

**AN ECONOMIC IMPACT STUDY
OF ARTS AND CULTURAL
ORGANIZATIONS
IN KING COUNTY: 1997**

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Released January 1999

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AUTHORS ACKNOWLEDGEMENTS

We are pleased to have been asked by the Corporate Council for the Arts (CCA) to undertake this study. In large measure it revisits work we undertook for the CCA in 1993.

It goes without saying that we could not have undertaken this project without the financing obtained by the CCA . But money alone cannot produce a report of this type. It can only come from a committed community of arts and heritage organizations and patrons that really care about their community. We were ultimately dependent upon the enthusiastic responses of eighty cultural organizations and 2,300 groups of patrons to their events for the information contained in this report. Thanks to each of these groups and people for their participation.

This project has been a true collaboration between GMA Research, Dr. William Beyers, and the Corporate Council for the Arts. As consultants to the CCA we have relied on the expertise and experience of Dwight Gee and Peter Donnelly from the start of the project. We also must acknowledge the highly professional assistance of Alan Horton in data base management and production of this document. Ms. Kathryn Ridgley was also critically involved in developing estimates of the cultural organizations to be included in this study, as well as in the development of data on their financial affairs.

We are honored to have been employed to conduct this study. We hope that it will help cultural organizations in King County contribute even more strongly to the quality of life in their communities than they have in recent years.



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SPONSORS ACKNOWLEDGEMENTS

Over the past 35 years, the Puget Sound region has produced a remarkable, not renaissance, but “naissance” in our cultural life. Before 1962, the year of the Seattle Worlds Fair, the arts here were limited to a handful of institutions augmented by periodic road shows. Since then the proliferation and expansion of cultural organizations has been matched by few, if any, other parts of the country.

Corporate Council for the Arts (CCA) first cast a net around the economic impact of cultural activity in 1992 with a comprehensive study that embraced 140 non-profit groups. The results of that study provided a benchmark for public and private policy makers, the media and corporate leaders for several years. But it was clear even a year or two ago that the striking growth in this sector had far outpaced those impacts.

With great foresight, The Paul G. Allen Foundation for the Arts also perceived a need for this study. CCA, as well as the many cultural organizations that took part in the survey are grateful for the Foundation’s support for a thorough update of the previous study and its expansion to include Pierce County cultural activity. The results, as you’ll see, document a sharp increase in such measures as business sales, employment, labor income and patron spending.

All of these things demonstrate how integral arts and heritage activity are to this region’s strong economy as well as to its high quality of life. While our chief reason for supporting cultural activity is for the un-quantifiable value it adds to our lives, these impact statistics provide compelling economic evidence for the importance of that support.

To help guide this project, we convened a steering committee who dedicated many hours and their deep collective knowledge of the field.

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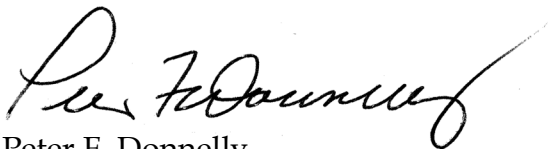
We were fortunate to have the same team that conducted our previous survey undertake this expanded effort. GMA Research Corporation conducted the research and Dr. William Beyers of the University of Washington very ably handled the economic modeling and writing the report.

I offer special thanks to Dwight Gee, CCA's Vice President of Community Affairs for overseeing this project for the agency for the second time in five years. Dwight is an imaginative, thorough and extremely patient man, all qualities essential for completing this project. He kept the study on track and on budget and succeeded in securing frightening quantities of data from scores of organizations and thousands of patrons. Alan Horton, our Finance & Operations Director, was invaluable to the project with his broad knowledge of the region's cultural organizations, his impressive abilities in handling computers and data and his design sense in helping produce this extensive document. Together these two formed a team that helped find a tremendous number of efficiencies in this complex project.

Our thanks also to the many cultural organizations that spent so many hours providing financial data about their organizations and conducting the patron interviews. Without their dedicated cooperation, this study would be impossible.

At the same time we launch the results of this study, we can only look ahead a few years and more expansion on the horizon. Several new facilities are now in the works and will add a great deal of further capacity to our cultural life. In Tacoma, a new Tacoma Art Museum and an International Museum of Glass will soon join that burgeoning cultural scene. On the Eastside Bellevue Art Museum is slated to begin construction of a new building this year. In Seattle, the Experience Music Project will be completed soon and there is serious talk about refurbishment of the venerable Opera House.

These new structures reconfirm the underlying strength and vitality of the cultural life that this report documents. The magnitude of cultural operations and the razor-thin margins they operate on each year is also a sobering reminder of the support needed to keep this important part of our life, as well as our economy, in good working order.



Peter F. Donnelly
President
Corporate Council for the Arts

EXECUTIVE SUMMARY

Cultural organizations contribute significantly to the quality of life of people living in King County, as well as in surrounding counties, elsewhere in Washington State. They are also important forces in drawing people to this community as tourists. Several patrons put it this way:

“Arts and heritage are not luxuries. They are essentials. These rank almost as high as sustenance and transportation.”

“I believe strongly in cultural and educational diversity. Opera is just another expression of this, a broadening of my mind.”

SOURCE: PATRON SURVEY

Cultural organizations are also an important part of the local economy, directly creating thousands of jobs, and millions of dollars of labor income and business sales. They are also important within the context of the larger business community:

“They provide educational opportunities and economic contributions and allow for active interest in a variety of performance and visual arts. For a community, one’s support of the arts can also be a draw for new corporate interests as well as personal interests.”

SOURCE: PATRON SURVEY

This study measures the economic impact of 160 non-profit cultural organizations, and the expenditures of their patrons, on the Washington State, King County, and Seattle economies. It covers groups with budgets over \$23,000 in dance, theatre, music, visual arts, heritage organizations, as well as public and private sector non-profit organizations supporting delivery of cultural services.

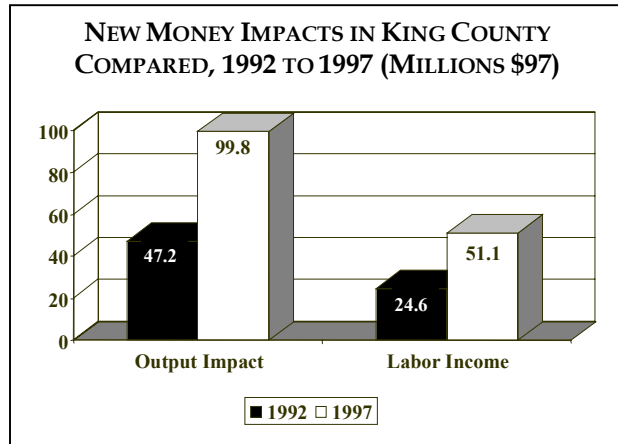
Aggregate Impact

The aggregate economic impacts of cultural organizations on the King County economy stem from the spending of arts patrons in relation to their visits to cultural organizations, and the expenditures made by these organizations to mount their programs. In 1997 \$338 million in business activity was generated in King County by the spending of these patrons and cultural organizations. In addition, some 12,839 jobs and \$171 million in labor income were generated due to these activities. Over \$24 million in taxes were collected by state and local governments for sales and business & occupation taxes due to this business activity. These impacts are significantly higher than measured in the economic impact study conducted by the CCA in 1993; employment impacts are 45% higher than estimated in the 1993 study.

Spending by cultural organization patrons totaled \$204 million, with tickets and admissions accounting for \$86 million of these expenditures. Budgets of cultural organizations were \$144 million in 1997.

New Money

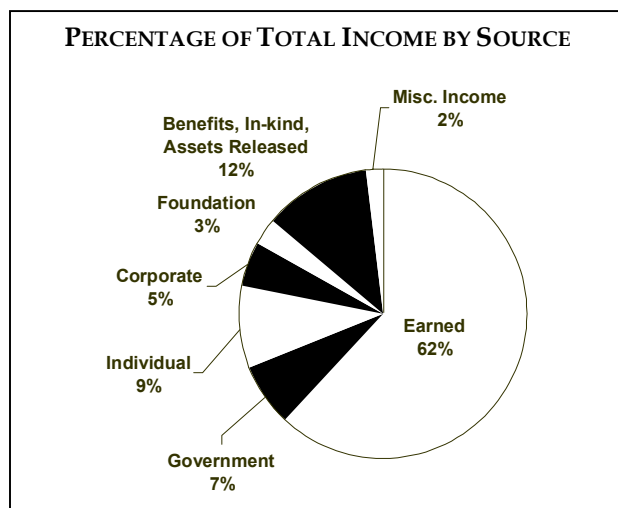
Most of the aggregate economic impacts are due to residents of this community spending their discretionary income on activities presented by cultural organizations. However, a portion of these impacts are derived from expenditures of people travelling from outside King County, and from income earned by local cultural organizations from sources located outside King



County. These impacts are referred to as “new money” impacts, because if the cultural organizations included in this study were to disappear, these funds would not flow into the King County economy. New money provides 20% of the income of cultural organizations, and accounted for 44% of total patron outlays. New money economic impacts in 1997 include 100 million in business sales, 3,200 jobs, \$4.3 million in tax revenues, and \$51 million in labor income. New money impacts have expanded dramatically since the 1993 CCA economic impact study; employment impacts have risen 77% in five years.

