

**DELAWARE JOINT FINANCE COMMITTEE**

**PUBLIC HEARING**

**Tuesday, February 12<sup>th</sup>, 2013**

**12:15 p.m. at Legislative Hall, Dover**

Presentation by Delaware Arts Alliance

Seeking Support for the Arts in Delaware



**MISSION**

The Delaware Arts Alliance is the unifying voice for the arts throughout the state, advocating for the central role of the arts in advancing dynamic communities and a creative citizenry.

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**Joint Finance Committee Department of State Hearing**  
**Delaware Arts Alliance**  
**Tuesday, February 12, 2013**  
**12:15 PM**

**Summary of Carrie Gray’s Comments on behalf of Delaware Arts Alliance**

- Despite reductions in federal funding, Delaware has maintained the level of funding for the Division of the Arts.
- Division of the Arts is requesting sustenance of support in the amount of \$1.69 million.
- The Division has increased the number of organizations and individuals served, in spite of a decrease in the amount of federal funding received.
- The arts in Delaware:
  - Represent a \$142.3 million industry
  - Support 3,868 jobs, making it among the top 10 Delaware employers
  - Generate \$9.9 million in local/state revenue (a significant return on the state’s investment of \$1.6 million in support)
  - Have program attendees that spend \$29.80 per person above and beyond admission cost
  - Have been resilient in tough economic times when other industries have not.
  - Have a significant positive impact on our local and state economies. A community without a variety of artistic and cultural experiences will fail to attract cultural tourists, and it will also lose the discretionary spending of its local residents who will travel elsewhere to experience the arts.
  - Are key factors in the attraction of other major employers to Delaware.
  - Include artists and art organizations that provide benefits to employees, patronize Delaware merchants and attract customers to restaurants, retail, hotels, and parking facilities near their venues.
- The arts enhance the education provided by public and private schools.
- Washington Post article (January 22, 2013) listed “Top 10 Skills Children Learn from the Arts”, stating that the arts promote skills important in academic and life success.
- Most of the arts organizations providing art education in Delaware rely on support from the Delaware Division of the Arts.



**Joint Finance Committee Department of State Hearing**  
**Delaware Arts Alliance**  
**Tuesday, February 12, 2013**  
**12:15 PM**

**Record of Public Comments Representing the Delaware Arts Alliance**  
**Presented by Carrie Gray, Delaware Arts Alliance Board member**

Thank you to Chairwoman George-Smith, and to the members of the Joint Finance Committee for the opportunity to speak to you today. My name is Carrie Gray. I am a founding member of the Board of Directors for the Delaware Arts Alliance.

The Delaware Arts Alliance is the organization representing the voice for the arts in Delaware, advocating for the central role of the arts in advancing dynamic communities and a creative citizenry. I am here today as one of many voices for the arts community that plays such a critical role in Delaware's economic viability and quality of life. At this time, I'd like to ask any representatives of the Delaware arts community to please stand and be recognized. As I speak today, the presentation you are seeing reflects the many expressions of art the state has to offer. You might even recognize some of the activities and venues.

First, a thank you. In these challenging economic times, we are grateful to live and work in Delaware, where our elected officials understand the value of the arts and continue to make it a funding priority in the state's annual budget. Not only is it the right thing to do, but rest assured that this has also been a sound business decision for Delaware.

On average, seventy percent of the funds distributed by the Delaware Division of the Arts to our state's artists and arts institutions have been provided via the state's annual operating budget. In the last four years, Delaware has seen a ten percent reduction in the funding it receives for the arts from the federal government via the National Endowment for the Arts. And yet you've managed to maintain the level of funding that the Division of

the Arts has to distribute throughout the state. The arts community is profoundly grateful for your continued support!

Today, we are here to ask the Joint Finance Committee to sustain the support provided to the Division of the Arts at a total of \$1.69 million dollars. This funding will continue support for at least 67 arts organizations and close to 30 individual artists with fellowship or professional development grants. These funds will also facilitate other important services that the Delaware Division of the Arts provides. In spite of reductions in federal funding in recent years, a trend that will continue, the Division has managed to increase the number of organizations and people served. It will become increasingly important for the State of Delaware to increase its support for the Division of the Arts in order to withstand the continued federal funding cuts that are projected at 3-5% annually.

As I said earlier, this support for the arts is a solid business decision for Delaware. I'd now like to provide some brief statistics to support that claim. I'll start with some recent Delaware data generated by Americans for the Arts' recent "Arts & Economic Prosperity Report." The report was released in October 2012 and indicated the following details about the arts industry:

- The arts in Delaware is a \$142.3 million industry
- It supports 3,868 jobs (making it among the top 10 of Delaware employers)
- **It generates \$9.9 million in local/state revenue (considering a \$1.6 million investment in state support).**
- Attendees of art programming spend \$29.80 per person above and beyond the price of admission

What this data should tell you is that the arts sector in Delaware has been resilient in tough economic times when other industries have not and that the arts have a significant positive impact on our local and state economies. If the arts are not supported in Delaware, our state's economy will suffer. If a community does not provide a variety of artistic and cultural experiences, it will fail to attract the new dollars of cultural tourists and it will also lose the discretionary spending of its local residents who will travel elsewhere to experience the arts.

