

## The Economic Impact of Nonprofit Arts & Cultural Organizations & Their Audiences

### Creating Jobs. Generating Commerce. Increasing Revenue.

From coast to coast and from our smallest rural towns to our largest urban cities, America's 120,000 nonprofit arts and culture organizations make their communities more desirable places to live and work every day of the year. The arts beautify our downtowns, unify our communities, make us feel creative in the workplace, and infuse our lives with joy. Arts organizations are also businesses. They attract audiences, spur business development, support jobs, generate government revenue, and are the cornerstone of tourism.

Arts & Economic Prosperity 6 (AEP6) is an economic impact study of the nation's nonprofit arts and culture industry. It is the largest and most inclusive study of its kind ever conducted, with a specific focus on 394 participating communities from across all 50 states plus the District of Columbia.

The arts are a much bigger industry than most people realize. In 2017, AEP5 documented that the nonprofit arts industry generated \$166.3 billion in economic activity (spending by organizations plus the event-related spending by their audiences) which supported 4.6 million jobs and generated \$27.5 billion in government revenue. AEP demonstrates that an investment in the arts provides both cultural and economic benefits.



**Nonprofit arts and culture organizations are businesses.** They employ people locally, purchase goods and services from within the community, are members of their chambers of commerce, and attract tourists to their regions.

**The arts drive commerce to local businesses.** The arts, unlike most industries, leverage significant amounts of event-related spending by their audiences. In 2017, arts attendees spent \$31.47 per person, per event, beyond the cost of admission on items such as meals, parking, and lodging—vital income for local businesses.

**Arts travelers are ideal tourists.** They stay longer and spend more to seek out authentic cultural experiences. One-third of attendees travel from outside the county in which the activity takes place and spend an average of \$48 per person. Why are they visiting? 69% say they traveled specifically to attend the activity.

**Small investments. Big returns.** In 2017, the combined \$5 billion in direct arts funding by local, state, and federal governments yielded \$27.5 billion in government revenue: \$6.9 billion to local governments, \$7.7 billion to state governments, and \$12.9 billion in federal government revenue.

# Measuring Local Economic Impact

While the national economic impact data are formidable, AEP6 is, at its core, a local story. The 394 participating communities include small rural towns, suburban neighborhoods, and large urban cities with diverse populations ranging from 1,500 to 4 million.

The message is clear: no matter how large or small the community, the arts have a measurable economic impact.

- **Every participating community receives its own customized report based on their own local survey data.** An economic model will be tailored for each community to provide specific and reliable data about the industry's impact on local jobs and government revenue.
- **New! Arts & Creative Economy reports** will be created for each of the nation's 3,143 counties using federal data about the number of arts business establishments, employment, income, and artist employment. (This analysis is based on both commercial and nonprofit businesses.)
- **New! Improved economic analysis** methods will provide each community with specific sources of government revenues generated (e.g., income tax, sales tax, hotel tax, property tax).
- **New! Social impact** measures have been added to the audience survey to gauge how arts and culture impacts neighborhood pride and cultural identity.

## Centering Equity and Inclusion in AEP6

Americans for the Arts is committed to addressing equity and inclusion as a critical component of the methodology, organizational participation, and collection of data for AEP6 by centering and representing BIPOC (Black, Indigenous, People of Color) and ALAANA (African, Latinx, Asian, Arab, Native American) identifying communities—a segment of the nonprofit arts and culture sector that has been underrepresented in past studies. This transformation includes a full shake-out of the methodology to reduce systemic bias, establishing a new local, state, and national partnership model, and new community engagement strategies.

**Timeline:** Final reports will be published in September 2023.

**About Americans for the Arts:** Americans for the Arts is a nonprofit organization that advances the arts and arts education advocacy in America. Based in Washington, D.C., it has a record of more than 60 years of service. Americans for the Arts is dedicated to representing and serving local communities and creating opportunities for everyone to participate in and appreciate all forms of the arts.

**Our Partners:** The following national organizations partner with Americans for the Arts to help public and private sector leaders understand the economic and social benefits that the arts bring to their communities, states, and the nation.



For more information: [AmericansForTheArts.org](https://AmericansForTheArts.org)



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For questions or to collaborate with the AEP6 Project Team, please contact:

**Dr. Genna Styles-Lyas**

Director of AEP6 Community Engagement and Equity  
glyas@artsusa.org

**Ben Davidson**

Senior Director of Research Services  
bdavidson@artsusa.org