Income

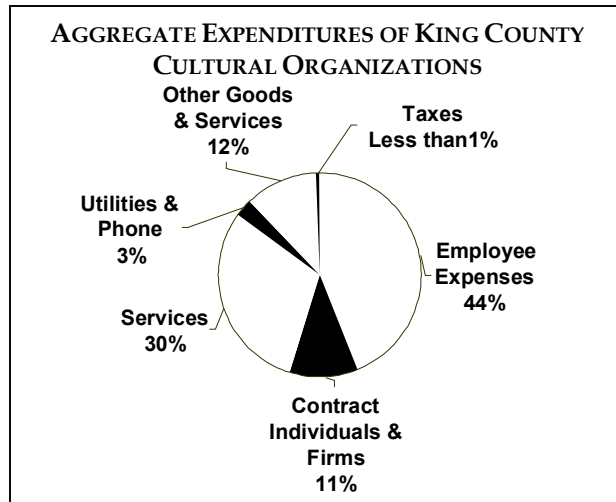
Earned income from tickets, admissions, tuition, retail sales, and other sources accounted for 62% of total income of King County cultural organizations. The other 38% was raised from contributions, which included 12% from benefits/galas/in-kind/endowment earnings, 9% from individuals, 7% from governments, 5% from corporations, and 3% from foundations.



Expenditures

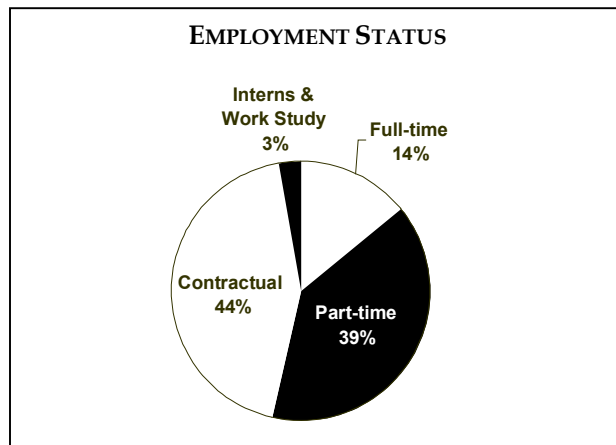
Expenses are divided between employee expenses (44%) and operating expenses (56%). Almost all employee expenses are incurred in King County, while operating expenses were more widely distributed. A major operating cost (19%) was for contract personnel, such as visiting artists, and approximately one-third of these expenditures were made outside King County.

Service purchases account for 54% of operating expenses, 64% of which were made in King County. These include services such as accounting, legal services, printing, transportation services, marketing, royalties, and professional services. Heritage and visual arts organizations make sales of books, souvenirs, and replicas purchased through wholesale distributors primarily located elsewhere in the United States. In the aggregate purchases of goods accounted for 21% of operating costs, while utility costs were 5%.



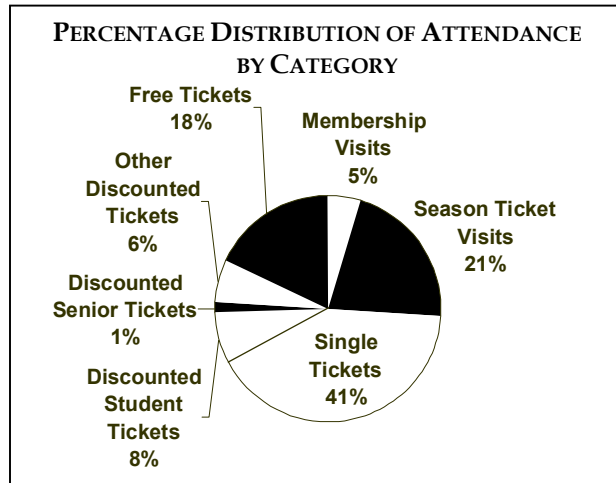
Employment

An estimated 12,839 jobs in King County were related to cultural organizations in 1997. Of this level of employment 9,587 were jobs directly tied to local cultural organizations. Most of these jobs were part time or contractual jobs (83%), and many were held by the same individuals working for more than one local cultural organization, such as actors playing at theatres such as the Bathhouse, Empty Space, or Seattle Repertory Theatre. Part time employment is predominately in dance, theatre, and the music disciplines, although arts service organizations contract with many artists to provide local arts services on a short-term basis. People working in King County cultural organizations were paid \$62.4 million in labor income in 1997.



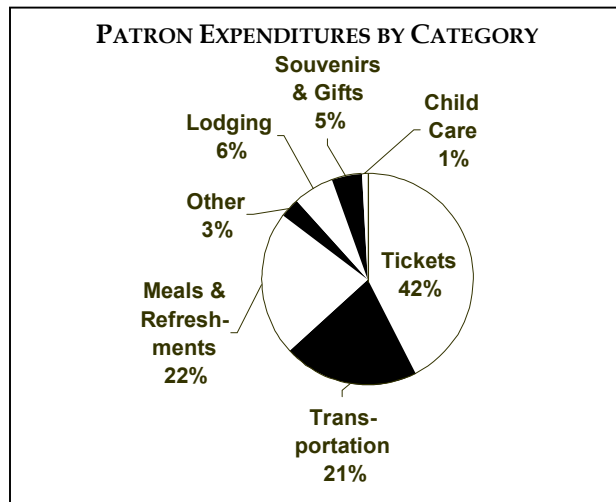
Attendance

There were 5.1 million admissions to events sponsored by cultural organizations covered in this study in King County in 1997. The bulk of these (68%) were single tickets or season ticket visits/membership visits, while some 18% (935,000) were free admissions, and the balance (14%) were discounted admissions (770,000).



Patron Spending

Patrons spent an average of \$43 on their visits to King County cultural organizations in 1997. Local residents spent less (\$36) than those from outside King County (\$57) per trip, with the largest single expenditure being for tickets/admissions. Significant outlays also occur for food and beverages before or after events, auto travel, parking, souvenirs and gifts, air travel and lodging or accommodation costs. The



composition of these outlays varies by region of origin. Local residents have lower travel and lodging costs, while non-local residents expenditures on these categories of expenditure are much higher.

Volunteers

Volunteers play a vital role in cultural organizations. They provide assistance with administrative and artistic/professional/technical work. Almost 19,000 people are estimated to have volunteered to work with cultural organizations in King County in 1997.

Quality of Life Considerations

The statistics contained in this economic impact study provide a compelling argument about the contribution of arts and heritage organizations to the King County economy. However, after all is said and done in the analysis of data of

this type, the economic impacts documented here are not the primary reason why these organizations prosper in this region. Rather, it is because they provide King County citizens with a high quality of life, as documented in the following quotes from the survey of patrons.

"It is the reason we live in the Seattle area. It adds a dimension to our lives unattainable otherwise. It is a reward for being human."

"Life would be very dull without the arts."

"The arts are like spiritual nourishment for the soul and needed for the enjoyment of living. Heritage is to feel and visualize how our and diverse cultures have developed over the ages."

"It gives me great pleasure and makes me glad to live in an area where so much art and music is available."

"As a singer, actor, and writer, I agree with Oscar Wilde in seeing art as manifestation of the supreme energy and life as fiction. Art is necessary to the life of the soul giving purpose to survival."

"I have earned a great respect for myself, my people and my heritage by being able to see exhibits that really make an attempt to understand us and our importance and the contributions we have made to society."

SOURCE: PATRON SURVEY

I. INTRODUCTION

“Arts enable the diverse cultures to retain their identities and share them with others in the community. It is critical this be maintained.”

SOURCE: PATRON SURVEY

Goals and Objectives of this Study

In 1993 the Corporate Council for the Arts sponsored a study of the economic impact of arts and cultural organizations located in King County (GMA Research Corporation and Beyers, 1993; hereafter referred to as the 1993 CCA impact study). This study provided for the first time a benchmark measure of spending by King County patrons and arts organizations, and the economic impacts of that spending on the regional economy. Since the 1993 study was completed the region has experienced considerable growth, and economic conditions have changed. The present study was undertaken to provide current information on the economics of arts and heritage organizations in King County, as well as measures of current economic impacts related to the spending of the organizations themselves as well as their patrons.

Arts and cultural activities are a central component in the mix of institutions, organizations, and environmental attributes that make the quality of life in King County very high. While many people think of these organizations for the services that they render to local residents and visitors to our communities, they are also a part of the local business scene. In the process of attending performances or viewing exhibits *patrons* of these organizations incur expenditures that have economic impacts locally, as well as impacts in the larger state and national economies. The *operating* expenses of arts and cultural organizations also lead to economic impacts locally and in the larger regional or national economies. These impacts are documented in this study.

