



NEWS AND INFORMATION

For Immediate Release

June 8, 2012

Contact:

Catherine Brandt

202-712-2054

cbrandt@artsusa.org

America's Nonprofit Arts Industry Key Business Driver, Generating \$135.2 Billion in Economic Activity and Supporting 4.1 Million Jobs According to Americans for the Arts' Arts & Economic Prosperity IV™ Study

Research Demonstrates Nonprofit Arts Industry's Contributions to Supporting and Sustaining Local Jobs and Businesses

Study Reveals Significant Role Cultural Tourism Plays in Fueling Local Economies

WASHINGTON, D.C. — Americans for the Arts, the nation's leading nonprofit organization for advancing the arts and arts education, today announced the findings from *Arts & Economic Prosperity IV™*, the fourth economic impact study of the nonprofit arts and culture organizations and their audiences. The largest and most comprehensive of its kind ever conducted, it shows that the arts industry continued to serve as an economic engine, pumping billions of dollars into the nation's economy.

According to the study, the nonprofit arts and culture industry generated \$135.2 billion dollars of economic activity—\$61.1 billion in spending by nonprofit arts and culture organizations, plus an additional \$74.1 billion in spending by their audiences, resulting in \$22.3 billion in revenue to local, state and federal governments—a yield well beyond their collective \$4 billion in arts appropriations. The total economic activity has a significant national impact, generating the following:

- 4.1 million full-time equivalent jobs
- \$86.68 billion in resident household income
- \$6.07 billion in local government tax revenues
- \$6.67 billion in state government tax revenues
- \$9.59 billion in federal government tax revenues

"*Arts & Economic Prosperity IV*[™] demonstrates that nonprofit arts and culture organizations are valuable contributors to the business community," said Robert L. Lynch, president and CEO of Americans for the Arts. "They are employers, producers, consumers and key promoters of their cities and regions, and they leverage significant event-related spending by their audiences for local merchants. This study makes it clear that the nonprofit arts and culture industry are not only drivers of business but also a key component to economic sustainability and future prosperity."

"Across America, cities that face economic challenges are reinventing and rebuilding themselves by investing in art and culture, a proven catalyst for growth and economic prosperity. Nonprofit arts businesses help cities define themselves, draw tourists, and attract investment. Federal support for America's nonprofit cultural organizations must go on if we hope to continue enjoying the substantial benefits they bring," said Congresswoman Louise Slaughter.

"One of the keys to building and sustaining communities and promoting high quality economic development is support and funding of the arts," said Kansas State Senate President Steve Morris, president of the National Conference of State Legislatures. "We have witnessed, in some states, decreased support of the arts which is counterproductive and a major step backward. We need to emphasize that potential employers look at enrichment of lives as well as schools, hospitals, libraries and other essential services for the communities in which they want to locate. We need to continue—and increase—our support for the arts. In today's competitive marketplace, it has never been truer that supporting the arts means business."

Nonprofits Arts Organizations' Spending Keeps Jobs and Dollars Local

In 2010, nonprofit arts and culture organizations alone supported 2.2 million full-time equivalent jobs, 1.1 million of which were a result of direct expenditures by nonprofit arts, representing 0.87 percent of the U.S. workforce. Compared to the size of other sectors of the U.S. workforce, these numbers are significant. In fact, nonprofit arts and culture organizations support more U.S. jobs than there are accountants, auditors, public safety officers and lawyers.

In addition, studies consistently show that dollars spent on human resources typically stay within a community longer, thereby having a greater local economic impact. And *Arts & Economic Prosperity IV*[™] results show that nearly half (48.4 percent) of a typical nonprofit organization's expenditures are for their human capital—artists and personnel.

"Nonprofit arts and culture organizations are rooted locally—more than most businesses," said Lynch. "They essentially operate as a small business, employing people locally in jobs that cannot be shipped overseas and purchasing goods and services within the community. What's more, spending by these organizations directly supports other locally-based businesses not typically associated with the arts—construction, plumbing, accounting, printing and an array of occupations that span several industries."

"In Nebraska, we understand that cultural excellence is crucial to economic development," said Lt. Governor Rick Sheehy, Chair, National Lt. Governors Association. "The economic impact of arts organizations on our state is significant, and without the quality and diversity of the arts, it would be difficult to attract and promote business development. Arts-related industries create jobs, attract investments and enhance tourism. Additionally, the arts connect us to each other and add richness to our lives."

Impact of Cultural Tourism

Tourism industry research has consistently shown that arts tourists stay longer and spend more than the average traveler. *Arts & Economic Prosperity IV™* results reflect this principle. Among those audience members surveyed, 32 percent live outside the county in which the arts event took place. And, their event-related spending is more than twice that of their local counterparts (\$39.96 vs. \$17.42). As such, communities that draw cultural tourists experience an additional boost of economic activity that further propels local economic engines.

"*Arts & Economic Prosperity IV™* proves that the arts and the cultural tourists that flock to them are good for the economy," explains Lynch, who also serves on the U.S. Travel and Tourism Advisory Board, a position appointed by the U.S. Secretary of Commerce. "The arts are magnets for tourists, and local businesses reap the financial rewards of the increased spending they bring to local economies. Simply put, the arts and culture industry is a cornerstone of tourism and economic development in America."

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

###