

The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the State of Delaware (Fiscal Year 2010)

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|------------------------------------|---------------------------------------|---|-----------------------------------|---|------------------------------------|
| Direct Economic Activity | Arts and Culture Organizations | + | Arts and Culture Audiences | = | Total Industry Expenditures |
| Total Industry Expenditures | \$103,407,778 | | \$38,921,849 | | \$142,329,627 |

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

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|---------------------------------------------------------------------------------------|-----------------------------------------|---|-------------------------------------|---|------------------------------|
| 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 | 2,787 | | 1,081 | | 3,868 |
| Household Income Paid to Residents | \$83,834,000 | | \$28,503,000 | | \$112,337,000 |
| Revenue Generated to <u>Local</u> Government | \$1,168,000 | | \$536,000 | | \$1,704,000 |
| Revenue Generated to <u>State</u> Government | \$5,947,000 | | \$2,288,000 | | \$8,235,000 |

Event-Related Spending by Arts and Culture Audiences Totaled \$38.9 million (excluding the cost of admission)

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|----------------------------------------------|----------------------------|---|--------------------------------|---|-------------------------------|
| Attendance to Arts and Culture Events | Resident* Attendees | + | Non-Resident* Attendees | = | All Cultural Audiences |
| Total Attendance to Arts and Culture Events | 893,749 | | 412,901 | | 1,306,650 |
| Percentage of Total Attendance | 68.4% | | 31.6% | | 100% |
| Average Event-Related Spending Per Person | \$17.71 | | \$55.93 | | \$29.80 |
| Total Event-Related Expenditures | \$15,828,295 | | \$23,093,554 | | \$38,921,849 |

Nonprofit Arts and Culture Event Attendees Spend an Average of \$29.80 Per Person (excluding the cost of admission)

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|--------------------------------------------------|----------------------------|--------------------------------|-------------------------------|
| Category of Event-Related Expenditure | Resident* Attendees | Non-Resident* Attendees | All Cultural Audiences |
| Meals and Refreshments | \$9.55 | \$19.97 | \$12.84 |
| Souvenirs and Gifts | \$2.42 | \$6.63 | \$3.75 |
| Ground Transportation | \$2.16 | \$6.55 | \$3.55 |
| Overnight Lodging (one night only) | \$0.27 | \$16.82 | \$5.50 |
| Other/Miscellaneous | \$3.31 | \$5.96 | \$4.16 |
| Average Event-Related Spending Per Person | \$17.71 | \$55.93 | \$29.80 |

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

Source: *Arts & Economic Prosperity IV: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the State of Delaware*. For more information about this study or about other cultural initiatives in the State of Delaware, visit the Delaware Division of the Arts's web site at www.artsdel.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 the State of Delaware, 87 of the approximately 146 total eligible nonprofit arts and culture organizations identified by the Delaware Division of the Arts participated in this study—an overall participation rate of 60 percent. The organizations that participated are listed below:

Arden Club; Art Therapy Express Program, Inc.; Biggs Museum of American Art; Bootless Artworks Inc; Boys and Girls Clubs of Delaware; Brandywine Baroque; Capital Ringers Inc; Center for the Creative Arts; Chapel Street Players; Chesapeake Silver Cornet Brass Band; Children's Theatre of Dover and Kent County; Chorus of the Brandywine; Christina Cultural Arts Center, Inc.; City Theater Company; Cityfest Inc.; Clear Space Theatre Company; Coastal Concerts, Inc.; Corbit Calloway Library; Delaware Art Museum; Delaware Arts Alliance; Delaware By Hand Inc.; Delaware Center for the Contemporary Arts; Delaware Chamber Music Festival; Delaware Children's Theatre; Delaware Choral Society; Delaware Dance Company; Delaware Division of Parks and Recreation; Delaware Division of the Arts; Delaware Foundation for the Visual Arts; Delaware Institute for the Arts in Education; Delaware Literary Connection; Delaware Photographic Society; Delaware Shakespeare Festival; Delaware Symphony Association; Delaware Theatre Association of the Performing Arts; Delaware Theatre Company; Delaware Valley Chorale; Diamond State Branch National League of American Pen Women; Diamond State Chorus of Sweet Adelines Inter.; Distant Voices Touring Theatre; Dover Art League; Dover Symphony Orchestra; Eastern Shore Bluegrass Association; Ecarte Dance Theatre; Eleutherian Mills-Hagley Foundation; First State Ballet Theatre; First State Symphonic Band; Friends of the Capitol Theater, Inc.; Grand Opera House; Hanlin Chinese Culture Association; Inner City Cultural League; John Milton Memorial Celebration of Poets & Poetry; Joshua M Freeman Foundation; Lewes Public Library; Market Street Music Corporation; Mélomanie; Mid-Atlantic Ballet; Milford Community Band; Millsboro Art League, Inc.; Mispillion Art League; Music School of Delaware; Nanticoke Riverfest; The New Candlelight Theatre; New Wilmington Art Association; Newark Arts Alliance, Inc.; Newark Symphony Orchestra; OperaDelaware, Inc.; Possum Point Players; Rainbow Chorale of Delaware; Rehoboth Art League; Rehoboth Beach Film Society; Rehoboth Beach Writers' Guild; Rehoboth Summer Children's Theatre; Second Street Players; Serviam Media; Smyrna-Clayton Heritage Assoc./Smyrna Opera House; Southern DE Choral Society; St Anthony's Italian Festival; The Everett, Inc.; The Henry Francis du Pont Winterthur Museum, Inc.; University of Delaware Resident Ensemble Players; University of Delaware, University Museums; University of Delaware Department of Music; VSA Delaware; Wilmington Ballet Academy of the Dance; Wilmington Drama League; and Wilmington Wintergrass.

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 the State of Delaware, a total of 1,275 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 the State of Delaware, project economists customized an input-output model based on the local dollar flow between 533 finely detailed industries within the economy of Delaware. 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.