In addition, the arts are a key factor in the attraction of other major employers to Delaware. Time and again, CEOs list "a sense of place" as the key factor in their site selection. Artists and art organizations provide

benefits to employees, use Delaware merchants as vendors, and attract customers to restaurants, retail, hotels, and parking facilities near their venues.

Lastly, the arts enhance the education provided by public and private schools. A fine example is the joint venture between the Rehoboth Art League and the First State Community Action Agency, where 173 at-risk youth have enjoyed art-based education programs at 4 after-school sites.

On January 22, The Washington Post published an article titled, “Top 10 Skills Children Learn from the Arts”, which stated that, besides their intrinsic value, the arts promote skills important in academic and life success. Among those skills were: creativity, confidence, problem solving, perseverance, focus, non-verbal communication, capacity to receive constructive feedback, collaboration, dedication, and accountability.

As the mother of a three year old son, this issue of arts education in our public schools concerns me profoundly. The Art League and First State example is only one of many that are occurring in our state where our arts organizations are supplementing the arts education of our state’s children. Most of those organizations that provide these invaluable programs rely on support from the Division of the Arts.

As you have seen in the presentation, Delaware is a point of destination for businesses, artists, and people seeking quality of life in one location. During a recent arts and economic development meeting, Lorraine Dion, Director of Public Relations & Special Events at the Kent County Tourism office, shared a list 36 pages long of artistic and cultural assets in Kent County. That is only the tip of the iceberg of the quality and quantity that we are blessed with in Delaware. Our hope is that the members of the Delaware State Legislature and the Joint Finance Committee understand the rich asset that we have in our state’s arts community and that you will continue to strengthen the support for this important sector. Thank you!

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

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

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)

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)

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](http://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.

# Joint Finance Committee

## February 12, 2013

Testimony for the arts in Delaware  
coordinated by the Delaware Arts Alliance

Pictures courtesy of the Delaware Division of the Arts



The Delaware Arts Alliance is the unifying voice for the arts throughout the state, advocating for the central role of the arts in advancing dynamic communities and a creative citizenry.





**Arden Club – New Castle County**



**Liane Hansen, Rhonda Graham, Nina Ozlu Tunceli**

Arts & Economic Prosperity Report presentation, October 2012, at the Schwartz Center in Dover, Delaware

## The arts mean business in Delaware!



- \$142.3 million industry
- Supports 3,868 jobs (among top 10 DE employers)
- Generates \$9.9 million in local/state revenue
- Attendees spend \$29.80 per person (beyond admission)
- Resilient in tough economic times
- If arts aren't available here, economic impact won't be either



Biggs Museum (Gala Event photo) – Kent County



**Brandywine Arts Festival – New Castle County**



**Center for the Creative Arts – New Castle County**



**Chesapeake Silver Cornet Band – New Castle County**



**Chorus of the Brandywine – New Castle County**



**Christina Cultural Arts Center – New Castle County**



**City Theater Company (Murder at the Mansion) – New Castle County**



**Clear Space Theatre Company  
(Scrooge) – Sussex County**



**CoroAllegro – New Castle County**



**Delaware Art Museum – New Castle County**



**Delaware by Hand – Kent County**



Delaware Center for the Contemporary Arts – New Castle County



Delaware Chamber Music Festival – New Castle County





**Delaware Children's Theatre – New Castle County**



**Delaware College of Art and Design – New Castle County**



**Delaware Dance Company – New Castle County**



**Delaware Friends of Folk – Kent County**



**Delaware Libraries - Statewide**



**Delaware Shakespeare Festival – New Castle County**



**Delaware Symphony Orchestra (pictured at the Freeman Stage) – New Castle County**



**Delaware Theatre Company (The Crowns) – New Castle County**



**El Centro Cultural – Sussex County**



**First State Ballet Theatre – New Castle County**



Freeman Stage at Bayside – Sussex County



Grand Opera House – New Castle County



**Inner City Cultural League – Kent County**



**Mélomanie – New Castle County**



**Mispillion Art League –  
Kent/Sussex Counties**



**Music School of Delaware - Statewide**





**National Arts Program Foundation - Statewide**



**Newark Arts Alliance – New Castle County**



Newark Library – New Castle County



New Candlelight Theatre – New Castle County



**Newark Symphony Orchestra – New Castle County**



**Opera Delaware – New Castle County**



**Possum Point Players – Sussex County**



**Rehoboth Art League – Sussex County**



**Schwartz Center for the Arts – Kent County**



**Southern Delaware Choral Society – Sussex County**



**Wilmington Drama League – New Castle County**



**Wilmington Mural Collaborative – New Castle County**

## The arts in Delaware mean business but also...



- the force behind educating the new Delaware leaders at full **STEAM**...
- Science
- Technology
- Engineering
- **ARTS**
- Mathematics