

**AN ECONOMIC IMPACT STUDY OF
ARTS, CULTURAL, AND
SCIENTIFIC ORGANIZATIONS
IN KING COUNTY: 2009**

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Table of Contents

Table of Contents.....	ii
Table of Tables	iv
Table of Figures	vi
Authors’ Acknowledgements.....	vii
Sponsors’ Acknowledgements.....	viii
Executive Summary.....	xi
Aggregate Impact.....	xi
New Money	xii
Income.....	xii
Expenditures	xiii
Employment.....	xiv
Attendance.....	xv
Patron Spending.....	xvi
Volunteers.....	xvi
Values Regarding Cultural Activity	xvii
Quality of Life Considerations	xvii
I. Introduction	1
Research Approach	2
Arts and Cultural Organization Survey	3
Patron Survey	5
Economic Impact Model.....	6
II. Economic Impact of Arts, Cultural and Scientific Organizations in King County	8
Income of King County Arts, Cultural, and Scientific Organizations.....	8
Expenditures of King County Cultural Organizations	18
Employment in Arts, Cultural and Scientific Organizations	25
Expenditures of Patrons.....	28
Economic Impact of Cultural Organizations and their Patrons	31
Volunteers in Cultural Organizations.....	39
III. Cultural Organization Patronage Characteristics.....	41
Number of Patrons	41
Arts, Cultural and Scientific Organization Performance, Exhibition, and Attendance Statistics.....	45
Patron Trip Reasons.....	46
Patron Origins.....	47
Patron Expenditures	49
Patron Information Sources	50
Patron Group Sizes	51
Patron Participation Rates, Experiences, Volunteer activity, and Children’s Arts Education.....	52
Patron Participation at Arts, Cultural, and Scientific Organizations	60
Student Demographics	62
Income Indicators of K-12 Students	63

Ethnicity of K-12 Students.....	64
Geographic Origin of Free and Discounted Student Admissions	65
IV. Comparison with Other Studies.....	68
V. Concluding Remarks.....	80
Possible Areas for Improvement in the Current Research Approach	80
Organization Survey	80
Possible Bases for Expansion in the Scope of This Study	81
References.....	82
Appendices	85
Appendix 1: King County organizations surveyed or included in this study.....	85
Appendix 2: Input-Output Model Methodology.....	90
Definitions and Conventions	90
Impact Analysis Methodology	90
Direct Economic Impacts: Arts, Cultural, and Scientific Organization Expenditures	92
Direct Economic Impacts: Patrons.....	93
Appendix 3: Survey Form for Arts Organizations	94
Appendix 4: Survey Form for Patrons	99
Appendix 5: ArtsFund Board of Trustees and Staff.....	103
Index.....	106

Table of Tables

Table I-1 Cultural Organizations Included in this Study.....	3
Table I-2 King County Cultural Organizations Budget Coverage.....	5
Table II-1 Total Income to King County Arts, Cultural, and Scientific Organizations (\$ millions)	9
Table II-2 Percentage of Total Income by Discipline and Total.....	9
Table II-3 Percentage Composition of Earned Income.....	15
Table II-4 Percentage Composition of Contributed Income by Source (Except Government)	15
Table II-5 Individual Contributions to King County Cultural Organizations	16
Table II-6 Corporate Contributions to King County Cultural Organizations.....	16
Table II-7 Private Foundation Contributions to King County Cultural Organizations.....	16
Table II-8 In-Kind Contributions to King County Cultural Organizations	17
Table II-9 Government Income by Source (% of Government Income).....	17
Table II-10 Aggregate Expenditures of King County Cultural Organizations	18
Table II-11 Employee and Operating Expenses by Discipline.....	19
Table II-12 Composition of Employee Expenses.....	20
Table II-13 Operating Expenses by Broad Category.....	21
Table II-14 Operating Expenses by Detailed Categories (% of Total Operating Expense)	23
Table II-15 Employment Status.....	25
Table II-16 Composition of Employment	26
Table II-17 Total Employment Including Full-Time, Part-Time, Contractual and Interns/Work Study Workers.....	26
Table II-18 Full-Time Equivalent Employment.....	27
Table II-19 Per Capita Patron Expenditures.....	28
Table II-20 Number of Patrons	29
Table II-21 Estimated Total Patron Expenditures (\$ Millions)	31
Table II-22 Summary of Washington State and King County Economic Impacts	33
Table II-23 Detailed King County Economic Impacts	34
Table II-24 Change in Aggregate Impact Measures 2003-2009.....	36
Table II-25 New Money Sources	37
Table II-26 New Money Economic Impacts	38
Table II-27 Volunteers in Cultural and Scientific Organizations in King County (# of volunteers).....	40
Table III-1 Estimated Number of Patrons by Discipline	42
Table III-2 Percentage Distribution of Attendance.....	42
Table III-3 Comparison of Patronage Levels and Composition	45
Table III-4 Arts, Cultural, and Scientific Organization Performance and Exhibition Statistics	46
Table III-5 Primary Reason for Patron Trips	47
Table III-6 Patron Origins by Discipline.....	47
Table III-7 Patron Origins and Percentage Making Trip Primarily to Attend a King County Cultural or Scientific Organization	48
Table III-8 Origin of Sampled Patrons and Share of Total Attendance	48

Table III-9 Questionnaire classification into valid and not valid for computation of average patron spending.....	49
Table III-10 Average Spending by Region of Origin.....	50
Table III-11 Patrons Main Source of Information	51
Table III-12 Group Sizes Attending Cultural and Scientific Organizations (% of Total)	52
Table III-13 How were you first exposed?.....	53
Table III-14 When first exposed.....	53
Table III-15 Cross Tabulation of When Exposed and Age of Exposure	54
Table III-16 Frequency of attendance.....	54
Table III-17 How has the value of the arts/science changed for you over the past few years?	55
Table III-18 In the current economic downtown your spending on arts/science has:.....	55
Table III-19 – Patron Open Ended Answers to Reasons for Increased or Decreased Spending.....	56
Table III-20 Do you make cash contributions?.....	57
Table III-21 Do you use arts/heritage events on specified, regular occasions to meet with families or friends?	57
Table III-22 Student Participation Outside of School.....	58
Table III-23 Examples of Text about Students.....	58
Table III-24 Do you engage in volunteer activities?.....	59
Table III-25 Distribution of Volunteer Hours	60
Table III-26 Percentage with some participation	61
Table III-27 Average number of times of participation.....	62
Average # of times.....	62
participating.....	62
Table III-28 Free and Discounted Student Admissions.....	63
Table III-29 Student Family Income Indicators – Free Admission (N=240,720).....	64
Table III-30 Family Income Indicators – Discounted Admission (N=451,224).....	64
Table III-31 Free Admissions and Ethnicity (N=249,563)	65
Table III-32 Discounted Students and Ethnicity (N=464,703)	65
Table III-33 Free Admission and Place of Residence of Students (N=248,786).....	66
Table III-34 Discounted Admission and Place of Student Residence (N=464,842).....	66
Table IV-1 Composition of Contributed Income in Denver and in the Central Puget Sound Region.....	69
Table IV-2 Composition of Income and Budget Size	70

Table of Figures

Percent of Total Income by Source.....	xiii
Aggregate Expenditures of King County Arts, Cultural, and Scientific Organizations	xiv
Employment Status.....	xv
Percentage Distribution of Attendance by Category	xv
Patron Expenditures by Category.....	xvi
Figure I-1 Number of Arts and Cultural Organizations in ArtsFund Economic Impact Studies.....	4
Figure II-1 Percentage of Total Income by Discipline.....	10
Figure II-2 Percentage of Total Income by Source.....	10
Figure II-3 Percentage of Total Income by Discipline and Source.....	11
Figure II-4 Aggregate Expenditures of King County Cultural Organizations.....	18
Figure II-5 Employment Status.....	25
Figure II-6 Employment Categories Compared 1992, 1997, 2003, and 2009.....	27
Figure II-7 Patron Expenditures by Category.....	30
Figure II-8 Aggregate Economic Impacts Washington State Compared, 2003 and 2009	36
Figure II-9 New Money Impacts of King County Organizations Compared 1997 and 2003 (\$ million 2009, for disciplines included in the 2002 ArtsFund Economic Impact Study).....	39
Figure III-1 Percentage of Patrons by Discipline.....	43
Figure III-2 Percentage Distribution of Attendance by Category	44
Figure III-3 Percentage Distribution of Attendance by Discipline	44
Figure IV-1 Attendance Change 2003-2009.....	73
Figure IV-2 Share of Income from Earned Income Sources	73
Figure IV-3 Budget Change 2003-2009 by Broad Category	74

Authors' Acknowledgements

We are thrilled to have been asked by ArtsFund again to conduct this study of the economic impact of arts, cultural, and scientific organizations in Puget Sound region.

ArtsFund was central to the execution of this study. Unlike many consulting projects, where the consultants disappear and gather information for their clients, in this study ArtsFund was at the heart of the conduct of the study. Their staff was central in identifying the organizations included in this study, and in assisting in the process of gathering the data from patrons and organizations included in this study. ArtsFund staff was also crucial in the execution of this study, most centrally Dwight Gee and Alyssa Simmons. Dwight was again the mastermind of the schedule for this project, and Alyssa made sure that the data were obtained from organizations and patrons. A collaborative framework of this kind is a consultant's dream.

This project would not have been feasible without the strong support of arts, cultural, and scientific organizations in this region. They provided a remarkable level of support through responses to the organizational questionnaire, yielding a database of extraordinary quality. The nearly 3,000 groups of patrons who responded to requests for information were also absolutely crucial to the conduct of this study. Their responses to our questionnaire make it clear why this region is regarded as one of the strongest centers of arts, cultural, and scientific activity in the United States.

The support of the Paul G. Allen Family Foundation for this study is also gratefully acknowledged. The repeated support of the Allen Foundation to ArtsFund is particularly acknowledged. They have helped ArtsFund develop a basis for contributions that grow the quality of life in this region. It is increasingly clear that the social capital generated by arts, cultural, and scientific organizations make a significant difference in the process of regional economic development. We hope that this report contributes to this mission.



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Sponsors' Acknowledgements

The Paul G. Allen Family Foundation recognizes the importance of the ArtsFund economic impact studies and is pleased to support this new work as well as the previous two studies. This timely and well-researched report demonstrates the significant contributions made by arts, cultural and scientific nonprofits beyond the profound benefits of their public programs. The Foundation is proud to be able to support research of this kind, which vividly illustrates the multiple ways cultural activity, organizations, artists, and nonprofit leaders enrich our communities.

The current report is broader than ArtsFund's previous studies both in terms of types of organizations included and geography. ArtsFund has structured the research in this more encompassing study to provide valuable insights on a comparable base of arts and heritage groups over changing economic times. Without a doubt, the economic recession has affected the organizations in the study. Through their resiliency and relevance, these groups have continued to provide the community with enriching cultural experiences.

The findings from this study will be valuable to public and private funders, nonprofit organizations and their audiences, and others who will gain a broader understanding of the role of nonprofit cultural and scientific organizations in our economy, the benefits they bring and the challenges they face. This is essential reading for all of us who care about the vitality of our communities!

Susan Coliton
Vice President
The Paul G. Allen Family Foundation

THE PAUL G. ALLEN
FAMILY *foundation*

Looking at the results of this economic impact study of cultural, heritage and scientific organizations, it makes sense why the Central Puget Sound Region continues to be a magnet for people from across the country and around the world. The sheer number and variety of groups—some 360—give this region vibrancy envied by all but the largest cities in America.

The memorable and at times transforming experiences these organizations provide are, without question, the reason that we as a community value and support them. At the same time, as we see here, these organizations and their patrons add significantly to the regional economy, with impacts that ripple out to many industry sectors, from hotels and restaurants to accounting firms and trucking companies. For all these reasons, cultural activity is what our friends at the Puget Sound Regional Council call a strategic competitive advantage for our region. This advantage is particularly important now as we're just emerging from the worst economic times in decades.

We first thank our great friends at The Paul G. Allen Family Foundation for the major grant that made this study possible. Their visionary support also funded two of ArtsFund's previous three studies.

We also thank ArtsFund's tremendous supporter and partner, The Boeing Company, for their contribution which helped cover staffing costs needed to complete this project.

ArtsFund was pleased to broaden the geographic coverage of the current study to include the four-county area and to expand the types of organizations to include nonprofit scientific organizations such as zoos, the Pacific Science Center and Seattle Aquarium. With this expanded coverage, we have a much fuller picture of the organizations that help bring knowledge and meaning to all our lives.

Many thanks as well go to the individuals and organizations listed below who helped connect us with all the organizations we needed to cover with this study.

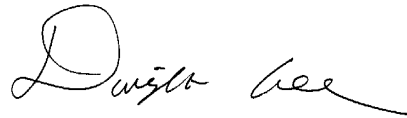
This study would simply not have been possible without the extraordinary intellect, professionalism and dedication of Professor William Beyers, the study's main author. Professor Beyers has prepared all of ArtsFund's previous economic impact studies and is recognized as one of the foremost experts in the field. As in all our previous studies, Professor Beyers worked with ArtsFund's long-time partner GMA Research of Bellevue, Washington which designed the sampling plan and tabulated data from the patron surveys needed for the study.

We also thank ArtsFund's Alyssa Simmons, whose intelligence, diplomacy, precision and enormous energy drove this huge project to completion. Her success in marshalling the cooperation of already overstretched cultural administrators to complete complex forms and survey thousands of patrons is a testament to her talent in fostering collaboration and managing a complex project.

Finally, we are deeply grateful to all the cultural, heritage and scientific organizations who somehow found the time to provide the data on which this entire study rests. We thank them all even more for providing this region with such a wealth of remarkable experiences.



James F. Tune
President and CEO
ArtsFund



Dwight Gee
Executive Vice President
ArtsFund

Our thanks to these individuals and organizations for helping connect ArtsFund with the nonprofit groups needed for participation in this study:

4Culture
Kitsap County Office of Strategic Financial Planning
Pierce County Arts Commission
Seattle Office of Arts & Cultural Affairs
Snohomish County Economic & Cultural Development
Tacoma Arts Commission

Executive Summary

Arts, cultural, and scientific organizations make significant contributions to the quality of life of people living in King County, as well as to people living elsewhere in Washington State, and 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 283 non-profit arts, cultural, and scientific organizations located in King County. 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. This is the fourth economic impact study of King County arts and cultural organizations sponsored by ArtsFund. This study includes scientific and festival organizations that were not included in the first three ArtsFund economic impact studies.

Aggregate Impact

The aggregate economic impact of King County arts, cultural, and scientific organizations 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 \$1.75 billion in business activity was generated in the Washington economy due to spending by King County arts, cultural, and scientific organizations, and spending by their patrons. This business activity supported 29,165 jobs, and \$798 million in labor income, and resulted in \$78 million in sales, business and occupation, and hotel-motel room taxes.

Spending by cultural organization patrons totaled \$628 million, with tickets and admissions accounting for \$210 million of these expenditures. Income of arts, cultural, and scientific organizations were \$415 million in 2009, while they spent \$408 million providing these services.

Considering only the disciplines included in the 2003 ArtsFund Economic impact study, business activity supported by the spending of these organizations and their patrons rose by 21%, while labor income rose by 27% (as measured in constant \$2009). In contrast, employment impacts were essentially unchanged from the 2003 study.

New Money

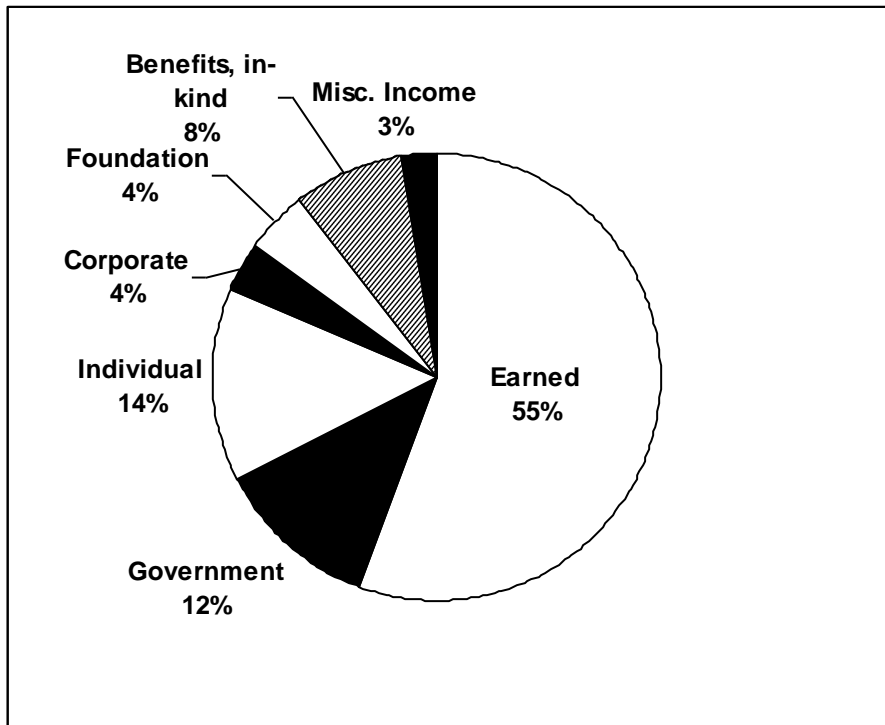
The majority of the economic impacts of arts, cultural, and scientific organizations and their patrons are related to local residents spending part of their discretionary income on visits to these local organizations. However, a significant proportion of the patrons to these organizations come from outside 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 King County. New money accounts for about 30% of the revenue of arts, cultural, and scientific organizations, while 44% of patron spending is new money. New money economic impacts in 2009 created 10,515 jobs in King County, \$677 million in King County business activity (sales), \$299 million in King County labor income, and \$42 million in tax revenues.

Considering only the disciplines and organizations included in the 2003 ArtsFund economic impact study, new money impacts have expanded significantly. Employment impacts were up 19%, while output impacts were up 46% and labor income impacts were up by 60%. This increase was largely due to a significant increase in the share of patrons coming from outside King County; this percentage increased from 16% in the 2003 study to 35% in the current study. Nonlocal patron spending per capita is much higher than local patron spending per capita.

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 King County 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.

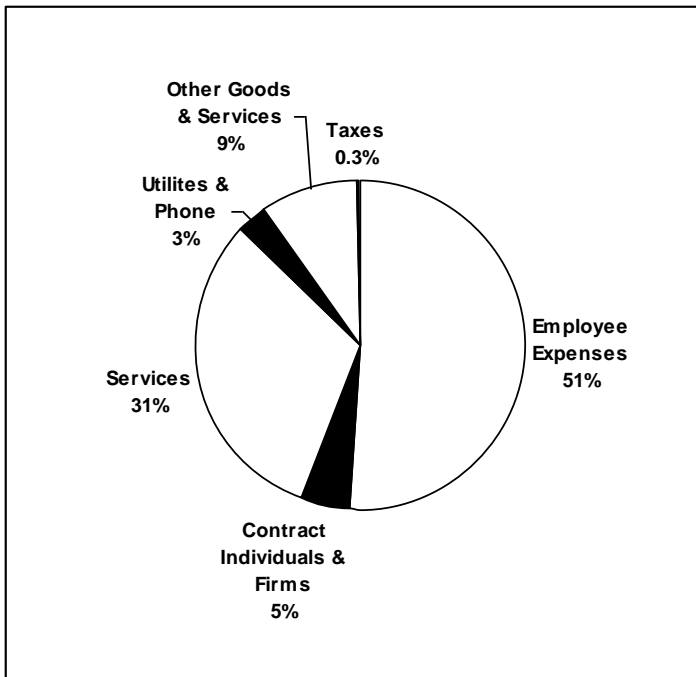
Percent of Total Income by Source



Expenditures

Expenditures are divided between employee expenses (51%) and operating expenses (49%). Almost all employee expenses are related to payments to people living in King County, and they include wages, salaries, benefits and payroll taxes. Operating expenses are more widely distributed, but 73% of operating expenses are made in King County. Payments to visiting artists and performers are referred to as “contract income,” and approximately 40% of these payments went to individuals living outside King County. Services account for the largest share of operating expenses (31%), and the majority of these are made in King County (70%). 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 9% of aggregate expenditures. Utilities and telephone costs amounted to 3%, and taxes accounted for only 0.3% of expenditures of arts, cultural, and scientific organizations.

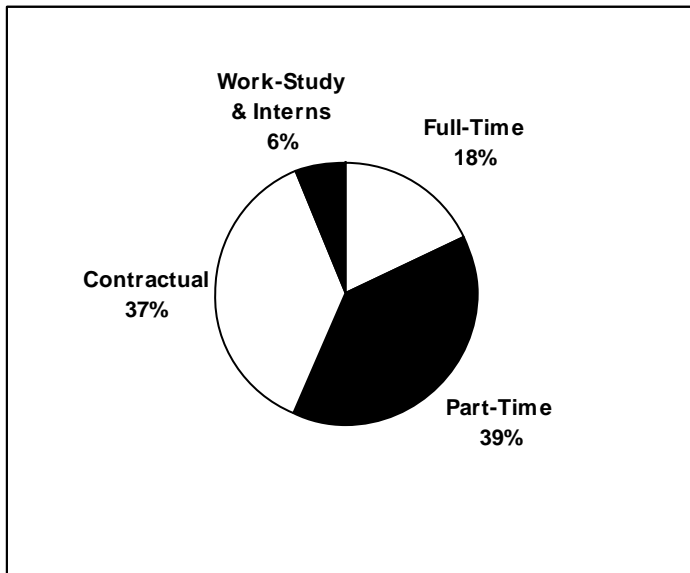
Aggregate Expenditures of King County Arts, Cultural, and Scientific Organizations



Employment

An estimated 29,165 jobs in the Washington economy were related to arts, cultural, and scientific organizations in 2009. Of these 14,573 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 King County arts, cultural, and scientific organizations received \$209 million in labor income in 2009, while contract individuals and firms received an additional \$19 million.

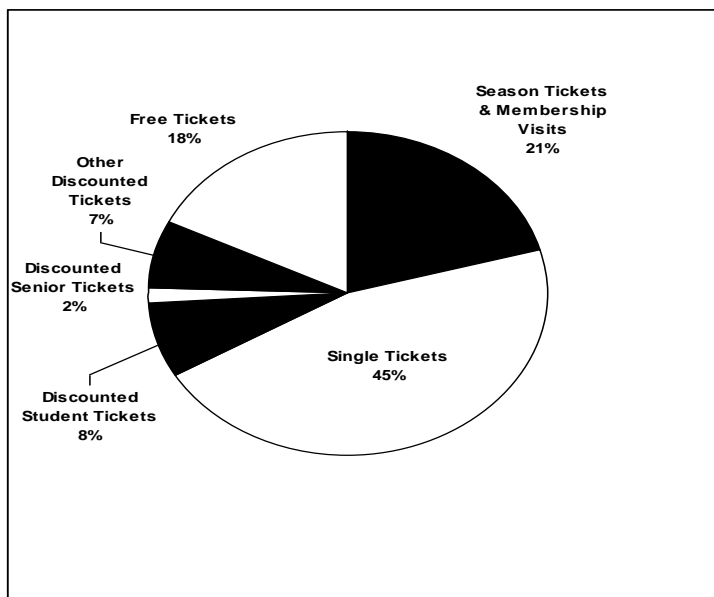
Employment Status



Attendance

There were 10.5 million admissions to arts, cultural, and scientific organizations in King County in 2009. The season ticket/membership or single ticket visits (66%), while 18% (1.86 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 million free or discounted admissions. About 60% of these students were Caucasian, with about 40% of other ethnicities.

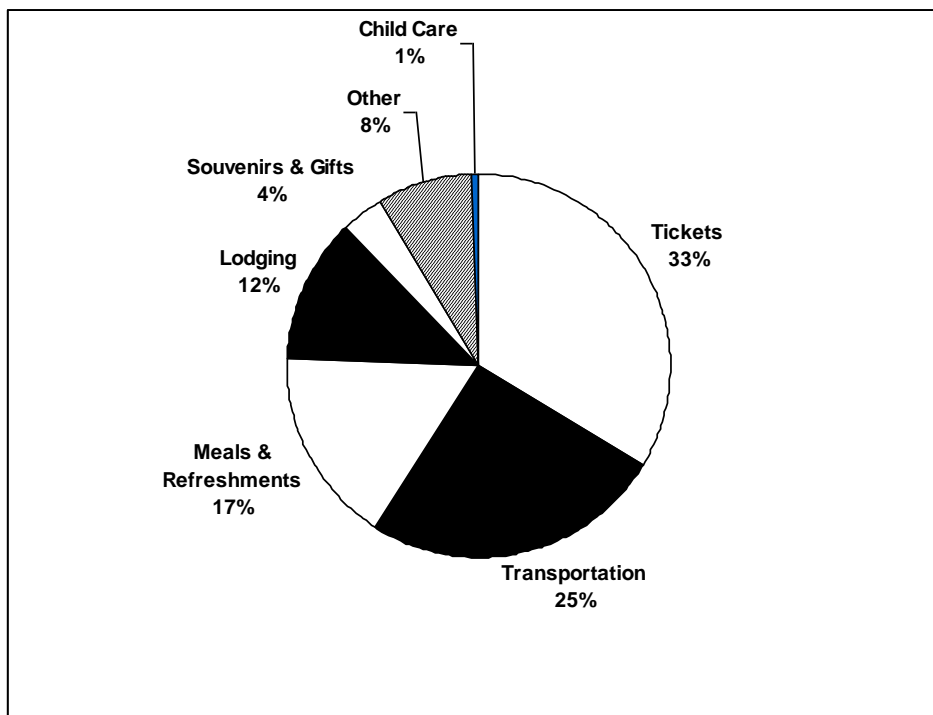
Percentage Distribution of Attendance by Category



Patron Spending

Patrons spent an average of \$66 on their visits to King County arts, cultural, and scientific organizations in 2009. Local residents spent less (\$43) than those coming from elsewhere in Washington State (\$68) or from out-of-state (\$139). The largest share of expenditures was for tickets/admissions (33%). Significant outlays were also made for transportation (25%), meals and refreshments (17%), 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.

Patron Expenditures by Category



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 42,000 volunteers, providing 1.0 million hours of volunteer activity, an average of 25 hours per volunteer. The patron survey found 34% of the patrons interviewed said that they volunteered, with a median of 40 hours volunteer activity, and a mean of 85 hours.

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 has increased to them in recent years. More than half of the patrons regularly make cash contributions to arts, cultural, or scientific organizations and 57% 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

I. Introduction

ArtsFund began measuring the economic impact of arts and cultural organizations in King County nearly twenty years ago, with a first study benchmarked against the year 1992 (GMA and Beyers). Since then ArtsFund has supported two additional measurements of the economic impact of these activities on the King County and Washington State economies, benchmarked against the years 1997 and 2003. The current study is the fourth measurement of these activities. The regional economy has been in varying situations over the course of these studies. The period from 1992 to 1997 was one of rapid growth in the regional economy, while 2003 felt lingering effects of the recession early in that decade and the events of 9/11. The current study was undertaken at a time when the local economy suffered high levels of unemployment related to the Great Recession that began in December 2007. This study approaches the measurement of the economic impact of non-profit arts, cultural, and scientific organizations from the same methodological perspective as in the earlier ArtsFund economic impact studies, allowing comparisons of selected measures over the course of these studies.

The organizations included in this study are central to the high quality of life enjoyed by residents of King County. They also generate jobs, business activity, tax revenues, and labor income through the spending of the organizations and their patrons. This study documents these patterns of spending, and uses models of the state and regional economy to estimate the cumulative economic impacts related to attendance at exhibitions, performances, lectures, zoos, botanical gardens, and science-based organizations.

The current study extends the organizations included in the research project to scientific organizations and festivals. The scope of the study remains focused on those organizations that are classified by the IRS as having 501-c-3 tax status. The study includes very large organizations, such as the Seattle Symphony, Woodland Park Zoo, Museum of Flight, Seattle Opera, Seattle Repertory Theatre, Pacific Northwest Ballet, and the Seattle Art Museum. It also includes literally hundreds of smaller organizations. We have used a budget estimate for the most recent year for which data were available to determine which organizations were included in this study, and have included all organizations with a budget of at least \$30,000. This figure was arrived at by referencing the budget basis for inclusion in the earlier ArtsFund economic impact studies, and inflation since the dates of those earlier studies.

Comparisons can be drawn between results reported in this study and earlier ArtsFund economic impact studies for the disciplines and organizations included in the earlier studies. Several organizations included in the festival and science disciplines in the current study were included in the 2003 ArtsFund economic impact study. In this report the sections reporting comparisons have reclassified these organizations into the disciplines in which they were included in the 2003 study. Sections of the report making these comparisons will be labeled “•••Comparisons” to make it clear that text in these segments of the report exclude newly included organizations in the festival and science disciplines.

