

The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in Sacramento County, CA (Fiscal Year 2010)

Direct Economic Activity	Arts and Culture Organizations	+	Arts and Culture Audiences	=	Total Industry Expenditures
Total Industry Expenditures	\$82,052,285		\$29,930,968		\$111,983,253

Spending by Arts and Culture Organizations and Their Audiences Supports Jobs and Generates Government Revenue

Total Economic Impact of Expenditures (Direct & Indirect Impacts Combined)	Economic Impact of Organizations	+	Economic Impact of Audiences	=	Total Economic Impact
Full-Time Equivalent (FTE) Jobs Supported	3,658		783		4,441
Household Income Paid to Residents	\$78,000,000		\$19,353,000		\$97,353,000
Revenue Generated to <u>Local</u> Government	\$4,465,000		\$1,533,000		\$5,998,000
Revenue Generated to <u>State</u> Government	\$5,050,000		\$2,108,000		\$7,158,000

Event-Related Spending by Arts and Culture Audiences Totaled \$29.9 million (excluding the cost of admission)

Attendance to Arts and Culture Events	Resident* Attendees	+	Non-Resident* Attendees	=	All Cultural Audiences
Total Attendance to Arts and Culture Events	1,078,100		423,432		1,501,532
Percentage of Total Attendance	71.8%		28.2%		100%
Average Event-Related Spending Per Person	\$17.28		\$26.69		\$19.94
Total Event-Related Expenditures	\$18,629,568		\$11,301,400		\$29,930,968

Nonprofit Arts and Culture Event Attendees Spend an Average of \$19.94 Per Person (excluding the cost of admission)

Category of Event-Related Expenditure	Resident* Attendees	Non-Resident* Attendees	All Cultural Audiences
Meals and Refreshments	\$10.63	\$14.97	\$11.85
Souvenirs and Gifts	\$1.51	\$1.72	\$1.57
Ground Transportation	\$2.16	\$4.49	\$2.82
Overnight Lodging (one night only)	\$0.17	\$4.26	\$1.33
Other/Miscellaneous	\$2.81	\$1.25	\$2.37
Average Event-Related Spending Per Person	\$17.28	\$26.69	\$19.94

* For the purpose of this study, residents are attendees who live within Sacramento County; non-residents live outside that area.

Source: *Arts & Economic Prosperity IV: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in Sacramento County*. For more information about this study or about other cultural initiatives in Sacramento County, visit the Sacramento Metropolitan Arts Commission's web site at www.SacMetroArts.org.

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About This Study

The *Arts & Economic Prosperity IV* study was conducted by Americans for the Arts to document the economic impact of the nonprofit arts and culture industry in 182 communities and regions (139 cities and counties, 31 multi-city or multi-county regions, and ten states, and two individual arts districts)—representing all 50 U.S. states and the District of Columbia. The diverse communities range in population (1,600 to more than 3 million) and type (rural to urban). The project economists, from the Georgia Institute of Technology, customized input-output analysis models for each participating study region to provide specific and reliable economic impact data about their nonprofit arts and culture industry—specifically (1) full-time equivalent jobs, (2) household income, and (3) local and (4) state government revenue.

Surveys of Nonprofit Arts and Culture ORGANIZATIONS

Each of the 182 study regions attempted to identify its comprehensive universe of nonprofit arts and culture organizations using the Urban Institute's National Taxonomy of Exempt Entity (NTEE) coding system, a definitive classification system for nonprofit organizations recognized as tax exempt by the Internal Revenue Code. In addition, the study partners were encouraged to include other types of eligible organizations if they play a substantial role in the cultural life of the community or if their primary purpose is to promote participation in, appreciation for, and understanding of the visual, performing, folk, and media arts. These include government-owned or government-operated cultural facilities and institutions, municipal arts agencies and councils, private community arts organizations, unincorporated arts groups, living collections (such as zoos, aquariums, and botanical gardens), university presenters, and arts programs that are embedded under the umbrella of a non-arts organization or facility (such as a community center or church). In short, if it displays the characteristics of a nonprofit arts and culture organization, it is included. *For-profit businesses (e.g., Broadway and motion picture theaters) and individual artists were excluded from this study.*

Nationally, detailed information was collected from 9,721 eligible organizations about their fiscal year 2010 expenditures in more than 40 expenditure categories (e.g., labor, local and non-local artists, operations, materials, facilities, and asset acquisition), as well as about their event attendance. Response rates for the 182 communities averaged 43.2 percent and ranged from 5.3 percent to 100 percent. It is important to note that each study region's results are based solely on the actual survey data collected. No estimates have been made to account for non-respondents. Therefore, the less-than-100 percent response rates suggest an understatement of the economic impact findings in most of the individual study regions.