The universe of arts and cultural organizations located in King County includes a mix of large and small organizations, and both for-profit and non-profit establishments. Large non-profit organizations include institutions such as the Seattle Art Museum, Pacific Northwest Ballet, and the Museum of Flight. At the same time there are many small, community-oriented organizations with small budgets and many volunteers, as well as large numbers of individual artists and performers selling their products and services in a for-profit environment in venues such as commercial art galleries. In this study we focus only on non-profit arts and heritage organizations (e.g. 501(C)(3) organizations) located in King County with annual operating budgets of at least \$23,000¹. This definition thereby excludes a significant portion of the commercial art and cultural business activity located in King County, including festivals, commercial

¹ In the 1993 CCA study this limit was \$20,000; the higher figure was selected to account for general inflation, and was in part intended to provide a measure of comparability with the budget limits used in this earlier study.

art dealers, individual artists, and the supply houses which provide materials and services needed by these individuals and organizations.

Research Approach: Designing This Study

One of the primary goals of the present study was to develop measures that were comparable to the 1993 CCA impact study. Thus, decisions made in the earlier study were important constraints on the design of the present study. In the earlier study we chose to undertake surveys of patrons and arts organizations, and to use the Washington State input-output model to calculate economic impacts. This strategy was employed again in the current study. In some other studies secondary data supplied by labor market organizations (such as the Washington State Department of Employment Security) have been used as direct measures of employment and wages, and multipliers have been based on the U.S. national input-output model reformulated for regional economic impact analysis through models developed by systems such as the USFS Implan or the REMI modeling framework. The sectoral breadth of these studies varies, from very inclusive to a relatively narrow focus. The well-known impact studies undertaken by the Port Authority of New York and the New York Alliance for the Arts were much more inclusive than this study, including public and commercial film and television, art galleries and auction houses, libraries and literary organizations, commercial theatre, as well as non-profit arts organizations (Port Authority of New York, Alliance for the Arts). Examples of narrowly focused studies include the Philadelphia Art Museum's impact study of its recent Cezanne show, the Portland Art Museum's study of the impact of the Imperial Tombs of China exhibition, and the Seattle Art Museum's study of the impact of the Leonardo Lives exhibition (Philadelphia Museum of Art; Dean Runyon et.al., Beyers).

The King County organizations included in this study are included in several industries reported by the Washington State Employment Security Department for King County. Employment in musical and dance organizations are included within SIC 79, Amusement and Recreation Services, while visual art museums are part of SIC 84, Museums, Botanical Gardens and Zoos. Those employed in local government arts service organizations, such as the King County Office of Cultural Resources, are reported within the local government series along with other local government employment. Thus, there is no separate measure provided from secondary statistical sources on the share of these activities accounted for by non-profit organizations (with budgets above the \$23,000 level selected for inclusion in this study). Therefore, it was necessary to utilize budget information either provided by organizations included in this study, or developed through consultation with local arts organizations, in the conduct of this study. The appendix shows the names of organizations that provided detailed budget information, as well as those for whom we had to rely on summary estimates of their budgets from other sources.

Arts & Heritage Organization Survey

The Corporate Council for the Arts and arts service organizations compiled lists of arts and heritage organizations in King County. There were 160 organizations identified whose budgets met our criteria for inclusion in this study (compared to 142 in the 1993 CCA study). Table I-1 indicates the categories of arts and cultural organizations utilized in this study, and the number of organizations returning questionnaires or included in the study. The disciplinary groups described in Table I-1 differ slightly from the 1993 CCA study. In that study we combined music and dance into a single category because of the budgetary domination of Pacific Northwest Ballet in dance, and our promise to have the budgets of individual organizations remain confidential. Since 1993 there has been sufficient growth in dance that was not necessary to combine these two distinctive disciplines.

TABLE I-1 CULTURAL ORGANIZATIONS INCLUDED IN THIS STUDY

<u>Discipline:</u>	<u># of Questionnaires Returned</u>	<u># of Other Organizations Included</u>
Performing Arts - Dance	7	8
Performing Arts - Theatre	25	14
Performing Arts - Music	21	16
Visual Arts	7	9
Heritage	6	13
Art Service Organizations (ASO)	<u>15</u>	<u>19</u>
Total	81	79

Each of the organizations included in this study was mailed a copy of the questionnaire found in the Appendix, as well as a diskette onto which they could record their budgetary information. This questionnaire was a refined version of the questionnaire used in the 1993 CCA study, and was also similar in format to the reporting forms now used by CCA and arts service organizations for grant application purposes. The organizations were asked to provide budget information for the calendar year 1997, or for their most recent budget year. Follow-up requests were made to key organizations as well as smaller organizations, with a total of 81 questionnaires being returned (a number almost identical to the 1993 CCA study that had 82 returned questionnaires), as indicated in Table I-1. Each organization was asked to provide (1) general information on their level of activity and attendance, (2) detailed information on operating income, (3) details related to employee expenses including administrative as well as artistic, professional, and technical employees, (4) disaggregate operating expense data, and (5) capital projects or building activity, and net asset or fund activity levels and changes.

The organizations responding to this survey constituted in each discipline the bulk of the economic activity within the discipline. Table I-2 documents estimates in column (1) of covered income (net of in-kind income), and estimated total income by discipline in column (2). The ratio of total to covered income is reported in the last column of Table I-2. This table indicates that our overall coverage was \$127.9 million of estimated total budgets of \$143.6 million, 88% of the total estimated budget level. The factor reported in the last column of Table I-2 was used to extrapolate survey results to estimated total levels for each discipline. Thus, in the case of theatre, we increased the survey totals by 5.8%, in preparing the expenditures, income, employment, and other organizational statistics reported in Chapters II and III of this study. The survey coverage obtained in the current study was 5% higher in the aggregate than in the 1993 CCA impact study, and it should be noted that the reporting of these budget data by the arts and cultural organizations in preprogrammed spreadsheets on diskettes supplied by CCA yielded returns with better arithmetic accuracy than was the case in the 1993 CCA impact study.

TABLE I-2 KING COUNTY CULTURAL ORGANIZATIONS BUDGET COVERAGE

<u>Discipline</u>	<u>(1) Covered Income</u>	<u>(2) Estimated Total Income</u>	<u>(2)/(1) Factor</u>
Dance	\$14,330,727	\$14,989,940	1.046
Theatre	51,525,641	54,514,129	1.058
Music	28,373,284	29,650,082	1.045
Visual	14,968,375	19,009,836	1.270
Heritage	12,624,252	17,421,468	1.380
ASO	<u>6,082,149</u>	<u>8,028,437</u>	1.320
Total	\$127,904,429	\$143,613,892	1.123

(1) COVERED INCOME = DIRECT INCOME AS REPORTED IN SURVEYS.

(2) ESTIMATED TOTAL INCOME = COVERED INCOME PLUS BUDGETS REPORTED BY ARTS SERVICE ORGANIZATIONS AND CCA.

Patron Survey

The patron survey was conducted via the intercept method within events for each discipline (except arts service organizations). People were approached at the performance, exhibition, or event, and asked to take a few minutes to fill out the survey form, which is included in the Appendix of this report. The surveys were undertaken at twenty different events, midweek and on weekends, in the daytime as well as the evening, over the Spring and early Summer of 1998. About 2,000 surveys were obtained from patrons at King County arts and cultural events, but some of these omitted critical information such as the number of people in the group or spending information. After careful analysis of the data contained in each questionnaire, 1,848 useful responses were obtained, and were used in the development of patron expenditure estimates. Although we did not pretest the questionnaire, it closely parallels in content the

questionnaire used in the 1993 CCA study. Ex-post analysis of the responses does not indicate design difficulties which should have been remedied by revisions of the survey instrument after pretests.

The questionnaire was designed to obtain data on (1) the number of patrons in the party being surveyed, (2) expenditures attributable to their trip, (3) open-ended information on their attitudes towards arts and heritage activities, (4) their participation in other arts and heritage activities, and (5) their origin location and reasons for their trip if it was not primarily to attend a cultural organization event. These data were aggregated by discipline, and by geographic region of origin, with per patron expenditure estimates derived from the sample data. These per patron expenditures were then multiplied by the estimated numbers of patrons – numbers developed from the organization survey – to estimate total patron expenditures.

The methodology used in this study to obtain patron expenditures information differs considerably from that used in the 1993 CCA impact study, although the content of the questionnaire is very similar to the earlier study. In the 1993 study we distributed about 10,000 questionnaires at arts and cultural organization events, and had about 10% of these returned by mail. In order to control for possible self-selection bias a second telephone survey was undertaken in the 1993 study. The telephone and mail survey did yield similar per patron expenditures estimates, reducing the concern over self-selection bias. However, in designing the current study we chose to further minimize the risk of self-selection bias by undertaking the survey via the intercept method.

Economic Impact Model

The data gathered from the patron survey and the survey of arts and cultural organizations were used as estimates of final demands with a version of the 1987 Washington State input-output model to obtain economic impact estimates (Chase, Bourque & Conway). The version of this model utilized in this study was developed by Conway and Beyers for purposes of evaluating the economic impacts of the Seattle Mariner's Baseball team, and has been used subsequently for a variety of economic impact analyses (Conway & Beyers). This model provides estimates of business activity levels (sales or output), labor income, and employment. From these results it is possible to also estimate tax revenue impacts.