This report is organized as follows. The research approach is discussed in this section, including the two surveys that provide the basic data for this project. The economic impact model is also discussed in this section. Section II presents the data used to estimate economic impacts; this includes (1) data from arts, cultural and scientific organizations on their revenue and expenditures, (2) data on

expenditures made by patrons of these organizations, and (3) the calculation of economic impacts based on data from patrons and organizations included in this study. Section III presents detailed information from the survey of patrons of arts, cultural, and scientific organizations in King County. It also includes patronage statistics from the survey of organizations, including detailed data on student participation. Section IV reports on comparisons between the current study and similar reports undertaken in other regions in the United States. Section V presents some concluding comments. There are five appendices to this report. Appendix I identifies the arts and cultural organizations included in this study, divided between those who responded to the organizational questionnaire, and those otherwise included. Appendix II describes the input-output modeling methodology. Appendix III and IV contain the survey instruments used for this study. Appendix V identifies the ArtsFund Board of Trustees and staff, who were instrumental in the execution of this study.

Research Approach

This study was constrained in its development by decisions made in earlier ArtsFund economic impact studies. The approach taken to the current study closely approximates the earlier economic impact studies undertaken by ArtsFund. The questionnaires used in the research project are quite similar to those used in previous ArtsFund economic impact studies, with minor changes intended to improve the accuracy and comprehensiveness of responses. We have undertaken these surveys because data are not available from published sources on business activity in these arts, cultural, and scientific organizations, or their patrons.

Agencies such as the Washington State Department of Employment Security or the Washington State Department of Revenue include the organizations covered in this report in their data, but they do not isolate them from broader measures of economic activity in arts, cultural, and scientific organizations. These agencies do not distinguish between 501(c)3 organizations and for-profit organizations in the industry codes covered by this study, and they do not provide data on the “disciplines” that are a major focus of this report. In this study we identify eight disciplines—arts service organizations (ASO), festivals, heritage, dance, music, scientific, theatre, and visual arts. The survey of organizations provides detailed information on all eight of these disciplines, while the survey of patrons provides data on seven disciplines. The survey of patrons combines data for music and dance due to the size of the sample of patrons in these disciplines. Government statistical agencies also fail to report data on performances by organizations in non-profit arts, cultural, and scientific organizations by their budget size. Since this study is benchmarked against those organizations in King County with a budget of at least \$30,000, we needed to develop a data-base specific to the organizations that met this budget test. ArtsFund staff worked with other local organizations to develop this data-base; Appendix I reports the names of organizations deemed to have a budget sufficient to be included in this study.

Arts and Cultural Organization Survey

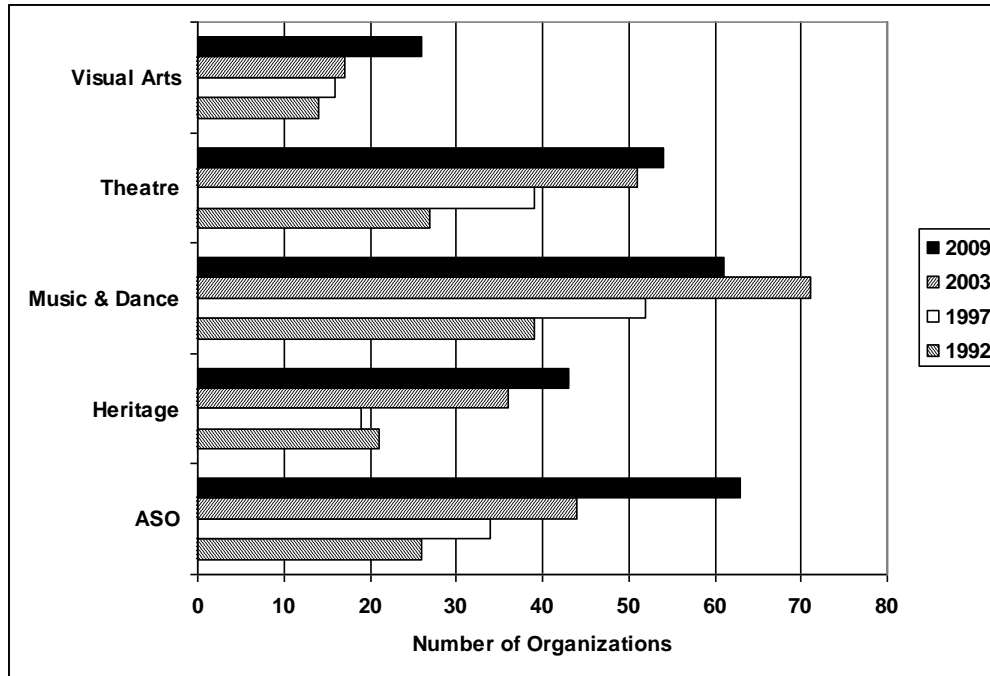
ArtsFund worked with local ASO's to develop the list of names of organizations with at least \$30,000 in budgets for their most recent financial report. There were 283 organizations that were identified as meeting this budget test, as reported below in Table I-1. Many of these organizations were asked to fill out the questionnaire found in Appendix 3. A total of 89 questionnaires were returned.

Table I-1 Cultural Organizations Included in this Study

	# of Questionnaires Returned	# of Other Organizations Included
Arts Service Organizations	19	44
Dance	4	13
Festival	6	6
Heritage	9	34
Music	18	44
Science	5	1
Theatre	17	37
Visual	<u>11</u>	<u>15</u>
<i>KING COUNTY TOTAL</i>	89	194

•••Comparisons. The number of organizations meeting the budget test for inclusion in ArtsFund's Economic Impact studies has gradually increased, as reported in Figure I-1. (This figure does not include festival or science organizations that are included in the current study.) The number of organizations included has increased from 127 in the 1992 study, to 247 in the disciplines included in Figure 1, an increase of 94%. Over this same time period, the population of King County has grown by 20%. Over the course of these studies there has been growth in the number of organizations in all disciplines.

Figure I-1 Number of Arts and Cultural Organizations in ArtsFund Economic Impact Studies



The questionnaires sent to arts, cultural and scientific organizations were in the form of a spreadsheet. The responding organizations sent their questionnaires to ArtsFund. ArtsFund staff worked hard to obtain as many questionnaires as possible, including returns from many organizations that do not receive support from ArtsFund. The questionnaires were benchmarked against the most recent budget year for the organizations participating; in most cases these were either 2009 or 2010. Appendix III contains a copy of the survey instrument sent to arts, cultural, and scientific organizations. Each organization was asked to provide information on (1) their general activity and attendance; (2) detailed activity on their income; (3) detailed expenditures on employee expenses, including wages and salaries, benefits, types of employment; (4) detailed information on expenses other than wage and salary employees, including contract employees, and detailed purchases of goods and services; and (5) information on free or reduced admissions for K-12 students.

Excellent coverage was obtained in the organizational survey, as reported in Table I-2. This table reports in column (1) the estimated total revenue by discipline, and in column (2) the reported income of organizations responding to this survey. Column (3) contains the ratio of covered to estimated total revenue. Across the disciplines we had coverage from organizations reporting \$355 million in revenue, out of an estimated \$415 million, or 86% percent of total revenue. Excellent coverage was obtained in all disciplines except heritage. This study has the same high level of support from arts and cultural organizations as reported in previous ArtsFund economic impact studies, and the

newly included disciplines in this study also have excellent rates of return on organizational questionnaires.

Table I-2 King County Cultural Organizations Budget Coverage

	Estimated Total Expense by County per discipline	Covered Operating Income in Returned Org. Surveys		Share of Budget due to Newly included Organizations
Arts Service Organization	\$31,962,617	\$18,405,439	1.7366	35.9%
Dance	\$24,708,140	\$22,260,175	1.1100	5.9%
Festival	\$17,144,086	\$15,806,402	1.0846	86.6%
Heritage	\$21,127,684	\$7,901,382	2.6739	0.7%
Music	\$74,093,645	\$67,031,298	1.1054	9.1%
Science	\$81,802,760	\$81,002,149	1.0099	79.6%
Theatre	\$119,588,717	\$102,751,204	1.1639	12.9%
Visual	\$44,280,639	\$40,059,661	1.1054	10.0%
<i>KING COUNTY TOTAL</i>	<i>\$414,708,288</i>	<i>\$355,217,710</i>	<i>1.167</i>	<i>28.9%</i>

This study expands coverage in two disciplines, festivals and science. Previous ArtsFund economic impact studies have included some organizations that have been categorized in the current study in these disciplines. The last column of Table I-2 provides an estimate of budgets of organizations that are new to ArtsFund’s economic impact study. Science and Festival are the two categories with very large increases in organization budgets included in the current study. However, as documented in Figure I-1, there has been growth in organizations in all disciplines that meet the criteria for inclusion in this study. The growth in ASO is particularly striking; the focus of these groups has diversified over time, away from organizations like city or county arts support agencies and ArtsFund, into new organizations with “niches” providing support to those in the arts, cultural, and non-profit scientific organization communities.

Patron Survey

The patron survey was conducted by the intercept method in venues for each discipline. People were asked by volunteers to complete a questionnaire at 46 venues in King County from May to September 2010. A copy of the patron questionnaire is found in Appendix IV. Variants of the questionnaire contained in Appendix IV were utilized in the various disciplines included in this study; respondents at science organizations were given a slightly different questionnaire than those at arts and cultural organizations. Readers interested in discipline-specific questionnaires can contact ArtsFund for

a copy of the questionnaire used for each discipline. A total of 2,589 questionnaires were gathered in this process. The questionnaire did not go through a pre-test, but its content was reviewed by a committee established by ArtsFund to oversee development of this project. The questionnaire was quite similar to that used in the 2003 ArtsFund economic impact study.

The questionnaires were processed by GMA Research Corporation. They obtained data on (1) numbers of patrons in groups being interviewed, (2) their spending related to attendance at arts, cultural, and scientific organizations, (3) demographic characteristics of the respondents, (4) primary reasons for their trips, (5) attitudinal responses on a variety of questions related to the development of their interest in arts, cultural, and scientific organizations, and (6) their frequency of attendance to these organizations. These data are presented in Sections II and III of this report.

Economic Impact Model

The data estimated from the organizational and patron surveys were drawn together to estimate the economic impact of arts, cultural, and scientific organizations in King County. These data were used with the 2002 Washington State input-output model to develop the economic impact estimates (Beyers & Lin 2008). The 2002 Washington State input-output model was based on an extensive survey of businesses across the Washington State economy; this was the seventh estimate of input-output relationships in the Washington economy (Beyers & Lin). Unlike most regions in the United States, Washington State has invested repeatedly in the measurement of input-output relationships through survey research. Details about this model are reported in Appendix II. It should be noted that analyses of the multiplier structure in the Washington input-output model show considerable stability over time, while labor productivity has increased significantly over the history of these models (Beyers & Lin).

The economic impact data in this report are benchmarked against Washington State and King County. The structure of the state model was changed using the location quotient approach to input-output model adjustment (Miller and Blair). Data reported from the patron survey were reclassified from consumer expenditure categories to producer prices, in accordance with input-output modeling procedures. Patron expenditures on tickets and admissions were excluded from the economic impact calculations, as these are part of the income of arts, cultural, and scientific organizations. The overall expenditures of these organizations within the state or regional economy were included in this report. As documented in Section II, a large fraction of the revenue of arts, cultural, and scientific organizations are not from earned income (such as tickets/admission), but from contributed income. Thus, the accounting frame used for this study avoids “double-counting” of sources of economic impacts.

Two approaches to economic impacts are presented in this report. The first is a gross regional measure of economic impacts, based on total expenditures by patrons and arts, cultural, and scientific organizations. The second is what is referred to as a “new money” measure—economic impacts that occur due to organization income or patron spending that originate outside the local region of analysis. The new money measure is often times viewed as the contribution of economic activities to the

economic-base of regions—a measure of economic impact that would not occur if the organizations included were not located here. In contrast, the difference between the gross economic impact measure and the new money measure reflects the level of discretionary spending by local residents, which could be redirected to other categories of local economic activities if the arts, cultural, and scientific organizations included in this study were not present in the local economy.

II. Economic Impact of Arts, Cultural and Scientific Organizations in King County

This chapter presents estimates of the economic impact of arts, cultural, and scientific organizations on the Washington and King County economies. The chapter is divided into several parts. The first two sections document the stream of income and the pattern of expenditures of arts, cultural, and scientific organizations. Then estimated levels of employment are presented, followed by estimates of patron spending. Estimates of expenditures by patrons and arts, cultural, and scientific organizations are then used to estimate economic impacts on the Washington and King County economies. The chapter also presents estimates of volunteer activity in arts, cultural, and scientific organizations in King County.

Income of King County Arts, Cultural, and Scientific Organizations

Arts, Cultural and Scientific organizations obtain their income from a combination of earned and contributed sources. The next section of this report presents estimates of the overall structure of income. Then the structure of earned, contributed, government and other income is reported.

(1) Total Income

Total income to arts, cultural, and scientific organizations is presented in Table II-1, while Figures II-1, II-2, and II-3 present graphic representations of the income of King County arts, cultural, and scientific organizations. Total income of these organizations in 2009 is estimated to be \$414.7 million (this date represents the most recent year for budget data utilized in this analysis; it should be noted that organizations were asked to supply budget information for the most recent year for which they had data. In some cases that was calendar year 2009, in other cases it was fiscal year 2009, and in some cases it included a budget period that stretched into 2010). Figure II-1 shows the same data as in the last row of Table II-1, the share of total income associated with the disciplines included in this study. Science and theatre account for half of the budgets of organizations included in this study, while the balance was divided between arts service organizations, festivals, heritage, visual arts, music, and dance organizations. Figure II-2 presents in graphical form the composition of income, with the shares being the same as the values in the last column of Table II-1. Figure II-2 reports that earned income was 55% of total income for all arts, cultural, and scientific organizations in King County, while contributed income accounted for the balance (45%) of total income.

Figure II-3 and Table II-2 show the composition of earned and contributed income by discipline. This figure and table document the variation in the mix of earned and contributed income by discipline. Arts Service Organizations have a relatively small level of earned income, and obtain a relatively large share of their income from government sources, compared to the other disciplines. Festivals and heritage organizations report a relatively large share of benefit or in-kind income, while visual arts reports a relatively large share of “other” income.

Table II-1 Total Income to King County Arts, Cultural, and Scientific Organizations (\$ millions)

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
Earned	4.9	16.8	6.4	6.8	36.4	45.6	96.2	17.3	230.3
Government	18.1	0.5	0.4	2.6	1.5	20.3	2.1	3.6	49.2
Individual	3.7	4.0	0.7	4.4	21.6	6.7	10.2	6.3	57.5
Corporate	2.0	1.0	2.1	0.8	2.6	1.4	3.5	2.0	15.3
Foundation	1.3	1.0	0.5	2.1	5.6	3.0	2.9	2.1	18.6
Benefits, in-kind	1.9	1.2	7.1	4.4	5.9	4.3	4.1	4.1	33.0
Misc. Income	0.1	0.1	0.0	0.0	0.5	0.4	0.7	8.9	10.7
Total	32.0	24.7	17.1	21.1	74.1	81.8	119.6	44.3	414.7
Discipline income as a % of total income	7.7%	6.0%	4.1%	5.1%	17.9%	19.7%	28.8%	10.7%	100.0%

Table II-2 Percentage of Total Income by Discipline and Total

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
Earned	15%	68%	37%	32%	49%	56%	80%	39%	56%
Government	57%	2%	2%	12%	2%	25%	2%	8%	12%
Individual	12%	16%	4%	21%	29%	8%	9%	14%	14%
Corporate	6%	4%	12%	4%	4%	2%	3%	4%	4%
Foundation	4%	4%	3%	10%	8%	4%	2%	5%	4%
Benefits, in-kind	6%	5%	41%	21%	8%	5%	3%	9%	8%
Misc. Income	0%	0%	0%	0%	1%	0%	1%	20%	3%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Figure II-1 Percentage of Total Income by Discipline

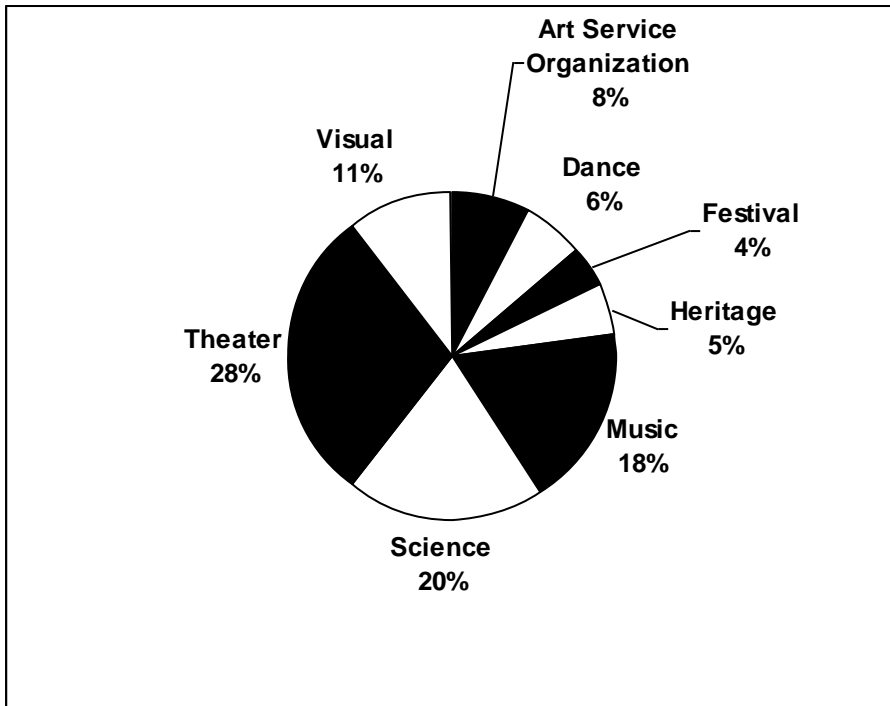


Figure II-2 Percentage of Total Income by Source

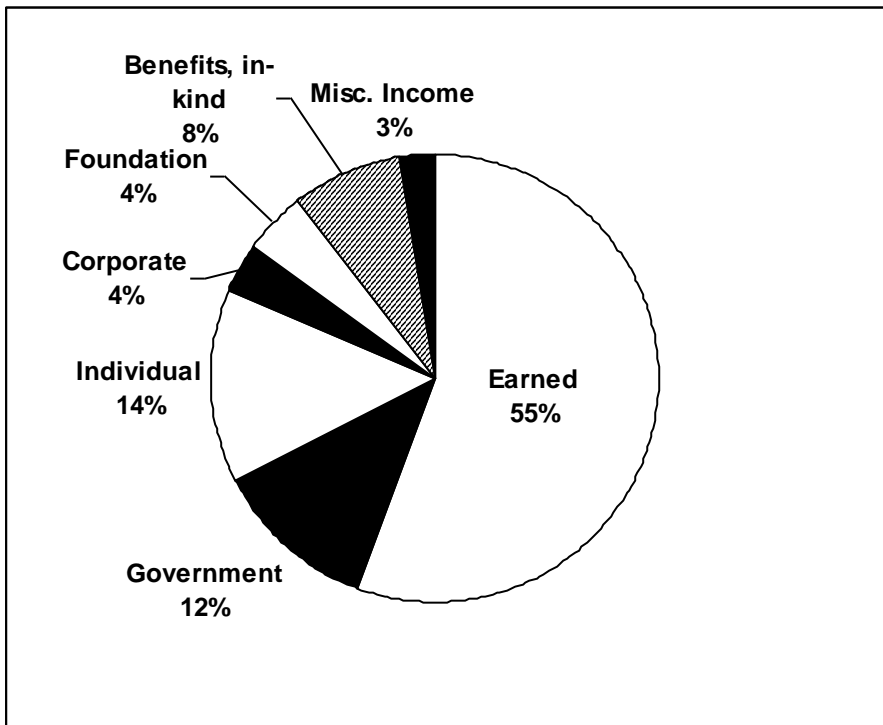
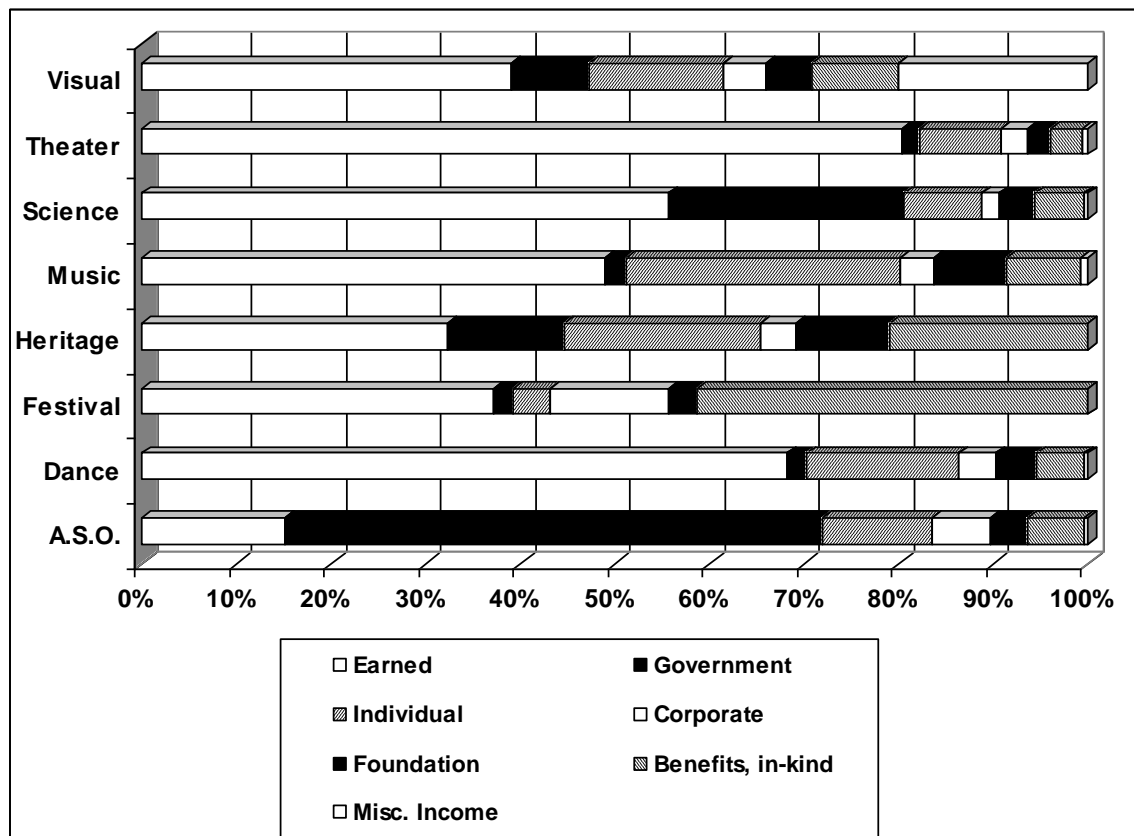


Figure II-3 Percentage of Total Income by Discipline and Source



•••Comparisons. The shares of total income of disciplines included in the 2003 ArtsFund economic impact study has changed significantly for several disciplines. Theatre has grown from 25% to 38% of the total, while music has decreased from 32% to 23% of the total. Heritage organizations decreased their share of total income from 12% to 7%, while the share of budgets related to ASO, dance, and visual arts were basically unchanged. The sources of income for arts and cultural organizations have also changed since the 2003 ArtsFund economic impact study. Earned income has risen from 49% to 56%, and government income has risen from 6% to 9%. The largest drops in the share of income came from benefits and in-kind (from 12% to 7%). Foundation, individual, corporate and other income sources showed little change in their share of the total.

(2) *Earned Income*

Table II-3 documents the detailed composition of earned income. This table clearly indicates significant variations in the composition of earned income by discipline. Box office/admissions form the largest source of earned income for all of the organizations included in this study, but arts service organizations, heritage, and visual arts organizations had much lower than average levels of box office/admissions. In the case of arts service organizations, other earned income, interest, and tuition/workshops provided a relatively large share of earned income. Heritage organizations have a relatively large reliance on

tuition/workshops, retail/wholesale sales, interest, and other sources of earned income. Visual arts organizations reported relatively large levels of retail/wholesale sales and interest income.

•••Comparisons. Earned income sources for organizations included in the 2003 ArtsFund economic impact study differ modestly in the current study. Box office/Admissions have risen slightly, from 72% to 73%. Retail/wholesale sales declined from 9% to 6%, while other categories were very similar to their 2003 levels.

(3) Contributed Income

The composition of contributed income (except government) is reported in Table II-4. Arts, cultural, and scientific organizations rely on a broad variety of private sources of contributed income, including individuals, corporations, foundations, and benefits/in-kind sources. There are clear differences in the mix of contributed income across the disciplines reported in Table II-4. Corporate sources of income were relatively important for arts service organizations (which includes ArtsFund that receives considerable support from corporations). Festivals report a large share of in-kind activity, as well as considerable corporate support. Foundations provide support broadly across all disciplines (except festivals), while miscellaneous contributions were quite important to visual arts organizations. Individuals provided the largest share of contributed income for all disciplines except festivals.

•••Comparisons. The mix of contributed income has changed considerably from the 2003 ArtsFund Economic impact study. Foundation contributions have increased from 9% to 14%, and miscellaneous contributions have increased from 2% to 9%. Over the same time period in-kind contributions have decreased from 22% to 11%. The largest source of contributed income—individual—has remained relatively constant (44% vs. 46%). Corporate donations declined modestly (from 14% to 12%), while contributions from benefits/galas/guilds remained constant at 9% of contributed income.

Individual contributions totaling \$57.5 million were received from nearly 118 thousand contributors, as reported in Table II-5. The average individual donation was \$488; and the data in Table II-5 indicate that dance, heritage, music and visual arts organizations had average individual donations well above the average. On average 4.5% of these donations came from people outside King County, with theatre and visual arts organizations reporting relatively large donations from outside the local area. In contrast, arts service organizations, dance, and heritage organizations, reported relatively few outside donations from individuals.

•••Comparisons. The number of individual contributors to organizations in the 2003 ArtsFund study declined by 8%, while overall contributions declined from \$51.2 million to \$50.1 million (constant \$2009). The average size of a donation increased from \$485 to \$511 (constant 2009\$). The percentage of these donations from outside King County rose from 9% to 11%.

Corporate organizations contributed \$15.3 million to King County arts, cultural, and scientific organizations in 2009, as reported in Table II-6. Almost nineteen hundred corporate donations were received, with an average value of \$7,821. Over 20% of these donations came from corporations located

outside the local area. Dance, festival, and heritage organizations received relatively large average corporate contributions, while festival, heritage and music organizations received a relatively large fraction of their donations from outside the local area.

•••Comparisons. Corporate contributions (in constant \$2009) to organizations included in the 2003 ArtsFund study fell from \$14.6 million vs. \$12.2 million. The number of corporate donors decreased significantly, from 1,919 to 1,410. However, the average size of a donation increased significantly (from \$6,581 to \$8,642, constant \$2009). The percentage of donations from outside King County also increased significantly, from 6.8% to 17.1%.

Private foundations provided \$18.6 million in donations in 2009 to King County arts, cultural and scientific organizations. Table II-7 reports that there were over 800 donations by private foundations, with an average value of \$22,759. Private foundation donations were large on average across all disciplines, compared to corporate or individual donations. On average, 17% of these donations came from outside the local area, but arts service organizations, dance, festival, and theatre organizations had relatively large shares of foundation donations from outside the local area.

•••Comparisons Private foundation contributions (in constant \$2009) to organizations included in the 2003 ArtsFund study increased significantly, from \$10.1 million to \$15 million. The number of donors increased from 561 to 681, and the average donation increased from \$17,890 to \$21,991 (in constant \$2009). The percentage of funds donated by private foundations decreased from 30% in 2003 to 20% in 2009.

The level of in-kind contributions received by King County arts, cultural and scientific organizations was \$19.5 million in 2009, as reported in Table II-8. A total of 5,454 in-kind contributions were reported, with an average value of \$3,576. In-kind donations were relatively important for festivals, as discussed above. Festivals and dance organizations received relatively large donations per contributor. A relatively small fraction of in-kind donations came from outside the local area (4%).

•••Comparisons In-kind contributions received by arts and cultural organizations included in the 2003 ArtsFund economic impact study declined sharply, from \$25.9 million to \$11.6 million (in constant \$2009). The number of contributors declined from 11,908 to 4,846, while the average donation increased from \$2,166 to \$2,386 (in constant \$2009). The percentage of these donations from outside King County declined from 3.6% to 2.1%.

(4) Government Income

Government income was over \$49 million in 2009, accounting for 12% of total income to arts, cultural, and scientific organizations, as reported in Tables II-1 and II-2. Government income was relatively important for arts service organizations and science organizations. Table II-9 reports the composition of government income by discipline. Local governments were the source of most of this government income, followed by state government. Science and visual arts organizations were relatively dependent on state government income sources, while festivals and visual arts organizations were relatively dependent on federal government sources.

•••Comparisons Government income increased from \$18.6 million to \$28.5 million (constant \$2009) to arts and cultural organizations included in the 2003 ArtsFund economic impact report. The shares of federal and city government income were unchanged, while state government support declined from 29% to 10%, while county income increased from 22% to 43%.

