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**STUDY SHOWS \$166 BILLION IN ECONOMIC ACTIVITY AND
5.7 MILLION JOBS ARE GENERATED ANNUALLY BY
THE NONPROFIT ARTS AND CULTURE INDUSTRY**

*Results Reflect a 24% Increase in Economic Activity Over the Past Five Years
Revealing the Nonprofit Arts Industry as a Formidable Business and
Economic Driver for Communities Across the Country*

WASHINGTON, DC — May 22, 2007 — Americans for the Arts announced today the results of the most comprehensive economic impact study of the nonprofit arts and culture industry ever conducted in the United States. Entitled *Arts & Economic Prosperity III*, the report reveals that the nonprofit arts industry generates \$166.2 billion in economic activity every year, resulting in \$29.6 billion in federal, state, and local tax revenues.

The nation's nonprofit arts and culture industry has grown steadily since the first analysis by Americans for the Arts in 1992, expanding at a rate greater than inflation. Between the second study conducted in 2000 and 2005, spending by organizations and their audiences grew 24 percent, from \$134 billion to \$166.2 billion in total economic activity—\$63.1 billion in spending by organizations and an additional \$103.1 billion in event-related spending by their audiences. The total economic activity has a significant national impact, generating the following:

- 5.7 million full-time equivalent jobs
- \$104.2 billion in resident household income
- \$7.9 billion in local government tax revenues
- \$9.1 billion in state government tax revenues
- \$12.6 billion in federal government tax revenues

“This study is a myth buster,” said **Robert L. Lynch**, president and CEO of Americans for the Arts. “Most Americans understand that the arts improve our quality of life. This study demonstrates that the arts are an industry that stimulates the economy in cities and towns across the country. A vibrant arts and culture industry helps local businesses thrive.”

The *Arts & Economic Prosperity* study shows that nonprofits arts support more jobs than accountants and auditors, public safety officers, and even lawyers, and just slightly fewer than elementary school teachers. Spending by nonprofit arts and culture organizations provide rewarding employment for more than just artists, curators, and musicians but they also directly support builders, plumbers, accountants, printers, and an array of occupations.

In addition, the study reveals that the nonprofit arts industry is the cornerstone of tourism. The \$103.1 billion in event-related spending by arts audiences reflects an average of \$27.79 per person in spending for hotels, restaurants, parking, souvenirs, refreshments, or other similar costs—with non-local attendees spending twice as much as local attendees (\$40.19 vs. \$19.53). When a community attracts cultural tourists, it harnesses significant economic rewards.

This study documents the economic impact of the nonprofit arts and culture industry in 156 communities and regions (116 cities and counties, 35 multi-county regions, and 5 states), representing all 50 states and the District of Columbia. The diverse communities range in population (4,000 – 3,000,000) and type (rural to urban). Researchers collected detailed expenditure and attendance data from 6,080 nonprofit arts and culture organizations and 94,478 of their attendees to measure total industry spending. The project economists from the Georgia Institute of Technology customized input-output analysis models for each study region to provide specific and reliable economic impact data.

To derive the national estimates, the 116 city and county study participants—multi-regions and states are excluded from this analysis—were first stratified into six population groups, and an economic impact average was calculated for each group. Second, the nation’s largest 12,662 cities were assigned to one of the six groups based on their population as supplied by the U.S. Census Bureau. Third, each city was assigned the economic impact average for its population group. Finally, the values of the cities were added together to determine the national economic impact findings. The two largest U.S. cities, New York and Los Angeles, each with more than \$1 billion in organizational expenditures, were excluded from this study to avoid inflating the national estimates. In addition, Laguna Beach, CA, and Teton County, WY, were removed when calculating the national estimates due to their comparably high levels of economic activity in their population category.

The results of the economic impact of the arts for each of the 116 city and county participants, as well as comparative data for the 25 communities that participated in both the 2002 and current study will be released on June 6, 2007.

The *Arts & Economic Prosperity III* study was conducted by Americans for the Arts and supported by the Paul G. Allen Family Foundation, the John D. and Catherine T. MacArthur Foundation, and The Ruth Lilly Fund of Americans for the Arts. Americans for the Arts’ local and statewide project partners contributed both time and financial support to the study. The full text of the report is available at www.AmericansForTheArts.org/EconomicImpact.

Americans for the Arts is the leading nonprofit organization for advancing the arts in America. With offices in Washington, DC, and New York City, it has a record of more than 45 years of service. Americans for the Arts is dedicated to representing and serving local communities and creating opportunities for every American to participate in and appreciate all forms of the arts. Additional information is available at www.AmericansForTheArts.org.

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