In order to derive economic impact estimates with this model, the patron expenditures and arts organization expenditures are reclassified from the categories used in the questionnaires to the sectoring scheme and accounting framework used in the input-output model. Thus, patron expenditures on tickets are a part of the revenue stream of arts organizations; they would not be double-counted in undertaking the impact estimates. Some of the expenditures by both patrons and arts organizations are for goods and services not produced in King County or in the state of Washington; these expenditures are removed from the impact calculations. Only the net direct impacts enter the model, and

through its multiplier structure we obtain the estimated indirect and induced impact estimates. The model being used in the current study differs in several ways from that used in the 1993 CCA impact study. First, it is based on a more recent measurement of the interindustry structure of the state economy. Second, it has a somewhat higher degree of closure with regard to income (value added). However, the overall structure of the two models are similar.

II. ECONOMIC IMPACT OF CULTURAL ORGANIZATIONS IN KING COUNTY

"The arts are the way we celebrate the minutest and the grandest moments of life. They help to ensure that an individual's and a community's emotional and intellectual world is kept alive."

SOURCE: PATRON SURVEY

The economic impact of King County arts and heritage organizations, and their patrons, is estimated in this chapter. First, the sources of income to King County cultural organizations are described, and then we turn to documentation of their expenditures on goods, services, and labor. Next, the expenditures of patrons related to their attendance at King County arts and cultural organization events are described, followed by presentation of the results of the economic impacts stemming from the combination of patron and organization expenditures. At the end of the chapter there is a description of estimates of volunteer activity associated with King County cultural organizations.

Income of King County Cultural Organizations

King County cultural organizations obtain their income from a combination of earned and contributed sources. We first document the overall magnitude and composition of total income, and then focus separately on the structure of earned and contributed income.

(1) Total Income

Table II-1 documents estimated total income to arts and cultural organizations in each discipline, while Figures II-1, II-2, and II-3 present graphic representations of the income profile of King County arts organizations. It is estimated that these organizations had a total of \$143.6 million in income for the year 1997 (this tally is based on the latest budget year of the organizations included, which may not be the same as calendar year 1997). Table II-2 describes the sources of this income; across all disciplines some 62% of total income is earned income. However, this table indicates that the percentage of earned income varies considerably across disciplines, ranging from only 8% for arts service organizations (labeled A.S.O. in tables which follow), who are overwhelmingly dependent upon government for their income, to 78% in theatre. In the 1993 CCA impact study the share of earned income was 48% across all disciplines. The major shifts in the share of earned income were in the theatre and heritage categories. In the case of theatre, the box-office success of two organizations that were not included in the 1993 study and which present chiefly Broadway-style

shows has altered the economic landscape in this sector.² In the case of heritage, a major organization included in the current study did not participate in the 1993 CCA impact study. This organization has a strong earned income base, and inclusion of its income stream altered the income-source mix for this discipline in the present study.

TABLE II-1 TOTAL INCOME TO KING COUNTY CULTURAL ORGANIZATIONS (\$ IN MILLIONS)

<u>Income Category</u>	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Earned	\$9.6	\$42.7	\$14.7	\$10.5	\$10.7	\$0.7	\$88.8
Government	0.9	1.2	0.7	0.8	0.9	4.8	9.3
Individual	1.5	3.1	5.9	1.5	0.8	0.3	13.1
Corporate	1.3	2.2	1.9	1.0	0.6	0.8	7.7
Foundation	0.9	1.9	1.0	0.4	0.3	0.2	4.6
Benefits, In-kind,							
Assets Released	0.6	3.4	5.3	3.8	3.5	0.9	17.5
Misc. Income	<u>0.3</u>	<u>0.1</u>	<u>0.1</u>	<u>0.9</u>	<u>0.7</u>	<u>0.3</u>	<u>2.5</u>
Total	\$15.0	\$54.5	\$29.7	\$19.0	\$17.4	\$8.0	\$143.6
Discipline income as a % of total income	10%	38%	21%	13%	12%	6%	100%

Tables II-1 and II-2, and Figure II-1 indicate that private sector contributions provide the majority of the income other than earned income, amounting to some 29% of total income for all disciplines. Government income accounted for some 7% of total income, down from 15% in the 1993 CCA impact study. The relative importance of the disciplines in terms of total income is displayed in Figure II-2, and in Table II-1. Theatre accounted for some 38% of total income, up from 22% in the 1993 CCA impact study again reflecting in part the inclusion of the two theatres mentioned earlier. Music and dance together accounted for 31% in the present study, down from 43% in the 1993 CCA impact study. The visual arts and heritage organizations each accounted for about one-eighth of total income, while art service organizations accounted for 6% of total income. While there have been changes in the shares of total income accounted for by various disciplines over the five year interval between the 1993 CCA impact study and the present study, it should be noted that in constant dollars there has been growth in the income level in every discipline except arts service organizations, whose budgets have been stable. For arts service organizations which make grants, only the operating components of their budgets have been included. Their grants to cultural groups were reported by recipient arts organizations. This ensures those sums were not double counted.

² These are the Paramount and Fifth Avenue theatres. Paramount was not presenting at the time of the 1993 CCA impact study, and the Fifth Avenue theatre did not participate in the earlier study.

TABLE II-2 PERCENTAGE OF TOTAL INCOME BY DISCIPLINE AND TOTAL

<u>Income Category</u>	<u>Dance</u> (%)	<u>Theatre</u> (%)	<u>Music</u> (%)	<u>Visual</u> (%)	<u>Heritage</u> (%)	<u>A.S.O.</u> (%)	<u>Total</u> (%)
Earned	64	78	50	55	61	8	62
Government	6	2	2	4	5	60	7
Individuals	10	6	20	8	4	4	9
Corporate	8	4	6	5	3	10	5
Foundation	6	3	3	2	2	2	3
Benefits, In-kind, & Assets Released	4	6	18	20	20	12	12
Misc. Income	<u>2</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>4</u>	<u>3</u>	<u>2</u>
Total	100	100	100	100	100	100	100

FIGURE II-1 PERCENTAGE OF TOTAL INCOME BY SOURCE

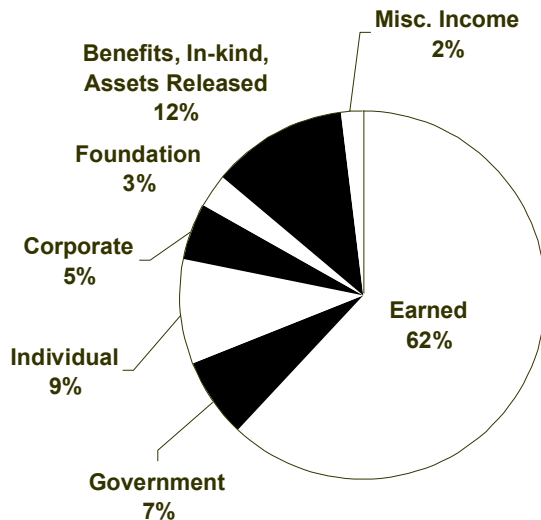


FIGURE II-2 PERCENTAGE OF TOTAL INCOME BY DISCIPLINE

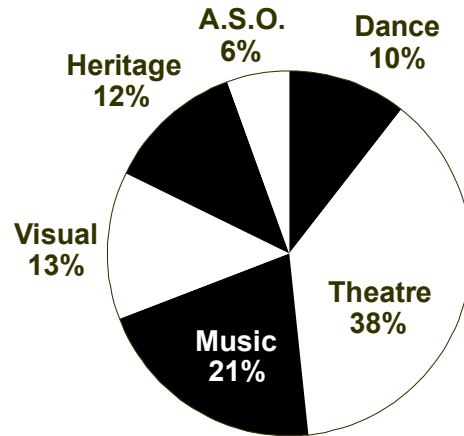
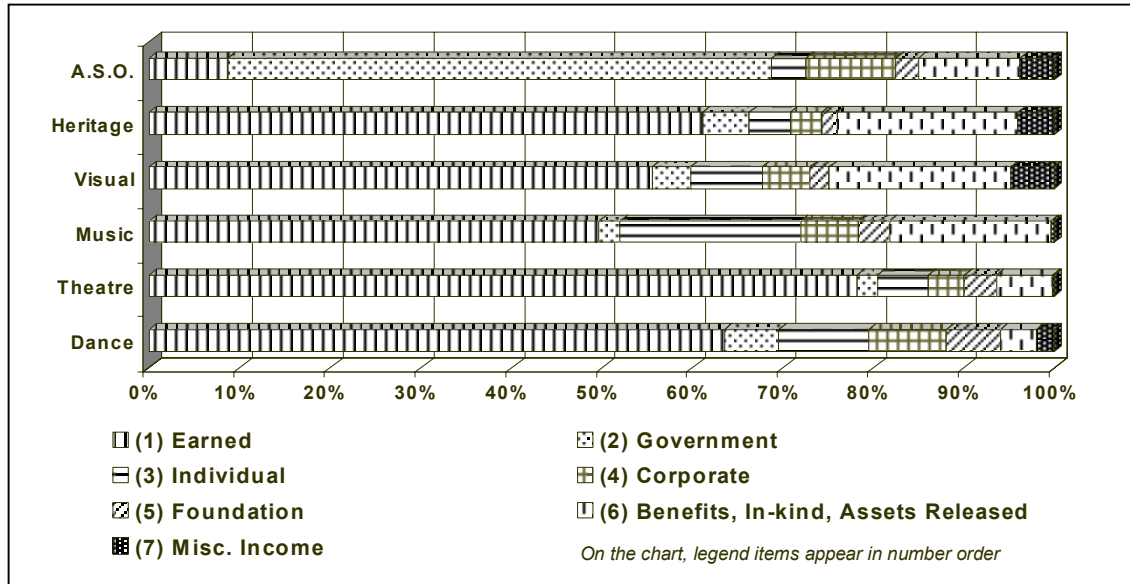