Table II-3 Percentage Composition of Earned Income

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
Box Office/Admissions	16%	76%	70%	21%	84%	66%	83%	38%	72%
Tuition/Workshops	14%	20%	0%	21%	6%	6%	3%	11%	6%
Retail/Wholesale Sales	7%	1%	16%	14%	4%	16%	4%	21%	8%
Other Earned Income	42%	3%	14%	22%	5%	8%	8%	9%	9%
Interest	21%	0%	0%	21%	1%	4%	2%	21%	5%
Total Earned Income	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table II-4 Percentage Composition of Contributed Income by Source (Except Government)

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
Corporations	22%	13%	21%	7%	7%	9%	16%	8%	11%
Foundations	14%	14%	5%	18%	15%	19%	13%	9%	14%
Individuals	41%	54%	7%	37%	60%	42%	48%	27%	43%
Benefits/Galas/Guilds	12%	2%	2%	15%	5%	21%	11%	12%	10%
In-Kind	10%	15%	66%	22%	11%	7%	8%	5%	14%
Misc. Contributions	2%	2%	0%	0%	1%	2%	3%	38%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table II-5 Individual Contributions to King County Cultural Organizations

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
Individual Contributions (\$ millions)	3.7	4.0	0.7	4.4	21.6	6.7	10.2	6.3	57.5
Number of Contributors	9,813	4,346	2,428	5,939	31,052	22,441	35,940	5,935	117,894
\$/Contributor	376	910	280	737	694	300	285	1,059	488
% Outside King County	1.0%	0.9%	3.8%	0.4%	4.7%	3.5%	7.2%	7.9%	4.5%

Table II-6 Corporate Contributions to King County Cultural Organizations

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theater	Visual	Total
Corporate Contributions (\$ millions)	2.0	1.0	2.1	0.8	2.6	1.4	3.5	2.0	15.3
Number of Contributors	191	55	84	53	227	468	645	239	1,961
\$/Contributor	10,307	17,792	25,582	14,654	11,529	3,049	5,351	8,263	7,821
% Outside King County	0.4%	1.8%	87.0%	36.7%	28.7%	7.3%	7.1%	6.5%	22.2%

Table II-7 Private Foundation Contributions to King County Cultural Organizations

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
Private Foundation Contributions (\$ millions)	1.3	1.0	0.5	2.1	5.6	3.0	2.9	2.1	18.6
Number of Contributors	113	41	50	96	125	112	215	63	815
\$/Contributor	11,176	25,434	10,553	21,711	44,861	27,176	13,364	33,468	22,759
% Outside King County	49.1%	40.1%	24.2%	6.6%	10.2%	4.7%	26.5%	20.0%	17.2%

Table II-8 In-Kind Contributions to King County Cultural Organizations

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
In-Kind Contributions (\$ millions)	0.9	1.1	6.9	2.6	4.0	1.1	1.7	1.3	19.5
Number of Contributors	332	53	303	1,043	1,073	306	2,029	316	5,454
\$/Contributor	2,609	20,224	22,764	2,512	3,735	3,442	850	4,010	3,576
% Outside King County	2.7%	0.0%	6.5%	0.0%	3.1%	1.7%	2.0%	4.7%	3.6%

Table II-9 Government Income by Source (% of Government Income)

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
Federal	3%	14%	32%	15%	17%	6%	15%	25%	8%
State	1%	17%	24%	12%	12%	44%	13%	55%	24%
Counties	58%	30%	17%	26%	25%	19%	18%	5%	33%
Cities	38%	40%	26%	48%	47%	32%	55%	15%	35%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

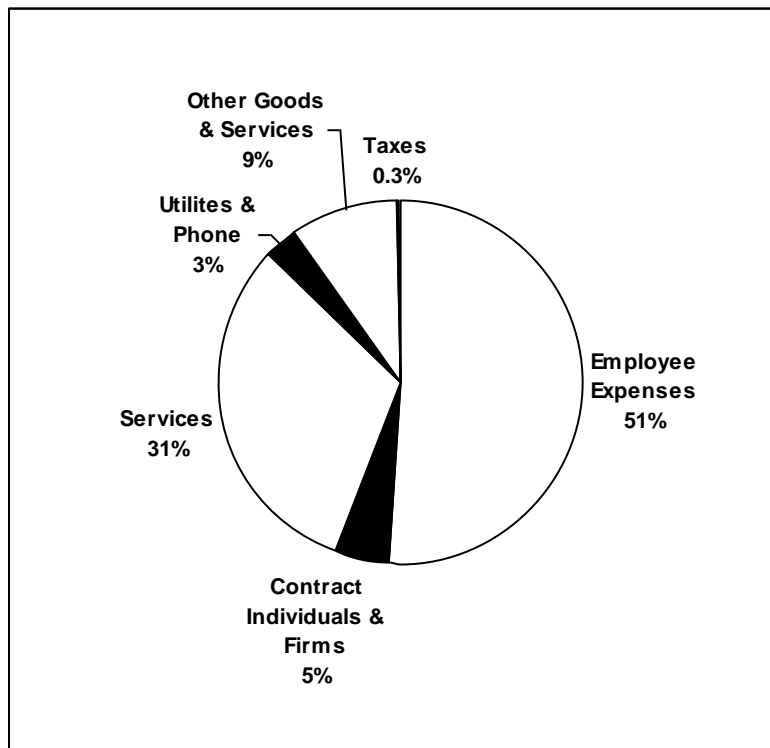
Expenditures of King County Cultural Organizations

Table II-1 reported that King County arts, cultural, and scientific organizations had income of \$414.7 million in 2009. Table II-10 reports that their expenditures in this same time period were just slightly less than their total income, an estimated \$408.5 million. Expenses in Table II-10 are divided into two broad categories, employee expenses (51%) and operating expenses (49%). Figure II-4 provides more detail on the composition of operating expenses. Table II-10 indicates that almost all of the employee expenses were incurred within King County (98%), while 73% of operating expenses were made within King County. In the aggregate, 86% of total expenditures were made in the local economy.

Table II-10 Aggregate Expenditures of King County Cultural Organizations

	Total	King County	% King County
Employee Expenses	\$209,032,077	\$205,151,642	98%
Operating Expenses	\$199,422,537	\$146,523,439	73%
Total	\$408,454,613	\$351,675,081	86%

Figure II-4 Aggregate Expenditures of King County Cultural Organizations



The composition of employee and operating expenses varies across the disciplines, as reported in Table II-11. Festivals report a much lower share of their expenses for employees than the other disciplines, and theatre also reports a lower than average share of employee expenses. However, the theatre percentage is lowered because of the relatively strong use by theatres of contract employees,

which are counted as part of operating expenses. (Contract employees include occupations such as actors, who are largely employed on a contract basis for specific performances). Arts service organizations, dance, science, heritage and music report somewhat higher employee expenses than the regional average.

Table II-11 Employee and Operating Expenses by Discipline

	Employee Expense (%)	Operating Expense (%)	Total (%)
Arts Service Organization	60%	40%	100%
Dance	59%	41%	100%
Festival	30%	70%	100%
Heritage	56%	44%	100%
Music	57%	43%	100%
Science	58%	42%	100%
Theatre	41%	59%	100%
Visual	51%	49%	100%
Total	51%	49%	100%

•••Comparisons The 2003 ArtsFund Economic Impact study reported employee expenses to be 47% of total expenses, compared to 51% in the current study for the disciplines included in the 2003 study. Operating expenses decreased from 53% to 49%. The share of employee expenses increased in all disciplines except visual arts, in which there was no change in the share of employee expenses. The largest increases in the share of employee expenses were recorded in ASO (48% to 60%), and in theatre (35% to 41%).

(1) Composition of Employee Expenses

Employee expenses are divided into two broad categories: administrative and other categories of employee expenses. For arts and cultural organizations, the other employees include artistic/technical/and professional occupations. Table II-12 reports the share of these two categories across the disciplines included in this study. On balance, slightly less than one-third of employee expenses are administrative, and approximately two-thirds are for other employees. Dance, science, and music report shares of administrative employee expenses well below the average, while arts service organizations, festivals, heritage, theatre, and visual arts report shares of administrative employment expenditures above the regional average. These percentages are inclusive of wages and salaries, as well as estimated benefits and payroll taxes incurred by arts, cultural, and scientific organizations in King County.

Table II-12 Composition of Employee Expenses

	Administrative Salaries, Wages, and Benefits	Other Salaries, Wages, and Benefits	Total Salaries, Wages, and Benefits
Arts Service Organization	57%	43%	100%
Dance	17%	83%	100%
Festival	57%	43%	100%
Heritage	55%	45%	100%
Music	24%	76%	100%
Science	16%	84%	100%
Theatre	41%	59%	100%
Visual	43%	57%	100%
Total	32%	68%	100%

•••Comparisons The overall split between administrative and artistic/professional/technical wages, salaries, and benefits for the disciplines included in the 2003 ArtsFund economic impact study has not changed significantly (37% in the 2003 study vs. 36% in the current study). However, there have been some more significant changes at the discipline level. ASO administrative salaries, wages, and benefits fell from 71% to 57%; in dance they declined from 22% to 17%, while in heritage they increased from 29% to 46%. Music reported a decline in administrative salaries, wages, and benefits from 32% to 24%, while in theatre these expenses increased from 36% to 41%, and in visual arts they decreased from 47% to 43%. These changes up or down in administrative expenses are offset by corresponding changes in artistic/professional/technical wages, salaries, and benefits.

(2) Operating Expenses

Operating expenses were divided into five broad categories, as reported in Table II-13 and Table II-14. The largest share of operating expenses was for services (64%), followed by “other goods and services (19%),” contract individuals (10%), utilities and postage (6%), and taxes (1%). There are significant differences in the composition of operating expenses across disciplines; these broad differences are reported in Table II-13, while Table II-14 provides much greater detail on these operating expenses. Theatre and festivals report significantly higher than average services expenses, while these costs are relatively low for heritage and arts service organizations. Contract individuals represent relatively high shares of operating cost expenses for arts service organizations and music organizations, and a small share for science, festival, and visual arts organizations. Utilities and postage are higher than average for visual arts and heritage organizations. Other goods and services (which includes exhibit/set materials and production materials) is relatively high for dance, heritage, science, and visual arts organizations. Taxes represent a small share of operating expenses for all disciplines.

Table II-13 Operating Expenses by Broad Category

	Contract Individuals & Firms	Services	Utilities & Postage	Other Goods & Services	Taxes	Total
Arts Service Organization	25.5%	51.2%	5.0%	17.1%	1.2%	100%
Dance	8.4%	58.2%	3.9%	29.4%	0.1%	100%
Festival	2.8%	81.7%	2.3%	13.0%	0.1%	100%
Heritage	11.7%	47.3%	9.1%	29.8%	2.0%	100%
Music	22.7%	54.0%	5.7%	17.4%	0.2%	100%
Science	1.0%	62.3%	9.1%	25.9%	1.7%	100%
Theatre	8.2%	74.3%	3.2%	13.7%	0.5%	100%
Visual	3.3%	57.2%	12.1%	26.4%	1.1%	100%
Total	9.6%	64.3%	5.9%	19.4%	0.8%	100%

•••Comparisons The shares of operating expenses reported in Table II-13 for disciplines included in the 2003 ArtsFund economic impact study did not change very much. The cost of contract individuals and firms fell from 14% to 12%, service purchases rose from 60% to 64%, and other goods and services purchases fell from 19% to 18%. Taxes and utilities/postage remained unchanged. At the discipline level there was also relative stability in operating expenses. Dance organizations reported lower services purchases and higher other goods and services purchases (69%/18% in 2003 vs. 58%/29% in 2009). Music organizations reported a reverse trend, with higher services purchases and lower other goods and services purchases (45%/25% in 2003 vs. 54%/17% in 2009). Heritage organizations reported a sharp increase in contract personnel costs (3% to 12%), with reductions in other operating expense categories.

The detailed estimates of operating expenses in Table II-14 report variations in the level and composition of these expenses across disciplines more sharply than the broad operating expenses reported in Table II-13. Marketing expenses are much larger than average for dance organizations and festivals. Press and public relations costs are relatively high for heritage organizations, while photographic services were relatively high for arts service organizations and visual arts organizations. Banking was a relatively high cost for dance and music, while insurance was reported as a relatively high cost for heritage and visual arts organizations. Arts Service organizations incurred relatively high accounting and transportation costs. Set or costume rental was reported as a relatively high cost by visual arts organizations, while festivals reported relatively high costs for equipment rental. Hall rental costs were reported to be relatively high by music, dance, and festival organizations. Office space rental was reported to be relatively high in cost by dance, heritage, and music organizations. Royalties were a relatively high cost for theatres, while other services were found to be relatively high in cost by festivals, science, and theatre organizations. An analysis of “other services” found many of these to be labor payments or the purchase of business services. Heritage organizations reported relatively high costs for exhibit and production materials, while dance and science organizations reported relatively high “other

goods and services” expenses. Details were not provided on the nature of these “other goods and services” expenditures.

Table II-14 Operating Expenses by Detailed Categories (% of Total Operating Expense)

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
<u>Contract Individuals & Firms</u>	25.5%	8.4%	2.8%	11.7%	22.7%	1.0%	8.2%	3.3%	9.6%
<u>Services</u>									
Marketing	5.0%	24.5%	22.1%	1.8%	10.2%	13.4%	8.0%	11.7%	10.8%
Press and Public Relations	0.9%	0.5%	0.5%	3.4%	0.4%	1.7%	1.1%	0.9%	1.1%
Photographic/art Services	5.1%	0.4%	0.3%	0.9%	0.8%	0.5%	0.8%	9.9%	1.9%
Banking	1.0%	3.3%	1.3%	0.6%	3.3%	0.9%	1.6%	1.1%	1.7%
Insurance	1.8%	0.9%	1.6%	3.5%	1.8%	2.1%	1.0%	4.8%	1.9%
Accounting/Audit	4.0%	1.9%	0.9%	1.9%	1.1%	0.5%	0.5%	1.8%	1.1%
Transportation	3.8%	1.6%	2.7%	0.3%	2.1%	1.0%	1.4%	1.8%	1.6%
Lodging	0.2%	0.7%	1.9%	0.8%	2.1%	1.6%	1.4%	0.1%	1.3%
Food & Beverages	1.0%	1.3%	3.7%	4.8%	1.6%	0.3%	3.4%	2.9%	2.4%
Set/Costume Rental	0.1%	0.5%	0.5%	3.1%	1.1%	2.8%	0.8%	9.4%	2.1%
Equipment Rental	2.7%	0.5%	9.5%	0.8%	1.1%	1.2%	0.7%	0.9%	1.4%
Hall Rental	3.1%	5.8%	5.6%	0.4%	7.5%	0.1%	2.5%	0.8%	3.0%
Office Space Rental	6.9%	9.8%	3.7%	10.0%	8.4%	0.2%	1.7%	6.5%	4.3%
Royalties	0.5%	3.0%	1.9%	0.0%	1.1%	6.0%	9.2%	0.4%	4.8%
Other Services	15.2%	3.6%	25.5%	15.0%	11.4%	30.0%	40.2%	4.3%	24.7%
Subtotal Services	51.2%	58.2%	81.7%	47.3%	54.0%	62.3%	74.3%	57.2%	64.3%
<u>Utilities and Phone</u>									
Telephone	1.2%	0.8%	0.9%	1.1%	1.1%	0.7%	0.6%	0.8%	0.8%
Postage	2.7%	1.8%	1.0%	1.8%	2.1%	0.7%	0.7%	3.6%	1.5%
Other Utilities	1.1%	1.3%	0.4%	6.2%	2.6%	7.6%	2.0%	7.7%	3.6%

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
Subtotal Utilities	5.0%	3.9%	2.3%	9.1%	5.7%	9.1%	3.2%	12.1%	5.9%
<u>Other Goods & Services</u>									
Printing of programs, etc.	5.1%	3.8%	5.1%	5.1%	3.3%	1.1%	1.4%	4.6%	2.7%
Exhibit materials	0.7%	1.3%	0.4%	7.6%	0.7%	0.9%	2.2%	1.2%	1.7%
Production materials	2.5%	2.5%	0.5%	8.0%	0.8%	1.2%	3.1%	13.1%	3.5%
Supplies	3.8%	0.6%	2.7%	4.1%	2.5%	4.4%	1.1%	3.7%	2.5%
Other goods & services	5.1%	21.1%	4.3%	5.1%	10.0%	18.3%	6.0%	3.7%	9.0%
Subtotal Other Goods & Services	17.1%	29.4%	13.0%	29.8%	17.4%	25.9%	13.7%	26.4%	19.4%
<u>Taxes</u>									
Sales Tax	0.2%	0.0%	0.0%	1.6%	0.0%	0.7%	0.3%	0.2%	0.3%
B&O Tax	0.1%	0.0%	0.0%	0.1%	0.0%	0.8%	0.0%	0.0%	0.1%
Property Tax	0.7%	0.0%	0.0%	0.2%	0.1%	0.0%	0.2%	0.6%	0.2%
Other Taxes	0.2%	0.1%	0.1%	0.1%	0.0%	0.3%	0.0%	0.3%	0.1%
Subtotal Taxes	1.2%	0.1%	0.1%	2.0%	0.2%	1.7%	0.5%	1.1%	0.8%
Total Operating Expense	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Employment in Arts, Cultural and Scientific Organizations

King County arts, cultural, and scientific organizations employ a mixture of full-time and part-time employees, contractual employees, and work-study or interns. Table II-15 reports estimated levels of employment by discipline, while Figure II-5 reports the total level of employment by employment category.

Table II-15 Employment Status

	Full-Time	Part-Time	Contractual	Work-Study/Intern	Total	# Personnel Under Union Contracts
Arts Service Organization	170	149	2,093	102	2,515	18
Dance	165	474	216	11	867	1
Festival	57	535	102	101	795	3
Heritage	222	174	230	94	719	0
Music	511	1,141	1,433	127	3,211	884
Science	654	560	13	88	1,316	168
Theatre	502	2,313	1,144	248	4,206	1,326
Visual	338	258	224	124	944	11
Total	2,620	5,603	5,455	895	14,573	2,410

Figure II-5 Employment Status

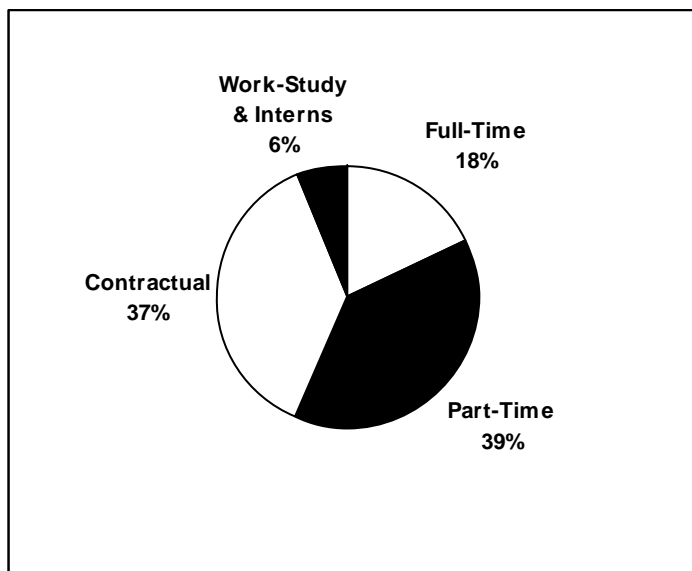


Table II-16 reports the composition of employment by discipline, and there are significant differences in the mix of employment. Arts service organizations have high levels of contractual employees, a reflection of public art programs hiring artists to do particular projects, often on a short-term basis. Science organizations report few contract workers. Science, heritage, and visual arts programs have much larger proportions of full-time employees than on average. Dance, festival, and theatre programs report much higher than average proportions of part-time employees. The percentage of employees under a union contract is much higher in music (28%) and theatre (32%) than in the other disciplines (3%).

Table II-16 Composition of Employment

	Full-Time	Part-Time	Contractual	Work-Study/Intern	Total
Arts Service Organization	7%	6%	83%	4%	100%
Dance	19%	55%	25%	1%	100%
Festival	7%	67%	13%	13%	100%
Heritage	31%	24%	32%	13%	100%
Music	16%	36%	45%	4%	100%
Science	50%	43%	1%	7%	100%
Theater	12%	55%	27%	6%	100%
Visual	36%	27%	24%	13%	100%
Total	18%	38%	37%	6%	100%

Table II-17 reports the number and percentage of employees working in administrative versus other types of employment for arts, cultural, and scientific organizations. Employment in every discipline is largely non-administrative.

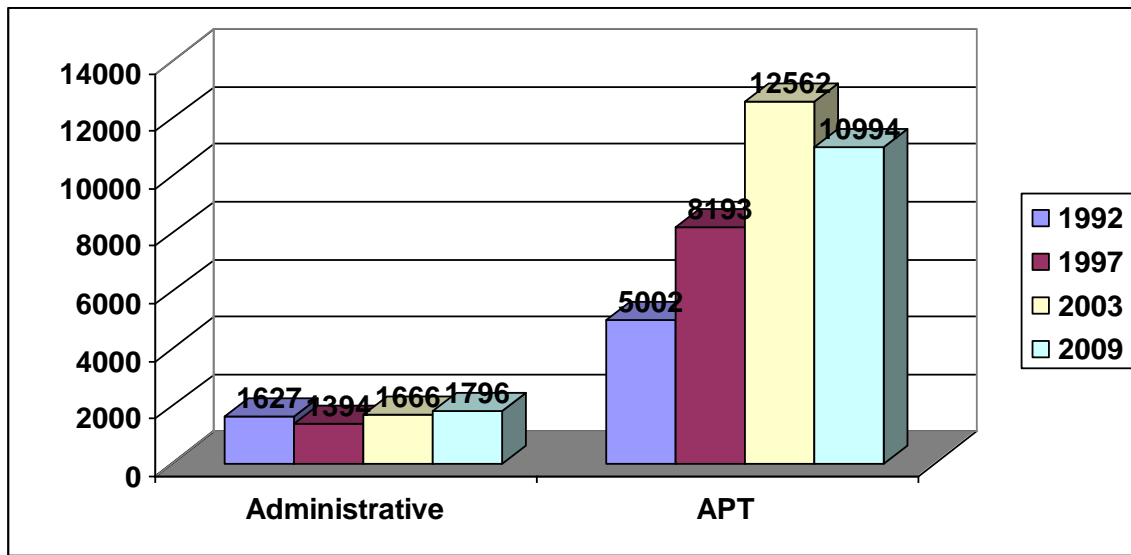
Table II-17 Total Employment Including Full-Time, Part-Time, Contractual and Interns/Work Study Workers

	ASO	Dance	Festival	Heritage	Music	Science	Theater	Visual	Total
Administrative	212	93	84	214	376	102	642	221	1,944
Other	2,303	774	712	505	2,835	1,214	3,564	723	12,629
Total	2,515	867	795	719	3,211	1,316	4,206	944	14,573
%									
% Administrative	8%	11%	11%	30%	12%	8%	15%	23%	13%
% Other	92%	89%	89%	70%	88%	92%	85%	77%	87%
% Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

•••Comparisons Figure II-6 presents estimates of administrative and artistic/professional/technical employment for disciplines included in the series of ArtsFund economic impact studies. This figure

reports relatively constant employment in administrative work. However after significant increases in artistic/professional/technical employment across the 1992, 1997, and 2002 studies, the current study finds a slight decrease in this employment category. Part-time artistic/professional/technical employment was very similar in the 2002 and 2009 studies (4354 and 4147), while contractual employment was reported to have a decline of 1,329 employees spread across all disciplines except heritage, which reported an increase of 129 contract workers. The decrease in contract employment was concentrated in theatre, which was reported to have a decrease of 1,130 contract employees.

Figure II-6 Employment Categories Compared 1992, 1997, 2003, and 2009



The full-time number of part time and contractual workers was estimated from the survey of arts, cultural and scientific organizations as follows. Organizations reported the number of hours worked by these employees. It was assumed that a full-time worker would work 1,920 hours per year (48 weeks at 40 hours per week). Table II-18 reports the full-time equivalent of the part time employee numbers reported in Table II-15. When this conversion is made, the number of full time employees within King County arts, cultural, and scientific organizations outnumbers the full-time equivalent number of part-time workers. Data were not gathered on the number of hours worked by work-study students or interns.

Table II-18 Full-Time Equivalent Employment

	ASO	Dance	Festival	Heritage	Music	Science	Theater	Visual	Total
FTE Admin PT	26	5	2	24	32	36	61	12	199
FTE Other PT	23	40	31	37	143	585	347	75	1,282
FTE Contract	23	13	9	14	24	2	89	7	183
Total	73	58	42	75	200	623	498	94	1,663

•••Comparisons The level of full-time equivalent employment of disciplines included in the 2003 ArtsFund economic impact study was 1,022 persons, almost identical to the 1,043 persons reported in the 2003 study. Thus, the drop in employment as measured by a headcount (Figure II-6) disappears when part-time employment is converted to a full-time equivalent.

Expenditures of Patrons

People travelling to an arts, cultural or scientific organization have expenses beyond the cost of admission to these organizations. They incur travel costs, frequently they have food costs attributable to their trip, and if they come from long distances they frequently have overnight accommodation costs. Table II-19 documents estimated per capita expenses by discipline. The survey of patrons did not estimate a separate statistically valid sample for music and dance; rather data for these two disciplines is combined in tables based on the survey of patrons. There are significant differences in per capita spending across disciplines. Ticket costs are relatively high for music and dance and for theatre. There are differences in the geographic origins of patrons across disciplines; these differences are reported in Section III of this report. In the case disciplines with large proportions of patrons coming from out of state or outside the region, air travel and lodging costs are relatively high. Arts service organization events tend to draw local residents to community-based events, with relatively low reported per capita expenditures.

Table II-19 Per Capita Patron Expenditures

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
TICKETS	1.55	21.97	6.94	43.28	10.53	43.55	6.05	22.32
SOUVENIR	0.43	8.62	2.88	2.78	2.07	1.25	2.28	3.11
PARKING	0.23	2.24	1.25	2.86	1.24	2.15	1.60	1.87
BUS	0.16	2.49	1.39	2.03	0.74	0.82	1.00	1.31
AUTO	1.40	5.75	3.34	4.24	3.29	2.73	6.73	4.28
FOODBEFO	4.93	10.23	5.30	11.09	4.19	15.95	8.41	9.08
FOODAT	0.56	8.74	0.49	3.11	1.72	2.42	0.80	2.87
ENTERTAI	0.20	1.22	0.41	1.42	0.77	1.71	2.30	1.33
LODGING	0.53	11.46	7.99	10.47	6.25	1.47	21.01	9.37
AIRTRAVE	0.00	1.60	11.29	16.95	8.73	0.05	27.88	10.69
CHILD	0.09	0.38	0.02	0.52	0.01	0.96	0.41	0.38
OTHER	<u>0.96</u>	<u>5.37</u>	<u>1.26</u>	<u>3.40</u>	<u>3.23</u>	<u>7.47</u>	<u>3.22</u>	<u>4.20</u>
Total	11.04	80.07	42.55	102.16	42.76	80.53	81.69	70.82

N=2,527

•••Comparisons Average patron spending for the disciplines included in the 2003 ArtsFund economic impact study was approximately 48% higher in constant \$2009. This difference is largely related to non-ticket expenses reported by patrons. Average spending was up significantly in constant \$2009 for most categories of non-ticket expenses, driven in large measure by an increased share of patrons coming from outside the local area. The geographic origin of patrons and their spending patterns is discussed in more detail in Section III of this report.

An estimate of the number of patrons by discipline was developed from the survey of organizations. Greater detail about this survey is provided in Section III of this report. Table II-20 reports estimated numbers of patrons, and the estimated number of discounted student tickets or free student tickets. It was presumed that students did not incur expenditures similar to regular visitors. Section III of this report documents characteristics of student visitors. Arts, cultural, and scientific organizations were asked to estimate the number of discounted student tickets as a part of their overall estimated attendance, and to also estimate their free ticket numbers. The number of those free tickets estimated to go to students was derived from a part of the organizational questionnaire that specifically asked how many free student tickets were supplied. The last line in Table II-20 reports the estimated attendance net of free and discounted student tickets. The number of patrons reported in the last line of Table II-20 was multiplied by the average spending reported in Table II-19 to obtain estimated total patron spending. These estimates are reported in Table II-21.

Table II-20 Number of Patrons

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
Total Attendance	287,587	337,155	670,239	512,321	1,394,689	3,921,179	2,102,365	1,267,868	10,493,403
Discounted Student Tickets	8,122	10,483	17,948	70,902	113,913	329,224	192,983	45,674	789,249
Free student Tickets	37,250	16,714	62,743	17,993	31,745	14,088	28,510	45,066	254,108
Net Attendance	242,215	309,958	589,548	423,426	1,249,031	3,577,867	1,880,872	1,177,129	9,450,047

•••Comparisons The net attendance in 2009 of arts and cultural organizations included in the 2003 ArtsFund economic impact study was almost the same as reported in the 2003 study, 6.1 million in 2003 vs. 5.9 million in 2009. The total attendance to these organizations declined slightly from 6.8 million to 6.7 million; the number of discounted student tickets rose from 468 thousand to 572 thousand, while the number of free student tickets decreased from 248 thousand to 182 thousand. Changes in the net attendance at the disciplinary level were modest for ASO and dance, increased slightly for music, increased by 30% for visual arts, decreased by 10% in theatre, and decreased by 27% for heritage organizations. (It is important to note that the definition of heritage and festival in the current study was

different for several large organizations that were classified in other disciplines in the 2003 ArtsFund economic impact study.)

