) organizations	Data provided to Americans for the Arts by National Center for Charitable Statistics at the Urban Institute
29. Arts support organizations	Data provided to Americans for the Arts by National Center for Charitable Statistics at the Urban Institute
30. Capital investment in arts and culture industries	Bureau of Economic Analysis, retrieved from http://www.bea.gov/national/FA2004/Details/xls/detailnonres_stk1.xls
31. Capital investment in nonprofit arts organizations	Data provided to Americans for the Arts by National Center for Charitable Statistics at the Urban Institute
32. Personal arts creativity experiences	Bureau of the Census, Statistical Abstract of the United States, retrieved from http://www.census.gov/prod/www/abs/statab2001_2005.html and http://www.census.gov/prod/www/abs/statab2006_2010.html
33. Copyright applications	Copyright Office, Library of Congress, retrieved from annual reports at http://www.copyright.gov/reports/index.html , 2008 figure provided by Copyright Office staff.

Indicator	Source / Link
34. Personal expenditures on arts and culture	Bureau of Economic Analysis, National Income and Products Accounts Table, retrieved from http://bea.gov/national/nipaweb/TableView.asp?SelectedTable=65&ViewSeries=NO&Java=no&Request3Place=N&3Place=N&FromView=YES&Freq=Year&FirstYear=1996&LastYear=2008&3Place=N&Update=Update&JavaBox=no
35. New work in theatre, orchestra, opera, Broadway, and film	Compiled from data from Broadway League, League of American Orchestras, Motion Picture Association of America, Opera America, and Theatre Communications Group
36. Books published on music, theatre, dance, or art	Books in Print database accessed at Muhlenberg College, Allentown, PA
37. Volunteering for the arts	Bureau of the Census, Current Population Survey, retrieved via Data Ferrett at http://dataferrett.census.gov/
38. Performance of SAT test takers with four years of art or music	College Board, College-Bound Seniors, retrieved from http://professionals.collegeboard.com/data-reports-research/sat/archived
39. Arts majors by college bound seniors	College Board, College-Bound Seniors, retrieved from http://professionals.collegeboard.com/data-reports-research/sat/archived
40. Visual and performing arts degrees	National Center for Education Statistics, <i>Digest of Education Statistics</i> Tables 253, 254, 263, and 310, retrieved from http://nces.ed.gov/programs/digest/d09/tables_3.asp#Ch3aSub4 and earlier versions
41. Non-commercial radio listenership	Arbitron Nationwide Spring Quarter M-Su 6a-Mid 12+ CPB-Station Cume Rating, compiled by Radio Research Consortium, data copyright Arbitron
42. Public television viewing	Data provided to Americans for the Arts by Public Broadcasting System
43. Foreign visitor participation in arts and culture leisure activity	Data provided to Americans for the Arts by Department of Commerce, International Trade Administration
44. Attendance at Broadway shows in New York	Broadway League, Broadway Season Statistics, retrieved from http://www.broadwayleague.com/index.php?url_identifier=season-by-season-stats-1
45. Attendance at touring Broadway shows	Broadway League, Touring Broadway Statistics, retrieved from http://www.broadwayleague.com/index.php?url_identifier=touring-broadway-statistics
46. Attendance at live popular music	Data purchased by Americans for the Arts from Scarborough Research, www.scarborough.com
47. Attendance at symphony, dance, opera, and theatre	Data purchased by Americans for the Arts from Scarborough Research, www.scarborough.com
48. Motion picture attendance	Motion Picture Association of America, 2008 MPAA Theatrical Statistics, retrieved from http://www.mpa.org/2008_Theat_Stats.pdf
49. Art museum visits	Data purchased by Americans for the Arts from Scarborough Research, www.scarborough.com
50. Museum visits	Data provided to Americans for the Arts by American Association of Museums
51. Opera attendance	Data provided to Americans for the Arts by Opera America
52. Symphony attendance	Data provided to Americans for the Arts by League of American Orchestras
53. Nonprofit professional theatre attendance	Theatre Communications Group Theatre Facts annual report, retrieved from http://www.tcg.org/tools/facts/
54. Citations of arts and culture in bibliographic databases	Selected Proquest, Gale, Ebsco, and Wilson databases accessed at Muhlenberg College, Allentown, PA, and Lehigh University, Bethlehem, PA
55. Population share engaged in personal creativity activities	Bureau of the Census, Statistical Abstract of the United States, retrieved from http://www.census.gov/prod/www/abs/statab2001_2005.html and http://www.census.gov/prod/www/abs/statab2006_2010.html
56. Arts and culture share of private giving	Giving USA Foundation, <i>Giving USA</i> annual publication
57. Arts and culture share of personal expenditures	Bureau of Economic Analysis, National Income and Products Accounts Table, retrieved from http://bea.gov/national/nipaweb/TableView.asp?SelectedTable=65&ViewSeries=NO&Java=no&Request3Place=N&3Place=N&FromView=YES&Freq=Year&FirstYear=1996&LastYear=2009&3Place=N&Update=Update&JavaBox=no
58. Visual and performing arts share of all degrees	National Center for Education Statistics, <i>Digest of Education Statistics</i> Tables 253, 254, 263, and 310, retrieved from http://nces.ed.gov/programs/digest/d09/tables_3.asp#Ch3aSub4 and earlier versions
59. Share of employees in arts and culture industries	Bureau of the Census, County Business Patterns, retrieved from http://censtats.census.gov/cgi-bin/cbpnaic/cbpsel.pl
60. Share of workers in arts and culture occupations	Bureau of Labor Statistics, Occupational Employment Statistics, retrieved from http://www.bls.gov/oes/#tables and http://www.bls.gov/oes/release_archive.htm , full-time status from http://www.arts.gov/research/ArtistsInWorkforce.pdf
61. Share of payroll in arts and culture industries	Bureau of the Census, County Business Patterns, retrieved from http://censtats.census.gov/cgi-bin/cbpnaic/cbpsel.pl
62. Share of SAT I test takers with four years of art or music	College Board, College-Bound Seniors, retrieved from http://professionals.collegeboard.com/data-reports-research/sat/archived
63. Share of establishments in arts and culture industries	Bureau of the Census County Business Patterns, retrieved from http://censtats.census.gov/cgi-bin/cbpnaic/cbpsel.pl
64. Arts and culture share of foundation funding	Foundation Center FCStats, retrieved from http://foundationcenter.org/findfunders/statistics/gsubject.html
65. Arts and culture share of corporate funding	Conference Board, <i>2007 and 2008 Corporate Contributions Reports</i> , additional data provided by the Conference Board to Americans for the Arts
66. Arts and culture share of corporate funding (CECP)	Committee Encouraging Corporate Philanthropy