Figure II-3 and Table II-2 indicates the variation in the mix of income sources among disciplines. Government contributions are clearly of major importance to arts service organizations, but do not constitute a primary source of income for other disciplines, although the absolute magnitude of government income for disciplines except arts service organizations is over \$4 million. Individual donations play a relatively important role for musical organizations, which have in turn the lowest percentage of earned income among the presenting disciplines – or the greatest need for contributed income. Foundation income is relatively important for dance, while “other” (which includes benefits/galas/guilds, in-kind, and misc. contributions) is relatively important for music, visual, and heritage organizations. Each of these disciplines has a different pattern of income. There are also major differences in the sources of income received by individual organizations within the disciplines.

FIGURE II-3 PERCENTAGE OF TOTAL INCOME BY DISCIPLINE AND SOURCE



(2) *Earned Income*

The percentage composition of earned income is contained in Table II-3, and major differences are found among disciplines. The importance of season tickets for dance, theatre, and music are evident compared to the other disciplines. Visual arts organizations show strong interest income from endowments, while visual and heritage organizations derive significant income from retail and wholesale sales. Single ticket sales are important for all disciplines, especially for music, dance, and theatre. Art service organizations receive only about 10% of

TABLE II-3 PERCENTAGE COMPOSITION OF EARNED INCOME

<u>Income Category</u>	<u>Dance</u> (%)	<u>Theatre</u> (%)	<u>Music</u> (%)	<u>Visual</u> (%)	<u>Heritage</u> (%)	<u>A.S.O.</u> (%)	<u>Total</u> (%)
Membership Visits	0.0	0.0	0.1	11.4	1.1	4.4	4.3
Season Ticket Visits	26.7	33.6	42.3	1.0	3.7	1.5	19.2
Single Ticket/Admissions	53.3	57.5	33.2	23.1	29.5	26.8	50.1
Tuition/Workshops	12.4	2.1	8.4	9.8	0.7	16.1	5.1
Retail/Wholesale Sales	0.7	1.7	0.4	13.1	25.4	24.7	5.8
Other Earned Income	5.5	3.6	12.0	15.4	31.9	22.8	10.1
Interest	<u>1.4</u>	<u>1.5</u>	<u>3.4</u>	<u>26.1</u>	<u>7.7</u>	<u>3.7</u>	<u>5.5</u>
Total Earned Income	100.0	100.0	100.0	100.0	100.0	100.0	100.0

their income as earned income; thus the percentages in Table II-3 represent small levels of income in dollars.

(3) *Contributed Income*

Contributed income is derived from a variety of sources, including individuals, corporations, foundations, and in-kind contributions. By definition, contributed income excludes income from government sources. Table II-4 documents the mix of contributed income by discipline and in total; contributed income amounted to \$43 million in 1997. Individuals account for the largest single source (34%), followed by corporate giving (20%), benefits (14%), and foundations (12%). In-kind contributions are included as income – they also appear as expenditures on goods and services equal to their value in the expenditures data provided by arts and cultural organizations.

TABLE II-4 PERCENTAGE COMPOSITION OF CONTRIBUTED INCOME BY SOURCE
(EXCEPT GOVERNMENT)

<u>Income Category</u>	<u>Dance</u> (%)	<u>Theatre</u> (%)	<u>Music</u> (%)	<u>Visual</u> (%)	<u>Heritage</u> (%)	<u>A.S.O.</u> (%)	<u>Total</u> (%)
Individual	34	33	51	25	17	14	34%
CCA	6	6	6	7	1	1	5
Other Corporate Giving	21	17	11	10	13	34	15
PONCHO	3	5	1	3	0	1	3
Foundations	20	20	9	7	6	7	12
Other-benefits	5	10	14	23	15	18	14
Other-in kind	4	8	9	10	32	14	11
Other	<u>7</u>	<u>1</u>	<u>1</u>	<u>16</u>	<u>17</u>	<u>12</u>	6
Total	100	100	100	100	100	100	100%

While there are considerable differences in the mix of contributed income by discipline, individual contributions are important in all cases. The high value of corporate contributions for Art Service Organizations reflects the corporate income to CCA, which is in the ASO category. CCA giving is evenly spread as a share of contributed income among dance, theater, music, and visual arts, and currently accounts for a minor share of contributed income to heritage organizations and other arts service organizations. However, heritage organizations obtain relatively large levels of in-kind contributions. Dance and theatre are relatively successful in obtaining other corporate and foundation contributions, while music obtains a relatively large level of contributions from individuals, and visual arts obtain relatively large levels of contributions from benefits.

Arts and cultural organizations tallied up donations from over 53,000 individual contributors, as documented in Table II-5. These people gave over \$13 million, with the average donation being \$248. Some 13.5% of these donations were from outside King County. The number of individual

contributors increased by 41% over the level documented in the 1993 CCA impact study, while the average contribution per individual was almost identical (as measured in constant \$). The share of non-King county contributors rose from 9.5% to 13.5%, suggesting a growing patronage base outside King County. Growth in contributions and outside dollars has been strong in Music and Dance.

TABLE II-5 INDIVIDUAL CONTRIBUTIONS TO KING COUNTY CULTURAL ORGANIZATIONS

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Individual Contributions (\$ in millions)	\$1.5	\$3.1	\$5.9	\$1.5	\$0.8	\$0.3	\$13.1
Number of Contributors	5,295	12,845	22,136	3,608	6,330	2,860	53,075
\$/Contributor	\$289	\$241	\$268	\$416	\$121	\$112	\$248
% Outside King County	24.6%	7.8%	15.0%	7.0%	12.1%	22.8%	13.5%

Corporate contributions amounted to \$7.7 million in 1997 (including CCA), as described in Table II-6. The average level of corporate giving was much higher than for individuals, \$3,631 versus \$248. Slightly more than 10% of all corporate donations came from outside King County. Unlike individual contributions, corporate contributions have grown slowly since the 1993 CCA impact study. In constant dollars, CCA support has increased by 17%, while other corporate contributions have actually declined by 5.5%. While the number of corporate contributors almost doubled between 1992 and 1997, the average contribution declined from \$6200 to \$3600 (as measured in constant \$1997).

TABLE II-6 CORPORATE CONTRIBUTIONS TO KING COUNTY CULTURAL ORGANIZATIONS

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Corporate Contributions (\$ in millions)	\$1.3	\$2.2	\$1.9	\$1.0	\$0.6	\$0.8	\$7.7
Number of Contributors*	217	328	410	263	106	257	1,580
\$/Contributor*	\$4,455	\$4,846	\$3,069	\$2,190	\$5,257	\$3,084	\$3,631
% Outside King County	11.7%	17.1%	8.6%	3.1%	7.1%	9.5%	10.9%

* REFERS TO CORPORATE CONTRIBUTIONS EXCEPT CORPORATE COUNCIL FOR THE ARTS.

Contributions from private foundations are reported in Table II-7. This table indicates that private foundations provided \$4.6 million to King County

arts and cultural organizations, with the average contribution being \$13,878. Significantly, some 41% of these contributions came from outside King county. The average size of private foundation contributions remained the same in the current study, when compared to the 1993 CCA impact study (as measured in constant \$). However, the number of contributors increased by about 25%, thus in real terms private foundation donations have grown by this amount between 1992 and 1997. Major differences in the geographic source of these funds are evident in Table II-7, with theatre obtaining large levels of funding from nonlocal sources compared to other disciplines. Music relied on local private foundation donors almost exclusively.