The estimated 10.5 million patrons of arts, cultural, and scientific organizations in the Central Puget Sound regions are estimated to have spent \$628 million on their visits to these organizations. Patrons reported spending \$210 million on tickets; the organizational survey yields an estimate of income from tickets/admissions of \$166 million; this difference is likely related to some patrons reporting annual costs for memberships or donations that were not considered tickets or admissions in the organizational survey.

Figure II-7 graphically depicts the distribution of patron expenditures. After tickets/admissions, travel costs are the largest reported expenditure, followed by meals and refreshments, and lodging. Smaller shares are spent on entertainment, other goods and services, and child care.

Figure II-7 Patron Expenditures by Category

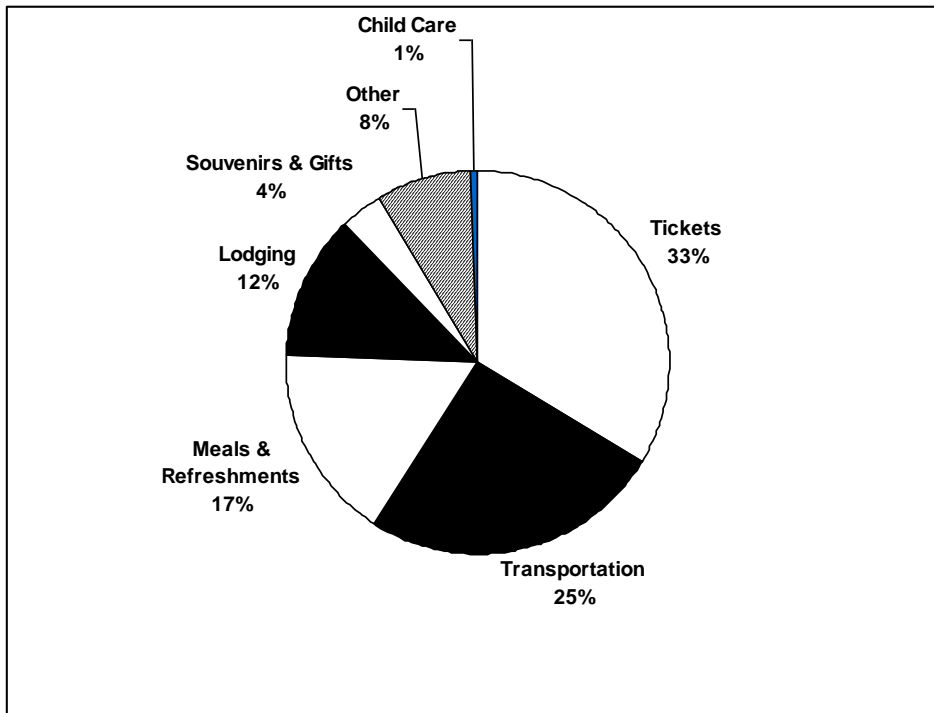


Table II-21 Estimated Total Patron Expenditures (\$ Millions)

Total	A.S.O.	Festival	Heritage	Music & Dance	Science	Theater	Visual	Total
TICKETS	\$0.4	\$13.0	\$2.9	\$67.5	\$37.7	\$81.9	\$7.1	\$210.4
SOUVENIR	0.1	5.1	1.2	4.3	7.4	2.4	2.7	23.2
PARKING	0.1	1.3	0.5	4.5	4.4	4.0	1.9	16.7
BUS	0.0	1.5	0.6	3.2	2.6	1.5	1.2	10.6
AUTO	0.3	3.4	1.4	6.6	11.8	5.1	7.9	36.6
FOODBEFO	1.2	6.0	2.2	17.3	15.0	30.0	9.9	81.6
FOODAT	0.1	5.2	0.2	4.8	6.2	4.6	0.9	22.0
ENTERTAI	0.0	0.7	0.2	2.2	2.8	3.2	2.7	11.8
LODGING	0.1	6.8	3.4	16.3	22.4	2.8	24.7	76.4
AIRTRAVE	0.0	0.9	4.8	26.4	31.2	0.1	32.8	96.3
CHILD	0.0	0.2	0.0	0.8	0.0	1.8	0.5	3.4
Other	0.3	3.2	0.5	5.3	11.6	14.1	3.8	38.6
Total	\$2.7	\$47.2	\$18.0	\$159.3	\$153.0	\$151.5	\$96.2	\$627.8

•••Comparisons The composition of average patron spending for disciplines included in the 2003 ArtsFund economic impact study changed moderately, reflecting the change in the origin of patrons (discussed in more detail in Section III of this report). Ticket expenditures fell from 41% to 36% of total outlays, while transportation costs rose from 19% to 24%, and lodging costs rose from 8% to 11%. Meal and refreshment costs were reported to have declined from 22% to 17%, while souvenir and gift, other, and child care expenses remained similar to the 2003 study levels.

Economic Impact of Cultural Organizations and their Patrons

The expenditures of arts, cultural, and scientific organizations were combined with the expenditures of patrons to estimate economic impacts. A brief description of this process was presented in Section I, and a more detailed description of the mathematics involved is presented in Appendix II. Direct, indirect, and induced economic impacts were estimated for King County and for Washington State. The classification of expenditures used in the patron survey and in the organizational survey required reclassification into the categories and principles used in the input-output model utilized to calculate economic impacts. The input-output model requires data to be expressed in producer prices. For example, the purchase of gasoline at a service station is composed of the margins earned by the retailer of the gasoline, the transport costs incurred to move the gasoline from a petroleum refinery to the gas station, and the value of the gasoline at the petroleum refinery. Both organizational and patron purchases were re-expressed in producers prices, utilizing data from the 2002 U.S. benchmark input-output tables that describe this conversion from consumer expenditure categories to producers prices.

Two versions of the Washington State input-output model were used to estimate economic impacts. The state model was used to estimate statewide impacts, while an adjusted version of the

multiplier structure was estimated for King County. This model used location quotients estimated for the sectors contained in the Washington input-output model to adjust the direct requirements coefficients in the state model. This technique assumes that when the location quotient is less than 1.0, that regions cannot supply the inputs needed by particular sectors. In these cases the direct requirements coefficients are reduced, by multiplying them by the values of the location quotient. After this procedure has been undertaken across all sectors, then an adjusted matrix of multipliers is calculated and is used to calculate local economic impacts. An example of an industry that is important at the state level, but that is modest in King County, is agriculture. This industry is very important in Eastern Washington, and in some rural parts of Western Washington, but it has a small presence in the Central Puget Sound region. The result of these adjustments is that the economic impact estimates for King County are lower than the statewide estimates.

Two estimates of economic impacts were calculated. The first is based on total spending by the patrons of arts, cultural, and scientific organizations, and on the total spending of arts, cultural, and scientific organizations. The second is an estimate of “new money,” which is the estimate of funds flowing into King County from outside it. These are the earned and contributed funds that arts, cultural, and scientific organizations obtain from sources outside the local area, and the spending locally by patrons who come from outside the local area. The second estimate can be regarded as the contribution of arts, cultural, and scientific organizations to the economic base of King County.

(1) *Aggregate Impacts*

Aggregate economic impacts of King County economic, cultural, and scientific organizations are reported in Table II-22. This table provides estimates of business activity (sales or output), employment, labor income, and selected taxes generated. Output or sales in the Washington economy is estimated to be \$1.75 billion, while King County impacts are estimated to be \$1.55 billion. An estimated 29,165 jobs are supported in the Washington State economy by King County arts, scientific, and cultural organizations and their patrons, while 27,336 of these jobs are estimated to be created in King County. Labor income in the state is estimated to be \$798 million, while in King County it is estimated to be \$727 million.

Arts, cultural, and scientific organizations pay only modest taxes to federal, state, and local governments. Their tax status largely explains these modest tax payments; their tax liability is largely related to employee-related taxes (\$17 million). Patron spending and the other expenditures of arts, cultural and scientific organizations lead to much larger tax revenues. All businesses beyond a certain threshold of sales in Washington State pay business and occupations (B&O) taxes. The input-output model provides estimates of total sales by sector or industry, and data from the Washington State Department of Revenue also reports total tax collections by these same industries. A ratio was calculated of total B&O tax collections to total sales, to estimate B&O tax revenues. Sales taxes are paid on souvenirs and gifts, retail sales and food and beverages reported by patrons, but they are also paid on labor income earned as a function of economic activity generated as measured through the input-output model. Hotel or motel stays are subject to the hotel-motel room tax. Table II-22 provides estimates of

these tax revenues sources. Other sources of tax revenue accrue as a result of income and expenditures of organizations and patrons included in this study, including property taxes and car rental taxes. Unfortunately, data were not available to estimate these additional sources of tax revenue. Therefore, the estimates of tax revenue reported in this study bound on the low side their total revenue to state and local governments. It is estimated that King County arts, cultural, and scientific organizations and their patrons generated \$78 million in taxes statewide, while business activity in King County generated \$69 million in the types of taxes reported in Table II-22.

Table II-22 Summary of Washington State and King County Economic Impacts

Output	Washington	King County
Natural Resources and Utilities	66.798	56.050
Construction and Manufacturing	115.513	74.601
Retail and Wholesale Trade	196.282	153.548
Producer and Transport Services	482.131	446.921
Consumer Services & Government	890.360	826.258
Total	1,751.084	1,557.378
Employment		
Natural Resources and Utilities	146	84
Construction and Manufacturing	426	335
Retail and Wholesale Trade	2,003	1,530
Producer and Transport Services	2,956	2,760
Consumer Services & Government	23,634	22,627
Total	29,165	27,336
Labor Income		
Natural Resources and Utilities	8.841	6.921
Construction and Manufacturing	24.275	18.888
Retail and Wholesale Trade	72.131	55.997
Producer and Transport Services	172.679	161.493
Consumer Services & Government	520.437	483.578
Total	798.364	726.875
Tax Revenue Impacts		
B&O Tax - state	14.0	12.3
State Sales	26.9	24.5
Local Sales	10.3	9.4
State Sales Direct	8.2	8.2
Local Sales Direct	4.2	4.2
Hotel-Motel	10.3	10.3
Total	73.9	68.8

Table II-23 presents a more detailed portrait of regional economic impacts than contained in Table II-22. This table shows the Output (sales), employment, and labor income created in each sector included in the input-output model. These impacts are largely driven by the spending of labor income by consumers. Arts, cultural and scientific organization costs are dominated by their labor payments, and the expenditures by patrons lead to other large levels of direct earnings of labor income (in places such as restaurants or hotels). The economic impact model calculates the indirect and induced effects of these measures, and Table II-23 documents the magnitude of these effects for the sectors in the input-output model. Every industry has some economic impact, but the total impacts are concentrated in service industries for arts, cultural, and scientific organizations.

Table II-23 Detailed King County Economic Impacts

	Output	Employment	Labor Income
	(Mils. \$2009)		(Mils. \$2009)
1. Crop Production	0.072	1	0.015
2. Animal Production	0.115	2	0.041
3. Forestry and Logging	0.012	0	0.002
4. Fishing, Hunting, and Trapping	1.607	11	0.683
5. Mining	0.444	2	0.129
6. Electric Utilities	37.629	41	4.241
7. Gas Utilities	9.143	6	0.606
8. Other Utilities	7.028	20	1.205
9. Construction	37.430	207	11.647
10. Food, Beverage and Tobacco Manufacturing	3.623	10	0.542
11. Textiles and Apparel Mills	0.104	1	0.038
12. Wood Product Manufacturing	0.417	2	0.097
13. Paper Manufacturing	1.182	3	0.234
14. Printing and Related Activities	8.417	67	3.497
15. Petroleum and Coal Products Manufacturing	14.984	2	0.308
16. Chemical Manufacturing	0.970	1	0.203
Table II-23 Continued			
17. Nonmetallic Mineral Products Manufacturing	1.773	8	0.454
18. Primary Metal Manufacturing	0.196	1	0.057
19. Fabricated Metals Manufacturing	1.810	10	0.530
20. Machinery Manufacturing	0.876	5	0.279
21. Computer and Electronic Product Manufacturing	0.422	3	0.221
22. Electrical Equipment Manufacturing	0.104	0	0.025
23. Aircraft and Parts Manufacturing	0.000	0	0.000
24. Ship and Boat Building	0.000	0	0.000
25. Other Transportation Equipment Manufacturing	0.000	0	0.000
26. Furniture Product Manufacturing	1.168	9	0.389

			Labor
	Output		Income
	(Mils. \$2009)	Employment	(Mils. \$2009)
27. Other Manufacturing	1.125	7	0.368
28. Wholesale	43.945	197	13.175
29. Retail	109.603	1333	42.822
30. Air Transportation	55.823	160	12.138
31. Water Transportation	4.020	9	0.721
32. Truck Transportation	5.326	45	2.185
33. Other Transportation/Postal Offices	45.483	412	22.388
34. Support Activities for Storage, Transportation and Warehousing	5.286	42	2.784
35. Software Publishers & Internet Service Providers	2.773	7	1.535
36. Telecommunications	39.210	105	8.899
37. Other Information	26.402	99	7.641
38. Credit Intermediation and Related Activities	55.687	247	14.234
39. Other Finance and Insurance	48.831	202	15.500
40. Real Estate and Rental and Leasing	72.214	511	15.124
41. Legal /Accounting and Bookkeeping /Management Services	79.868	868	54.349
42. Architectural, Engineering, and Computing Services	5.998	52	3.994
43. Educational Services	12.693	172	4.319
44. Ambulatory Health Care Services	35.334	341	20.795
45. Hospitals	33.601	247	14.744
46. Nursing and Residential Care Facilities, Social Assistance	17.009	335	8.705
47. Arts, Recreation, and Accommodation	514.321	16,362	267.434
48. Food Services and Drinking Places	136.943	2,414	46.106
49. Administrative/Employment Support Services	20.232	377	12.076
50. Waste Management/Other, and Agriculture Services	56.126	559	16.402
State and Local Government		1,820	92.996
Total	\$1,557.378	27,336	\$726.875

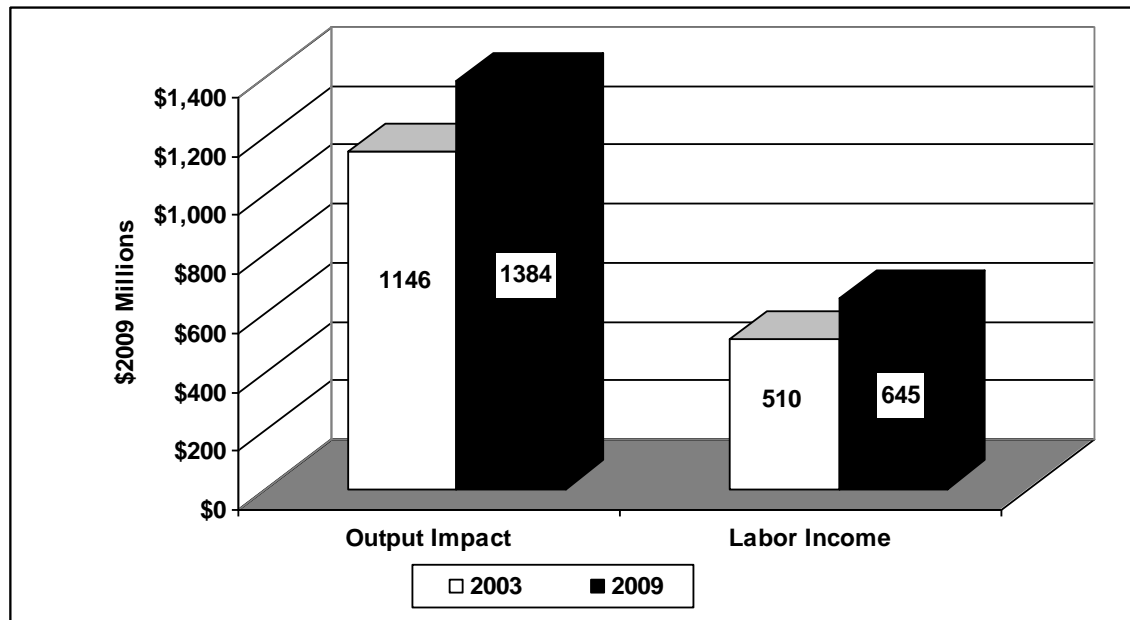
•••Comparisons The economic impact of spending by organizations in disciplines included in the 2003 ArtsFund economic impact study, and by their patrons, has increased significantly, as reported in Table II-24 and Figure II-8. These increases were recorded for sales (output), labor income, and tax revenues. Tax revenue impact estimates were up sharply in part due to inclusion of hotel-motel room taxes in the 2009 study; these were excluded in the 2003 study. Employment impacts were essentially unchanged between the 2003 and 2009 studies. The reasons for reduced employment impacts are several. First, direct employment declined slightly, as reported in Figure II-6. Second, the economic impact model used in the current study was different than that used in the 2003 study. Comparisons of the structure of these economic impact models has revealed economy-wide improvements in labor productivity, leading to lower levels of employment per dollar of output over time (Beyers & Lin). Growth in dollar-based impact measures significantly outpaced background measures of population and employment.

Table II-24 Change in Aggregate Impact Measures 2003-2009

	Washington State	King County
Output (constant \$)	21.0%	21.6%
Labor Income (constant \$)	26.4%	26.7%
Tax Revenue Impacts constant \$)	69.0%	52.0%
Employment	-0.5%	-1.5%
<i>Background Measures</i>		
Population	9.3%	6.9%
Employment	7.3%	4.0%

Source: Washington State Office of Financial Management; Washington State Department of Employment Security

Figure II-8 Aggregate Economic Impacts Washington State Compared, 2003 and 2009



(2) *New Money Impacts*

The second perspective on economic impacts included in this study is from the perspective of “new money.” This concept benchmarks economic impacts against spending that comes from outside King County by patrons, and income that is earned by organizations from outside this region. Table II-25 reports that an estimated 16.7% of overall organization income came from outside the four-county Central Puget Sound region. Significant differences in the share of patrons who come from outside the region are evident across disciplines. Science, music, theatre, and festival organizations attract a relatively

large share of patrons from outside the local area, while Arts Service Organization, Dance, and Heritage organizations draw most of their patrons from the local area. A large share of patron spending comes from outside the local area, because expenditures by non-local patrons spend more per trip than local patrons. Table II-25 estimates that non-local patron outlays were \$361 million, of which \$287 million were made on expenses other than tickets.

Table II-25 New Money Sources

% of Total Patrons		
	Other WA	Out of State
ASO	5.3%	2.4%
Festival	20.6%	13.3%
Heritage	16.4%	25.9%
Music & Dance	19.9%	20.2%
Science	23.4%	19.9%
Theatre	20.0%	3.4%
Visual	11.0%	34.2%
Weighted Average	19.6%	17.8%
	Baseline	Adjusted
Earned from organization		
Survey	\$30.6	\$80.7
Government	\$15.8	\$15.8
Contributed		
Corporate	\$3.4	\$3.4
Other Contributed Income	\$22.6	\$22.6
Total	\$72.5	\$122.5
Patron Expenditures (total)		\$360.9
Except Tickets		\$287.4

Table II-26 contains estimates of new money economic impacts for King County arts, cultural, and scientific organizations and their patrons. These impacts are approximately 44% of the gross value of sales impacts, 38% of the overall job impact, and 41% of total labor income impacts. Tax impacts are well above these values, they are about 61% of the total tax impacts reported in Table II-23. This is because the majority of the hotel-motel room taxes are paid by visitors coming from outside the local area.

•••Comparisons New money economic impacts in the current study are well above those reported in the 2003 ArtsFund economic impact study, for disciplines included in that study. In the 2003 study an estimated 15.8% of patron spending came from outside King County, while in the current study this

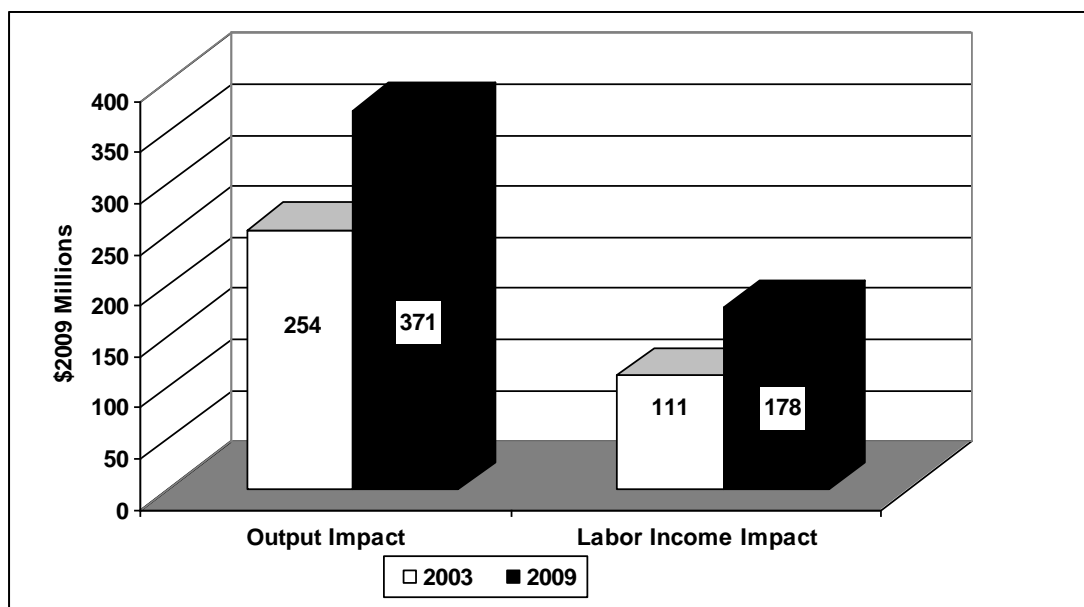
percentage is estimated to be 34.5%. Since non-local patron spending is significantly above that for local patrons (see Table III-10), this leads to larger economic impacts. Organizations' direct spending was estimated to be 17.2% from new money sources. This compares with 15.7% in the 2003 study. Between the two sources of increased new money spending, economic impacts rose sharply, as documented in Figure II-9. In contrast to overall employment impacts reported in Table II-24, which found no change in employment impacts, new money employment impacts increased by 19%, in large measure due to the strong increases in external spending shares of patrons. Tax revenue impacts also had sharp gains. It is interesting that in the face of the Great Recession, King County arts and cultural organizations attracted a much larger share of non-local patrons in 2009 than in 2003. The out-of-state share of patrons was up, as was the share of patrons from the rest of Washington State. Most of the patrons from Washington State outside King County came from elsewhere in the Puget Sound region (75%). It could be argued that some of these Puget Sound area patrons should be considered as local, reflecting suburbanization trends. However, for consistency with earlier ArtsFund economic impact studies they have been treated in the same way as in these earlier studies.

Table II-26 New Money Economic Impacts

Output (Sales) \$ Millions	
Natural Resources and Utilities	\$23.899
Construction and Manufacturing	\$36.830
Retail and Wholesale Trade	\$73.323
Producer and Transport Services	\$207.047
Consumer Services and Government	\$336.376
Total	\$677.476
Employment	
Natural Resources and Utilities	\$36
Construction and Manufacturing	\$144
Retail and Wholesale Trade	\$746
Producer and Transport Services	\$1,174
Consumer Services & Government	\$8,415
Total	\$10,515
Labor Income	
Natural Resources and Utilities	\$2.970
Construction and Manufacturing	\$8.192
Retail and Wholesale Trade	\$26.920
Producer and Transport Services	\$69.785
Consumer Services & Government	\$191.345
Total	\$299.212
Taxes (Continued on Next Page)	

Taxes	
B&O Tax	\$5.4
State Sales on Labor Income	\$10.1
Local Sales on Labor Income	\$3.9
State Sales Direct	\$8.2
Local Sales Direct	\$4.2
Hotel-Motel Lodging Tax	\$10.3
Total	\$42.0

Figure II-9 New Money Impacts of King County Organizations Compared 1997 and 2003 (\$ million 2009, for disciplines included in the 2002 ArtsFund Economic Impact Study).



Volunteers in Cultural Organizations

Two perspectives on volunteer activity are included with this report. One comes from the survey of arts, cultural, and scientific organizations, and the other comes from the patron survey. Table II-27 reports these data from the organization survey. This survey finds 42,300 volunteers, working over one million volunteer hours, or an average of 25 hours per volunteer. There are striking differences in the number of hours that organizations report per capita for volunteer activity. Arts Service Organizations have very large numbers of volunteers, but the average time spent per volunteer is relatively short. In contrast, science and music volunteers spend many hours on average in their volunteer work.

Table II-27 Volunteers in Cultural and Scientific Organizations in King County (# of volunteers)

	Administrative Volunteers	Other Volunteers	Hours	Hours/volunteer
ASO	11,552	9,721	116,622	5
Dance	111	388	999	2
Festival	90	2,552	39,969	15
Heritage	1,479	4,639	141,047	23
Music	775	1,232	151,181	75
Science	61	2,638	354,235	131
Theater	2,385	2,591	151,932	31
Visual	445	1,668	82,735	39
Total	16,897	25,430	1,038,719	25

•••Comparisons The number of volunteer-hours in disciplines included in the 2003 ArtsFund economic impact study rose from 545 thousand to 667 thousand. The number of administrative volunteers increased from 8.8 thousand to 16.7 thousand, while the number of other volunteers increased from 16.8 thousand to 20.1 thousand. Thus, the number of volunteers increased more rapidly than their total volunteer hours, leading to a decline in the average number of volunteer hours from 33 to 18. Average volunteer hours were up in music organizations sharply (from 18 to 77), but were down across the board in all other disciplines.

III. Cultural Organization Patronage Characteristics¹

This section presents information about patrons attending arts, cultural, and scientific organizations in King County. It reports responses from many questions in the patron survey, but also includes data from the survey of organizations on the numbers of patrons, and on students.

Number of Patrons

Arts, cultural, and scientific organizations reported information on the number of patrons and other characteristics of patrons on their survey forms. These data are summarized by discipline in Table III-1, and were used to calculate the percentages of attendance by type in Table III-2 and presented graphically in Figure III-1. Line (1) in Table III-1 reports the number of season tickets sold or the number of visits made by people who were members of a particular organization. This is not a measure of the number of season ticket holders or members, but rather an estimate of their total number of times attending these organizations. The number of season tickets/memberships is reported in Table III-4. Line (2) reports the number of single tickets/admissions purchased; lines (1) and (2) represent the majority of the attendance at these organizations, as depicted in Figure III-2. Discounted student, senior and other discounted tickets/admissions are reported in lines (3), (4) and (5). Free admissions/tickets are reported on line (6), while total admission/tickets are reported on line (7). Table III-2 reports considerable differences in the composition of tickets/admissions across disciplines. Arts service organizations and festivals report large levels of free admissions. The large level of free admissions at visual arts organizations is related to the Olympic Sculpture Park of the Seattle Art Museum. Line (8) reports the number of tickets/admissions used to calculate total patron spending, as reported in Section II of this report. These numbers exclude discounted student admissions (line 3), and estimated free student admissions reported by organizations (See Table II-20 for further adjustments to these numbers, to also exclude free student admissions reported in Table III-28).

¹ Comparisons in this section with the 2003 ArtsFund Economic Impact study patron data were not adjusted for the reclassification of three organizations included in that study into Festival and Science disciplines in the current study (Burke Museum, Museum of Flight, and Folklife Festival). This decision has minor impacts on the comparisons reported in this section.

Table III-1 Estimated Number of Patrons by Discipline

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
(1) Season ticket/Membership Visits	521	69,989	76,407	136,560	291,536	848,137	509,973	256,171	<u>2,189,294</u>
(2) Single Tickets/admissions	202,767	124,660	179,559	148,269	596,539	2,129,553	1,101,091	281,177	<u>4,763,615</u>
(3) Discounted Student Tickets	8,122	10,483	17,948	70,902	113,913	329,224	192,983	45,674	<u>789,249</u>
(4) Discounted Senior Tickets	4,284	1,980	5,773	26,648	19,576	57,484	37,402	39,832	<u>192,980</u>
(5) Other Discounted Tickets	2,040	50,780	26,448	8,639	147,905	338,086	85,243	41,710	<u>700,851</u>
(6) Free Tickets	<u>69,852</u>	<u>79,263</u>	<u>364,104</u>	<u>121,302</u>	<u>225,220</u>	<u>218,695</u>	<u>175,673</u>	<u>603,305</u>	<u>1,857,415</u>
(7) Total Attendance	287,587	337,155	670,239	512,321	1,394,689	3,921,179	2,102,365	1,267,868	<u>10,493,403</u>
Net of Free and Discounted Students	209,613	247,409	288,187	320,117	1,055,556	3,373,259	1,733,709	618,890	<u>7,846,739</u>

Table III-2 Percentage Distribution of Attendance

	Arts Service Organization	Dance	Festival	Heritage	Music	Science	Theatre	Visual	Total
Season ticket/Membership Visits	0%	21%	11%	27%	21%	22%	24%	20%	21%
Single Tickets/admissions	71%	37%	27%	29%	43%	54%	52%	22%	45%
Discounted Student Tickets	3%	3%	3%	14%	8%	8%	9%	4%	8%
Discounted Senior Tickets	1%	1%	1%	5%	1%	1%	2%	3%	2%
Other Discounted Tickets	1%	15%	4%	2%	11%	9%	4%	3%	7%
Free Tickets	<u>24%</u>	<u>24%</u>	<u>54%</u>	<u>24%</u>	<u>16%</u>	<u>6%</u>	<u>8%</u>	<u>48%</u>	<u>18%</u>
Total Attendance	100%	100%	100%	100%	100%	100%	100%	100%	100%

Figure III-1 reports the composition of patrons by discipline, while Figure III-2 documents attendance by category (as shown in Table III-1). Figure III-3 reports the percentage distribution by discipline; slightly less than half of the attendance/tickets comes from theatre and science organizations. Music accounts for 18% of attendance/tickets, while visual arts accounts for 11% of attendance/tickets. Smaller shares are related to Arts service organizations, heritage, dance, and festivals.