Indicator	Source / Link
67. Federal government arts and culture funding per capita	Congressional Research Service <i>Arts and Humanities: Background on Funding</i> , retrieved from http://italy.usembassy.gov/pdf/other/RS20287.pdf ; General Printing Office, retrieved from http://www.gpoaccess.gov/usbudget/browse.html
68. Arts and culture share of federal domestic discretionary spending	Congressional Research Service <i>Arts and Humanities: Background on Funding</i> , retrieved from http://italy.usembassy.gov/pdf/other/RS20287.pdf ; General Printing Office, retrieved from http://www.gpoaccess.gov/usbudget/browse.html
69. State arts agency funding per capita	Data provided to Americans for the Arts by National Assembly of State Arts Agencies
70. State arts agency share of state general fund expenditures	Data provided to Americans for the Arts by National Assembly of State Arts Agencies
71. Population share attending Broadway shows in New York or on tour	Broadway League, <i>Broadway Season Statistics</i> , retrieved from http://www.broadwayleague.com/index.php?url_identifier=season-by-season-stats-1 ; and <i>Touring Broadway Statistics</i> , retrieved from http://www.broadwayleague.com/index.php?url_identifier=touring-broadway-statistics
72. Population share attending live popular music	<u>Data purchased by Americans for the Arts from Scarborough Research, www.scarborough.com</u>
73. Population share attending symphony, dance, opera, and theatre	<u>Data purchased by Americans for the Arts from Scarborough Research, www.scarborough.com</u>
74. Population share visiting art museums	<u>Data purchased by Americans for the Arts from Scarborough Research, www.scarborough.com</u>
75. Population share attending opera	Data provided to Americans for the Arts by Opera America
76. Population share attending symphony	Data provided to Americans for the Arts by League of American Orchestras
77. Population share attending nonprofit professional theatre	<u>Theatre Communications Group Theatre Facts annual report, retrieved from http://www.tcg.org/tools/facts/</u>
78. Year end value of the Mei Moses® All Art index	<u>Data provided by Beautiful Asset Advisors® LLC, http://www.artasanasset.com</u>
79. Arts, culture, and humanities in the Philanthropic Giving Index	Data provided to Americans for the Arts by Indiana University Center on Philanthropy
80. Return on assets of arts businesses	Robert Morris Associates <i>Annual Statement Studies</i> annual publication
81. Share of nonprofit arts organizations with end-of-year surplus	Data provided to Americans for the Arts by National Center for Charitable Statistics at the Urban Institute

