



<<Date>>

<<First Name>> <<Last Name>>
<<Title>>
<<StudyPartnerOrganization>>
<<Mailing Address 1>>
<<Mailing Address 2>>
<<City>>, <<State>> <ZIP Code>>

Dear <<FirstName>>:

The purpose of this document is to serve as a **letter of agreement** for <<StudyPartnerOrganization>>'s participation in Americans for the Arts' **Economic Impact Study Service**, one of the research services that we offer through our Institute for Community Development and the Arts. This consulting service will enable you to measure—in a reliable and affordable manner—the economic impact of <<Study Region>>'s nonprofit arts and culture industry.

The Economic Impact Study Service will allow you to compare the findings for <<Study Region>> with the findings from our recently-published research report, *Arts & Economic Prosperity IV: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences*. This study documented in unprecedented scope and detail the key role played by the nonprofit arts and culture industry in strengthening 182 local, regional, and state economies. Our methodology, developed with highly regarded economists from the Georgia Institute of Technology, has repeatedly proven to be credible and accurate. Arts administrators, legislators, advocates, and media from across the country regularly use our data to demonstrate the value of arts and culture to their community.

TO CONFIRM YOUR STATUS AS A PARTNER:

1. Read this entire document;
2. Initial each of the five required tasks to be completed by <<StudyPartnerOrganization>> (listed on pages 5-7 of this document);
3. Choose the payment schedule for your study participation fee (at the bottom of page 7);
4. Initial the Contractual Clauses on the bottom of pages 11 and 12 of this document;
5. Sign and date the Statement of Agreement on page 13; and
6. Return the completed contract to Ben Davidson at Americans for the Arts.
7. Upon receipt, an Americans for the Arts representative will sign the contract, and we will return a copy to you immediately—along with a Study Welcome Packet containing the surveys and instructions necessary to begin and complete the data collection process.

THE ARTS & ECONOMIC PROSPERITY IV RESEARCH SERIES

The purpose of this series of national research studies is to evaluate the economic impact of spending by the nation's nonprofit arts and culture organizations and the event-related spending of their audiences. Our latest study, *AEP IV*, built upon our three previous national economic impact efforts (covering fiscal years 1994, 2000, and 2005) to document in unprecedented scope and detail the key role played by the nonprofit arts industry in strengthening local economies during fiscal year 2010. Our highly-regarded research methodology has repeatedly proven to be credible and accurate. During the past 20 years we have conducted economic impact studies in more than 400 U.S. communities ranging in geography (Alaska to Florida to Maine to Hawaii), population (1,600 to four million), and population density (rural to large urban).

LOCAL CUSTOMIZATION FOR <<STUDYREGION>>

This letter of agreement is for a separate, individual study of the nonprofit arts and culture in <<StudyRegion>>. The methodology will be identical to the national study, providing the ability to compare the findings for <<StudyRegion>> with the findings for the 182 communities that participated in the latest national study. To complete this separate research project for <<StudyRegion>>, <<StudyPartnerOrganization>> will partner with Americans for the Arts to collect data from nonprofit arts and culture organizations as well as from attendees to cultural events that take place in <<StudyRegion>>. These data will enable us to measure the economic impact of <<StudyRegion>>'s nonprofit arts and culture industry in terms of four key areas of the economy:

1. Full-time-equivalent jobs supported within <<StudyRegion>>
2. Personal household income paid to residents of <<StudyRegion>>
3. Revenue generated for local (city/county) governments in <<StudyRegion>>
4. Revenue generated for the state government (if applicable)

MEASURING THE IMPACT OF SPENDING BY ORGANIZATIONS

Expenditures by nonprofit arts, humanities, heritage, and culture organizations provide a significant impact on their local and state economies. They are employers, producers, consumers, and key members in marketing their cities and states. Spending by these organizations is far reaching: they pay their employees, purchase supplies, contract for services, and acquire assets. These actions, in turn, support local jobs, create household income, and generate revenue to your local and state governments.