Figure III-1 Percentage of Patrons by Discipline

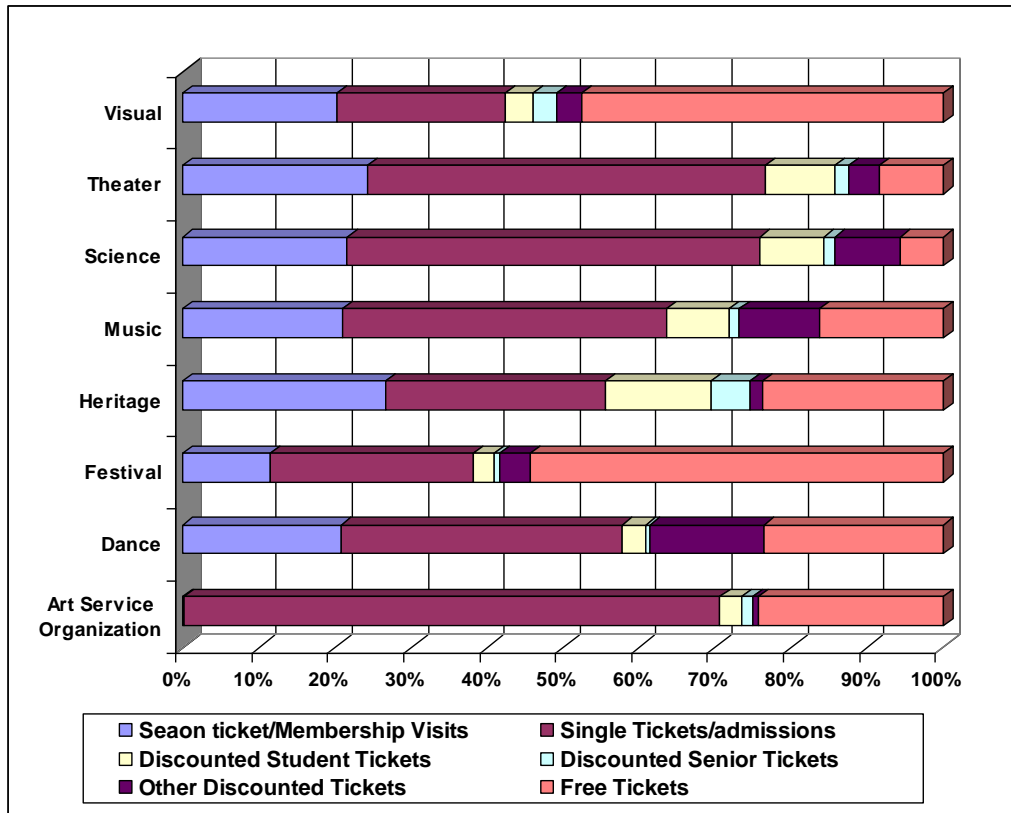


Figure III-2 Percentage Distribution of Attendance by Category

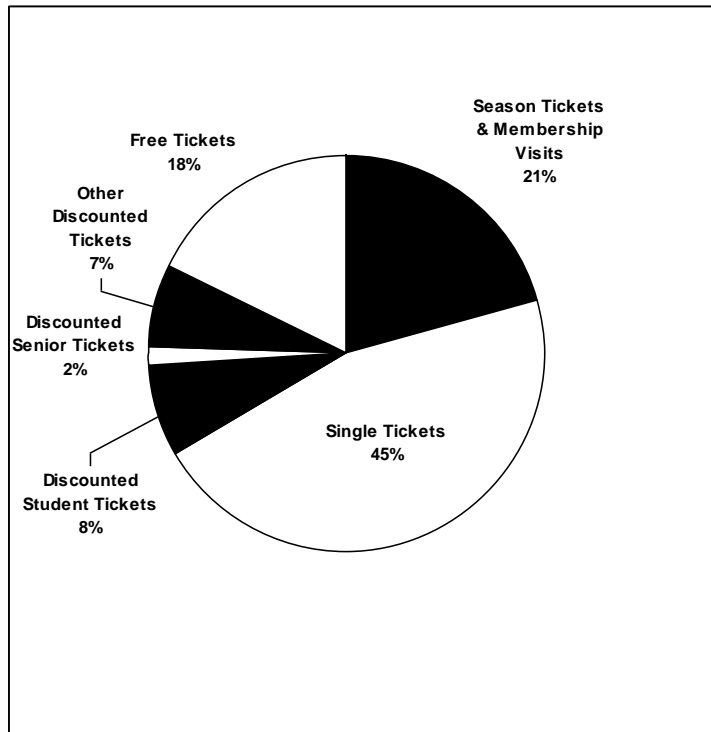
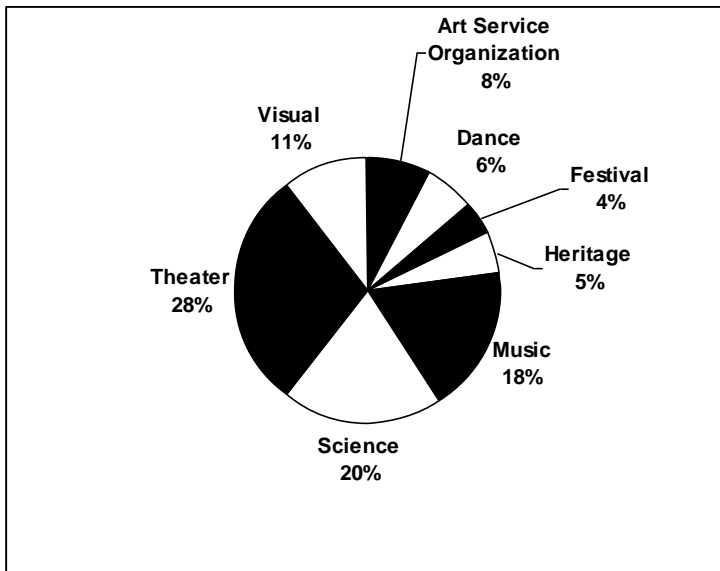


Figure III-3 Percentage Distribution of Attendance by Discipline



•••Comparisons Table III-3 provides comparisons of selected patronage statistics for disciplines included in the 2003 ArtsFund economic impact study with data gathered in the current study. This table reports a slight decline in overall attendance (2%), and a significant drop in season ticket/membership and other discounted ticket attendance levels. In contrast, discounted student and free tickets had strong percentage gains. The composition of admissions reflects the percentage changes by attendance category. The share of overall admissions rose for discounted student and free tickets, and declined for the other categories in Table III-3. Attendance shares by discipline show stability for theatre, dance, music, and ASO. Visual arts increased its share of patrons from 15% to 19%, while heritage patrons declined from 18% to 15% of the total.

Table III-3 Comparison of Patronage Levels and Composition

	2003 Patrons #	2009 Patrons #	% Change	2003 % of Total	2009 % of Total
Season Ticket/Membership Visits	1,632,796	1,378,855	-15.6%	24.0%	20.7%
Single Tickets/Admissions	2,714,206	2,585,740	-4.7%	40.0%	38.8%
Discounted Student Tickets	467,534	571,750	22.3%	6.9%	8.6%
Discounted Senior Tickets	166,175	153,495	-7.6%	2.4%	2.3%
Other Discounted Tickets	471,411	336,317	-28.7%	6.9%	5.1%
Free Tickets	1,338,237	1,630,191	21.8%	19.7%	24.5%
Total Attendance	6,790,359	6,656,349	-2.0%	100.0%	100.0%

Arts, Cultural and Scientific Organization Performance, Exhibition, and Attendance Statistics

Our survey of arts, cultural, and scientific organizations documented the number of productions or exhibits, memberships sold, subscriptions sold, average percentage of capacity, and the number of patrons served with disabilities. Table III-4 provides summaries of these data. Over 5,700 productions or exhibits were mounted by King County arts, cultural, and scientific organizations. They sold almost 179 thousand memberships, and almost 217 thousand full or partial subscriptions to performances or exhibitions. These memberships and subscriptions generated nearly 2.2 million season ticket or memberships visits, as reported in Table III-1. The average percentage of capacity measure is only meaningful for certain of the disciplines included in Table III-4. It is estimated that dance organizations played to 61% of capacity, music organizations to 66% of capacity, and theatre organizations to 72% of capacity. Over 93,000 patrons were served with disabilities; a relatively large fraction of these were reported from theatres.

•••Comparisons Attendance statistics for arts and cultural organizations included in the 2003 ArtsFund Economic impact study show stability in most of the measures reported in Table III-4. However, the number of productions/exhibits shows a sharp decline—from 8,440 to 4,230. This decline was recorded across the disciplines; it is not clear why there was such a sharp drop in these numbers. The number of memberships sold, full and partial subscriptions sold, and numbers of patrons served with disabilities were similar to the numbers reported in the 2003 study. The average percentage

of capacity was stable for theatres (72%), while it declined slightly for dance (from 65% to 61%) and more significantly for music organizations (from 77% to 66%).

Table III-4 Arts, Cultural, and Scientific Organization Performance and Exhibition Statistics

	Number of Productions/Exhibits	Number of Memberships sold	Number of full or partial subscriptions	Average percent of capacity	Number of patrons served with disabilities
Arts Service Organization	990	6,372	139	NA	590
Dance	270	NA	12,305	60.8%	46
Festival	1,358	2,815	1,383	NA	9,205
Heritage	444	22,771	16,311	NA	3,612
Music	961	7,248	58,687	65.7%	2,842
Science	109	88,000	0	NA	1,755
Theatre	1,412	150	127,796	71.9%	74,747
Visual	166	51,109	0	NA	473
Total	5,709	178,464	216,621		93,271

Patron Trip Reasons

Patrons were asked whether the primary reason for their trip was to attend the arts, cultural, or scientific organization at which they were interviewed. Table III-5 reports responses to this question. Overall, more than three-quarters of patrons were primarily on their trips to go to the organization at which they were interviewed. These percentages were particularly high for Arts Service Organizations, festivals, music and dance, and theatres. In contrast, a relatively larger share of those interviewed at heritage, science, and visual arts organizations had other primary trip reasons. Patrons who said that their primary trip reason was other than visiting the venue in which they were interviewed were asked what the primary reason for their trip was. These responses were quite diverse. Here are a few of them: *“sightseeing.” “returning from cruise.” “Trip to Seattle (10 days) mainly to attend a wedding.” “Visiting family.” “Vacation-business trip” “Book sale” “Chinese Massage and Sarsersize Class” “Came to Washington for my cousin’s birthday party” “Medical appointment in Seattle. I live on Whidbey Island and try to tie the arts to other activities in town.” “Walked by gallery and came in.”* Relatively few of these open-ended comments mentioned business reasons for trips, most had to do with family or personal activities.

Table III-5 Primary Reason for Patron Trips

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Yes	92.2%	87.1%	61.7%	84.7%	59.7%	98.2%	51.9%	76.9%
No	7.8%	12.9%	38.3%	15.3%	40.3%	1.8%	48.1%	23.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

N=2,527

•••Comparisons Primary trip reasons for patrons interviewed at disciplines included in the 2003 ArtsFund Economic Impact Study have changed significantly. In the 2003 study 86% of the patrons said that their primary trip reason was to attend the event at which they were interviewed. This response declined to 79% in the current study. Theatre patrons reported very similar answers to this question—the overwhelming percentage coming primarily to attend the event at which they were interviewed. However, all of the other disciplines reported lower percentages, related to increases in the proportion of patrons coming from outside the local area, as discussed below.

Patron Origins

Most patrons coming to King County region arts, cultural, and scientific organizations live in the local area, as reported in Table III-6. Approximately 63% of the patrons are from the local area. However, there are important differences in the origin of patrons by discipline. Arts Service Organization patrons are overwhelming local, reflecting the community nature of presentations by most of these organizations. In contrast, visual arts, heritage, and science organization patrons are more frequently from outside the local area. The weighted average is calculated based on the levels of attendance reported for each discipline, as reported in Table III-1, and using estimates of the number of patrons by discipline from each region of origin.

Table III-6 Patron Origins by Discipline

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Weighted Average
King	92.3%	66.1%	57.7%	59.9%	56.7%	76.7%	54.7%	62.6%
Other CPS	4.9%	12.2%	12.2%	14.3%	17.6%	15.2%	8.9%	14.6%
Other WA	0.4%	8.4%	4.2%	5.6%	5.8%	4.8%	2.1%	5.0%
Out of State	2.4%	13.3%	25.9%	20.2%	19.9%	3.4%	34.2%	17.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

N=2,376

A cross-tabulation of the shares of patrons primarily making their trip to go to the organization at which they were interviewed by geographic origin and discipline is presented in Table III-7. This table indicates data similar to that in Table III-5. The respondents included in Table III-5 who said that they made their trip primarily to attend the event that they were interviewed at are then shown by region of origin as to their primary reason for their trips. All of those interviewed going to festivals and saying that they primarily made their trips to go to festivals answered this way, no matter where they came from. However, overall this number declines for other disciplines, and is generally lower for people travelling longer distances.

Table III-7 Patron Origins and Percentage Making Trip Primarily to Attend a King County Cultural or Scientific Organization

	King	Other WA	Out of State
ASO	92%	100%	83%
Festival	88%	83%	89%
Heritage	70%	50%	56%
Music & Dance	80%	88%	54%
Science	62%	63%	53%
Theatre	99%	100%	87%
Visual	62%	50%	43%
Total	84%	78%	56%

N=2,334

Another perspective on the origin of patrons is presented in Table III-8. This table reports on the share of patrons interviewed by discipline, and in total. The last column indicates the share of patrons interviewed by discipline, while the first three data columns indicate the share of patrons interviewed by geographic region. For example, heritage organizations had 7.7% of total attendance, but 11.5% of those interviewed were from out-of-state. ASO and theatre patrons tend to be from King County, festival patrons from elsewhere in Washington State, and heritage, science, and visual arts patrons from out of state.

Table III-8 Origin of Sampled Patrons and Share of Total Attendance

	Local	Other WA	Out of State	Total
ASO	14.5%	3.2%	1.5%	10.4%
Festival	14.7%	17.1%	11.5%	14.6%
Heritage	6.8%	7.3%	11.5%	7.7%
Music & Dance	14.5%	18.3%	18.9%	15.9%
Science	14.3%	22.5%	20.2%	16.7%
Theatre	21.8%	21.3%	3.8%	18.7%
Visual	13.3%	10.3%	32.5%	16.0%
Total	100.0%	100.0%	100.0%	100.0%

N=2,334

•••Comparisons The current economic impact study documents a larger share of patrons from outside King County than found in the 2003 ArtsFund economic impact study, in the disciplines included in that study. The 2003 study found that 73.2% of the patrons came from King County, while the current study finds that 65.5% of the patrons came from King County. The percentage of nonlocal patrons was higher for all disciplines except ASO. The share of out of state patrons increased sharply, from 7.4% to 19.3%, while the share of patrons from Washington State outside King County decreased slightly from 19.3% to 16.9%. Looking back to the two earlier ArtsFund economic impact studies, the 1992 study found that 14.5% of patrons were from outside King County, while the 1997 study found 34.4% of patrons were from outside King County, a percentage similar to the 2009 study. It is not clear why there have been these fluctuations in the shares of non-local patrons. Each of these studies has had a sample size that has been statistically significant for the disciplines included. 1992, 2002, and 2009 were all years in which the regional economy was in stress, compared to 1997. Over the long course of the ArtsFund economic impact studies, it appears as though King County arts and cultural organizations have attracted more patrons from outside the local area, contributing more to the economic base of the regional economy.

Patron Expenditures

The sample of 2,589 patron groups was classified into those questionnaires considered to have reasonable spending and patron counts; Table III-9 reports results of this analysis. Over 91% of the questionnaires were considered to be “valid,” and this percentage was relatively consistent across disciplines.

Table III-9 Questionnaire classification into valid and not valid for computation of average patron spending

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Valid	82%	96%	88%	89%	95%	96%	92%	92%
Not Valid	18%	4%	12%	11%	5%	4%	8%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%
N	261	369	203	426	440	462	429	2,589

The average spending per patron by discipline was reported in Section II. The average spending reported in that section was based on the weighted average of the number of patrons by discipline. Table III-10 reports average spending per capita by region of origin. Unfortunately, the sample size was too small by discipline for the calculation of a weighted average value based on attendance at individual disciplines for patrons from Washington State outside King County. Therefore, the values reported in Table III-10 are averages for valid questionnaires from each region of origin. Total travel costs clearly increase with distance travelled. The travel costs reported in Table III-10 represent costs attributable to visits to King County area arts, cultural, and scientific organizations. Responses to each questionnaire in

which the patron said that their trip was not primarily to visit the arts, cultural, or scientific organization at which they were interviewed were evaluated to make sure that costs attributed to attendance were reasonable. Respondents who said that they had another primary trip reason were asked to describe that primary trip reason. Some of those surveyed did not provide a reply to this question, and their responses were then deleted from the calculation of the values in Table III-10. Many of those who did describe their primary trip reason had their reported expenditures attributable to the visit at which they were interviewed reduced, when it was evident they were reporting their entire trip cost (especially air fare) as attributable to their visit to an arts, cultural, or scientific organization. The primary bases for higher total trip cost for those coming from outside the local area were travel and lodging costs.

Table III-10 Average Spending by Region of Origin

	King	Other WA	Out of State
Tickets/Admissions	\$20.80	\$26.36	\$14.51
Souvenirs and gifts	1.91	4.10	4.28
Parking fees	1.52	2.30	1.80
Bus/ferry/light rail/taxi costs	0.84	1.46	1.53
Auto travel costs	1.60	5.39	10.55
Food/beverages before or after event	7.66	9.88	10.92
Food/beverages at the event	2.46	2.88	3.13
Entertainment before or after event	0.65	1.10	3.37
Lodging/accommodation costs	0.67	6.44	35.27
Air travel costs	0.88	3.57	47.70
Child Care/baby sitting	0.40	0.41	0.09
Other Costs	<u>3.33</u>	<u>4.44</u>	<u>5.50</u>
Total	\$42.72	\$68.33	\$138.64

N=2,208

•••Comparisons Average spending by patrons of disciplines included in the 2003 ArtsFund Economic Impact study increased across all regions of origin, when measured in constant \$2009. Average local patron spending increased from \$38.18 to \$42.27; average spending of patrons coming from elsewhere in Washington State increased from \$52 to \$79.15, while out of state patron spending rose from \$117.91 to \$154.02. Local patron expenditure increases were accounted for primarily by increased spending on tickets/admissions. Patrons from elsewhere in Washington State reported increased spending on tickets, auto travel costs, lodging, and air travel. Patrons from out of state reported higher air and auto travel costs, but significantly lower child care/baby-sitting costs.

Patron Information Sources

Information was gathered from patrons on the primary information source that they relied upon when making their trip. Table III-11 reports results of this question. It was assumed when this question was composed that new media sources such as blogs, Facebook, YouTube, and Twitter would have a strong showing, but the data in Table III-11 do not show that these sources of information were nearly as important as traditional sources, such as friends and family, newspapers, or websites. The strong response to the category “other” was followed up by a request to state in writing what the other reason was for attendance. A sample of these responses follows: *“hotel magazine” “tourist map” “Lonely Planet Guidebook” “Call from PNB” “Season Ticket Holder” “Subscriber to opera” “School assignment” “AAA Guide Book” “Walked by SAM” “Library” “Had a pass and it was a nice day” “We always find a zoo” “Email from City of Issaquah.”* These responses suggest that some may have misinterpreted this question, as they held season tickets or memberships. However, the majority of these respondents identify categories that were not predefined in this question, rather than being a misinterpretation of the question.

Table III-11 Patrons Main Source of Information

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Friend/Family	44.0%	43.2%	30.8%	34.4%	52.9%	36.2%	35.3%	40.0%
Newspaper	14.7%	15.9%	13.8%	9.7%	3.0%	19.6%	7.1%	11.6%
TV	0.4%	2.6%	2.1%	2.3%	4.7%	2.7%	1.8%	2.5%
Radio	1.2%	4.9%	0.5%	3.8%	1.0%	4.1%	0.5%	2.5%
Website	18.7%	17.1%	18.5%	15.3%	16.9%	10.9%	23.0%	16.9%
Blog	0.4%	0.6%	0.0%	0.5%	0.0%	0.0%	0.5%	0.3%
Facebook	1.2%	0.9%	0.0%	0.8%	1.0%	0.7%	0.5%	0.8%
YouTube	0.0%	0.3%	0.0%	0.3%	0.2%	0.0%	0.0%	0.1%
Twitter	0.0%	1.4%	0.0%	0.3%	0.0%	0.0%	0.0%	0.3%
Other	<u>19.4%</u>	<u>13.0%</u>	<u>34.4%</u>	<u>32.7%</u>	<u>20.3%</u>	<u>25.8%</u>	<u>31.2%</u>	<u>25.1%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

N=2,383

Patron Group Sizes

The mean size of patron groups is presented in Table III-12, and it is three persons across all disciplines. The median group size was two persons for all disciplines except science (where the median group size was three persons). The mean is larger than the median because there are more groups with more than two persons than groups with a single person. Group sizes vary somewhat across the disciplines, with science organizations clearly attracting a significantly larger cohort of large size groups.

Table III-12 Group Sizes Attending Cultural and Scientific Organizations (% of Total)

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
1	17.0%	25.3%	22.0%	12.8%	4.3%	6.4%	16.7%	13.8%
2	42.5%	40.7%	43.5%	57.9%	27.6%	65.4%	46.0%	46.9%
3	13.9%	15.1%	15.0%	12.8%	19.8%	10.3%	18.2%	15.1%
4	16.2%	8.5%	10.0%	8.2%	20.3%	12.5%	11.3%	12.6%
5	1.9%	5.2%	2.5%	4.8%	13.0%	2.4%	4.2%	5.3%
6+	<u>8.5%</u>	<u>5.2%</u>	<u>7.0%</u>	<u>3.4%</u>	<u>15.0%</u>	<u>3.1%</u>	<u>3.5%</u>	<u>6.4%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	3.11	2.62	2.94	2.55	4.00	2.57	2.57	2.90
Median	2	2	2	2	3	2	2	2

N=2,555

•••Comparisons The composition of group sizes for disciplines included in the 2003 ArtsFund Economic Impact studies was very similar to that reported in the current study. However, the average group size was somewhat smaller, at 2.7 persons, while in the 2003 study it was 3.5 persons.

Patron Participation Rates, Experiences, Volunteer activity, and Children’s Arts Education

Patrons were asked a series of questions designed to learn about how they became involved in arts, cultural, and scientific organization activities, about the importance of these organizations to them and how that importance has changed in recent years, how their spending has changed during the Great Recession, about their tendency to make cash contributions, about the social use of visits to arts, cultural, and scientific organizations, about their children’s participation in educational activities outside of school, and their tendency to volunteer. Many of these questions were similar to those included in the 2003 ArtsFund study. This section reports results from these questions.

Patrons were asked to identify how they were first exposed to cultural and scientific activities. Table III-13 presents results from this question. In every discipline, family and friends were the most important way in which patrons were first exposed to cultural and scientific activities. Schools were the second most common basis for exposure to cultural and scientific activities, while about one-fifth of respondents indicated that they were first exposed by their own behavior. The proportion of respondents indicating that they were first exposed through school is somewhat below the 2003 ArtsFund study, while the number of those indicating that they were first exposed on their own is somewhat above the levels reported in the 2003 ArtsFund study. The shared first exposure through family and friends is very similar to that reported in the 2003 ArtsFund study.

Table III-13 How were you first exposed?

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Through School	26%	20%	27%	28%	28%	32%	34%	29%
Through family /friends	50%	56%	51%	52%	49%	52%	43%	50%
On my own	24%	23%	21%	19%	23%	16%	23%	21%
Total	100%	100%	100%	100%	100%	100%	100%	100%

N=2,500

The patron survey also asked when in the educational process respondents were first exposed to arts, cultural, and science organization’s activities. Table III-14 clearly shows that most patrons were first exposed in grade school. Only about 7% were first exposed as adults, and it is clear that this is consistent across disciplines. A cross-tabulation of the age of first exposure and how patrons were exposed is reported in Table III-15. This table makes it quite clear that first exposure in school or through family or friends took place in grade school for most people, and that there is a generally declining percentage with increasing age. In contrast, those who indicate that they were first exposed on their own indicate that about half of this first exposure was in grade school, and the balance is spread out across life, with a relatively large percentage that their first exposure was as an adult.

Table III-14 When first exposed

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Grade	64%	62%	74%	70%	79%	65%	72%	70%
Middle	8%	13%	6%	8%	5%	9%	9%	9%
High	10%	13%	7%	10%	4%	14%	6%	9%
College	6%	6%	6%	4%	3%	6%	7%	5%
Adult	12%	6%	6%	7%	8%	7%	6%	7%
Total	100%	100%	100%	100%	100%	100%	100%	100%

N=2,469

Table III-15 Cross Tabulation of When Exposed and Age of Exposure

	Grade School	Middle School	High School	College	Adult	Total	N
Through School	70%	8%	8%	6%	7%	100%	1,577
Family/Friends	70%	9%	10%	5%	7%	100%	813
On my Own	51%	11%	21%	4%	14%	100%	57

N=2,447

Patrons were asked how frequently they attended an arts, cultural, or scientific organization's activity. Table III-16 reports the pattern of responses to this question. It is clear across almost all of the disciplines patrons indicate attendance about once a month, with patrons of science organizations reporting a somewhat lower frequency of attendance. About 80% of those interviewed indicate that they went monthly or 3 or 4 times per year, while about 13% had weekly attendance, and about 8% indicated attendance about once a year. More detailed data on participation is reported in Table III-16 below.

Table III-16 Frequency of attendance

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Weekly	19%	18%	15%	12%	9%	11%	16%	14%
Once or more per month	43%	41%	33%	51%	40%	55%	42%	45%
3-4 times a year	31%	32%	41%	31%	39%	30%	34%	34%
Once a year	7%	10%	11%	6%	12%	4%	8%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%

N=2,468

Several questions were posed about how patron activity and attitudes towards arts, cultural, and scientific organizations has changed in recent years. Table III-17 reports the pattern of responses to a question asking patrons how the value of arts, cultural, or scientific activities had changed for them in recent years. The response is very consistent: the value of these activities has increased for patrons. Very few patrons indicated that the value of these activities had decreased in importance to them, while about one-third reported no change in the importance of these activities. The pattern of response to this question is quite consistent across disciplines.

Table III-17 How has the value of the arts/science changed for you over the past few years?

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Increased	67%	66%	67%	62%	68%	56%	67%	64%
Decreased	32%	32%	29%	36%	30%	41%	30%	33%
No Chg.	2%	2%	5%	1%	2%	3%	3%	2%
Total	100%	100%	100%	100%	100%	100%	100%	100%

N=2,510

Given the current high level of unemployment, and constraints on incomes due to the Great Recession, there was interest in learning how patrons had changed their spending on arts, cultural and scientific organization activities in the last few years. Table III-18 reports responses to this question. For most people and across all disciplines there was no change in spending, while about 10% indicated that they had increased spending, and about 28% said their spending had decreased. About 90% of those who said that their spending had increased also indicated that the importance of arts, cultural, and scientific organizations to them had increased. In contrast, about 62% of those indicating that their spending had not changed or had decreased said that the value of these activities to them had increased recently, and about 35% reported no change in the importance of these activities.

Table III-18 In the current economic downturn your spending on arts/science has:

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Increased	9%	10%	8%	10%	11%	10%	9%	10%
Decreased	32%	27%	22%	23%	29%	28%	33%	28%
No chg.	58%	63%	70%	67%	61%	63%	58%	62%
Total	100%	100%	100%	100%	100%	100%	100%	100%

N=2,506

Patrons indicating that their spending increased or decreased were asked to say why they had changed their spending. Table III-19 presents responses to this question; these were not selected systematically, but were selected to represent the variety of responses to this question. As reported in Table III-17 there were many fewer cases of patrons reporting increases in spending than reporting decreases. Those reporting decreases have a fairly consistent explanation: their income has dropped. On the increased spending side there is more variety in explanations—increased prices, a moral desire to support these organizations, improved employment situation, and a life-cycle stage that invites greater participation.