ABOUT THE AUTHORS

Roland J. Kushner, Ph.D., is assistant professor of business at Muhlenberg College in Allentown, PA, where he teaches courses in management, strategy, arts administration, and nonprofit management. He has a B.A. in history from Carleton University in Ottawa, Canada, and MBA and Ph.D. degrees from Lehigh University in Bethlehem, PA. He has conducted culture sector research projects for Americans for the Arts, Chorus America, Urban Institute, RAND, C. F. Martin & Company, and OPERA America, and provided management advisory services to many national and community organizations in the arts and other sectors. He wrote the instructor's manual to Arthur C. Brooks' "Social Entrepreneurship. A Modern Approach to Social Value Creation" (Pearson, 2009). His work has been published in *Nonprofit Management & Leadership*, *Journal of Cultural Economics*, *International Journal of Arts Management*, *Journal of Arts Management, Law, & Society*, and *Nonprofit & Voluntary Sector Quarterly*. A native of Ottawa, Canada, he has lived in Bethlehem, PA since 1980.

Randy Cohen is Vice President of Research at Americans for the Arts, the nation's leading advocacy organization for the arts. A member of the staff since 1991, Randy is among the most noted experts in the field of arts funding, research, policy, and using the arts to address community development issues. He published the two premier economic studies of the arts industry—*Arts & Economic Prosperity*, the national impact study of nonprofit arts organizations and their audiences; and *Creative Industries*, a statistical mapping of the nation's 680,000 arts establishments and their employees. Randy led the development of the Americans for the Arts National Arts Policy Roundtable, a major annual initiative launched in 2006 in partnership with Robert Redford and the Sundance Preserve that convenes national leaders who focus on issues critical to the advancement of American culture. He is a sought after speaker who has given speeches in 48 states, and regularly appears in the news media—including *The Wall Street Journal*, *The New York Times*, and on CNN, CNBC, and NPR.

ABOUT AMERICANS FOR THE ARTS

Americans for the Arts is the nation's leading nonprofit organization for advancing the arts in America. For more than 50 years, it has been dedicated to representing and serving local communities and creating opportunities for every American to participate in and appreciate all forms of the arts. From offices in Washington, D.C., and New York City, it serves more than 150,000 organizational and individual members and stakeholders.

Americans for the Arts is focused on four primary goals:

1. Lead and serve individuals and organizations to help build environments in which the arts and arts education thrive and contribute to more vibrant and creative communities.
2. Generate meaningful public and private sector policies and more leaders and resources for the arts and arts education.
3. Build individual awareness and appreciation of the value of the arts and arts education.
4. Ensure the operational stability of the organization and its ability to creatively respond to opportunities and challenges.

To achieve its goals, Americans for the Arts partners with local, state, and national arts organizations; government agencies; business leaders; individual philanthropists; educators; and funders throughout the country. It provides extensive arts-industry research and professional development opportunities for community arts leaders via specialized programs and services, including a content-rich website and an annual national convention.

Local arts agencies throughout the United States comprise Americans for the Arts' core constituency. A variety of unique partner networks with particular interests such as public art, united arts fundraising, arts education, and emerging arts leaders are also supported.

Through national visibility campaigns and local outreach, Americans for the Arts strives to motivate and mobilize opinion leaders and decision-makers who can make the arts thrive in America. Americans for the Arts produces annual events that heighten national visibility for the arts, including the National Arts Awards and BCA TEN honoring private-sector leadership and the Public Leadership in the Arts Awards (in cooperation with The United States Conference of Mayors) honoring elected officials in local, state, and federal government.

Americans for the Arts also hosts Arts Advocacy Day annually on Capitol Hill, convening arts advocates from across the country to advance federal support of the arts, humanities, and arts education.

For more information about Americans for the Arts, please visit www.AmericansForTheArts.org.



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