1. <<StudyPartnerOrganization>> will develop a comprehensive list of the nonprofit arts, humanities, heritage, and culture organizations that are located in <<StudyRegion>> that are eligible to participate in the survey (a detailed definition of eligible organizations will be provided). The comprehensive list will include a primary contact name, phone number, mailing address, and e-mail address for each organization. This list will be provided to Americans for the Arts.
2. Americans for the Arts will provide a proprietary survey document to collect the required financial and attendance information from <<StudyRegion>>'s eligible nonprofit arts, humanities, heritage, and culture organizations. The survey will be implemented using Americans for the Arts' secure research server and advanced web-based survey technology. Americans for the Arts will then disseminate web-based surveys to those organizations for

which e-mail addresses and a primary contact person are available.

<<StudyPartnerOrganization>> is responsible for distributing and collecting a hard copy of the survey from each organization that does not have an e-mail address.

Americans for the Arts will be available for technical assistance by phone to ensure that the survey distribution and collection are completed correctly.

IMPORTANT NOTE: If your state is an active partner in the Cultural Data Project (CDP), it may be possible to use CDP data as the primary source of financial and attendance information from <<StudyRegion>>'s eligible nonprofit arts and culture organizations. Americans for the Arts will work with you to secure a research agreement to allow use of CDP data for this study. However, Organizational Expenditure Surveys will still be required in order to collect the necessary information from all major and mid-sized eligible organizations that decline to submit a completed and verified CDP profile for the appropriate fiscal year.

3. In partnership with the project economist, Americans for the Arts will build a unique input-output economic model for <StudyRegion>. This input-output model will measure the economic impact of the dollars spent by the nonprofit arts and cultural organizations. The econometric model will be customized specifically for <<StudyRegion>>'s economy, taking into account the specific state and local industry, tax, and commerce characteristics. For the purposes of this study, economic impact is defined using these four measures: (1) full-time equivalent jobs, (2) household income paid to residents, (3) revenue generated to local (city and county) governments, and (4) revenue generated to the state government.
4. Once the data collection process is complete, Americans for the Arts will computerize the data and provide a summary of the data to <<StudyPartnerOrganization>> for review and approval. Once authorization is provided by <<StudyPartnerOrganization>>, Americans for the Arts will analyze all survey data for use in the economic model.

MEASURING THE IMPACT OF EVENT-RELATED SPENDING BY AUDIENCES

Arts, humanities, heritage, and culture organizations—unlike most industries—leverage significant amounts of event-related spending by their audiences. Attendance generates related commerce for hotels, restaurants, parking garages, and more. Our study will provide you with the economic impact of event-related spending by these audiences on jobs, personal income, and local and state government revenue. Past research has also demonstrated that non-local audience members spend more than their local counterparts. We will analyze your audience data by ZIP code to differentiate spending by cultural tourists from spending by local resident arts attendees.

1. Americans for the Arts will provide a proprietary survey instrument that will capture key expenditure and demographic information from <<StudyRegion>>'s cultural audiences.
2. **<<StudyPartnerOrganization>> is responsible for coordinating the completion and collection of a minimum of 800 audience surveys throughout <<StudyRegion>>.**

Because it is imperative that audience surveys are collected from a broad representation of the arts events held in the state (e.g., symphony performances, festivals, exhibitions), audience data collection typically takes a minimum of four months, and can sometimes take up to one year to complete (to account for seasonality). Americans for the Arts will work

closely with <<StudyPartnerOrganization>> to ensure that diverse arts events are selected. Additionally, Americans for the Arts will provide <<StudyPartnerOrganization>> with detailed instructions for audience intercept surveying, and will be available for technical assistance by phone to ensure that the survey distribution and collection are completed correctly.

3. When the completed surveys are returned to Americans for the Arts, they will be computerized for analysis and use in the economic model.