Table III-19 – Patron Open Ended Answers to Reasons for Increased or Decreased Spending

Increased Spending	Decreased Spending
Feel more need for cultural enrichment - remember what is really important.	Lowered disposable income.
Trying to find things to help our children's minds to develop	Costs for everything have increased resulting in less discretionary spending.
Prices have increased.	Fixed retirement income.
Felt it was so important to support these institutions.	Prices continue to rise faster than my pocket.
Because art groups are the first to feel the financial pinch in an economic downturn and the last to recover. Also, I need them in my life	Watching our spending more carefully.
We realize the organizations need help now more than before.	Lack of discretionary funds.
I have a good job, now.	Unemployment in our family caused us to give less.
Increased because with retirement we have the opportunity to attend	We have 4 kids and it is very expensive to all go to an event.
We had a baby in 2008 we now go to the zoo or TCM quite often	Recession!
I spend more time in my home town (less money for travel) but still want interesting things to do.	Less discretionary money available - I seek out more "free" things and have decreased my donations to organizations.
We want to become more involved and stimulated by Seattle cultural attractions. the economy is too depressing to think about all the time	Personally it's because I'm a stay-at-home mom and don't have as much disposable income.
We now have a child that we would like to expose to cultural activities - we want him to have different experiences.	Due to recent decrease in the economy, jobs, etc. We need to hold to a budget.
I inherited money	I'm in school and worried about finding a job/income when I graduate.
I still need culture in my life as spiritual nourishment. Even more so now.	I was laid off.
I am retired I have more time and fortunately enough money.	The stock market went to heck, so I don't have as much money to spend.

Arts, cultural, and scientific organizations reported their number of contributors, including individual contributors. Table II-5 reported an estimated 117,894 contributors. Patrons were also asked

if they made contributions to arts/cultural/scientific organizations. Table III-20 presents results of answers to this question. Over half of those responding said that they did make these contributions. Given the level of attendance estimated, and the average size of groups attending, that would imply 2.2 million contributors. Clearly, the response of patrons implies an order of magnitude larger number of contributors than documented in the organization survey. There are several likely explanations for these differences. Patrons responding to this question were not asked if they contributed to the organization at which they were interviewed; many of them certainly interpreted this question to mean to any organization that they identified with. These could be school, church, or community organizations, and a substantial proportion of patrons came from outside the local area and could have been referring to contributions made to organizations in their community. Responses to this question produced answers that were similar across all disciplines.

Table III-20 Do you make cash contributions?

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Yes	55%	58%	57%	65%	48%	62%	50%	57%
No	45%	42%	43%	35%	52%	38%	50%	43%
Total	100%	100%	100%	100%	100%	100%	100%	100%

N=2,499

Patrons were asked if they used arts, cultural and scientific organization events as a location for regular, specified occasions for meetings with families or friends. Table III-21 reports responses to this question, and the data are clear—over half of the respondents do use these events for these social purposes. Answers to this question are similar across the disciplines.

Table III-21 Do you use arts/heritage events on specified, regular occasions to meet with families or friends?

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Yes	64%	62%	44%	56%	52%	59%	56%	57%
No	36%	38%	56%	44%	48%	41%	44%	43%
Total	100%	100%	100%	100%	100%	100%	100%	100%

N=2,489

Table III-11 reported that about 29% of arts, cultural, and scientific organization patrons were first exposed to these activities in school, with the majority of those experiences being in grade schools. The patrons were also asked if their children participated in organized arts, cultural, or scientific educational activities outside of school. Table III-22 reports that a similar percentage—28%--reported that their children participated in these activities. The percentage was well above average for those

interviewed at science organizations. It should be noted that over half of those responding to this question said that it was not applicable to them, as they had no children. Patrons who said that their child participated in arts, cultural, and scientific activities outside of school were asked to describe these activities. Space does not allow answers from all of these people, but Table III-23 provides descriptions provided by three patrons for each of the eight disciplines included in this study. While there is some tendency for patrons to identify with the major artistic/cultural/scientific discipline in which they were interviewed, there is considerable crossover into other disciplines in these responses. Some respondents to this question made reference to current activities of their children, while others made reference to activities that their children participated in at a different stage in their lives. The texts included in Table III-23 do not cover the full scope of responses provided by patrons; it is intended to be indicative of their responses.

Table III-22 Student Participation Outside of School

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Yes	28%	24%	21%	24%	42%	25%	26%	28%
No	11%	9%	19%	12%	23%	14%	21%	16%
NA	61%	67%	60%	64%	34%	61%	53%	57%
Total	100%	100%	100%	100%	100%	100%	100%	100%

N=2,480

Table III-23 Examples of Text about Students

Discipline	Patron Text
ASO	Acting lessons
Festival	Music lessons and guitar, voice, and piano
Festival	Ballet classes. Irish cultural classes.
Festival	Performance - Renaissance Faire/ SCA
Heritage	rock school at Vera project-music camp
Heritage	Violin, piano, theatre camp.
Heritage	Youth symphonies, Tours art museums and history.
Music & Dance	Art classes, Seattle youth symphony (violin) Former PNBS students.
Music & Dance	Our son, no longer in school, has a band and writes graphic novels.
Music & Dance	Piano lessons weekly, music lessons for my 2 yr. old, monthly family cultural outings.
Science	We do things at the zoo, aquarium, SAM, etc.
Science	Mostly biology - related events. Aquarium and West Seattle beaches.
Science	We have been to programs at the Planetariums local science center.

Discipline	Patron Text
Theatre	Camps, attend concerts, children's theatre, folk life, and bumbershoot.
Theatre	Drama camps, music instruction.
Theatre	Theatre in Issaquah - Village Theatre summer camp. Piano lessons.
Visual	Art classes at a local studio.
Visual	Drawing classes.
Visual	We host an art/movie home-school event. Basically they paint or draw what the movie is about while watching the movie.

Patrons were asked if they engaged in volunteer activities for cultural and scientific organizations. Table III-24 reports that over one-third said that they did engage in volunteer activity, and this is consistent across all of the disciplines included in this study. Table III-25 presents estimates of the frequency distribution of volunteer hours, as well as the mean and median number of volunteer hours. The mean distribution of volunteer hours is well above the median, as there is a skewed distribution with a relatively small number of volunteers engaged in a large number of hours. The proportions of patrons indicating that they volunteer is somewhat higher than in the 2003 ArtsFund study, while the mean and median number of hours involved in volunteer activity is very similar to the levels reported in the 2003 ArtsFund study.

Table III-24 Do you engage in volunteer activities?

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Yes	33%	49%	43%	33%	27%	31%	29%	34%
No	67%	51%	57%	67%	73%	69%	71%	66%
Total	100%	100%	100%	100%	100%	100%	100%	100%

N=2,488

Table III-25 Distribution of Volunteer Hours

	ASO	Festival	Heritage	Music & Dance	Science	Theatre	Visual	Total
Up to 20	39%	45%	26%	30%	39%	32%	32%	36%
21-40	14%	16%	22%	20%	22%	19%	15%	18%
41-100	36%	29%	29%	26%	26%	32%	38%	30%
101-500	11%	9%	21%	23%	12%	16%	13%	14%
Over 500	0%	1%	1%	2%	0%	1%	3%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Mean	71	73	92	116	66	78	103	85
Median	40	30	48	50	30	40	50	40

N=706

Patron Participation at Arts, Cultural, and Scientific Organizations

A complex question was included in the patron survey, which was aimed at determining the frequency of participation in activities of the disciplines included in this study. Appendix IV contains a copy of the questionnaire with this question. This question asked patrons to identify how many times in the last year they attended arts, cultural, or scientific organizations in Seattle, and in the Puget Sound region outside of Seattle. Table III-26 presents results from answers to this question. It should be noted that the data in this table was restricted to responses from patrons located in the four Central Puget Sound region counties. The way to read this table is, for example, of those interviewed at an ASO organization, 59.6% said that they had attended music or opera in Seattle.

Table III-26 Percentage with some participation

% of responses that are nonzero	ASO	Music and Dance	Festival	Heritage	Science	Theatre	Visual
<i>In Seattle</i>							
Music/Opera	59.6%	76.6%	68.5%	46.0%	42.9%	69.8%	48.8%
Theatre	53.7%	50.5%	54.0%	46.0%	42.5%	82.0%	36.3%
Dance	31.9%	34.3%	41.6%	20.6%	22.9%	34.5%	25.3%
Heritage	38.8%	40.8%	51.3%	59.5%	43.8%	42.8%	45.7%
Visual	58.5%	59.2%	68.1%	64.3%	59.7%	63.0%	73.7%
Scientific	52.7%	51.7%	57.7%	60.3%	74.0%	50.8%	57.8%
<i>Elsewhere in the Central Puget Sound Region</i>							
Music/Opera	35.6%	23.4%	28.5%	24.6%	15.9%	24.3%	17.6%
Theatre	30.9%	17.1%	20.5%	24.6%	16.8%	22.8%	13.8%
Dance	9.0%	5.6%	14.4%	9.5%	7.6%	6.8%	7.6%
Heritage	24.5%	13.7%	22.8%	38.1%	21.9%	17.0%	17.6%
Visual	31.9%	19.9%	26.5%	38.9%	21.0%	23.3%	24.6%
Scientific	30.3%	16.5%	20.5%	36.5%	28.3%	18.5%	23.2%

The table below shows the average number of participations for each individual in the sample by discipline (overall valid, and valid answer for this question). There is consistency in the participation rates across the arts and cultural organizations, while patrons of science organizations have lower tendencies to participate. There is a tendency in this table for relatively high citations of participation in the discipline at which patrons were interviewed. Music and dance patrons cite music and dance as the discipline that they most frequent; theatre, scientific, and visual arts patrons reported similar tendencies. The majority of these citations of participation occurred in Seattle. Presumably, some of the participation recorded outside Seattle occurred elsewhere in King County, as well as in Pierce, Kitsap, and Snohomish counties.

Table III-27 Average number of times of participation

Average # of times participating	ASO	Music and Dance	Festival	Heritage	Science	Theatre	Visual
<i>In Seattle</i>							
Music/Opera	1.4	2.3	1.9	1.0	0.4	1.7	1.0
Theatre	1.0	1.0	1.2	0.7	0.4	2.6	0.6
Dance	0.3	0.7	0.7	0.4	0.2	0.5	0.2
Heritage	0.6	0.6	0.7	0.7	0.3	0.6	0.6
Visual	1.2	1.0	1.6	1.0	0.6	1.2	1.7
Scientific	0.7	0.7	0.8	0.9	0.9	0.6	0.9
Subtotal Seattle	5.2	6.4	6.9	4.7	2.8	7.2	5.0
<i>Elsewhere in Puget Sound Region</i>							
Music/Opera	0.7	0.4	0.8	0.4	0.1	0.4	0.2
Theatre	0.4	0.3	0.3	0.3	0.2	0.5	0.2
Dance	0.1	0.1	0.2	0.2	0.0	0.1	0.1
Heritage	0.4	0.2	0.3	0.5	0.1	0.2	0.2
Visual	0.3	0.2	0.4	0.7	0.2	0.3	0.4
Scientific	0.4	0.2	0.3	0.4	0.2	0.3	0.3
Subtotal Other Puget Sound	2.2	1.5	2.3	2.3	0.9	1.8	1.4
Total	7.5	7.8	9.2	7.1	3.7	8.9	6.4
N (# patrons)	574	777	745	324	1248	990	723

•••Comparisons Comparisons between responses to the questions in the preceding section of this report and in the 2003 ArtsFund study for the disciplines included in that study and with the current study are not reported. The reason is that the overall structure of the answers is very similar. The newly included disciplines patrons provided very similar responses to the questions asked in the 2003 study.

Student Demographics

Arts, cultural, and scientific organizations were asked to provide information on the number of free or discounted admissions of K-12 students that their organizations served at their facilities, or at programs that their organization took to schools or other spaces. The next section of this report presents results from this survey. Most organizations completed this part of the questionnaire, but some left this section blank. It cannot be determined if those who left this section blank had no student attendance, or if they were unable to provide this type of information. As is evident in the tables below, a substantial

proportion of those responding to these questions did not have data that allowed them to provide information in the categories requested.

Table III-28 contains estimates of the number of free and discounted student admissions by discipline. One third of these student tickets were free, while two-thirds were discounted. The number of discounted student admissions in Table III-28 is well below that reported in Table III-1 (that table reported .789 million discounted student admissions). This difference may be accounted for discounted student admissions to those outside the K-12 system (preschool and college students). There are significant differences in the mix of free versus discounted tickets by discipline. Arts Service Organizations and festivals student tickets are predominately free. In contrast, heritage, music, science, and theatre student tickets are largely discounted.

Table III-28 Free and Discounted Student Admissions

	Free K-12 Admission	Discounted Student Admission
Arts Service Organization	37,250	1,933
Dance	16,714	12,528
Festival	62,743	11,441
Heritage	17,993	35,387
Music	31,745	93,754
Science	14,088	49,560
Theatre	28,510	267,203
Visual	45,066	11,656
Total	254,108	483,462

Three measures were sought for both free and discounted student admissions. The first of these was a family income indicator—the share of students on free lunch, reduced cost lunches, or not on a free or reduced cost lunch program. The second measure sought data on student ethnicity, while the third measure requested information on the geographic origin of students.

Income Indicators of K-12 Students

Tables III-29 and III-30 present information on income characteristics of students. Low income students are either provided a free lunch, or a reduced cost lunch. With regard to those providing free admission to K-12 students, over half of the organizations responding to this question did not know if students were on a lunch program. Of those that did know, 60% of the students were on a free or reduced cost lunch program. Of the students granted reduced admissions, organizations could not identify the income status of more than one-third of these students. Of those that could have their income status identified, about half were on a free or reduced cost lunch. Responses to this question

indicate that arts, cultural, and scientific organizations that provided free or reduced admissions were doing this to a large cohort of low-income students

Table III-29 Student Family Income Indicators – Free Admission (N=240,720)

	Free Lunch	Reduced Cost Lunch	Not on Lunch Program	Don't Know	Total
ASO	16.8%	4.3%	0.5%	78.4%	100.0%
Dance	44.0%	0.0%	0.0%	56.0%	100.0%
Festival	0.5%	0.6%	2.1%	96.8%	100.0%
Heritage	10.5%	6.5%	28.3%	54.7%	100.0%
Music	11.1%	11.7%	11.6%	65.5%	100.0%
Science	32.3%	63.8%	2.0%	1.9%	100.0%
Theatre	30.0%	14.8%	49.9%	5.4%	100.0%
Visual	9.9%	0.2%	2.7%	87.3%	100.0%
Total	14.7%	8.3%	10.6%	66.4%	100.0%

Table III-30 Family Income Indicators – Discounted Admission (N=451,224)

	Free Lunch	Reduced Cost Lunch	Not on Lunch Program	Don't Know	Total
ASO	0.0%	7.1%	12.2%	80.7%	100.0%
Dance	83.7%	0.0%	0.0%	16.3%	100.0%
Festival	28.2%	28.2%	0.0%	43.6%	100.0%
Heritage	70.5%	5.2%	0.0%	24.3%	100.0%
Music	0.6%	0.5%	3.2%	95.6%	100.0%
Science	0.0%	42.4%	55.2%	2.4%	100.0%
Theatre	12.3%	19.6%	47.0%	21.0%	100.0%
Visual	46.7%	0.3%	2.5%	50.6%	100.0%
Total	12.1%	17.3%	34.6%	36.1%	100.0%

Ethnicity of K-12 Students

Slightly less than half of the organizations responding to the question about ethnicity and providing free admissions did not know the ethnicity of their free student admissions (Table III-31). Of those that responded with regard to ethnicity, 60% indicated that these students were Caucasian. As reported in Table III-32, half of the students granted discounted admissions were Caucasian. Almost half of the respondents reporting on the ethnicity of students granted reduced admissions could not identify their

ethnicity. The data in these two tables indicate that arts, cultural, and scientific organizations provide free or discounted admissions to a large cohort of minority students.

Table III-31 Free Admissions and Ethnicity (N=249,563)

	Caucasian	African American	Asian/Pacific Islander	Hispanic /Latin	Native American	Other	Don't Know	Total
A.S.O.	10.9%	5.5%	6.1%	2.6%	0.2%	4.2%	70.6%	100.0%
Dance	35.9%	22.8%	20.2%	10.1%	1.9%	0.0%	9.1%	100.0%
Festival	64.5%	5.0%	6.6%	3.7%	1.9%	7.5%	10.7%	100.0%
Heritage	9.1%	0.2%	0.3%	0.6%	0.1%	0.1%	89.6%	100.0%
Music	19.0%	3.5%	3.7%	1.6%	0.6%	0.3%	71.3%	100.0%
Science	8.3%	12.2%	0.5%	1.8%	0.8%	2.3%	74.3%	100.0%
Theatre	44.2%	11.9%	16.9%	10.9%	1.9%	0.7%	13.4%	100.0%
Visual	20.6%	2.3%	3.3%	1.8%	0.8%	0.3%	70.9%	100.0%
Total	32.1%	6.5%	6.9%	3.9%	1.1%	2.8%	46.6%	100.0%

Table III-32 Discounted Students and Ethnicity (N=464,703)

	Caucasian	African American	Asian/Pacific Islander	Hispanic /Latin	Native American	Other	Don't Know	Total
A.S.O.	8.3%	3.7%	2.5%	1.2%	0.0%	3.7%	80.7%	100.0%
Dance	47.7%	16.8%	18.7%	8.4%	1.9%	0.0%	6.6%	100.0%
Festival	6.8%	20.9%	15.8%	11.3%	1.7%	0.0%	43.6%	100.0%
Heritage	66.5%	8.9%	5.3%	9.8%	2.3%	1.5%	5.8%	100.0%
Music	3.9%	0.3%	0.5%	0.3%	0.1%	0.0%	94.8%	100.0%
Science	4.8%	3.6%	0.9%	1.8%	0.8%	0.9%	87.2%	100.0%
Theatre	39.4%	11.1%	12.6%	9.8%	1.7%	1.6%	23.9%	100.0%
Visual	2.0%	0.4%	0.8%	0.6%	0.2%	0.0%	96.1%	100.0%
Total	27.9%	8.2%	8.6%	6.8%	1.2%	1.1%	46.2%	100.0%

Geographic Origin of Free and Discounted Student Admissions

Arts, cultural, and scientific organizations reported stronger knowledge about where these students came from, than regarding this income characteristics or ethnicity, as reported in Table III-33 and Table III-34. They reported not knowing the geographic origin for only about 20% of the free or discounted students. Free student admissions are clearly much more local (in the city from which the students came) than is the case for discounted student admissions. A much larger share of students granted discounted origins come from counties outside the location of the arts, cultural, or scientific organization. This result should not be interpreted as students coming from outside King County, as the question in the organization survey did not ask for a specific geographic origin for students from outside the county of the organization being surveyed.

Table III-33 Free Admission and Place of Residence of Students (N=248,786)

	Your City	Your County Outside Your City	Washington Outside your county	Outside Washington	Don't Know	Total
ASO	72.6%	0.5%	0.2%	0.0%	26.7%	100.0%
Dance	72.5%	18.1%	4.4%	0.0%	5.0%	100.0%
Festival	55.0%	13.0%	18.8%	13.2%	0.0%	100.0%
Heritage	51.6%	21.4%	3.2%	0.0%	23.8%	100.0%
Music	39.4%	11.6%	4.9%	0.2%	44.0%	100.0%
Science	64.4%	24.9%	10.7%	0.0%	0.0%	100.0%
Theatre	52.4%	29.1%	13.1%	1.2%	4.1%	100.0%
Visual	14.0%	8.9%	6.2%	6.4%	64.6%	100.0%
Total	50.4%	13.7%	9.0%	4.5%	22.4%	100.0%

Table III-34 Discounted Admission and Place of Student Residence (N=464,842)

	Your City	Your County Outside Your City	Washington Outside your county	Outside Washington	Don't Know	Total
ASO	61.6%	0.2%	2.2%	0.0%	35.9%	100.0%
Dance	73.5%	22.4%	0.0%	0.0%	4.1%	100.0%
Festival	42.3%	8.5%	5.6%	0.0%	43.6%	100.0%
Heritage	79.4%	12.9%	6.8%	0.0%	0.9%	100.0%
Music	8.1%	8.1%	13.6%	10.2%	59.9%	100.0%
Science	54.3%	28.0%	17.7%	0.0%	0.0%	100.0%
Theatre	34.9%	19.6%	26.8%	0.1%	18.6%	100.0%
Visual	47.3%	15.7%	18.8%	1.8%	16.4%	100.0%
Total	34.9%	17.5%	20.8%	2.2%	24.5%	100.0%

•••Comparisons Family income characteristics for students served in the disciplines included in the 2003 and 2009 ArtsFund economic impact studies changed significantly, for the students for which these data could be reported. The 2009 study served a much larger percentage of students on free lunch programs for those granted both free and reduced admissions (23% vs. 45% on free programs, and 13% vs. 21% on reduced admissions. Corresponding reductions were reported for those on reduced cost or not on a lunch program. The ethnic distribution of students reported in Tables III-31 and III-32 were very similar to the 2003 ArtsFund Economic Impact Study. The geographic origin of students became

more localized, from the city in which students travelled. Those on free admission increased their share from their city of origin from 47% to 65%, while those on discounted admissions increased their share from their city of origin from 34% to 44%. Share of students from outside the city of origin declined for both free and discounted student admissions.

IV. Comparison with Other Studies

This ArtsFund Economic Impact Study parallels in many ways studies undertaken in other regions. A review of a number of recent studies undertaken elsewhere is presented in this section. This review is not exhaustive; instead it is intended to provide information on the research approach taken in other regions, and to discuss selected findings in those studies with results obtained in the current study. The ArtsFund Economic Impact Study is not directly comparable to studies undertaken in other communities. However, there are a number of dimensions reported in the current study that have also been the focus of studies elsewhere. The emphasis in the first part of this review will be on study dimensions where there is some basis for comparisons. The second part focuses on studies that are more of a policy nature, emphasizing the potential and value of arts, cultural, and scientific organizations in the economic development process.

Selected Comparisons

An Overarching Initiative: The Pew Trusts Cultural Data Project

The Pew Charitable Trust has spawned a major initiative to document statistics of individual cultural organizations since the 2003 ArtsFund economic impact studies (Trusts). This project is essentially a database, with individual organizations submitting responses to a questionnaire quite similar to the ArtsFund organizational questionnaire (See appendix III). Pew currently has participants from 8 States (Pennsylvania, Maryland, California, Illinois, New York, Massachusetts, Ohio, and Michigan), and has expressions of interest to participate from 20 additional states. The goal of this ambitious program is multifaceted—it is intended to provide a statistical resource for researchers in participating regions, an audited data source for possible funders, and as a database for cultural organizations. Participants in the Cultural Data Project are not just non-profits, coverage of eligible organizations is voluntary, and the Cultural Data Project determines whether data submitted by individual organizations meets its data standards to become part of its data-base. Philadelphia, where the Pew Trusts are located, was an early participant in this project, and elaborate reports have been prepared based on returns to this data-base project, as discussed below (Greater Philadelphia Cultural Alliance 2008).

Income

The principal focus in this section is on the sources of income, especially the division between earned and contributed income. Organizations have very different ways of presenting these statistics, so the following data are not always comparable. The current ArtsFund study reports earned income at 55%, and contributed income at 45%.

The 2010 Orange County study finds earned at 59% and contributed at 41%. (Anderson 2010) The Orange County study found the mix of contributed income was 38.6% from individuals and corporations, 26.9% from governments, 11.1% from foundations and grants, and 23.4% from membership/fundraising and events/other (Anderson and Arts 2010 p 9). The 2004 California

statewide study found contributed income to be 49.1% of total income, and earned income to be 50.9%. (Mataraza 2004 p 23).

Denver is a region of particular interest in the current study. This region has a cultural taxing district, and it prepares reports that document the importance of this district along with other sources of earned and contributed revenue to local organizations benefitting from this tax source (Colorado Business Committee for the Arts 2010). The most recent report from Denver showed earned income to be 45%, and contributed income to 55%, calculated from data in this report, a somewhat higher percentage of contributed income than reported locally in the current ArtsFund study. The cultural district tax fund provided \$37.1 million in 2009, (down from \$42.1 in 2007, due to the recession – it is a sales tax). Table IV-1 shows the mix of contributed income in the Denver region, compared to the Central Puget Sound region. The clear difference in the mix of contributed income between Denver and the Central Puget Sound region is largely due to revenues received in Denver from the cultural taxing district. In Denver, if the revenue received from the cultural district tax were not received, and no other income replaced it, then the share of earned income in Denver would rise from 45% to 52%, a figure close to reported for this region.

Table IV-1 Composition of Contributed Income in Denver and in the Central Puget Sound Region

	Denver	Region Report
Individual	17%	31%
Corporate	5%	8%
In-Kind	10%	19%
Foundation	17%	10%
Government	20%	27%
Taxing District	23%	x
Other	7%	6%
Total	100%	100%

The Philadelphia study reported a split between earned and contributed income identical to that reported in the current ArtsFund study. –earned income at 55%, and contributed income at 45%. This study reported the composition of contributed income to be: trustees/board 5%, individuals 8%, corporate 2%, foundations 13%, government 7%, other 9%. (Greater Philadelphia Alliance 2008) This report also shows a clear inverse relationship between group size and the split of earned vs. contributed income, as reported in Table IV-2. The same calculation for Puget Sound Arts, Cultural, and Scientific organizations yields very similar results, as reported in Table IV-2. Organizations with a budget less than \$1 million rely much more on contributed income than those with budgets over \$1 million, and those with budgets over \$10 million report on average the highest percentage of earned income.

Table IV-2 Composition of Income and Budget Size

	Philadelphia % Earned	Philadelphia % Contributed	Puget Sound % Earned	Puget Sound % Contributed
Budget <\$250 K	36%	64%	34%	66%
Budget \$250K-\$1 million	43%	57%	33%	67%
Budget \$1 to \$10 million	43%	57%	49%	51%
Budget over \$10 million	61%	39%	62%	38%

Expenditures

Expenditures are broadly split between employee/personnel costs, and other expenses. In the current ArtsFund study employee expenses (salaries & wages, fringe, taxes, and contract individuals) accounted for 56.3% of total expenditures. The ArtsFund study finds a somewhat larger expense share for employee expenses than in other studies reviewed; again it should be noted that there are definitional differences than can influence these percentages.

Americans for the Arts’s latest national study found spending to be 43% artists/personnel; 28.4% production/administration; 6.6% facility rental; 21.8% asset acquisition. (Americans for the Arts p 9). DeNatale & G. Wassell report expenditures were 44.9% personnel, and 55.1% operating expenses in a recent New England study (DeNatale & Wassell 2009). The elaborate Philadelphia Study based on the Cultural Data Project found Salaries & fringe 42%, professional services 11%, artistic/programmatic services 11%, communications² 8%, physical plant 29%³ (Greater Philadelphia Cultural Alliance 2008, p. 19). The 2004 California study finds 47.5% spent on payroll. (Mataraza 2004, p. 4 & p. 21). This study was based on a survey of over 3,000 nonprofit arts organizations in California; but the response rate was only 18% (Mataraza 2004, p. 15). The recent Orange County study finds 44.9% of expenses are for artistic, administrative, and technical personnel expenses, while 55.1% are operating expenses.(Anderson and Arts 2010, p. 10). The North Texas 2010 Study found employee expenses 42%, other expenses 58%. (North Texas Center for Business and Arts 2010, p. 8).

Employment

The current study reports full-time employment to be 19%, part-time employment to be 37%, and contractual employment to be 38%, while work/study interns accounted for 6% of employment. Other studies did not report data on work/study interns. However, the mix of full-time, part-time, and contractual is similar to that measured in the current Puget Sound region study. Orange County study has direct employment, showing 18% full-time, 42% part time, and 40% contractual (Anderson 2010).

² Dues and subscriptions, postage, shipping, printing, production, exhibition costs, internet, website, telephone.

³ Building, grounds, maintenance, catering/hospitality, cost of sales, depreciation, equipment rental and maintenance, facilities-other, insurance, in-kind, lodging, meals, major repairs, office expenses-other, other, rent, sales commission, supplies, travel, utilities.

The Philadelphia study reports this split by discipline in a bar chart, and by %. The disciplines included are not the same as ArtsFund. There were 281 organizations included in this study, and they report 21% full-time, 40% part-time, and 39% independent contractor employment (Greater Philadelphia Cultural Alliance, 2008, p. 21 and pp 48-49). They also did a comparative analysis of a study done 10 years before, and found almost all employment growth was in part-time jobs (98% increase), vs. only 9% growth in full-time jobs. The Denver study did not report specific statistics on the shares of employment between full-time, part-time, and contractual. However, it did draw the same conclusion as the Philadelphia study, indicating that most job growth had been in part-time and contractual employment.

Economic Impacts

There are many approaches to economic impact analyses of arts, cultural, and scientific organizations. Some studies just measure economic impacts of the operations of arts, cultural, and scientific organizations, while others focus only on the spending of patrons. Yet others also focus on construction activity related to the development of facilities for these organizations. There is an equally wide scope in the types of organizations included in these studies. Some studies include only non-profit organizations, while others include both non-profit and for-profit enterprises. Some base their definitions on particular industrial classifications, while others use a more eclectic foundation for defining the activity subject to the measurement of economic impacts

Americans for the Arts

This organization has taken leadership in providing a service to states and localities, allowing the estimation of economic impacts (Americans for the Arts 2006). Americans for the Arts has estimated national level economic impacts, and many regions have produced their own economic impact studies relying on data developed by Americans for the Arts. Americans for the Arts used a version of the 2002 benchmark U.S. input-output table as the basis for calculating economic impacts. They consider the impacts of both organizational and patron spending through this framework. They estimated regional models for 156 regions, using some technique for modifying the direct requirements coefficients in the national input-output model to reflect production conditions in each region.

