AN ECONOMIC IMPACT STUDY OF ARTS, CULTURAL, AND SCIENTIFIC ORGANIZATIONS IN THE CENTRAL PUGET SOUND REGION: 2009

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Executive Summary

Arts, cultural, and scientific organizations make significant contributions to the quality of life of people living in the Central Puget Sound region, as well as to people living elsewhere in Washington State, and to those travelling from out-of-state. Patrons of these organizations eloquently expressed their opinions about the value of these organizations to them:

*These institutions are community builders, conversation starters and engines for experimenting and thinking in new ways.*

*Cultural organizations express the soul of the community. They are the best way to educate ourselves!*

Source: Patron Survey

Arts, cultural, and scientific organizations are also an important part of the local economy, directly creating thousands of jobs, millions of dollars in labor income, business sales, and tax revenues to governments.

*Cultural organizations give a community its humanity. They celebrate human achievement and encourage future generations to participate. They are an enormous factor in the economic strength of a community.*

Source: Patron Survey

This study reports on the economic impacts of 357 non-profit arts, cultural, and scientific organizations located in the Central Puget Sound region. It documents these economic impacts through data gathered on the expenditures that these organizations and their patrons make in the local and Washington state economies. It includes organizations with budgets of at least $30,000 in dance, festival, heritage, theatre, music, science, and the visual arts. It also includes public and private sector non-profit organizations supporting the delivery of services from arts, cultural, and scientific organizations.

Aggregate Impact

The aggregate economic impact of arts, cultural, and scientific organizations in the Central Puget Sound region arises due to spending of patrons visiting these organizations, and by the spending that the organizations make in the process of supplying their services. In 2009 $1.9 billion in business activity was generated in the Central Puget Sound region due to spending by arts, cultural, and scientific organizations, and spending by their patrons. This business activity supported 32,520 jobs, and $882 million in labor income, and resulted in $83 million in sales, business and occupation, and hotel-motel room taxes.

Spending by cultural organization patrons totaled $712 million, with tickets and admissions accounting for $222 million of these expenditures. Income of arts, cultural, and scientific organizations were $488 million in 2009, while they spent $482 million providing these services.
New Money

The majority of the economic impacts of arts, cultural, and scientific organizations and their patrons are related to local residents spending part of their discretionary income on visits to these local organizations. However, a significant proportion of the patrons to these organizations come from outside the local area, and their spending represents “new money,” funds that would not be spent in the local area if the organizations that are the subject of this study were not located here. In addition, arts, cultural, and scientific organizations generate a portion of their income from sources located outside of the Central Puget Sound region. New money accounts for about 17% of the revenue of arts, cultural, and scientific organizations, while 44% of patron spending is new money. New money economic impacts in 2009 created 8,273 jobs, $573 million in business activity (sales), $247 million in labor income, and $43 million in tax revenues.

Income

Earned income comes from tickets, admissions, tuition, retail sales, and other sources. It accounted for 55% of total income to arts, cultural, and scientific organizations in the Central Puget Sound region in 2009. The other 45% was generated through contributions, of which 14% were from individuals, 12% from governments, 8% from benefits and in-kind, 4% from corporations, 4% from foundations, and 3% was miscellaneous income.

Percent of Total Income by Source

![Graph showing percent of total income by source]

- Earned: 55%
- Individual: 14%
- Government: 12%
- Corporate: 4%
- Foundation: 5%
- Benefits, In Kind: 8%
- Misc. Income: 3%
Expenditures

Expenditures are divided between employee expenses (52%) and operating expenses (48%). Almost all employee expenses are related to payments to people living in the Central Puget Sound region, and they include wages, salaries, benefits and payroll taxes. Operating expenses are more widely distributed, but 75% of operating expenses are made in the Central Puget Sound region. Payments to visiting artists and performers are referred to as “contract income,” and approximately 40% of these payments went to individuals living outside the Central Puget Sound region. Services account for the largest share of operating expenses (30%), and the majority of these are made in the Central Puget Sound region (71%). Service expenses include accounting, legal, banking, transportation, marketing, royalties, consulting, and professional services. Other goods and services include purchases made for resale at organization venues, such as books, souvenirs, and replicas, and the purchase of materials for sets/exhibitions. These costs accounted for 10% of aggregate expenditures. Utilities and telephone costs amounted to 3%, and taxes accounted for only 0.4% of expenditures of arts, cultural, and scientific organizations.

