

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

Direct Economic Activity	Arts and Culture Organizations	+	Arts and Culture Audiences	=	Total Industry Expenditures
Total Industry Expenditures	\$87,806,772		\$78,421,629		\$166,228,401

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	4,174		2,427		6,601
Household Income Paid to Residents	\$82,691,000		\$42,132,000		\$124,823,000
Revenue Generated to <u>Local</u> Government	\$2,985,000		\$4,243,000		\$7,228,000
Revenue Generated to <u>State</u> Government	\$4,710,000		\$3,930,000		\$8,640,000

Event-Related Spending by Arts and Culture Audiences Totaled \$78.4 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	3,492,779		873,195		4,365,974
Percentage of Total Attendance	80.0%		20.0%		100%
Average Event-Related Spending Per Person	\$13.43		\$36.09		\$17.98
Total Event-Related Expenditures	\$46,908,021		\$31,513,608		\$78,421,629

Nonprofit Arts and Culture Event Attendees Spend an Average of \$17.98 Per Person (excluding the cost of admission)

Category of Event-Related Expenditure	Resident* Attendees	Non-Resident* Attendees	All Cultural Audiences
Meals and Refreshments	\$7.78	\$15.17	\$9.27
Souvenirs and Gifts	\$2.03	\$4.08	\$2.44
Ground Transportation	\$1.51	\$7.00	\$2.61
Overnight Lodging (one night only)	\$0.04	\$6.97	\$1.43
Other/Miscellaneous	\$2.07	\$2.87	\$2.23
Average Event-Related Spending Per Person	\$13.43	\$36.09	\$17.98

* For the purpose of this study, residents are attendees who live within Wake 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 Wake County*. For more information about this study or about other cultural initiatives in Wake County, visit the United Arts Council of Raleigh and Wake County (in partnership with the City of Raleigh Arts Commission)'s web site at www.unitedarts.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 Wake County, 103 of the approximately 285 total eligible nonprofit arts and culture organizations identified by the United Arts Council of Raleigh and Wake County (in partnership with the City of Raleigh Arts Commission) participated in this study—an overall participation rate of 36 percent. The organizations that participated are listed below:

AIA (North Carolina); American Turkish Association; Arts Access; ARTS North Carolina; Arts Together, Inc.; Artspace; Artsplosure; Asociación de Puertorriqueños Unidos de Carolina del Norte; Boylan Heights Association; Burning Coal Theatre Company; Capital Area Beading Organization; Carolina Ballet; Cary Art Loop; Cary Ballet Company; Cary Clay Cooperative; Cary Gallery of Artists; Cary Photographic Artists; Cary Players; Cary Town Band; Cary Visual Art; Cary/Apex Piano Teachers Association; Charles R. Bugg Elementary School; Cinema, Inc.; City of Raleigh Arts Commission; City of Raleigh Progress Energy Center for the Performing Arts; Classical Voice of North Carolina; Colored Pencil Society of America, Raleigh-Durham District Chapter; Community Music School; Concert Dancers of Raleigh; Concert Singers of Cary, Inc.; Diamante Inc.; Echo Theatre; Even Exchange Dance Theater; FATE (Free Association Theatre Ensemble); Fellowship Health Resources; Filipino-American Performing Artists; Friends of the Brussels Chamber Orchestra; Friends of the Page-Walker Hotel; Gregg Museum of Art and Design at NCSU; Heart of Cary Association Inc.; Historic Preservation Foundation of N.C., Inc.; Hope Elementary Charter School; Hum Sub; Indian Classical Music and Dance Society; International Focus, Inc.; Jordan Hall Arts Center; Koka Booth Amphitheatre at Regency Park; Marbles Kid's Museum; Martin Luther King, Jr. Task Force of Cary; NC Eid Festival; NCSU Center Stage; Nepal Center of NC; North Carolina Arts Council; North Carolina Dance Alliance; North Carolina Gourd Society; North Carolina Master Chorale; North Carolina Museum of Art; North Carolina Museum of Art Volunteers; North Carolina Museum of History Foundation; North Carolina Museums Council; North Carolina Opera; North Carolina State University Marching Band; North Carolina Symphony Society, Inc.; North Carolina Theatre; North Carolina Theatre Arts Educators; Page-Walker Arts and History Center; Philharmonic Association; PineCone, the Piedmont Council of Traditional Music, Inc.; Pullen Park Arts Center; Pullen Park Arts Center Gallery; Punjabi Unlimited; Raleigh Boychoir; Raleigh Chamber Music Guild; Raleigh Civic Symphony Association; Raleigh Concert Band; Raleigh Ensemble Players; Raleigh Institute of Contemporary Art; Raleigh Little Theatre; Raleigh Piano Teachers Association; Raleigh Review; Raleigh Symphony Orchestra; Really Terrible Orchestra of the Triangle; Scottish Cultural Organization of the Triangle; Sertoma Arts Center; Sister Cities Association of Cary; Society of North Carolina Archivists; Tamil Language Group; The Fine Arts League of Cary; The Justice Theater Project; The Triangle Korean School; The Ujima Group; Town of Cary Cultural Arts Division; Town of Cary Recreation Division/Cary Senior Center; Towne Players of Garner; Triangle Brass Band; Triangle Calligraphers' Guild, Inc.; Triangle Jazz Society; Triangle Wind Ensemble; United Arts Council of Raleigh and Wake County; Visual Art Exchange; Wake County Library System; Wake Forest ARTS; and Western Wake Artists' Studio Tour.

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 Wake County, a total of 1,875 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 Wake County, project economists customized an input-output model based on the local dollar flow between 533 finely detailed industries within the economy of Wake 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.