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## How Art Economically Benefits Cities

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"The sign of a great state or a great city is the strength of its cultural life," said J. Clayton Hering, president of Northwest Business for Culture and the Arts. "Our non-profit arts groups are a powerful economic force, and act as a magnet for tourism. Even more important, they help educate and inspire our citizens and stimulate creativity in the workplace and in our schools."



### Quality of Life

Industries that are planning relocation or expansion place great emphasis on a healthy cultural climate. In a past survey conducted by the Joint Legislative Committee on Cultural Affairs, 99% of the chief executive officers who were questioned stated that the availability of cultural activities in an area is an important consideration in choosing a new location.

### Culture and Tourism

The Travel Industry Association of America was commissioned by Partners in Tourism to add a series of questions to its January 2001 National Travel Survey. The purpose was to determine the length of time that travelers extend their trips because of cultural activities or events.



According to the results, two-thirds (65%) of American adult travelers say they included a cultural, arts, heritage, or historic activity or event while on a trip of 50 miles or more, one-way, in the past year. This equates to 92.7 million cultural travelers.






Of the 92.7 million adult travelers who included a cultural event on their trip, 32% (29.6 million travelers) added extra time to their trip because of a cultural, arts, heritage, or historic activity or event.

Visiting a historic site such as a building, battlefield, or historic community remains as the most popular cultural activity with four in ten (43%) adult travelers participating in this activity while on a trip in the past year.

Museums are also popular with travelers, with 30% including this activity during the past year. Other cultural activities Americans enjoy while on trips away from home include live theater (23%), art galleries (21%), heritage or ethnic festivals (20%), and music concerts (19%).

This study underscores the importance of arts and culture as an effective product for tourism professionals to market their communities both domestically and internationally.

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According to research conducted by New York-based organizations [Alliance for the Arts](#) and [R.Dot](#), nonprofit and commercial arts activity generates \$17.7 billion annually for the Big Apple. In 2001, nonprofit arts in the city spent an estimated \$6.2 billion. This figure is the total of operating expenditures (\$4.85 billion); capital expenditures (\$.4 billion); and expenditures of people who came to New York City as art venue participants (\$.96 billion). These figures do not include spending by out-of-town visitors coming to the city to enjoy art activities and the ripple effect of their expenditures.

The commercial sector of the cultural industry adds \$11.5 billion annually to the nonprofit arts expenditures. Commercial art expenditures include art galleries and auction houses (\$.95 billion), commercial theatre (\$4.4 billion), and motion picture and television production (\$6.1 billion).



**Employment:** As of 2001, there were also more than 150,000 artists in the New York metropolitan area and more than 2,000 nonprofit cultural organizations citywide. Of this last number, 23% were in theater arts; 21% in music; 10% in dance; 14% in visual arts and museums; and 17% were multidisciplinary.

**Culture and Entertainment:** Furthermore, the arts are part of New Yorkers' lives: 49% attend musical performances, 43% visit museums and galleries, and 36% attend theaters both on and off-Broadway.

### *Oregon*

More than 400 nonprofit arts organizations around the state of Oregon contributed \$100 million in direct spending and more than \$262 million in overall impact to the state's economy in fiscal 2000. Oregon's nonprofit arts sector grew by nearly 19% over the past three years and attracted more than 5.6 million people, making it a vibrant industry and major contributor to the cultural life of the state.

**Job growth:** Oregon's broad range of cultural activities has also supported rapid growth in such creative-services industries as advertising, public relations, website design, filmmaking, and commercial art ventures. The Shakespeare Festival brings more than \$32 million into Ashland's economy each year, and helps make the city an educational center.



**Community Support:** Although state funding for the arts is among the lowest in the nation, Oregon's private donors have increased their giving to the arts by 94% since 1997. In addition, Oregon's citizens donated more than 700,000 hours of volunteer time, and more than \$5.2 million of in-kind support to nonprofit arts groups in fiscal year 2000. A combination of public support and private funding is considered critical to sustain statewide cultural activity.

#### **Economic Impact of Temporary Public Art Projects**

**Chicago Cows on Parade:** This world-renowned temporary public art installation brought an estimated additional 2 million visitors to the city. During the three-month exhibit, these tourists spent approximately \$500 million on hotels, food, and

sightseeing. One store in Chicago reported a \$40,000 profit over its weekly projections due to thousands of additional customers generated by the exhibit. Other retail shops, restaurants, and hotels reported a 20% increase in sales.

**New York City's Cow Parade:** The benefits to New York of the Cow Parade included a boost in tourism by 3-4 million visitors, generating an additional \$1 billion in revenues for local businesses. New York raised \$1,351,000 at the Charity Auction to support the work of dozens of New York-based charities. The average cow sold for \$18,250; the largest bid was for \$60,000.

**Cincinnati Pig Gig:** According to a University of Cincinnati study of the event's economic impact, approximately 968,000 people attended Greater Cincinnati's Big Pig Gig in 2001, 462,000 of whom were out-of-towners. These tourists spent \$59.4 million in area stores, restaurants, hotels, and gas stations- not a bad return on the \$1.2 million direct cost of the event. The study concluded that out-of-towners stayed an average of three days in Cincinnati, and spent \$130 per person.

According to [\*\*Arts & Economic Prosperity: The Economic Impact of Nonprofit Arts Organizations and Their Audiences\*\*](#), a report compiled by Americans for the Arts, the U.S.'s nonprofit arts industry generated \$134 billion in economic activity during 2000, including \$53.2 billion in spending by nonprofit arts organizations and \$80.8 billion in event-related spending by arts audiences.

*(Images, from top: horse and boy along the Toronto waterfront; a colorful fountain at Centre Pompidou, Paris; an Alexander Calder mobile in Bryant Park, New York City; and seals on the sidewalk in Portland, OR)*

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