AMERICANS FOR THE ARTS' PROPRIETARY ECONOMIC ANALYSIS METHOD

Input/output analysis will be used to determine the economic impact findings for <<StudyRegion>>. An input/output model is a system of mathematical equations that combine statistical methods and economic theory in an area of economic study called econometrics. It is based on a matrix which tracks the dollar flows between 533 finely detailed industries within your community and allows researchers to determine the economic impact of local spending on jobs, household income, and government revenue. **Our economist will customize an econometric input/output model to reflect the unique economy of <<StudyRegion>>.**

Your input/output model is designed to measure both the direct and indirect economic impacts of expenditures by your cultural organizations. That is, (1) the economic impact resulting from the initial expenditures by the nonprofit arts organizations and (2) the economic impact of the dollars being re-spent in—or "rippling" through—the region. How can a dollar be "re-spent" in a community? Consider this example:

A theater company purchases a gallon of paint from the local hardware store for \$10 (this generates the "direct economic impact"). The hardware store then uses a portion of the \$10 to pay the sales clerk's salary; the sales clerk re-spends some of the money for groceries; the grocery store in turn uses some of the money to pay its cashier; the cashier then spends some for the utility bill; and so on (these are the "indirect economic impacts").

Your input/output model will measure each round of spending until the dollars spent by the arts organizations and audience members have "leaked" out of the local economy. How does money "leak" out of the community? To continue the example above:

The hardware store spent a portion of the \$10 to pay the clerks salary. But another portion of the \$10 was paid to a paint distributor. Because the paint distributor is located in another state, that portion of the \$10 has no impact on the local community—instead, that portion has "leaked" from the local economy.

THE REQUIREMENTS OF STUDY PARTNERSHIP

This research study employs a national-local partnership strategy—one that we’ve used successfully for nearly 20 years. This means that both Americans for the Arts and <<StudyPartnerOrganization>> are required to accomplish certain tasks to ensure that the project is a success. It is also the primary reason that your project fee is so affordable.

There are five primary requirements of each of our Economic Impact Study Service partners. Please consider their potential impact on <<StudyPartnerOrganization>> and your arts community. This contract is not considered formalized unless ALL FIVE REQUIREMENTS are fully completed and initialed on pages 5-7 on this document.

Initial above

1. Identify a primary project contact.

You need to name a local project manager for the data collection effort. It could be you, a member of your staff, a member of your board, or perhaps a volunteer. This person will act as a single point of contact for Americans for the Arts during the duration of the economic impact study. He/she will be responsible for your local work being completed in an accurate and timely manner.

Name of Primary Contact: _____
Job Title: _____
Phone Number: _____
E-mail Address: _____

Initial above

2. Provide a comprehensive list of nonprofit arts and culture organizations.

You are required to create as complete a list as possible of all nonprofit arts and culture organizations in <<StudyRegion>> (*i.e.*, not just your members or grantees). Each listing should include the organization name, the mailing address, the name of a single primary contact, one single e-mail address for the chosen primary contact, and the appropriate National Taxonomy of Exempt Entities (NTEE) definition code (*e.g.*, symphony, historical museum). This list must be provided to Americans for the Arts as a Microsoft Excel (.XLS) spreadsheet. A complete listing of the NTEE codes will be included in the Study Welcome Packet that you will receive upon contract approval. Americans for the Arts will also provide a Microsoft Excel template to ensure delivery of the list in the required format.

Most of our previous partners have used this study requirement as a method to “clean” their database. Additionally, most reported that they discovered a number of new arts and culture organizations in their community that they previously did not know existed.

Initial above

3. Survey the eligible nonprofit arts and culture organizations on your list. Americans for the Arts will provide a proprietary survey instrument that is designed to capture key data from the eligible nonprofit arts and cultural organizations on your list (e.g., expenditures, revenues, attendance). A paperless survey process will be implemented electronically by Americans for the Arts using our secure research server and advanced web-based survey technology. Still, two actions are required of <<StudyPartnerOrganization>>:

- A paper version of the survey must be delivered to eligible organizations for which you do not provide a valid e-mail address. It will be the responsibility of <<StudyPartnerOrganization>> to distribute and collect these paper surveys, and return them to Americans for the Arts for processing and analysis. The Organizational Expenditure Survey will be included in the Study Welcome Packet.
- Additionally, many organizations will not respond to our first, second, or third requests to complete our web-based survey. Upon completion of the web-based data collection effort, it will be the responsibility of <<StudyPartnerOrganization>> to follow up with non-responding organizations to solicit their survey response (e.g., e-mailing/faxing/ mailing copies of the survey, coaxing by phone).