TABLE II-7 PRIVATE FOUNDATION CONTRIBUTIONS TO KING COUNTY CULTURAL ORGANIZATIONS

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual Heritage</u>	<u>A.S.O.</u>	<u>Total</u>	
Private Foundation Contributions (\$ in millions)	\$0.9	\$1.9	\$1.0	\$0.4	\$0.3	\$0.2	\$4.6
Number of Contributors	56	103	76	36	39	24	334
\$/Contributor	\$15,987	\$18,245	\$13,123	\$11,921	\$6,864	\$6,949	\$13,878
% Outside King County	43.0%	68.4%	5.7%	20.5%	22.5%	9.7%	40.7%

The last category of contributed income discussed here is in-kind income; statistics for this income source are reported in Table II-8. In-kind contributions originate locally, with an average value of \$2,510. They provided almost as much support as private foundations, some \$4.3 million in 1997. Major variations in the reliance on in-kind donations have already been reported. Table II-8 documents the large range in the level of in-kind contributions per donor, with heritage organizations having very large average contributions, and dance just the opposite with small average values of contributions. It is difficult to

TABLE II-8 IN-KIND CONTRIBUTIONS TO KING COUNTY CULTURAL ORGANIZATIONS

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual Heritage</u>	<u>A.S.O.</u>	<u>Total</u>	
In-Kind Contributions (\$ in millions)	\$0.2	\$0.8	\$1.0	\$0.6	\$1.4	\$0.3	\$4.3
Number of Contributors	422	171	686	86	54	290	1,709
\$/Contributor	\$408	\$4,617	\$1,459	\$7,149	\$25,901	\$1,083	\$2,510
% Outside King County	0.0%	8.3%	0.0%	0.2%	1.4%	4.2%	2.3%

compare the level of in-kind contributions reported in the current study with the 1993 CCA impact study because heritage organizations did not report key statistics. However, the aggregate level of in-kind contributions appears to have doubled, when measured in constant dollars.

(4) *Government Income*

Government income levels were \$9.3 million in 1997, representing 7% of income to arts and cultural organizations in King County. Table II-9 documents the sources of this income by discipline, and it is evident that there are major differences in the reliance on the various levels of government by discipline. Arts Service Organizations who receive half of total government income are typically linked to local governments, and receive their funding from their parent governments. In contrast, the presenting disciplines rely to a greater (but varying) extent on the federal government. Cities and County government revenue sources provide funds that ensure that high quality arts experiences are accessible to the greatest number of people possible. Their funds also help support a wide range of arts education and other activities.

TABLE II-9 GOVERNMENT INCOME BY SOURCE (% OF GOVERNMENT INCOME)

<u>Income Category</u>	<u>Dance</u> (%)	<u>Theatre</u> (%)	<u>Music</u> (%)	<u>Visual</u> (%)	<u>Heritage</u> (%)	<u>A.S.O.</u> (%)	<u>Total</u> (%)
Federal	62	13	25	14	39	3	16
State	6	16	8	14	4	2	6
County	12	21	21	25	28	25	24
Cities	19	50	46	47	29	69	55
Total	100	100	100	100	100	100	100

(5) *Other Income*

The last category of income is that related to the release of assets from various funds, including restricted, unrestricted, and other special funds. Table II-10 summarizes income from this source, which amount to \$7 million in 1997, or about 4.9% of the operating budgets of King County arts and cultural organizations. Major variations in dependence upon this source of income are

TABLE II-10 OTHER INCOME

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Net Assets Released (\$ millions)	\$0.01	1.20	2.55	1.60	1.44	0.20	\$7.00
% Of Total Income	0.04%	2.20%	8.61%	8.43%	8.27%	2.46%	4.87%

evident in Table II-10, with Music, Visual Arts, and Heritage organizations receiving over 8% of their operating budgets from these sources. In contrast, dance did not rely on this source.

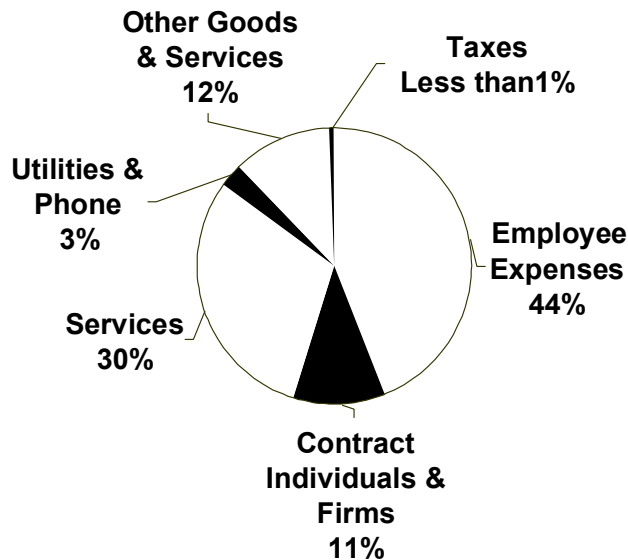
Expenditures of King County Cultural Organizations

The preceding section on income reported aggregate income of \$143.6 million in 1997 to arts and cultural organizations in King County. Let us now turn to how these organizations spent this income. Table II-11 provides an overview of these outlays, which totaled \$141.9 million, leaving a slight surplus of income over expenses across all the organizations covered in this study. These expenditures can be seen to be divided between employee expenses and operating expenses, with some 44% of expenditures being made in relation to employees, and 56% in relation to other costs (also see Figure II-4). Table II-11 further indicates that almost all of the employee expenses were incurred in King County, while a more substantial fraction of non-employee expenses were made outside King County. In the aggregate, 82% of total expenditures were made locally. The distribution of expenses between employees and other operating costs in this study is similar

TABLE II-11 AGGREGATE EXPENDITURES OF KING COUNTY CULTURAL ORGANIZATIONS

	<u>Total</u>	<u>King County</u>
Employee Expenses	\$62,445,283	\$60,277,749
Operating Expenses	<u>79,496,717</u>	<u>55,662,394</u>
Total	\$141,942,000	115,940,143

FIGURE II-4 AGGREGATE EXPENDITURES OF KING COUNTY CULTURAL ORGANIZATIONS



to that measured in the 1993 CCA impact study. In the 1993 CCA impact study some 48% of expenses were estimated to be related to employees, and 52% to other operating costs.

The mix of expenses by discipline varies from that reported in Table II-11, as documented in Table II-12. This table shows that most disciplines have a higher share of employee expenses than the average, and that theatre has a much lower share of employee expenses than the average. The 1993 CCA impact study measured a reverse relationship, with theatre exhibiting a higher than average employee expense percentage. The growth of two large theatre organizations which primarily present travelling shows has impacted the cost structure of the local theatre sector, as the labor costs for personnel travelling with these shows are considered within the operating expense category as contract workers, not as employees of the presenting organizations³. Outside this change in the theatre

TABLE II-12 EMPLOYEE AND OPERATING EXPENSES BY DISCIPLINE

<u>Discipline</u>	<u>Employee Expenses (%)</u>	<u>Operating Expenses (%)</u>	<u>Total (%)</u>
Dance	55	45	100
Theatre	36	64	100
Music	51	49	100
Visual	48	52	100
Heritage	41	59	100
A.S.O.	48	52	100
Total	44	56	100

discipline, it appears as though employee expenses as a share of total expenses have risen slightly. For example, they went from 45% to 48% in visual arts, and from 39% to 48% in Arts Service organizations.

(1) *Composition of Employee Expenses*

Employee expenses are divided into two broad categories of employment: those engaged in administrative occupations (including executive, clerical, marketing/promotion/publicity, fundraising, and other administrative occupations), and those employed as artistic/professional/or technical employees. The latter may be artistic/performing personnel, guest artists & lecturers, directors or designers, production or technical personnel, educational or instructional personnel, or other personnel. Table II-13 documents the relative importance of these two types of employees among disciplines and in total. In the aggregate 35% of employee expenses are associated with administrative employees, and 65% with artistic/professional/technical employees. The share of expenses for the two types of occupations is similar for the five presenting disciplines, and skewed in the direction of administrative employees in Arts

³ These organizations are the Paramount Theatre and Fifth Avenue Theatre.

Service Organizations, as would be expected. These results mirror the 1993 CCA impact study, which found 38% of employee expenses were related to administration, and 62% to artistic/professional/and technical employees.

TABLE II-13 COMPOSITION OF EMPLOYEE EXPENSES

<u>Expense Category</u>	<u>Dance</u> (%)	<u>Theatre</u> (%)	<u>Music</u> (%)	<u>Visual</u> (%)	<u>Heritage</u> (%)	<u>A.S.O.</u> (%)	<u>Total</u> (%)
Administrative Salaries, Wages & Benefits	24	35	26	44	42	62	35
Artistic/Professional /Technical Salaries, Wages, & Benefits	76	65	74	56	58	38	65
Total Salaries, Wages, Benefits	100	100	100	100	100	100	100

(2) *Operating Expenses*

Operating expenses include five broad categories: contract individuals and firms, services, utilities and postage, taxes, and “other goods and services.” Two levels of detail are reported here on operating expenses. First, in Table II-14 and Figure II-4, the share of operating expenses divided among the categories just described is presented. Then in Table II-15 detailed breakdowns are given of operating expense categories.

Across all disciplines the largest operating expense was for services (54%), followed by expenditures on contract individuals and firms, and for other goods and services (19% and 21% respectively). Utilities accounted for 5% of operating expenses, and taxes 1%. However, there are major differences in the shares of these operating expenses by discipline. Musical and arts service organizations incur much higher than average costs for contract individuals and firms, while visual and heritage organizations spend very little on this category. Dance and theatre have service costs well above average, while the other four disciplines experience lower than average service costs. Visual and heritage organizations have relatively high costs in the other goods and services category, which includes the costs of products they sell in their retail shops. The operating cost structure documented in Table II-14 is similar to that reported in the 1993 CCA impact study. That study found services to be 41% of operating costs, compared to 54% in the current study. The cost of contract individuals as a share of operating costs is lower in the current study (19%) than it was in the 1993 CCA impact study (29%).