The Dallas region has supported several economic impact studies arts and cultural organizations. The most recent of these was sponsored by the North Texas Business for Culture and Arts organization, and was by Deloitte Financial Advisory Services LLP (North Texas Center for Business Culture and Arts 2010). This study was based on a survey of 87 organizations. They track construction, audiences, and “direct and indirect” impacts. They report annual data for 2007, 2008, and 2009. The audience spending is benchmarked against a 1990 study by a company named Arts Market, a Montana-based consulting firm and updated by adjusting via the CPI. They report audience impacts annually back to 1990 in constant \$. For 2009 they report direct and indirect operating expense impacts of \$372.5 million; indirect audience impacts of \$361.7, and construction impacts of \$325.4 million.

The Orange County Business Committee for the Arts has supported a series of economic impact studies. (Anderson 2010) The most recent is the 6th study that they have conducted. It is based on a survey of

nonprofit organizations (26 in the current study; somewhat higher numbers in previous studies). Indirect impacts of the organizations estimated to be \$259.7 million, while audience spending over and above admissions, was estimated to be \$86.6 million. Total economic impacts were calculated as \$483.8 million. Then they compare with the 2006 study, make some projections, and discuss the perceived impact of the Orange County Performing Arts Center (mixed). And they present more comparisons to the series of studies they have sponsored. The Orange County study uses RIMS multipliers, developed by the U.S. Bureau of Economic Analysis to calculate their economic impacts. The Denver study also uses RIMS multipliers.

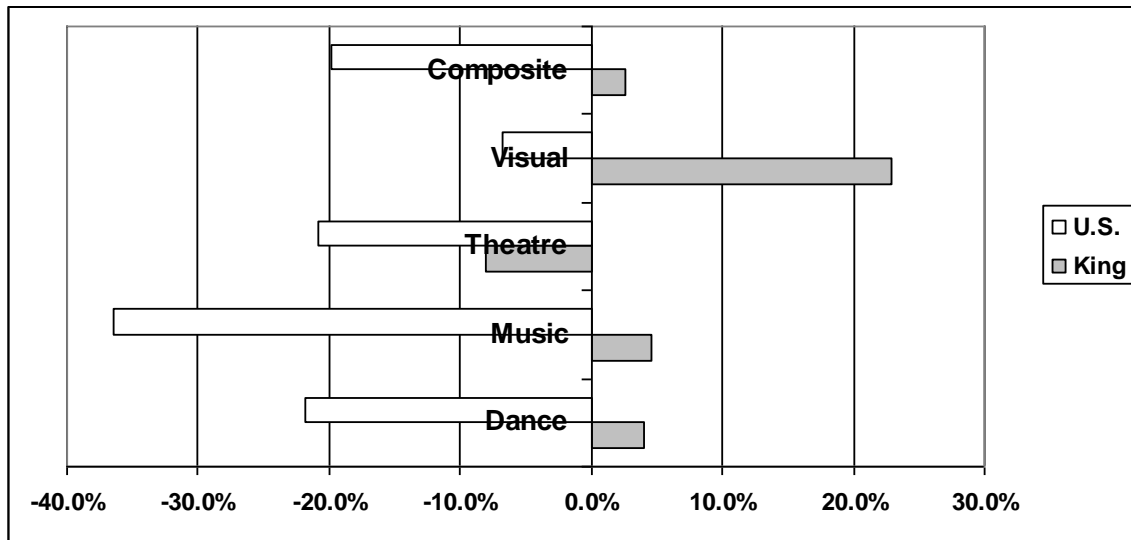
The California Arts Council published in 2004 an update to their 1994 economic impact study. (Mataraza 2004) This study used a different methodology than the Americans for the Arts. “Whatever methodological assumptions are employed and whatever the baseline universe considered, there is no dispute that the total economic impact, jobs created (directly and ancillary) and the power of tax/fee generated for local/state government attribute to the arts (nonprofit and the wider creative industry category of the private sector) is big business for California, comparable to other important economic engine contributions to our economy and future growth. Too often the perception of the arts ignores that the sector is analogous to other enterprises—10,000 nonprofit arts organizations are 10,000 small businesses.” (p. iii). They track growth since the 1994 study, and provide impact measures of the estimated 71.2 million person audience, with \$5.4 billion impact, 66,300 full time jobs and 95,100 part time jobs created, and nearly \$300 million in state and local taxes. They used IMPLAN to estimate economic impacts.

King County and Americans for the Arts National Index 2010

The recently released Americans for the Arts National Arts Index depicted a sharp drop in a composite measure of activity in arts and cultural consumption and production in the United States. This brief memo compares how King County has fared on several critical indicators for the disciplines focused upon in ArtsFund’s research. Americans for the Arts provides data from 2003 to 2009 on a variety of indicators. ArtsFund conducted economic impact studies benchmarked against 2003 and 2009 for King County. Using data for selected disciplines for which we can develop comparisons, the following three graphics give a portrait of how we fare compared to the nation. It should be noted that the disciplines included in this memo are the same as used in the 2003 and 2009 ArtsFund studies for King County.

Figure IV-1 provides estimates of changes in attendance in King County and nationally across four disciplines. The data here are very clear: King County has experienced gains in attendance in three of these disciplines, while nationally they have experience sharp declines in attendance. In theatre, there has been a decline in attendance in King County, but it is much less than experienced nationally by the non-profit theatres.

Figure IV-1 Attendance Change 2003-2009



A second key measure is budgets. Figure 2 reports one key indicator of these budgets, the share of total income that comes from earned income sources, versus contributed income sources. Here we can see that the share of earned income increased nationally, as well as in King County. King County organizations clearly have a somewhat larger percentage of earned income than for all of the organizations included in the Americans for the Arts study, but the trend of increased earned income is clear nationally and in King County.

Figure IV-2 Share of Income from Earned Income Sources

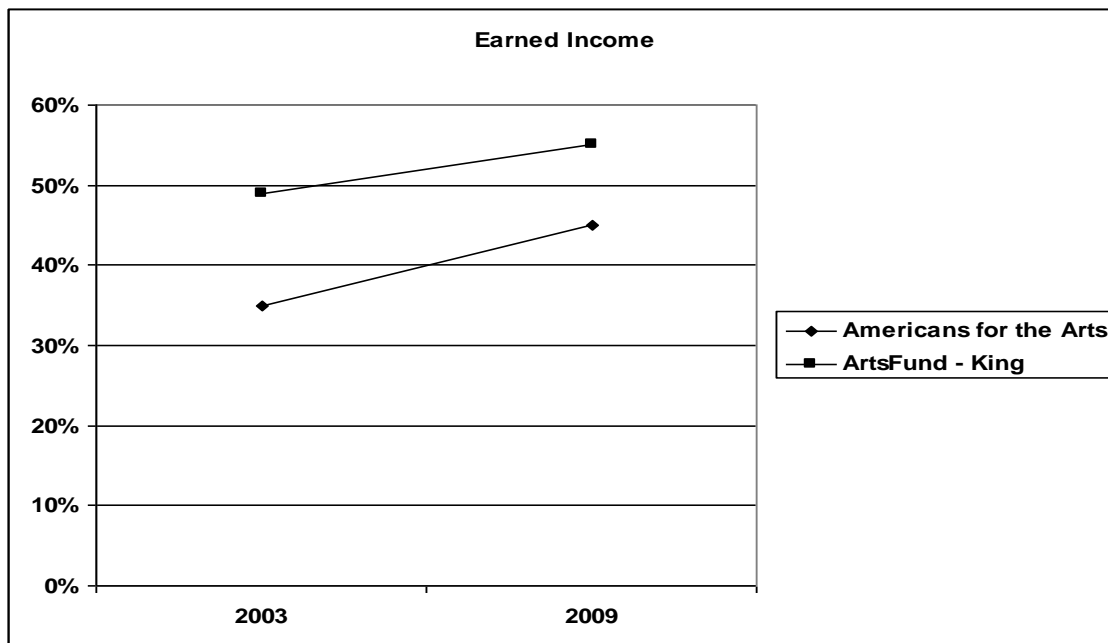
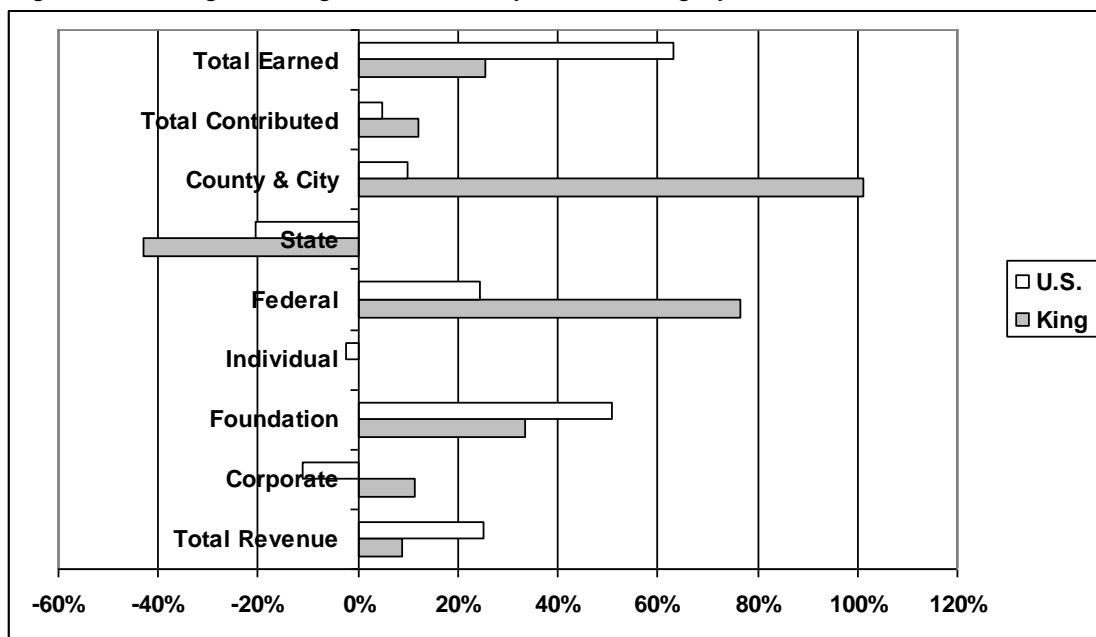


Figure IV-3 presents a more detailed picture of budget changes in King County and in the Americans for the Arts report. This figure clearly indicates that earned income has risen sharply, much more rapidly in the national data than for our region. In contrast, contributed income has grown more rapidly in King County than nationally. The largest component of contributed income—from individuals—was near zero both nationally and in King County. Local and county governments in King County had strong growth in contributed income, while state government recorded a large decline in contributed income. In contrast, King County arts organizations had much stronger growth in federal support than was the case nationally. Foundation support nationally grew more rapidly than it did in King County, but both posted strong growth. Corporate income expanded modestly in King County, while nationally it recorded a decline.

Figure IV-3 Budget Change 2003-2009 by Broad Category



The two measures reported here provide contrasting views about arts and cultural organizations locally and in the larger U.S. economy. Patronage locally was stronger than nationally, but budgets nationally tended to show more growth than locally. How can we reconcile these divergent trends? The data would suggest that King County organizations have become more efficient in providing their services, possibly with larger numbers of free or discounted admissions compared to national data (Americans for the Arts data does not allow a comparison of admission types).

Seattle Music Study.

The City of Seattle has twice supported estimates of the economic impact of the music industry in the City of Seattle and King County (Beyers, Bonds et al. 2004), (Beyers, Fowler and Wenzl. 2008). These studies exemplify efforts to measure a combination of public, private, for-profit and non-profit economic activity. The foundation for defining activities included in this study was the establishment of a committee of participants in different segments of the industry, who helped develop a vision of “streams” or “channels by which music is distributed. This includes both live venues, traditional modes

of distribution of music (on media such as CD's), radio, the internet, on cell-phones, by MUZAK, and other modes). Participants in the committee convened for this study were crucial in defining its scope, as traditional industry categories (such as NAICS codes or standard occupational codes) do not adequately define businesses and individuals working in the music industry. This study used sources such as the American Community Survey to identify self-employed individuals working in the music industry, and special tabulations from agencies such as the Washington State Employment Security Department to identify covered employers in segments of the music industry. A study of this type is very labor-intensive, involves considerable judgment, yet it does provide a view of a slice of the cultural economy not possible through the use of more standardized research approaches.

Patron Level and Mix

The current ArtsFund study reports 19% of visits were free, 17% were discounted, and 64% were single tickets or season ticket/membership visits. There were approximately 1.4 million free or discounted student visits. The Philadelphia study reports 1.8 million school kid visits, roughly 2 per capita per annum for the region, that 43% of all visits are free (Greater Philadelphia Cultural Alliance 2008). The Denver study found a slight fall in attendance between 2007 and 2009, but close to that recorded in 2003 (Colorado Business Committee for the Arts 2010). This study reported free admissions to be 46%, paid (full rate) 36%, and reduced rate 18%. School children participation was recorded at 4.17 million, up 20% from 2007. The Orange County study reported paid admissions to be 78.5%, free children's admissions to be 12.9%, and other free admissions to be 8.6% (Anderson, p. 6). However, this study has a limited scope of organizations compared to others reviewed here.

Patron Geographic Origins

Data on patron origins were available from only a few studies. In the current ArtsFund study, 62% of patrons were from King County, 19% from other Central Puget Sound region counties, and 19% were from outside the local area. Americans for the Arts report in their national study that 61% of patrons are from the county of the event, and 39% were from outside locations (Americans for the Arts 2006 p 10). These data are almost identical to those gathered in the current ArtsFund study. The 2006 Philadelphia study based on the CDP was followed up by an economic impact study. In that report they find 71% of the visitors were residents of SE Pennsylvania (Greater Philadelphia Cultural Alliance 2007).

Patron Spending Per Capita

This study reports average patron spending of \$62.37, of which \$43.11 was for items other than tickets/admissions. Average patron spending (other than tickets/admissions) was \$23.07 for local patrons, \$66.20 by patrons from outside the Central Puget Sound region, but from Washington State, and \$118.32 for out-of-state patrons.

Americans for the Arts reports average patron spending of \$27.71, with \$13 for meals/refreshments, \$3.90 for gifts/souvenirs, \$5.01 for lodging, \$0.34 for child care, \$2.72 transportation, and \$2.82 on other items. These statistics exclude tickets/admissions (Americans for the Arts 2006, p. 10). They report local audiences spend an average of \$19.53, while those who are nonlocal spend an average of \$40.19, finding that spending on lodging and transportation accounted for most of the spending difference. The

Philadelphia study benchmarked against 2006 finds average resident spending of \$25.08, and non-resident spending of \$67.12 (both statistics excluding admissions expense). (Philadelphia Cultural Alliance 2007)

The Denver study did not report patron spending directly, but considering direct audience spending (\$301.6 million), and the number of paid and discounted admissions, this yields an average of \$50.27 (Arts 2010). It appears as though this figure excludes admissions expenses. The California study relied on surveys of patrons sent by mail, to lists provided by participating organizations. Statewide, 2,700 questionnaires were returned (Mataraza 2004). Mataraza reports average off-site spending of \$16.51; this excludes tickets/admissions, food/beverages purchased onsite, and things such as gifts/souvenirs. The earlier text does not decompose these expenses, and it is not clear how free admissions were handled in the calculation of this average. The North Texas Study used price adjusted data from 1990 to estimate “ancillary spending of \$21.63 per patron. (North Texas Center for Business Culture and the Arts 2010).

The current study documents somewhat higher levels of patron spending than several of these other studies, but it is difficult to make these comparisons, because of differences in definitions of spending categories.

Volunteers & In-Kind

Several studies provide estimates of volunteer activity, although comparisons are difficult because of differences in methods used to define volunteer activity. The current study documents 48,000 volunteers working 1.3 million volunteer hours, an average of 27 hours per volunteer. The Orange County study reported 786,000 hours of volunteer activity, and converted this to a 380 FTE level of employment (Anderson 2010). The Denver Study reported that 42,000 volunteers gave 2 million hours or 46 hours/capita (Colorado Business Committee for the Arts, 2010). Americans for the Arts reports an average of 45.3 hours per volunteer (Arts 2006, p. 13).

Americans for the Arts finds 71% of organizations reported some in-kind support; averaging \$47,906 (Americans for the Arts 2006, p. 13). These in-kind donations were 61% from corporations, 5.3% local arts organizations, 15.6% individuals, 10.1% local government, 1.8% state government, and 18% other. The current study did not identify the sources of in-kind income.

Economic Development Perspectives

When ArtsFund published its last economic impact study in 2003, the economic development community had been taken by storm by Richard Florida’s research on the “creative class.” We discussed this research in our concluding section in the 2003 report. Since the 2003 ArtsFund economic impact study there has been international outpouring of research broadly focused on the creative class, and on components of it, including people employed in the economic activities included in this report. Florida’s essential thesis was that occupational structural change in the U.S. economy had given rise to a large cohort of people employed in creative occupations, and that these people gravitated to locations where they found others engaged in similar activities. This argument is consistent with arguments supporting

“agglomeration economies”, developed by classical location theorists and students of city development (such as Jane Jacobs), who argue that the external economies associated with these agglomerations fuel their development: put more bluntly if you have ten theatre organizations in a community instead of just one, this community will be perceived as an attractive place to locate for members of the creative class.

An enormous literature has been spawned by Florida’s thesis, with both proponents and critics. It is not our position here to review this literature, or to pass judgment on it. Rather, what we want to do in this section is to review selected pieces of literature that make the argument that arts, cultural, and scientific activities can be the driving agents of economic development in regions. These documents take a different tack than has been the case with the ArtsFund Economic Impact studies—they are clearly focused on arguing for increased support for arts, cultural, and scientific organizations—but often then provide no direct evidence about the current economic development impacts of these organizations in local economies. In contrast, the ArtsFund Economic Impact Studies have essentially presented results of research in value-free language, letting the “chips fall as they may” regarding the economic impacts of these activities. This was a conscious decision made by ArtsFund in the first economic impact study undertaken in 1992, based on the view that the data needed to “speak for themselves,” so that hard facts about the local non-profit arts and cultural organization community could be reported, and judged by readers alongside data on other economic activities in the community. That perspective has been retained in the body of this report, and this section is intended to provide a glimpse at how other organizations and regions have chosen to portray the role of arts, cultural, and scientific organizations in their economies.

Within our own region, the Prosperity Partnership initiative at the Puget Sound Regional Council has embraced social capital and quality of life as one of its foundation initiatives (PSRC 2011). They describe this plank in their platform for regional development as follows: “‘Social capital’ is a term used to describe community functioning and problem-solving attributes. Definitions range from the academic – ‘social relations of mutual benefit characterized by norms of trust and reciprocity’ to the pragmatic – ‘the glue that binds.’ Social capital can be viewed as a set of formal and informal community networks among business and trade organizations, ad hoc problem solving groups, and other nonprofits engaged in community ‘quality of life’ issues. Social capital is a key economic foundation, as important to the economy as other factors such as the availability of capital. By developing and deploying social capital we join two imperatives: economic competitiveness and social values.”

Ann Markusen has been a tireless exponent of the importance of arts and cultural work in contemporary regional development processes. She has partnered with many people in recent years to make these arguments. Two examples of this work are discussed below.

In [Creative Placemaking](#), Markusen and Gadwa argue that American cities, suburbs, and small towns confront structural changes and residential uprooting (Markusen and Gadwa 2010). They argue that the solution can be revitalization by creative initiatives that animate places and spark economic development. They argue that the payoffs from this strategy are: gains in livability, diversity, and jobs

and incomes. They note that creative economies host 2 million artists, 3.6 million cultural workers, and 4.9 million cultural industry jobs. Creative placemaking, their opinion, fosters economic development, and fosters leadership in globally competitive industries (movies, broadcasting, publishing, new media, musical recordings and video, social media, advertising, design services, architecture, video games). The main body of this report provides case studies showing how these principles have played out in the form of positive economic development trends in many case study cities; included in this marvelous set of case studies is the music industry in Seattle.

Markusen has also recently showcased Los Angeles's concentration of cultural industrial activity, in a paper entitled "Los Angeles: America's Artist Super City." (Markusen 2010) Contained in The Otis report (Sidhu, Ritter et al. 2010), it addresses Arts as Los Angeles' Hidden Artistic Dividend; Los Angeles as America's Artist Super City, Los Angeles Artist career Building- fundamentals, Los Angeles as an Artist Incubator: special challenges, Artist-nurturing frontiers, and Artist-Promoting Partnerships for Los Angeles.

The New England Foundation for the Arts has also been a leader in approaching ways to define the role of arts and cultural organizations in the regional development process. (DeNatale and Wassall 2007) In The creative economy: a new definition, they define the creative economy to be a combination of a creative cluster, a creative workforce, and creative communities. (p 5). Section III discusses how they measure this, using a combination of Economic Census and CBP, Census of Population, and IRS 990's.

Another new approach is represented by the California Creative Vitality Index (WESTAF 2010). This index "measures annual changes in the economic health of any area by integrating economic data streams from both the for-profit and non-profit sectors. Using per capita measurements of revenue data from both for-profit and nonprofit entities as well as job data from a selection of highly creative occupations, the research aggregates the data streams into a single index value that reflects the relative economic health of a geography's creative economy" (p 1). The used data from the NCCS as well as processed QCEW employment data developed by a private contractor (EMSI), benchmarked against 2008. They track both industry and occupational data. The report then documents this measure for the state as a whole (1.44 compared to the U.S.), and for individual geographic regions (Los Angeles is 2.68, up from 2.58 in 2006. The definition of activities included in this measure is much broader than ArtsFund's current study definition.

The City of Atlanta Arts and Cultural Platform makes the case for funding arts and cultural organizations in Atlanta, describes the need for investment in cultural facilities, speaks to the benefits of a 1.5% public art support program, and programs to support creative artists and cultural industries. (Atlanta 2009).

The National Governors Association has sponsored a report entitled *Using Arts and Culture to Stimulate Economic Development* (Hayter and Pierce 2008). This is a document outlining how to go about documenting arts and cultural activity in states. There are 6 sections: 1. identifying creative industries as economic assets, 2. understanding your state's cultural industries, 3. incorporating the arts & culture

into statewide planning, 4. developing strategies to provide support for the arts & culture sector, 5. incorporating arts into community development plans, and 6. incorporating the arts into a state tourism strategy. The list in an appendix studies in every state, especially those measuring creative vitality.

Milwaukee has recently proposed the implementation of a cultural taxing district. A report was prepared with a relatively broad discussion of this concept (Argosy Foundation 2008). They review the experience of Denver, St. Louis, Allegheny Regional Asset District (Pittsburgh), and mention but do not review Salt Lake City and St. Paul. Basically they argue for the creation of a district of this type to support arts and cultural organizations in Milwaukee, and note that existing legislation authorizes the creation of these districts.

V. Concluding Remarks

This report on the economic impact of arts, cultural, and scientific organizations in King County has built upon prior research efforts by ArtsFund. It has extended the coverage to new disciplines: festivals and science. While the Executive Summary of the report provides an overview of its results, this section provides a more critical overview of the research approach undertaken in this study, and how it could be improved in future studies.

Possible Areas for Improvement in the Current Research Approach

Organization Survey

As with the last ArtsFund economic impact study, data from organizations included in the study was obtained by spreadsheets sent to these organizations by ArtsFund. This approach drastically reduced data issues from those encountered in the first two ArtsFund economic impact studies, and produced results with data quality similar to that obtained in the 2003 ArtsFund economic impact study. While the questionnaire for organizations was simplified somewhat in the current study, in response to concerns expressed by organizations about their ability to provide employment detail obtained in the prior ArtsFund Economic Impact Studies, this simplification did not reduce the overall quality of the data obtained. However, we did discover the need for some internal linking of the spreadsheets used for data gathering from organizations (the Questionnaire is in Appendix III). We need to build in for future studies cross-checks between the sheets, so that data sum to plausible values. For example, as the questionnaire stand as reported in Appendix III there is no verification that reported income from earned and contributed sources is above or below expenditures. There is also no check on the values reported for employment, so that part-time hours and numbers of employees covert to plausible full-time equivalents. The number of organizations in which these details needed to be nailed down was not many, but a number of them had large budgets, and their answers were important to the overall integrity of this study.

(1) Patron Survey

The patron survey used in this ArtsFund Economic Impact Study had minimal problems with layout or data collection. The complex question on frequency of attendance at arts, cultural, and scientific organizations worked well, compared to its predecessor in the 2003 ArtsFund economic impact study. The largest issue for the current study was the inclusion of scientific organizations, where the terminology included in the questionnaire for arts and cultural organizations does not map well into terms needed for scientific organizations in some cases. ArtsFund staff made adjustments to these questions midstream in the current study to make the questionnaire clearer to patrons of science organizations. It does not appear as these changes in wording in the patron questionnaire led to statistically significant differences by patrons to the version of the questionnaire before its modification.

Possible Bases for Expansion in the Scope of This Study

This report has already reviewed in section IV approaches to studies of the economic impact of arts, cultural, scientific organizations in other communities. It is clear that there are other approaches beyond those used in this project. The Pew Trusts Cultural Data Project measures categories not covered in the ArtsFund economic impact studies, and American's for the Arts provides a simpler framework than ArtsFund for economic impact studies. A number of the studies reviewed in Section IV included economic impacts of capital projects, which have been excluded in the current study. Capital projects tend to be “lumpy,” with peaks and troughs in their magnitude, while the operating expenditures of arts, cultural, and scientific organizations and their patrons are smoother in their temporal pattern. This study did simplify some measures of economic activity, especially data on types of employment. The review of other studies did not find greater employment detail than contained in the current report, but it is clearly possible to develop greater detail regarding administrative and other employment.

It has been over eight years since ArtsFund last provided a detailed portrait of the cultural community, it will be useful for readers to suggest types of data that they would like to see reported that are not contained in this report. Comments from funders of this project, from reporters and the media, from arts, cultural, and scientific organizations, and others who read this report are welcome. If ArtsFund undertakes another study of this kind, it would be useful to know how its dimensions should be modified to provide more relevant information on these important institutions in our community.

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Appendices

Appendix 1: King County organizations surveyed or included in this study

Arts Service Organizations Surveyed

4Culture
Seattle Center Foundation
City of Kent Arts Commission
Artist Trust
Richard Hugo House
Town Hall Association
Shunpike Arts Collective
PONCHO
ArtsFund
SouthEast Effective Development
Coyote Central
Shoreline Lake Forest Park Arts Council
Federal Way Arts Commission
City of Issaquah Arts Commission
WA Lawyers for the Arts
City of Seattle Office of Arts and Cultural Affairs
Nature Consortium
SPLAB
Urban ArtWorks

Arts Service Organizations Included

Vashon Park District
Langston Hughes PAC
Arts Corps
Hedgebrook
Vashon Allied Arts
Bellevue Arts Commission
City of Tacoma Arts Commission
School of Acrobatics & New Circus Acts
Visual Understanding in Education (VUE)
826 Seattle
Theatre Puget Sound
Pomegranate Center
Pacific Northwest Writers Association
Artworks
ArtsEd Washington

Art Services Organizations Included (continued)

Northwest Programs for the Arts
Whit Press
City of Enumclaw
Clarion West
Auburn Performing Arts Center
Fremont Arts Council
Enumclaw Arts Commission
Floating Bridge Press
Friends of the Issaquah Salmon Hatchery
City of Renton Municipal Arts Commission
Raven Chronicles
Arts and Visually Impaired Audiences
Burien Arts Commission
SeaTac Arts Commission
Heart and Soul
VSA Arts of Washington
City of Mercer Island Arts Council
Duvall Arts Commission
City of Tukwila Arts Commission
Duvall Foundation for the Arts

Dance Organizations Surveyed

Pacific Northwest Ballet
UW World Series at Meany Hall
Evergreen City Ballet
Pat Graney Company
Dance Organizations Included
Spectrum Dance Theatre
Pacific Ballroom Dance
International Ballet Theatre
Velocity Dance Center
Arc Dance
Ballet Bellevue
zoe/juniper
Lingo dancetheatre
Phffft! Dance Theatre Co.