Conducting surveys of nonprofit organizations is a time intensive task. It is important that you be able to mobilize the necessary staff and/or volunteer labor to effectively complete this work. Each organization on your list is important. We understand, however, that the full cooperation of your arts community may be unrealistic. **We do NOT anticipate nor expect a 100 percent response rate.** Economic impact is based on the number of dollars spent in your community, so we want to capture as many of those dollars as possible. For the purposes of this project, an adequate response can be characterized as data collected from all the large and mid-sized budget organizations on your list and a sampling of the smaller organizations. **Local partners that provide an inadequate survey response may be disqualified from the project.** (Fortunately, we've completed more than 200 previous studies, and we've never had to do this!)

Initial above

4. Collect at least 800 audience-intercept surveys from cultural attendees. Americans for the Arts will provide a proprietary survey instrument that is designed to measure the dollars spent by arts patrons as a direct result of their attendance to events that take place in <<StudyRegion>>. <<StudyPartnerOrganization>> is responsible for collecting a minimum of 800 "audience-intercept" surveys at events that take place in <<StudyRegion>>.

The Study Welcome Packet that you will receive upon contract approval will contain a survey protocol to help you select an appropriately broad range of events at which to survey as well as the information you need to train your local arts organizations to collect the audience surveys on your behalf.

_____ *Initial above*

5. Pay your subsidized project fee.

Each Economic Impact Study Service partner is required to pay a subsidized participation fee. These fees are applied to the costs of data entry, data analysis, and the development of a customized input/output economic model for each participating community. In addition to the study participation fees, this study is also funded in part by a significant contribution by the Ruth Lilly Fund of Americans for the Arts as well as other local, regional, and national sponsors.

SECTION 1: COMPLETE THE SECTION BELOW to calculate the total participation fee for «StudyPartner1»:

Arts & Economic Prosperity IV participation fee <<StudyFee>>
2010 Membership Status = <<MembershipLevel>>
Total Membership Discount on Participation Fee <<StudyFeeDiscount>>

Add-On—An Americans for the Arts representative (Randy Cohen or other Senior Staff member) will travel to your community to participate in an event to release the local study findings and to meet with local elected officials, business leaders, and the press board. (This fee is the speaker fee only and does NOT include travel costs; travel costs will be billed separately after the presentation.) \$1,750

Total Study Participation Fee (*sum of above*) \$ _____

SECTION 2: CHOOSE YOUR PAYMENT SCHEDULE. There are two options, one of which provides the opportunity to spread your participation fee payments across multiple fiscal years.

Option 1—Pay your entire project fee within 45 days of contract approval. We will send you an invoice upon receipt of your completed contract.

Option 2—Pay your project fee in two equal payments. The first payment will be due within 45 days of contract approval. The second payment will be due upon delivery of your final report. We will send you an invoice for each payment.

AMERICANS FOR THE ARTS' RESPONSIBILITIES AND REQUIREMENTS

Americans for the Arts is committed to your success and the success of the Economic Impact Study Service in <<StudyRegion>>. Together with our team of economists, we have developed a rigorous research methodology to measure the economic impact of the nonprofit arts and culture industry—one that has repeatedly proven to be credible and accurate. To increase the quality of the research and the impact of the findings, we are working to add strategic national partners to the project. For example, the U.S. Conference of Mayors and the National Association of Counties are two important partners that will amplify the research by publishing articles and disseminating reports to our nation's mayors and county commissioners.

Specifically, Americans for the Arts will provide you with all of the following:



1. Training, technical assistance, and support.

We will provide easy-to-understand methodologies, training, and technical assistance so you can effectively and efficiently collect your survey data. We will provide written protocols on how to conduct the surveys, sample letters of introduction, and successful survey follow-up strategies for those organizations that don't respond with the immediacy that we hope for.



2. Arts organization and audience spending surveys.

We will provide a camera-ready copy of our proprietary surveys for you to disseminate to (1) your local nonprofit arts and culture organizations (*i.e.*, the organizations for which you are not able to provide a valid e-mail address) and (2) attendees to arts and culture events that take place in your community. These proprietary surveys have been designed in partnership with our economist and tested in more than 400 communities around the U.S. In fact, Americans for the Arts has successfully collected more than 350,000 audience surveys from attendees during the past 10 years.