TABLE II-14 OPERATING EXPENSES BY BROAD CATEGORY

<u>Expense Category</u>	<u>Dance</u> (%)	<u>Theatre</u> (%)	<u>Music</u> (%)	<u>Visual</u> (%)	<u>Heritage</u> (%)	<u>A.S.O.</u> (%)	<u>Total</u> (%)
Contract Individuals & Firms	16	17	42	3	4	51	19
Services	68	68	40	41	34	31	54
Utilities & Postage	4	4	4	10	6	5	5
Other Goods& Services	12	11	14	44	54	12	21
Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>
Total	100	100	100	100	100	100	100

Table II-15 presents a much more detailed picture of the composition of operating expenses of King County arts and cultural organizations. In the contract individual/firm category, the relatively high cost of those considered artistic/performers to theatre and dance are evident, while in music the largest share of these costs are for guest artists. The contracting by arts service organizations with artists for design/development work accounts for most of contract individual/firm costs. The relatively high Other Services cost within services purchases by theatre is related to the costs of events and productions (largely from outside the region). Marketing costs appear to be relatively high for dance organizations, and a minor cost for heritage and arts service organizations. Visual arts depend relatively heavily on the purchase of

TABLE II-15 OPERATING EXPENSES BY DETAILED CATEGORIES (% OF TOTAL OPERATING EXPENSE)

<u>Expense category</u>	<u>Dance</u> (%)	<u>Theatre</u> (%)	<u>Music</u> (%)	<u>Visual</u> (%)	<u>Heritage</u> (%)	<u>A.S.O.</u> (%)	<u>Total</u> (%)
<u>Contract Individuals or Firms</u>							
Artistic/Performing	10.6	10.9	5.0	0.9	0.3	38.6	8.5
Guest Artists/Lecturers	0.1	0.5	20.7	0.7	1.2	2.8	4.3
Director/Design	0.1	2.2	1.9	0.0	0.0	0.0	1.3
Production/Technical	2.0	1.4	0.9	0.0	1.0	4.5	1.3
Educational/Instructional	1.6	0.8	0.3	0.0	0.7	2.0	0.8
Other Personnel	<u>1.9</u>	<u>0.9</u>	<u>12.8</u>	<u>1.1</u>	<u>0.5</u>	<u>3.0</u>	<u>3.2</u>
Total Personnel	16.4	16.7	41.7	2.7	3.7	50.9	19.3

(CONTINUED ON NEXT PAGE)

* - LESS THAN .05%

TABLE II-15 (CONTINUED)

<u>Expense Category</u>	<u>Dance</u> (%)	<u>Theatre</u> (%)	<u>Music</u> (%)	<u>Visual</u> (%)	<u>Heritage</u> (%)	<u>A.S.O.</u> (%)	<u>Total</u> (%)
<u>Services</u>							
Marketing Expenses	18.7	8.4	9.3	5.2	2.4	3.7	8.0
Press and Public Relations	1.2	1.3	1.4	3.9	0.4	1.7	1.5
Photographic/ Art Services	0.6	0.3	2.8	0.6	0.3	1.9	0.9
Banking	1.6	0.8	0.5	1.5	0.8	0.1	0.9
Insurance	1.4	0.9	1.1	1.9	2.3	1.2	1.3
Professional Services	2.1	1.7	2.2	7.3	3.7	3.0	2.8
Janitorial/Protective	0.9	1.1	0.3	0.2	0.1	0.3	0.7
Transportation	2.1	1.2	2.5	2.9	1.2	1.5	1.7
Lodging	0.8	0.9	1.1	0.3	0.2	0.4	0.7
Food/Beverage Services	0.8	1.3	1.3	3.3	1.3	2.3	1.5
Set/costume/exhibit rental	0.2	1.9	2.0	0.5	0.5	*	1.4
Equipment Rental	0.2	0.4	0.7	0.6	1.3	0.8	0.6
Hall Rental	6.2	5.4	4.1	0.5	0.3	0.3	3.8
Office and Work Space Rental	4.9	2.3	5.0	6.4	10.1	6.0	4.7
Royalties	*	3.6	1.5	1.6	0.1	0.0	2.1
Other Services	<u>26.1</u>	<u>36.4</u>	<u>4.3</u>	<u>4.2</u>	<u>9.0</u>	<u>8.2</u>	<u>21.1</u>
Total Services	67.9	68.1	40.1	40.9	34.0	31.3	53.6
<u>Utilities & phone</u>							
Telephone	2.2	1.0	1.2	1.9	1.2	1.9	1.3
Postage	1.2	1.2	2.1	3.0	2.0	2.0	1.7
Other Utilities	<u>0.3</u>	<u>1.8</u>	<u>0.6</u>	<u>5.2</u>	<u>3.1</u>	<u>1.0</u>	<u>2.0</u>
Total utilities & phone	3.7	3.9	3.9	10.1	6.3	4.9	5.0
<u>Other goods & services</u>							
Printing of Programs, etc.	1.2	1.1	1.9	4.7	4.5	4.5	2.3
Exhibit/Set Materials	0.0	1.9	2.1	0.7	5.0	0.2	2.0
Production Materials	6.7	2.4	3.6	4.6	2.4	1.6	3.2
Supplies	1.6	1.2	1.6	8.4	2.6	1.6	2.4
Maintenance	1.8	0.9	1.1	4.9	4.6	0.7	2.0
Other Goods & Services	<u>0.5</u>	<u>3.3</u>	<u>3.8</u>	<u>20.7</u>	<u>34.7</u>	<u>3.1</u>	<u>9.4</u>
Total Other Goods & Services	11.8	10.8	14.2	44.0	53.8	11.6	21.2
<u>Taxes</u>							
Sales Tax	0.2	0.2	*	1.7	2.0	1.0	0.6
B&O Tax	0.0	*	*	0.1	*	*	*
Property Tax	0.0	0.2	*	0.3	0.1	*	0.1
Other Taxes	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.0</u>	<u>0.3</u>	<u>0.1</u>
Total Taxes	0.2	0.4	0.2	2.2	2.2	1.4	0.8
Total Operating Expenses	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* - LESS THAN .05%

professional services, while office and work space rental were relatively high costs for heritage organizations. Taxes other than those associated with employee expenses are a small fraction of total costs for all disciplines.

(3) *Assets and Capital Expenditures*

Arts and cultural organizations in King County receive a portion of their operating income from interest income, and from earnings from endowments or other assets. Table II-16 documents the magnitude of these sources of income, and describes their importance as a percentage of total operating income. Endowments of King County cultural organizations totaled \$59 million in 1997, with visual arts organizations accounting for the majority of these endowments. Interest income accounted for 3.1% of total operating income for all cultural organizations, ranging from less than 1% for dance and arts service organizations, to over 14% for visual arts. Assets released from endowments or other funds accounted for 4.7% of total operating income. The relative importance of these sources of operating income also varies considerably by discipline. Dance organizations had hardly any income from the release of assets, while these sources accounted for over 8% of the operating income of music, visual arts, and heritage organizations.

TABLE II-16 ENDOWMENTS, INTEREST INCOME, AND ASSETS RELEASED (\$ MILLIONS)

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Endowments	\$1.33	\$1.64	\$15.26	\$32.59	\$5.15	\$3.13	\$59.09
Total Operating Income	14.33	51.53	28.37	14.97	12.62	6.08	127.90
Interest	0.13	0.60	0.48	2.17	0.59	0.02	3.98
Net Assets Released	0.01	1.13	2.44	1.26	1.04	0.15	6.04
Interest % of Total Income	0.91%	1.16%	1.69%	14.47%	4.69%	0.31%	3.11%
Assets Released as % of Total Income	0.04%	2.20%	8.61%	8.43%	8.27%	2.46%	4.72%

NOTE: INCLUDES DATA ONLY FOR ORGANIZATIONS RESPONDING TO SURVEY QUESTIONNAIRE.

Cultural organizations invest in new facilities as well as need to make capital investments in existing facilities in order to maintain their capital stock in order to present programs to their patrons. Respondents to the organizational survey were asked to report levels of capital or building activity since 1990. Using these responses, plus other information gathered by CCA on capital activities, it is estimated that capital expenditures total \$448 million over the

1990-1997 time period. Foundations, individuals, governments and corporations provided the income for capital projects; capital expenditures were primarily for

TABLE II-17 KING COUNTY CAPITAL EXPENDITURES BY DISCIPLINE (\$ MILLIONS)

Dance	\$14.9
Theatre	98.0
Music	119.9
Visual Arts	108.6
Heritage	106.1
Arts Service Organizations	<u>0.1</u>
Total	\$447.6

construction, but capital campaigns, design services, and other non-construction costs were also important categories of expenditures in relation to capital investments.