In Sacramento County, 111 of the approximately 268 total eligible nonprofit arts and culture organizations identified by the Sacramento Metropolitan Arts Commission participated in this study—an overall participation rate of 41 percent. The organizations that participated are listed below:

3Point1; Allied Ceramics Art Institute (ACAI); American River Chorus; American River Natural History Association; Art Service Group; Arts and Business Council of Sacramento; Asian American Performing Arts and Culture Center; Asian Cultural Exchange (InterACT Theatre); Association of California Symphony Orchestras; B Street Theatre; Best of Broadway Benefit Productions; Bravo Bach Festival; California Architectural Foundation; California Automobile Museum; California Council for the Promotion of History; California Lawyers for the Arts; California Lectures, Inc.; California Military Museum Foundation; California Museum for History, Women, and the Arts; California Musical Theatre; California Presenters; Camellia Symphony Orchestra; Camerata California; Capital Film Arts Alliance; Capital Jazz Project; Capital Pops Concert Band; Capital Public Radio; Capital Stage Company; Capitol Ballet Company; Celebration Arts; Center for Contemporary Art Sacramento; Center for Sacramento History; Chalk It Up To Sacramento!; Chamber Music Society of Sacramento; Chautauqua Playhouse; Citywater Music, Inc.; Conference of Northern California Handweavers; Crocker Art Museum; Documentary Foundation; E:Motion Dance Ensemble; Elk Grove Fine Arts Center; Elk Grove Historical Society; Fair Oaks Historical Society; Fair Oaks Theatre Festival; Fairy Tale Town; Festival of New American Music; Folsom Historical Society; Folsom Lake Community Concert Association; Folsom Lake Symphony Orchestra DBA Folsom Symphony; Galena Street East Productions; Hmong Cultural Arts, Crafts, Teaching & Museum Projects; Images Theatre Company; Instituto Mazatlan Bellas Artes; KVIE Public Television; La Raza Galeria Posada; Lambda Players Inc; Lorelei Bayne Dance Projects; Mexican Cultural Center of Northern California; Native Islanders of the Pacific (ONIPAA); Natomas Historical Society; Ohana Dance Group; Pacific Rim Street Fest; RAICES Dance Academy; River City Chorale; River City Theater Company; Roan Press; Sacramento Area Regional Theatre Alliance; Sacramento Capitolaire; Sacramento Children's Chorus; Sacramento Chinese Community Service Center; Sacramento Chinese Culture Foundation; Sacramento Choral Society and Orchestra; Sacramento Community Concert Association; Sacramento County Historical Society; Sacramento Fine Arts Center; Sacramento French Film Festival; Sacramento Gay Men's Chorus; Sacramento German Genealogy Society; Sacramento Guitar Society; Sacramento International Gay & Lesbian Film Festival; Sacramento Japanese Film Festival; Sacramento Master Singers; Sacramento Metropolitan Arts Commission; Sacramento Opera Company; Sacramento Philharmonic Orchestra; Sacramento Pioneer Association; Sacramento Shakespeare Festival; Sacramento Taiko Dan; Sacramento Theatre Company; Sacramento Tiawanesse Culture Foundation; Sacramento Women's Chorus; Sacramento Youth Symphony; Sierra Mountain Music Camp; Sinag-tala Filipino Theater and Performing Arts Association; Small Difference Women's Choral Ensemble; Sojourner Truth Multicultural Art Center/Museum; Sol Collective/Freedom Bound Center; Spirit In The Arts; Stages_ (AKA Folsom Civic Ballet Theatre); Strauss Festival of Elk Grove; Teatro Nagual, Inc.; The Poet Tree, Inc.; The Sacramento Ballet; The Short Centers; Theatre Production & Technical Academy; Thyagaraja Nilayam; United lu-Mien Community; Utsav, Inc.; Verge Center for the Arts; Vox Musica; and VSA California.

Surveys of Nonprofit Arts and Culture AUDIENCES

Audience-intercept surveying, a common and accepted research method, was conducted in all 182 of the study regions to measure event-related spending by nonprofit arts and culture audiences. Patrons were asked to complete a short survey while attending an event. Nationally, a total of 151,802 valid and usable attendees completed the survey for an average of 834 surveys per study region. The randomly selected respondents provided itemized expenditure data on attendance-related activities such as meals, souvenirs, transportation, and lodging. Data were collected throughout 2011 (to guard against seasonal spikes or drop-offs in attendance) as well as at a broad range of both paid and free events (a night at the opera will typically yield more spending than a weekend children's theater production or a free community music festival, for example). The survey respondents provided information about the entire party with whom they were attending the event. With an overall average travel party size of 2.69 people, these data actually represent the spending patterns of more than 408,000 attendees, significantly increasing the reliability of the data.

In Sacramento County, a total of 1,456 valid and usable audience-intercept surveys were collected from attendees to nonprofit arts and culture performances, events, and exhibitions during 2011.

Studying Economic Impact Using Input-Output Analysis

To derive the most reliable economic impact data, input-output analysis is used to measure the impact of expenditures by nonprofit arts and culture organizations and their audiences. This is a highly regarded type of economic analysis that has been the basis for two Nobel Prizes. The models are systems of mathematical equations that combine statistical methods and economic theory in an area of study called econometrics. They trace how many times a dollar is re-spent within the local economy before it leaks out, and it quantifies the economic impact of each round of spending. This form of economic analysis is well suited for this study because it can be customized specifically to each study region. To complete the analysis for Sacramento County, project economists customized an input-output model based on the local dollar flow between 533 finely detailed industries within the economy of Sacramento County. This was accomplished by using detailed data on employment, incomes, and government revenues provided by the U.S. Department of Commerce (County Business Patterns, the Regional Economic Information System, and the Survey of State and Local Finance), local tax data (sales taxes, property taxes, and miscellaneous local option taxes), as well as the survey data from the responding nonprofit arts and culture organizations and their audiences.