3. Data entry and cleaning.

Upon receipt of the completed arts organization and audience surveys, we will computerize, clean, authenticate, and tabulate the survey data for analysis in our economic model. Following our analysis, we will provide you with a two-page summary of the survey findings for your community.



4. State-of-the-art economic input-output analysis.

Input-output analysis will be used to determine the economic impact of the nonprofit arts in your community. An input-output model is a series of mathematical equations that combine economic theory and statistical methods to determine how the arts impact local jobs, household income, and government revenue. Our project economist will customize an input-output model specifically for <<StudyRegion>>. In addition to your survey results, this economic model includes wage, labor, and commerce data from local, state and federal governments. This widely-accepted methodology has been the basis for two Nobel prizes in economics.



5. Customized deliverables for <<StudyRegion>>.

Upon completion of the analysis, Americans for the Arts will deliver the following project deliverables to <StudyPartnerOrganization>>:

- A **customized final report** on the economic impact findings for <<StudyRegion>> (~30 pages). The easy-to-use report will describe the economic impact of the spending by nonprofit arts and culture organizations and the induced spending by arts audiences. It will also include a description of the project methodology, frequently asked questions, and frequently used terms. Finally, the report will include comparison data from cohort communities that also participated in the study.
- Two versions of a **one-page summary** of the findings for <<StudyRegion>>.
- Our *Arts & Economic Prosperity IV* **national report** including study background and methodology, detailed data tables on all 200 participating communities, frequently asked questions, and frequently used terms (300+ pages).
- Our **summary report** of the national findings with background and methodology (24 pages).
- Our four-fold **brochure** highlighting the national findings.
- Our customizable **PowerPoint presentation** of the national findings with talking points and quotes from influential public and private sector leaders (drop in the results for <<StudyRegion>> and you will be ready to meet with your elected officials!).
- Sample press release for use in preparing a customized release for your local media.
- Our Partner Media Toolkit—an effective “how-to” guide to disseminating the findings to your constituents and your community.

IMPORTANT NOTE: All project materials will be delivered digitally. **All printing and production requirements are the responsibility of <<StudyPartnerOrganization>> and any other partners/sponsors.**

6. Local and national visibility and advocacy.

Americans for the Arts will publicize the results of the study and provide national and local visibility for your community and your local arts industry.



NEXT STEPS!

To cement <<StudyPartnerOrganization>>'s status as an partner in our Economic Impact Study Service, **complete this entire letter of agreement and return the original to me by mail, fax, or scan/e-mail.** As soon as your contract is received, we will prepare and mail to you a Study Welcome Packet containing all the materials that you need to get started with the data collection process!

Feel free to call me with any questions, comments, or concerns.

Sincerely,

A handwritten signature in black ink that reads "Benjamin Davidson". The signature is written in a cursive style with a large initial "B".

Ben Davidson
Senior Director of Research Services
Americans for the Arts
The National Service Organization for America's Local Arts Agencies
1000 Vermont Avenue NW, Sixth Floor
Washington, DC 20005
202-371-2830 (phone)
202-371-0424 (fax)
bdavidson@artsusa.org