Aggregate Expenditures of Puget Sound Region Arts, Cultural, and Scientific Organizations

Employment

An estimated 32,520 jobs in the Central Puget Sound region were related to arts, cultural, and scientific organizations in 2009. Of these 17,052 were directly tied to arts, cultural, and scientific organizations.
Many of these jobs are part-time or contractual (75%), and were held by individuals working for more than one arts, cultural, or scientific organization in the region. For example, some of the musicians performing for the Seattle Symphony, Seattle Opera, and Pacific Northwest Ballet work part-time for each of these organizations. Part-time and contractual employment accounts for the majority of jobs in dance, festival, heritage, music, theatre, and visual arts organizations. People working in Central Puget Sound region arts, cultural, and scientific organizations received $250 million in labor income in 2009, while contract individuals and firms received an additional $22 million.

**Employment Status**

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Time</td>
<td>19%</td>
</tr>
<tr>
<td>Part Time</td>
<td>37%</td>
</tr>
<tr>
<td>Contractual</td>
<td>38%</td>
</tr>
<tr>
<td>Study/Intern</td>
<td>6%</td>
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**Attendance**

There were 13.2 million admissions to arts, cultural, and scientific organizations in the Central Puget Sound region in 2009. The season ticket/membership or single ticket visits (64%), while 19% (2.45 million) were free admissions. The balance (17%) was discounted admissions, for students, seniors, and other types of discounted admissions. K-12 students accounted for 1.4 million free or discounted admissions. About 60% of these students were Caucasian, while about 40% were of other ethnicities.
Patron Spending

Patrons spent an average of $62 on their visits to Central Puget Sound region arts, cultural, and scientific organizations in 2009. Local residents spent less ($44) than those coming from elsewhere in Washington State ($93) or from out-of-state ($132). The largest share of expenditures was for tickets/admissions (31%). Significant outlays were also made for transportation (28%), meals and refreshments (16%), and Lodging (12%). Smaller outlays were made for souvenirs and gifts, child-care, and other expenses. The composition of these outlays varies by region of origin. Local residents have low travel and lodging costs, while these costs are much higher for those traveling from outside the local area.
Volunteers

Volunteers are important to arts, cultural, and scientific organizations, as they provide assistance with both administrative work as well as artistic/professional/technical work. Arts, cultural, and scientific organizations reported the use of 48,000 volunteers, providing 1.3 million hours of volunteer activity, an average of 27 hours per volunteer. The patron survey found 34% of the patrons interviewed said that they volunteered, with the largest share of patrons volunteering between 11 and 50 hours per year.

Values Regarding Cultural Activity

Most patrons were introduced to arts, cultural and scientific organizations programs while they were young, either in school or through family and friends. Most attend arts, cultural, or scientific organizations at least monthly, and indicate that the value of these organizations have increased to them in recent years. More than half of the patrons regularly make cash contributions to arts, cultural, or scientific organizations and 56% use attendance at these organizations events to meet with family and friends. Nearly 64% of patrons with children have them participate in arts, cultural, or scientific activity outside of school.
Quality of Life Considerations

This report contains extensive statistical information about arts, cultural, and scientific organizations in the Puget Sound region. It documents the economic impacts of these organizations, reporting strong impacts on jobs, business activity, and labor income. However, the community support for these organizations through contributed income and volunteer activity is not primarily because of these economic contributions to the regional economy. Rather, the organizations that are the focus of this study are vital elements in the cultural life of our region, anchors for the quality of life for which this region is so highly regarded. The following patron quotes make this contribution clear.

*The arts allow the community to express itself, to be inspired, thoughtful and introspective as to our meaning on the planet.*

*Knowledge of art and history of time and place educate children to appreciate diversity, open ideas and thoughts and provoke discussion.*

*The arts make the community whole and vibrant the way nothing else does!*

Source: Patron Survey