

Arts & Economic Prosperity

The Economic Impact of Nonprofit Arts & Culture Organizations and their Audiences

Investing in Economic Growth

Sponsored by the Ann Arbor Area Community Foundation
in Partnership with The Arts Alliance

Approximately \$100 million in total annual economic activity is generated by the nonprofit arts & culture sector in the Greater Ann Arbor Area*, according to compelling new evidence from the 2015 *Arts & Economic Prosperity IV* study. The Ann Arbor Area Community Foundation (AAACF) contracted with Americans for the Arts (AFTA) to conduct the *Arts & Economic Prosperity IV* study to evaluate the economic impact of the nonprofit arts & culture sector in the Greater Ann Arbor Area, in partnership with The Arts Alliance.

\$100 Million in Total Expenditures and
DIRECT ANNUAL ECONOMIC ACTIVITY

▼
\$50M
from Arts & Culture
Organizations

+

▼
\$50M
from Arts & Culture
Audiences

The *Arts & Economic Prosperity IV* study demonstrates that **as we continue to support the arts, we not only enhance our quality of life, but we also invest in the Greater Ann Arbor Area's economic well-being.**

This study will significantly contribute to decision-making for AAACF's Cultural Economic Development (CED) initiative, which works to spur community prosperity by advancing our local arts & cultural resources. Through data, funding, and community leadership, AAACF seeks to grow our arts & culture sector **and** drive economic growth. This research also allows nonprofits to calculate their impact and provide data to support better decision-making. For the full report and tools, please visit the Ann Arbor Area Community Foundation website at www.aacf.org.

*For the purpose of this study, residents are attendees who live within the Greater Ann Arbor Area (defined as Washtenaw County as well as the City of Plymouth and Plymouth Township in Wayne County); non-residents live outside the Greater Ann Arbor Area.



Ann Arbor Area
Community Foundation



Driving Economic Impact with Arts & Culture

AAACF facilitated the collection of data from 87 nonprofit arts & culture organizations in the Greater Ann Arbor Area for the study. The methodology used locally is identical to the national study approach. The total economic impact of the sector is determined by the sum of the direct impact plus all indirect impacts. Each organization provided detailed budget information about itemized expenditure categories for fiscal year 2014. They reported that the total attendance to their events was 1.78 million during 2014, with 32% of those as non-residents. Of the out-of-town attendees, 75% reported specifically coming to the Greater Ann Arbor Area for an arts & culture event.

Using an audience-intercept methodology, data were collected from approximately 1200 event attendees to determine event-related spending. These attendees spent an estimated total of \$50 million, excluding the cost of event admission.** That \$50M total is more than double the national median, illustrating what a powerful force the arts & culture sector is as an economic driver in the Greater Ann Arbor Area.

The nonprofit arts & culture sector is rather unique as an industry, leveraging a significant amount of event-related spending by its audiences. For example, when patrons attend a cultural event, they may pay to park their car, purchase dinner at a restaurant, shop in nearby stores, eat dessert after the show, and pay a babysitter. Attendees from out-of-town may spend the night in a hotel.

This spending generates related commerce for local businesses and supports 2,574 full-time equivalent jobs, generates \$66.5 million in household income to local residents, and delivers \$12.8 million in local and state government revenue. Non-resident attendees spend an average of 114 percent more per person than local attendees (\$44.07 vs. \$20.58) as a result of their attendance at cultural events.

“Business and elected leaders need not feel that a choice must be made between arts funding and economic prosperity.”

This study proves that they can choose both. Nationally, as well as locally, the arts mean business.”

*-Robert Lynch, AFTA
President & CEO*

**Why exclude the cost of admission? The admissions paid by attendees are excluded from the analysis because those dollars are captured in the operating budgets of the participating nonprofit arts & culture organizations and, in turn, are spent by the organization. This methodology avoids “double-counting” those dollars in the study analysis.



The report concludes that if a community does not provide a variety of arts & cultural experiences, it will fail to attract cultural tourism dollars as well as the discretionary spending of local residents who will then travel elsewhere to experience the arts.

The \$100M takeaway is clear: a vibrant arts community not only keeps residents and their discretionary spending close to home, it also attracts visitors who spend money and help local businesses thrive. *Arts & Economic Prosperity IV* demonstrates that America’s arts industry is not only resilient in times of economic uncertainty, but also a key component to our nation’s economic recovery and future prosperity. The local study validates these findings for our region with community-specific figures and also shows the critical role that arts & culture plays in talent retention efforts for our region.

Supporting Our Local Economy & Arts

As we continue to support arts & culture, this study shows the importance of the arts & culture industry to the Greater Ann Arbor Area. The market demand demonstrates the critical need for arts and culture in our community. This sector is creating economic impact—and we should facilitate that continued growth. These findings are a critical message that should be heard and shared across the Greater Ann Arbor Area.

*“One important way to make our community vibrant is to **keep enhancing our amazing arts & culture scene.** And a more robust arts & culture sector is **an economic engine for our community.**”*

-Neel Hajra, AAACF CEO

Whether it’s big investments, small donations at events, or simply spreading the word, it’s good for our community and good for our economy when you support arts & culture. Here’s how YOU can be part of and grow the \$100M equation:

<h3>ENGAGE</h3> <ul style="list-style-type: none"> Attending events isn’t just good for you – it’s good for the economy. So get up, get out, and explore all that our community has to offer! Eat local! Check out one of our amazing local restaurants for dinner or dessert. Bring a friend. Invite someone to tag along to the symphony, civic theater, or art fair.	<h3>SUPPORT</h3> <ul style="list-style-type: none"> Interested in partnering with us? Reach out to the AAACF staff. Katie Van Dusen can be reached at kvandusen@aaacf.org or 734-663-0401. Did you know that AAACF has an Endowed Fund for the Arts? Help us support arts & culture nonprofits, now and forever. Donate your time or money to your favorite arts & culture nonprofit.
<h3>SHARE</h3> <ul style="list-style-type: none">   Talk to your friends and families. We need everyone to start talking about the important role of arts & culture in our local economy.	