

## The Economic Impact of America's Nonprofit Arts and Culture Industry

Americans for the Arts released its sixth national study of the economic and social impact of arts organizations on local communities. The study, Arts & Economic Prosperity 6 (AEP6), is the largest study of its kind ever conducted. The report demonstrates what is known to be true: the nonprofit arts and culture industry is an economic driver in communities – a growth industry that supports jobs, generates government revenue, and is a cornerstone of tourism. We are in a time, however, when many government leaders feel challenged to fund the arts. Shrinking budgets, mandates to prioritize jobs and economic growth, and pressing community development issues make for difficult decision making. To those leaders, Arts & Economic Prosperity 6 brings a welcome message about the importance of investing in the arts and culture sector. Investment results in an industry that strengthens the economy and builds more livable communities. Arts Consulting Group thanks Americans for the Arts for granting permission to reprint a summary of the report's findings and for its tremendous service to the arts and culture sector.

### The Arts Mean Business

Arts & Economic Prosperity 6 (AEP6) is an economic and social impact study of the nation's nonprofit arts and culture industry. By every measure, the results are impressive. Nationally, the sector generated \$151.7 billion of economic activity in 2022—\$73.3 billion in spending by arts and culture organizations and an additional \$78.4 billion in event-related expenditures by their audiences. What was the impact of this economic activity? It supported 2.6 million jobs, provided \$101 billion in personal income to residents, and generated \$29.1 billion in tax revenue to local, state, and federal governments.

AEP6 expands beyond the economic and financial data of its five previous studies to include social impact measurements of arts and culture's effect on the well-being of communities and residents. For example, 89% of attendees to arts and culture events agreed that "the event they are attending inspires a sense of pride in the neighborhood or community," and 86% responded that they "would feel a great sense of loss if this activity or venue were no longer available." Taken together, economic, and social impact provide a more holistic portrait of how arts and culture strengthen communities.



When Americans for the Arts published its first economic impact study in 1994, it partnered with local arts agencies representing 33 communities. AEP6 has grown tenfold since then. It now provides detailed findings on 373 regions from across all 50 states and Puerto Rico—ranging in population from 4,000 to 4.7 million, thus representing rural, suburban, and large urban communities. Local and statewide research partners collected surveys from 16,399 nonprofit arts and culture organizations and 224,677 of their attendees and customized economic input-output models were built for every region to ensure reliable data and actionable results.

What continues to set AEP6 apart from other national studies is its analysis of the event-related spending by arts and culture audiences. When people attend a cultural event, they often make an outing of it - dining at a restaurant, paying for parking or public transportation, enjoying dessert after the show, and returning home to pay for child or pet care. AEP6 shows that the typical attendee spends \$38.46 per person per event, in addition to the cost of event admission. A ZIP code analysis of each of the 224,677 survey respondents shows that a third of attendees (30.1%) traveled from outside the county in which the event took place. Their event-related spending was more than twice that of their local counterparts (\$60.57 vs. \$29.77).

What brought those visitors to town? For 77% of respondents, the primary purpose of their visit was to attend that cultural event. When we asked their local counterparts what they would have done if the event where they were surveyed had not been available, 51% said they would have “traveled to a different community to attend a similar arts or cultural activity”- and 64% of nonlocal visitors would have traveled to another community as well. Vibrant arts communities attract visitors who spend money and help local businesses thrive. They also keep resident spending money local - a value-add that few industries can compete with.

AEP6 included an expectation that, for the first time, its research partners would collect a portion of audience surveys at events that were presented, produced, or hosted by Black Indigenous and People of Color (BIPOC) and African, Latinx, Arab, Asian, or Native American (ALAANA) organizations. With the research showing proportional economic and community impacts, these findings should initiate new, or escalate existing, funding conversations about BIPOC and ALAANA organizations receiving fair and proportional financial support - a necessary first step in correcting the grant award processes that have frequently proven to be historically and systemically unbalanced. It was found that spending by attendees at BIPOC and ALAANA organizations was nearly identical to the overall national average (\$38.29 and \$38.46 per person, respectively). Similar findings were noted in the social impact questions. For example, 81.2% of attendees at BIPOC and ALAANA organizations agreed, “This venue or facility is an important pillar for me within my community.” The figure for all attendees was 81.4%.

### **What are the key findings from AEP6?**

AEP6 uses a highly regarded, conservative approach to analyze the economic impact of the nonprofit arts and culture industry, which generates a significant amount of economic activity by its organizations and event-related spending by its audiences. The message is clear: a vibrant nonprofit arts and culture community keeps residents and their discretionary spending close to home, and it also attracts visitors who spend money and help local businesses thrive. To learn more, you can find the [full report here](#).

Americans for the Arts has also provided an [Arts & Economic Prosperity 6 Calculator](#), which is an online tool that enables organizations to estimate their own economic impact on the local economy.

**Contact ACG for more information on how we can help your organization  
have greater economic, cultural, social, and educational impact in your community.**

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