Auburn Arts Commission
Youngstown Cultural Arts Center
City of Burien Arts Commission
Reel Grrls
Northshore Performing Arts Center
Northwest Architectural League
City of Redmond Arts Commission
Meydenbauer Center
Seattle Scenic Studios
City of Kirkland Cultural Council
WA State Arts Alliance

Festival Organizations Surveyed

One Reel
SIFF
Northwest Folklife
Giant Magnet (SICF)
Seattle Cherry Blossom Festival
The Talented Youth
Mill Creek Festival
Festival Organizations Included
Three Dollar Bill Cinema
Celtic Arts Foundation
Mastery of Scottish Arts
Filipiniana Arts & Culture
Icicle Creek Theatre Festival
Seattle Young Artist Music Festival Association

Heritage Organizations Surveyed

Museum of History and Industry
Center for Wooden Boats
Wing Luke Asian Museum
Nordic Heritage Museum
Northwest African American Museum
White River Valley Museum
Volunteers for Outdoor WA
Camlann Medieval Village

United Indians of All Tribes

Dance Art Group
Anunnaki Project
Next Stage Dance Theatre
Maureen Whiting Dance

Heritage Organizations Included

Vashon-Maury Island Heritage Association
WA State Jewish Historical Society
Historical Society of Federal Way
Steamer Virginia V Foundation
Celtic Arts Foundation
Ethnic Heritage Council of the Pacific
Georgetown Steam Plant/Georgetown Power Plant
Klondike Gold Rush NHP
Northwest Art Center
Northwest Railway Museum
Puget Sound Maritime Historical Society
Seattle Genealogical Society
Snoqualmie Valley Historical Museum

Music Organizations Surveyed

Seattle Symphony Orchestra
Seattle Opera
Experience Music Project/ Science Fiction
Flying House Productions
Seattle Youth Symphony Orchestra
Music Works Northwest
Seattle Chamber Music Society
Earshot Jazz Society of Seattle
Seattle Pro Musica
Early Music Guild of Seattle
Seattle Repertory Jazz Orchestra
Auburn Symphony Orchestra
Seattle Choral Company
The Esoterics
Seattle Philharmonic Orchestra
Jack Straw Productions
Kirkland Performance Center

Music Organizations Included

WA State Holocaust Education
Densho Japanese American Legacy Project
History Link
Hydroplane and Raceboat Museum
Muckleshoot Indian Tribe
Historic Seattle
Issaquah Historical Society
Shoreline Historical Museum
Renton Historical Museum
Eastside Heritage Center
Northwest Seaport
Duwamish Tribal Services
Southwest Seattle Historical Society
Schooner Martha Foundation
Arab Center of WA
Pike Place Market Foundation
Rainier Valley Historical Society
WA Trust for Historic Preservation
Maple Valley Historical Society

Scientific Organizations Surveyed

Woodland Park Zoo
Pacific Science Center
Museum of Flight
Seattle Aquarium Society
Burke Museum

Scientific Organizations Included

Arboretum Foundation
Bloedel Reserve

Theatre Organizations Surveyed

Seattle Theatre Group

Northwest Choirs
Northwest Girlschoir
Music Center of the Northwest
Seattle Girls' Choir
Bellevue Philharmonic Orchestra
Northwest Associated Arts
Federal Way Symphony
Music of Remembrance
The Vera Project
Bellevue Youth Symphony Orchestra
Philharmonia Northwest
Federal Way Chorale
Seattle Baroque Orchestra
Northwest Symphony Orchestra
Seattle Peace Chorus
Orchestra Seattle
Tudor Choir
Seattle Conservatory of Music
Seattle Chamber Players
Northwest Chamber Chorus
Chinese Arts and Music Association
Seattle Music Partners
Ladies Musical Club
Choir of the Sound
Medieval Women's Choir
Sammamish Symphony Orchestra
Master Chorus Eastside
Chamber Music Madness
Choral Arts
Rainier Symphony
Simple Measures
Lake Union Civic Orchestra
Gamelan Pacifica
Seattle Circle
Kirkland Choral Society
Baroque NW
Pacific Sound Chorus
Music Northwest

Music Organizations Included, Continued

Pacific Northwest Blues in the Schools

5th Avenue Theatre Association
 Seattle Repertory Theatre
 Village Theatre
 Seattle Children's Theatre
 A Contemporary Theatre
 Taproot Theatre Company
 On the Boards
 Seattle Arts & Lectures
 Book-It Repertory Theatre
 ArtsWest Playhouse and Gallery
 Seattle Shakespeare Company
 Seattle Public Theatre
 Wing-It Productions
 Bellevue Youth Theatre
 Theatre Schmeater
 Teatro ZinZanni
 Broadway Center for the Performing Arts

Theatre Organizations Included

Intiman Theatre
 Studio East
 Northwest Film Forum
 Broadway Bound Children's Theatre
 The Hi-Liners
 Youth Theatre Northwest
 Living Voices
 Macha Monkey Productions
 Freehold Theatre Lab Studio
 Unexpected Productions
 Second Story Repertory
 Seattle Gilbert and Sullivan Society
 Northwest Puppet Center
 Seattle Musical Theatre
 Centerstage Theatre Arts Conservatory
 Central District Forum
 Renton Civic Theatre
 Theatre Off Jackson

Theatre Organizations Included, Continued

Bellevue Civic Theatre
 Attic Theatre

Seattle Classic Guitar Society
 Ragamala
 Max Aronoff Viola Institute
 Bellevue Chamber Chorus
 Northwest Sound Barbershop Chorus
 Philharmonia Northwest
 Federal Way Chorale

Visual Arts Surveyed

Seattle Art Museum
 Bellevue Arts Museum
 Frye Art Museum
 Pratt Fine Arts
 Henry Gallery
 Children's Museum, Seattle
 Kirkland Arts Center
 Youth In Focus
 911 Media Arts
 Space.City/Suyama Space
 SOIL
 Museum of Glass
 Tacoma Art Museum
 The Grand Cinema
 Arts Council of Snohomish County

Visual Arts Included

Gage Academy of Art
 Photographic Center Northwest
 Northwest Arts Alliance
 Pottery Northwest
 Seward Park Clay Studio
 Sanctuary Art Center
 Path with Art
 Northwest Art Center
 Northwest Watercolor Society
 ArtEast

Visual Arts Included, Continued

KidQuest Children's Museum
 Arts Alive!

Red Eagle Soaring Native American Theatre
Twelfth Night Productions
Thistle Theatre
Degenerate Art Ensemble
Annex Theatre
Grand Illusion Cinema
Unidentified Moving Objects
Open Circle Theatre
Repertory Actors Theatre (ReAct Theatre)
New City Theatre
Strawberry Theatre Workshop
Looking Glass Theatre
GreenStage
Live Girls! Theatre
SIS Productions
Young Shakespeare Workshop
Sketchfest Seattle

Blue Earth Alliance
Eastside Association of Fine Arts
Burien Arts Gallery

Appendix 2: Input-Output Model Methodology

Definitions and Conventions

Output

Output is the value of production or sales within a given industry. In most industries it is measured in producers' prices. In certain industries, notably transportation services, retail and wholesale trade, and in selected financial services, the industry's output is its margins for performing its services. Thus, in retail trade, the value of output is defined as the value of sales less the cost of goods sold. Output has been measured in \$2009 in this study.

Employment

The measure of employment used in this study is a headcount of total full-time and part-time employment, including estimates of self-employed workers.

Income

Income as measured in the model used in this study refers to labor income. This is inclusive of wages and salaries, as well as the value of benefits. Labor income has been measured in \$2009 in this study.

Impact Analysis Methodology

Input-Output Model

The input-output model used in this study is a standard regional Leontief input-output model, based upon the 2002 Washington State input-output model developed by Conway and staff of State of Washington Agencies (Office of Financial Management, 2008). This model is ultimately rooted in measures of the transactional relationships between industries in the state economy, and with final markets and sources of goods and services imported to the state economy. The heart of this model is a "production function" for each industry that links its demands for factor inputs to the supplies forthcoming from related industries in the economy.

Washington State has estimated seven input-output models. Beginning with the model developed for the year 1963, and continuing through the 2002 model, this state has developed an unmatched series of models tracking the input-output relations of Washington industries. Although the state economy has grown significantly over the 1963-2002 time period, there has been relatively modest changes in the multiplier structure contained in this model (Beyers & Lin).

The 2002 update of the Washington input-output model involved extensive survey research on the state's economic structure. Over 1,500 businesses across the economy provided data on their final markets (sales to households, investors, state and federal government, and exports to the rest of the U.S. and to foreign markets). They also provided data on their purchases within the state economy, payments of labor income and other value added, and imports from elsewhere in the United States and from

foreign countries. The interindustry structure of the 2002 Washington Input-Output model was developed by adjusting the structure of the 2002 benchmark U.S. input-output model.

Updating and Augmenting the Input-Output Model

The 2002 Washington transactions matrix was used to develop estimates of multipliers used in this study. A direct, indirect, and induced requirements matrix was estimated by closing the model with regard to personal consumption expenditures and state and local government. Personal consumption expenditures were considered to be a function of labor income. State and local government demands were considered to be a function of other value added.

The current model has also been used to make estimates of sales, hotel-motel use tax, and B&O tax revenues. Tax sectors are not contained directly in the model. However, it is possible to form relationships between the aggregate levels of personal income and the volume of sales tax revenue to estimate state and local sales taxes resulting from income earned as a result of economic activity related to arts, cultural, and scientific organizations and their patrons. State B&O tax revenues were estimated by developing sector-specific ratios of B&O taxes per dollar of sales, based on reports from the Washington State Department of Revenue. Direct estimates of sales taxes paid by patrons in relation to food and beverage, souvenir, and entertainment purchases were made, with an estimate 6.5% paid to the State of Washington, and 2.5% to local governments. Direct estimates of hotel-motel taxes paid by patrons were calculated based on the City of Seattle tax rate of 15.6%.

County Level Impacts

The state model was modified to make impact estimates at the regional level. Location quotients were developed for the various sectors at the Central Puget Sound region level, using the state as a benchmark. Direct requirements coefficients were modified in sectors with location quotients below one, and the adjusted matrix of coefficients was then used to calculate a Central Puget Sound region inverse matrix of multipliers.

Impact Estimation Procedure

The estimation of total and “new money” economic impacts involves two steps: (1) the estimation of direct economic impacts, and (2) the use of the input-output model to estimate indirect and induced economic impacts. Information was requested from arts, cultural, and scientific organizations on the location of their purchases, so that out-of-region purchases would not be considered as local economic impacts.

The development of step (1) involves bringing together the patron expenditures and arts, cultural, and scientific organization expenditures information in a consistent accounting system that is compatible and consistent with the structure of the input-output model. This required in both cases the translation of the data as measured into the accounting concepts used with the input-output model. In

the case of arts, cultural and scientific organization expenditures, this was largely a process of classifying their purchases by input-output model sector. For example, the purchase of telephone services is from the telecommunications sector in the input-output model. In some cases the purchases needed to be decomposed into manufacturers (producer price) values, transportation, and trade margins. Thus, the purchase of supplies and materials for the construction of sets is valued as a combination of margins and the producer's prices of factor inputs such as cloth, paint, or wood products. Similarly, the patron expenditures had to be translated from the expenditure categories reported in Chapters II and III into the sectors used in the input-output model. This was accomplished in part by using estimates produced by the U.S. Bureau of Economic Analysis that report national level estimates of the relationship between consumer expenditure categories and values as measured in producer's prices. The sum of these two sets of expenditures information is considered as direct requirements in the input-output model.

The input-output model's multiplier structure translates the direct demands of patrons and arts, cultural and scientific organizations into total measures of impact. Two conceptions of these impacts are presented in this report. The first—the gross impacts—are based on aggregate expenditures of patrons and arts, cultural, and scientific organizations. The second—the “new money” impacts—are estimated by considering only that portion of the expenditure stream that accrues from outside the local economy. Unfortunately, data were not available to estimate the new money impacts at the state level, as we did not ask organizations participating in the survey to distinguish between purchases made outside of Washington State and purchases made in Washington State outside the Central Puget Sound region. Instead, it was only possible to estimate new money impacts at the regional scale. If we were able to estimate new money impacts at the state scale they would actually be smaller than at the county scale, because a significant proportion of the new money impacts stem from Washington residents spending their income within the region, and at the state level these expenditures would not be considered new money.

Accuracy of the Results

The economic impact measures presented in this report should be considered as estimates. They are subject to measurement error from a variety of sources: incomplete coverage of the income of arts, cultural, and scientific organizations, errors made by patrons in estimating their expenditures, errors in the input-output model itself, and errors introduced in translating the raw data used in this study into the impact analysis results. In general, a conservative approach has been taken to the estimation of the results presented in this study. Although it is not possible to calculate a margin of error for the results presented in this study, they appear to be reasonable, and consistent with the results of similar studies.

Direct Economic Impacts: Arts, Cultural, and Scientific Organization Expenditures

Impact analysis of this type depends upon good estimates of the economic activity levels of the industries under study. In this study we were fortunate to have almost 80% of the aggregate budgets covered by our surveys. This is a very high rate of coverage, and should be related to a relatively

accurate estimate of direct regional economic effects. The digital approach to gathering cultural organization budgets yielded surveys with few arithmetic errors.

Direct Economic Impacts: Patrons

The survey of patrons was conducted by the intercept method, which reduces dramatically self-selection bias in participation. Although it is not possible to present an estimate of the percentage of people asked to complete a survey form who did so, it is possible to say that over 90% of the completed forms contained useable information. An issue which arises with intercept measures of the type used in this study is whether the patrons can anticipate the level of expenditures that they will incur after they are interviewed, in relation to their visit to a cultural organization. Cross-checks between the results obtained here and with other studies lead us to believe that we obtained an accurate sample of patron expenditures (and related information), especially given the sample sizes achieved in the various disciplines and regions.

Appendix 3: Survey Form for Arts Organizations

ORGANIZATION INFORMATION
ESTIMATES ARE ACCEPTABLE!

Name of Organization:

Address:

City: State: Zip:

Telephone: E-Mail:

Date org. established (mm/dd/yy): Note: base all information on FY you give here:

Date form completed (mm/dd/yy): Most recently completed fiscal year - ending:

(mm/dd/yy)

Primary Activity:

- | | | | |
|-----------------------------|-------------|------------|------------|
| 1. Art Service Organization | 3. Festival | 5. Music | 7. Theater |
| 2. Dance | 4. Heritage | 6. Science | 8. Visual |

GENERAL INFORMATION

For FY ending:

Number of productions/exhibits (1)

Number of memberships sold (for museums, zoos, etc.)

Number of full and/or partial subscriptions sold (performing groups)

Average percentage of capacity (museums, zoos, etc. enter n/a)

Attendance

1 - Season ticket/membership visits (2)

2 - Single tickets or admissions sold
(other than member tickets/admissions)

3 - Discounted student tickets including school groups
(other than season tickets)

4 - Discounted senior tickets
(other than season tickets)

5 - Other discounted tickets (rush etc.)

6 - Free tickets/admissions

TOTAL ATTENDANCE (add lines 1-6)

Number of patrons with disabilities served

Footnotes for Page 1

- Performance groups should enter number of individual productions; science/visual arts/heritage/etc. groups should enter number of exhibits.
- Enter total number of visits made during year by people using subscription tickets or membership privileges.

OPERATING INCOME (1)
ESTIMATES ARE ACCEPTABLE!
Earned Income:

NOTE: Report operational activities only (see Note 1 of Footnotes).

	For FY ending:	% Outside Local Area
	1/0/00	
Box Office/Admissions (incl. revenues from season tickets, etc.) (2)		
Tuition/Workshops		
Retail/Wholesale Sales		
Other earned income (touring, rents, royalties, etc.)		
Interest		
Total Earned Income	0	#DIV/0!

Contributed Income:

Report only operational activity. Do not include temporarily or permanently restricted gifts.

	For FY ending:	% Outside Local Area	Number of Contributors
	1/0/00		
Corporations			
Foundations			
Federal Government (100% outside local area)		100%	
State Government (100% outside local area)		100%	
County Government			
City Government			
Individuals (zoos, museums, incl membership rev if deductible) (2)			
Benefits / Galas / Guilds			
In-Kind contributions (exclude non-prof. vols.) (3)			
Misc. contributions			
Total Contributed Income	0	#DIV/0!	
Total Operating Income	0	#DIV/0!	

Footnotes for Page 2

- 1 Report only operational activity. Do not include any temporarily or permanently restricted gifts. If any previously restricted gifts are released as time or purpose requirements are met, include them in the appropriate revenue category.
- 2 Zoos, museums, etc., include revenues from memberships if memberships are tax deductible, but do NOT double count memberships under "Box Office/Admissions" AND individual contributions.
- 3 Exclude value of time contributed by volunteers except professionals donating professional services in their field.

For the purposes of this economic impact study, general operating expenses are measured in two categories: 1) Labor-related expenses for your employees (or non-contract personnel - **entered on this page**), and 2) other operating expenses (which include contract personnel - **entered on page 4 of 5**). **Employees may be paid benefits, or have deductions from earnings for purposes such as income tax, while contract employees are only paid an agreed upon sum for their services.**

EMPLOYEE EXPENSES: enter information on contract workers next page (1)

Note: enter information on this page ONLY for persons you consider to be direct employees. Enter information on contract workers on page 4.

ESTIMATES ARE ACCEPTABLE!

1. In columns A and B, please enter your employee expenses for administrative and other personnel and the percentage of these payments which were made to residents outside the local area for the reported FY. Include employee compensation which you consider to be to direct employees only; report payments to individuals and firms you contract with on page 4. In column C, report amounts you pay in employment taxes.
2. In column D enter the number of people you consider to be full-time employees. For the purposes of this survey, we consider a full-time employee to be an individual employed approximately 40 hours per week year-round.
3. In column E report how many people you consider to be part-time employees. This includes all employees not meeting the above definition of full-time employees. Enter head count only, no decimals or fractions.
4. In column F please enter the total number of hours you estimate are worked by all part-time employees in your organization for the reported FY.

(NOTE: Report activity for Most Recent FY)

	A	B	C	D	E	F	G	H
	Salaries, Benefits for FY for full- and part-time employees	% of \$'s spent residing outside Local Area	Employment Taxes (2)	Number of Full Time Employees	Number of Part-Time Employees (Headcount)	Total est. hours all part-time employees for FY	Work Study/ Interns	Number of Volunteers
Administrative Employees								
Other Employees								

Please estimate the number of hours contributed by the volunteer personnel you identified in Col. H above
 Please enter number of people listed above who work for your organization under a union contract.

Footnotes for Page 3

- 1 Report only operational activity (programming, administration etc.) on this page. Exclude contract personnel; enter contract personnel information on page 4.
- 2 This should include the total of all employment taxes (e.g. social security, Medicare, employment security and labor & industries).

For the purposes of this economic impact study, general operating expenses are measured in two categories: 1) labor-related expenses for your employees (or non-contract personnel - enter on page 3 of 5), and 2) other operating expenses (which include contract personnel - enter on this page).

Do NOT report on endowments, capital projects or other non-operational activity.

Do NOT report on debt service and interest payments; those do not figure into impact calculations.

ESTIMATES ARE ACCEPTABLE

CONTRACT PERSONNEL		% of \$	Number	Estimated total
	1/0/00	Outside	of contract	hours worked by
	Total Amount Paid	Local Area	personnel	contract personnel
Total Contract Personnel (not employees)				

OPERATING EXPENSES (1)

	\$ for FY ending:	% of \$
	1/0/00	Outside
		Local Area
Services		
Marketing expenses		
Press and public relations		
Photographic/art services		
Banking		
Insurance		
Accounting, auditing		
Transportation		
Lodging		
Food/beverage services		
Set/costume/exhibit rental		
Equipment rental		
Hall rental		
Office and work space rental		
Royalties		
Other services: (please specify)		
Subtotal Services	0	#DIV/0!
Utilities & Postage		
Telephone		
Postage		
Other utilities		
Subtotal Utilities & Postage	0	#DIV/0!
Other Goods & Services		
Printing of programs etc.		
Exhibit/set materials		
Production materials		
Supplies		
Other goods & services		
Subtotal Other Goods & Services	0	#DIV/0!
Taxes (2)		
Sales tax		
B&O tax		
Property tax		
Other taxes: (please specify)		
Subtotal Taxes	0	#DIV/0!
Total Operating Expenses (except labor - page 3)	0	#DIV/0!
NON-Operating Expenses and Information		
Most recent year capital improvement expenses		
Current balance of endowment		

Footnotes for Page 4

1 Report only operational activity (programming, administration, fundraising etc.) on this page. Exclude employees (non-contract personnel); employee information should be entered on page 3. Do NOT report on endowments, capital projects or other non-operational activity.

2 Do not include employment taxes here. Employment taxes should be included as part of your labor costs on page 3.

Student demographics

ESTIMATES ARE ACCEPTABLE

Please report below the number of free and discounted admissions for K-12 students whom your organization serves either at your facility or at programs your organization takes into the schools or other spaces.

Please enter estimated percentages of both free student admissions and discounted student admissions for 1) income indicators, 2) ethnicity and 3) place of residence.

For FY ending:

	Number of free admissions	Number of discounted admissions
Total student attendance K-12 only	<input type="text"/>	<input type="text"/>
	Enter percent of free admissions below	Enter percent of discounted admissions below
1) Students' family income indicators		
On free lunch program	<input type="text"/>	<input type="text"/>
On reduced-cost lunch program	<input type="text"/>	<input type="text"/>
Not on lunch program	<input type="text"/>	<input type="text"/>
Don't know	<input type="text"/>	<input type="text"/>
Total this section (to equal 100%)	0%	0%
2) Ethnicity		
White	<input type="text"/>	<input type="text"/>
African American	<input type="text"/>	<input type="text"/>
Asian/Pacific Islander	<input type="text"/>	<input type="text"/>
Hispanic/Latin	<input type="text"/>	<input type="text"/>
Native American	<input type="text"/>	<input type="text"/>
Other	<input type="text"/>	<input type="text"/>
Don't know	<input type="text"/>	<input type="text"/>
Total this section (to equal 100%)	0%	0%
3) Place of students' residence		
Your city	<input type="text"/>	<input type="text"/>
Your county outside your city	<input type="text"/>	<input type="text"/>
Washington outside your county	<input type="text"/>	<input type="text"/>
Outside state of Washington	<input type="text"/>	<input type="text"/>
Don't know	<input type="text"/>	<input type="text"/>
Total this section (to equal 100%)	0%	0%

Appendix 4: Survey Form for Patrons



Scott Redman
Board Chair

James F. Tune
President and CEO

Dear Cultural Organization Patron,

Cultural organizations in the Puget Sound region make important contributions to the vitality of our communities and to our economic prosperity. To measure the economic impact of cultural activity, we ask you to take a few minutes to complete this survey. Your anonymous answers will enable us to update our comprehensive economic impact study of the arts.

Thank you for your time, your cooperation and your support of arts and heritage activity in the Puget Sound region.

Economic Impact Study of Cultural Activity in the Puget Sound Region

Major funding: The Paul G. Allen Family Foundation
Study conducted by: GMA Research, Bellevue, Washington &
Dr. William B. Beyers, University of Washington

Commissioned by: ArtsFund

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City of Bellevue Arts Program
City of Everett
City of Kent Arts Commission
Economic and Cultural Development Division, Snohomish County
Kitsap County Arts Board
Seattle Office of Arts & Cultural Affairs
SoCoCulture
Washington State Arts Alliance
Washington State Arts Commission

P.O. Box 19780, Seattle WA 98109

206 281 9050

www.ArtsFund.org

PATRON SURVEY

This questionnaire will provide very important information about patrons of cultural activities in the Puget Sound region. Please take a few minutes to fill out all three pages of this brief questionnaire!

1. Including yourself, how many people are in your party? _____

2. Was the primary reason for your trip today/tonight to attend this performance/exhibition? Yes No
 If no, what was the primary reason for your trip?

3. Please estimate the total expenditures made by your party for each of the following. Include only those expenditures you would attribute to attending today's/tonight's performance/exhibition. (One person should estimate expenditure for the entire party.)

Tickets/admissions	\$ _____
Souvenirs and gifts	\$ _____
Parking fees	\$ _____
Bus/ferry/light rail/taxi costs	\$ _____
Auto travel costs (gas, rentals)	\$ _____
Food/beverages before or after event	\$ _____
Food/beverages at the event	\$ _____
Entertainment before or after event	\$ _____
Lodging/accommodation costs	\$ _____
Air travel costs	\$ _____
Child care/baby-sitting	\$ _____
Other costs (SPECIFY BELOW)	
_____	\$ _____
_____	\$ _____

4. Please describe the importance of cultural organizations to you personally.

5. Please describe the importance of cultural organizations to the community.

Please go to the next page of this questionnaire.

6. What was your main source for learning about the cultural activity you are attending today? (Please check only one):

friend/family newspaper TV radio website blog Facebook

YouTube Twitter other: _____

7. How were you first exposed to cultural activity?

Through school through family/friends on my own

8. When were you first introduced to cultural activity?

grade school age middle school age high school age college age as adult

9. How frequently do you attend cultural performances/exhibitions?

weekly once or more per month about 3-4 times a year about once a year

10. How has the value of cultural activity changed for you over the past few years?

Increased in importance No change Decreased in importance

11. In the current economic downturn has your spending on cultural activities:

Increased Decreased Has not changed

12. If you checked increased or decreased, please indicate why your spending has changed.

13. In addition to purchasing tickets to cultural events, do you also make cash contributions to one or more cultural organizations?

Yes No

14. Do you use arts/heritage events on specified, regular occasions to meet with families or friends?

Yes No

15. Outside of school do your children participate in organized arts education activities?

Yes No Not applicable

If yes, please describe the nature of their arts education activities.

16. Do you engage in volunteer activities for cultural organizations?

Yes No

If yes, please estimate the number of hours you volunteer each year. _____ hours

Please go to the next page of this questionnaire.

17. In the following table please indicate your participation in these different cultural organizations by entering number of times you have attended events in the proper boxes.

	Please list number of times you have attended events in the past year	
	In Seattle	In Puget Sound Region outside Seattle
Music/Opera		
Theatre		
Dance		
Heritage (including museums focused on heritage)		
Visual Arts (including museums, nonprofit galleries, etc.)		
Scientific, botanical, or zoological organizations (including museums focused on those subjects)		

18. How many years have you lived in the Puget Sound region? _____

19. Are you: Male Female

20. Your age: 19 or younger 35-44 65-74
 20-24 45-54 75 or older
 25-34 55-64

21. Please indicate years of school completed:

Some high school Four-year college/university degree
 High school graduate Postgraduate degree
 Some college or vocational/technical school

22. Please indicate your household income:

Under \$20,000 \$75,000-\$99,999
 \$20,000-\$39,999 \$100,000-\$124,999
 \$40,000-\$59,999 \$125,000-\$249,999
 \$60,000-\$74,999 Over \$250,000

23. What is your zip code?_____

24. How many people are currently living in your household, including yourself?_____

25. Please indicate your ethnicity: Hispanic/Latino Not Hispanic/Latino

26. Race (check all that apply):

American Indian or Alaska Native Native Hawaiian or Other Pacific Islander
 Asian White
 Black or African American

Thank you very much for participating in our survey!

Appendix 5: ArtsFund Board of Trustees and Staff

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Index

Aggregate impact xi	constraints3
<i>cultural organizations budget totals</i> xii	data collection3
<i>generated job and labor income</i> xi	<i>patron survey</i>
<i>government sales and taxes</i> xi	data collection5
<i>gross business activity</i> xi	responses received.....5
<i>total spending</i> xii	New money xii
Aggregate impacts32	<i>definition of</i> xii
<i>labor income</i> 32	<i>impacts</i> xii
<i>output in King County</i> 32	New money impacts36
<i>taxes</i> 32	<i>sources</i> 37
Attendancexv	Operating expenses20
Contributed income 12	Organization survey sample94
<i>compared to 2003 study</i> 12	Patron characteristics
<i>corporate</i> 12	<i>attendance</i> 45
<i>individual</i> 12	<i>cash contributions</i> 56
<i>in-kind</i> 13	<i>children participation in arts</i> 57
<i>private foundations</i> 13	<i>exposure to the arts</i> 52
Cultural organizations	<i>frequency</i> 54
<i>budget criteria for inclusion in</i> 1	<i>group sizes</i> 51
<i>coverage</i> 4	<i>number of</i> 41
<i>criteria for inclusion in</i> 1	<i>origins</i> 47
<i>total income for 2009</i> 8	<i>reasons for spending increase/ decrease</i> 55
Earned incomexii	<i>sources of information</i> 51
Economic impact model	<i>trip reasons</i> 46
<i>description of</i> 6	<i>volunteers</i> 39, 59
Economic impacts of cultural organizations	<i>with disabilities</i> 46
and their patrons 8, 31	Patron spending xvi
Employment xiv	Patron survey5
<i>comparison of labor to contract income</i> xiv	Patron survey sample99
<i>composition of</i> 26	Patron values xvii, See Quality of life
<i>full-time equivalencies</i> 27	Quality of life xvii
<i>part time/ contractual</i> xiv	Student attendance62
Expenditures xiii, 18	<i>admissions</i> 63
<i>composition</i> 18	<i>ethnicity</i> 64
<i>composition by discipline</i> 19	<i>geographic origin</i> 65
<i>operating</i> 20	<i>income indication</i> 63
Expenditures of patrons 28, 49	Survey instruments
<i>per capita</i> 28	<i>organization</i> 94
Income xii	<i>patron</i> 99
<i>contributed</i> 12	Survey of organizations
<i>earned</i> xii, 11	<i>budget criteria for inclusion in</i> 1
<i>government</i> 13	<i>coverage</i> 4
<i>total</i> 8	<i>data obtained</i> 4
Methodology2	<i>organization criteria for inclusion in</i> 1
<i>organization survey</i>	Survey of patrons

data obtained..... 6
Volunteers xvi, 39

Washington State Department of
Employment Security2
Washington State Department of Revenue .2