CONTRACTUAL CLAUSES

- *Arts & Economic Prosperity*® is a registered trademark of Americans for the Arts.
- All survey instruments and economic impact modeling techniques are proprietary and will remain the sole property of Americans for the Arts.
- All materials developed by «StudyPartner1» related to *Arts & Economic Prosperity IV*, including but not limited to raw survey data and completed surveys, shall be Work for Hire and as such shall be the property of Americans for the Arts. Should these materials ever be deemed not Work for Hire, «StudyPartner1» hereby irrevocably transfer to Americans for the Arts all right, title, and interest in and to the same.
- Americans for the Arts will retain all copyright to the finished products of *Arts & Economic Prosperity IV* that are delivered to the «StudyPartner1» by Americans for the Arts.
- The raw survey data collected for the purpose of completing the *Arts & Economic Prosperity IV* study and analyzed by Americans for the Arts will be considered completely confidential, and will not be shared with other project partners, the press, or the public.
- «StudyPartner2» is prohibited from changing the title of the study to anything other than *Arts & Economic Prosperity IV: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in «StudyRegion1»*. This title must appear in all print and online materials that are generated to promote and market the study including without limitation media releases, brochures, flyers, posters, handbills, web sites, web buttons, widgets, blogs, e-blasts, newsletters, or any other materials distributed to or seen by the public.
- «StudyPartner2» is required to credit Americans for the Arts as the source of the analysis and findings from the *Arts & Economic Prosperity IV* study in all print and online materials that reference the study.
- «StudyPartner2» is required to include the Americans for the Arts logo in all print and online materials that reference the *Arts & Economic Prosperity IV* study. Americans for the Arts will provide logo files appropriate for use online and in print to study partners.
- «StudyPartner2» is required to incorporate the approved credit line naming all of *Arts & Economic Prosperity IV*'s national and regional project funders/sponsors on all online and print materials that reference the *Arts & Economic Prosperity IV* study. The logo(s) of the national sponsor(s) of the study will also be required to be featured. Americans for the Arts will supply each study partner with the official credit line language and national/regional funder logo files.
- «StudyPartner2» is required to place an active URL or other web feature that directly links from the home page of their organizational web site (if applicable) to the Americans for the Arts economic impact resource page (www.AmericansForTheArts.org/EconomicImpact). It will be active by May 31, 2012 and will remain in place and active until at least June 30, 2013.
- Americans for the Arts will deliver the final report for «StudyRegion1» in an editable Microsoft Word format. «StudyPartner2» is prohibited from modifying the data findings in any way. «StudyPartner2» may, however, make edits and additions to the Acknowledgments section of the report, add an introduction page written by a representative of «StudyPartner1», and add pull-quotes from local community leaders.

Initial above

CONTRACTUAL CLAUSES *(continued)*

- «StudyPartner2» is prohibited from modifying the existing design of the final report that is delivered by Americans for the Arts. «StudyPartner2» may, however, create an entirely new report design that incorporates different covers and different imagery. If a new design is created, the title must not be changed and the Americans for the Arts logo must be displayed.
- Americans for the Arts may terminate this arrangement, including «StudyPartner1»'s status as a Study Partner, for good reason as determined by Americans for the Arts in its reasonable judgment.
- Americans for the Arts and «StudyPartner1» do not intend to establish, and in fact do not hereby establish a partnership, joint venture, or agency relationship. Each party is responsible for the consequences of its own actions.
- To the extent that one party (the Indemnified Party) suffers or incurs liability, damages, or expense (including reasonable attorney fees) in defense of a third party legal proceeding arising out of the negligence or other wrongful conduct of the other party (the Indemnifying Party), the Indemnifying Party shall indemnify and hold harmless the Indemnified Party for the same.
- Any dispute of any nature arising out of or under this contract which is not disposed of by the agreement of the parties shall be resolved by binding arbitration pursuant to the rules of the American Arbitration Association. Such arbitration will be conducted in Washington, DC, and District of Columbia law shall apply. Any decision or award may be submitted to a court of competent jurisdiction for enforcement. Notwithstanding the foregoing, either party may seek injunctive or similar relief in a court of law.

Initial above

STATEMENT OF AGREEMENT

For Americans for the Arts

On behalf of Americans for the Arts, I look forward to our partnership in the Economic Impact Study Service. We agree to comply with all of our requirements set forth herein.

Name: Benjamin Davidson

Title: Senior Director of Research Services

Signature: _____

Date: _____

For <<StudyPartnerOrganization>>

<<StudyPartnerOrganization>> acknowledges that we have retained a copy of this Letter of Agreement. We agree to comply with all of our requirements set forth herein. I acknowledge that this contract is the sole governing agreement for these services. I confirm that I am authorized to execute and am executing this document on behalf of <<StudyPartnerOrganization>> and in so doing legally bind <<StudyPartnerOrganization>>. I further acknowledge that if the foregoing representation of authority is false, I shall be personally liable for all harm suffered by Americans for the Arts as a result of such misrepresentation.

Name: _____

Title: _____

Signature: _____

Date: _____