Employment in Cultural Organizations

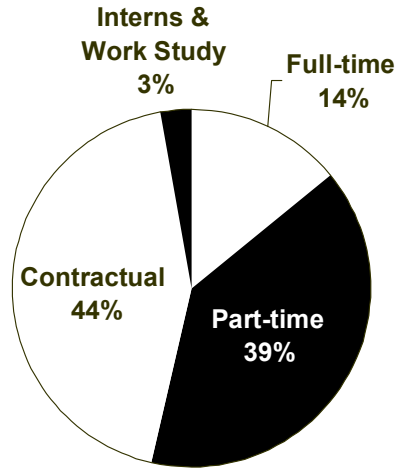
Arts and cultural organizations in King County employ a combination of full time, part time, contractual, intern & work study workers, and also have a considerable number of volunteers. Details regarding the structure of employment is presented in Tables II-18 through II-24.

Table II-18 and Figure II-5 summarizes the employment profile of King County arts and cultural organizations. An estimated headcount of 9,587 people gained some form of employment, with the bulk of these being part-time or contractual employees in every discipline. The largest number of people work in theatre – a little less than half of the headcount of employees in all disciplines.

TABLE II-18 EMPLOYMENT STATUS

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Full-time	223	394	235	254	184	57	1,347
Part-time	104	2,441	463	581	120	77	3,786
Contractual	379	1,681	1,153	5	243	718	4,178
Interns & Work Study	16	114	29	81	26	11	276
Total	722	4,629	1,880	921	573	862	9,587
# Personnel Under Contracts	120	1,052	37	0	0	0	1,209

FIGURE II-5 EMPLOYMENT STATUS



The current study approached the measurement of employment in a different manner than the 1993 CCA impact study, making direct comparisons not possible for part-time or contractual employment. However, the proportions of full time and part-time plus contractual are similar in the two studies, rising from 78% of total employment in the 1993 CCA impact study to 83% of total employment in the current study. Full time employment declined from 17.7% to 14% of total employment, with the balance accounted for by interns and work study employees.

Tables II-19 through II-24 document the occupational composition of the work force described in summary form in Table II-18. These tables distinguish between administrative and artistic/professional/technical employees. Table II-19 is a description of full-time employees, where 40% of the jobs are administrative, and 60% are artistic/professional/technical. Within the administrative category, the full time jobs are split relatively evenly among the occupational categories, while the majority of the artistic/professional/technical jobs fall into the artistic/performing and production/technical categories.

TABLE II-19 FULL TIME EMPLOYMENT IN CULTURAL ORGANIZATIONS

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
<u>Administrative</u>						
Executive	20	27	14	19	18	118
Clerical	4	40	22	19	14	107
Marketing/Promotion/ Publicity	7	43	29	33	17	131
Fundraising	13	22	25	32	11	107
Other Administrative	<u>17</u>	<u>22</u>	<u>15</u>	<u>14</u>	<u>17</u>	<u>89</u>
Total Administrative	61	155	105	117	76	552
<u>Artistic/Professional/ Technical</u>						
Artistic/Performing	131	118	103	28	7	388
Guest Artists/Lecturers	0	0	0	0	0	0
Director/Design	0	6	1	3	7	17
Production/Technical	15	69	22	90	14	216
Education/Instructional	17	19	4	15	25	80
Other Personnel	<u>0</u>	<u>26</u>	<u>0</u>	<u>1</u>	<u>55</u>	<u>94</u>
Total A/P/T	162	239	131	137	108	795
Total Jobs	223	394	235	254	184	1347

The part-time employment documented in Table II-20 is overwhelmingly artistic/professional/technical employment. Only 18% of the part-time employees are administrative, and few of these are associated with executive or clerical functions. Most were engaged in fundraising, marketing/promotion/publicity, or other administrative functions. With regard to the part-time employment, almost two-thirds of it is associated with theatre, dominated by production/technical and artistic/performing employees. Music and visual arts account for the majority of the balance of part-time employees, primarily in artistic/professional/technical occupations.

Table II-21 describes the composition of contract employment, the largest number of employees of artistic and cultural organizations, as measured by headcount. Employment in the category is largest in theatre and music, although arts service organizations employed a number of artistic/performing employees in this category (many of these are related to programs presented in local communities by arts service organizations). Visual arts organizations have hardly any contract employment. Half of contract employees are in the artistic/performing occupations, followed by the 20% who are guest artists, predominately in theatres.

TABLE II-20 PART TIME EMPLOYMENT

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
<u>Administrative</u>						
Executive	31	6	2	3	3	51
Clerical	9	40	6	24	0	77
Marketing/Promotion/ Publicity	1	132	30	50	3	218
Fundraising	7	69	6	10	7	102
Other Administrative	<u>3</u>	<u>178</u>	<u>1</u>	<u>6</u>	<u>6</u>	<u>219</u>
Total Administrative	52	425	46	93	18	677
<u>Artistic/Professional/ Technical</u>						
Artistic/Performing	14	610	226	42	1	895
Guest Artists/Lecturers	0	2	0	0	0	2
Director/Design	0	44	4	0	1	50
Production/Technical	21	1,191	168	124	8	1,529
Education/Instructional	18	27	17	169	57	287
Other Personnel	<u>0</u>	<u>141</u>	<u>2</u>	<u>154</u>	<u>35</u>	<u>346</u>
Total A/P/T	52	2,016	417	488	102	3,109
Total Jobs	104	2,441	463	581	120	3,786

TABLE II-21 CONTRACT EMPLOYMENT - HEADCOUNT

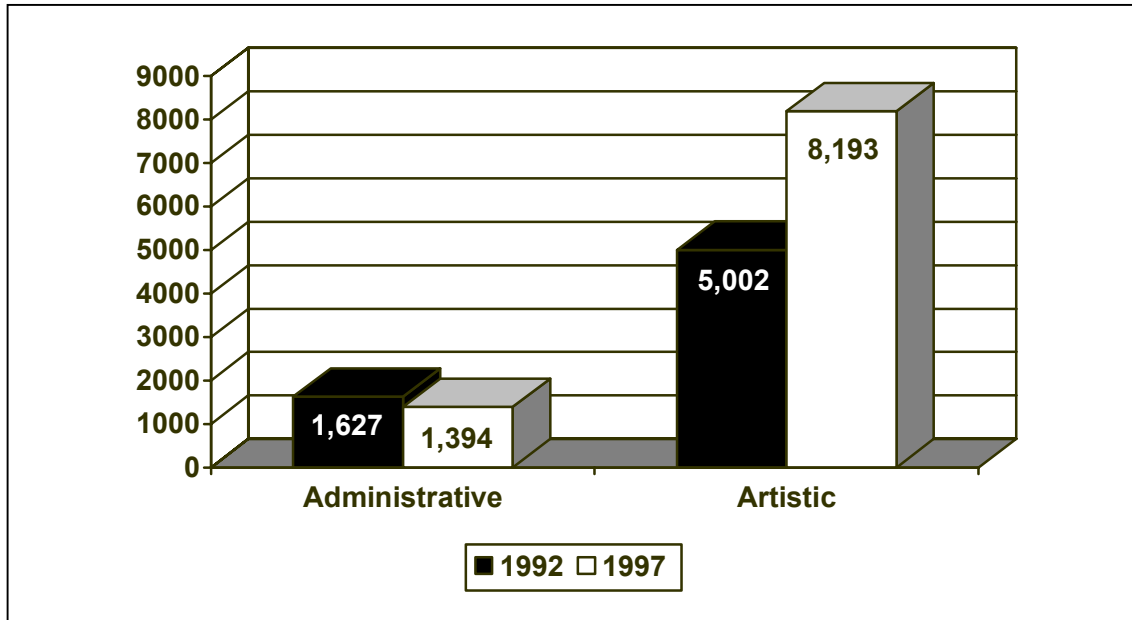
	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Artistic/Performing	314	350	840	0	68	2,162
Guest Artists/Lecturers	8	687	46	0	55	842
Director/Design	7	202	42	0	0	251
Production/Technical	18	191	120	0	51	408
Education/Instructional	21	168	93	0	51	374
Other Personnel	<u>10</u>	<u>82</u>	<u>11</u>	<u>5</u>	<u>18</u>	<u>140</u>
Total	379	1,681	1,153	5	243	4,178

The total number of people employed in arts and cultural organizations by occupational category is presented in Table II-22. This table brings together the employment counted in Tables II-19, II-20, and II-21, and also includes the occupations of those employed as interns or in work study positions. The employment totals in Table II-18 correspond to those found in Table II-22. Across all disciplines, some 85% of employment in arts and cultural organizations in King County is in artistic, professional, and technical

TABLE II-22 TOTAL EMPLOYMENT INCLUDING FULL AND PART-TIME, CONTRACTUAL, AND INTERNS/WORK STUDY WORKERS

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual Heritage</u>	<u>ASO</u>	<u>Total</u>
<u>Administrative</u>						
Executive	53	36	17	22	21	181
Clerical	16	83	31	58	14	218
Marketing/Promotion/ Publicity	13	213	64	89	25	407
Fundraising	22	93	36	42	19	219
Other Administrative	<u>22</u>	<u>201</u>	<u>31</u>	<u>58</u>	<u>22</u>	<u>368</u>
Total Administrative	127	627	178	269	101	1,394
<u>Artistic/Professional/ Technical</u>						
Artistic/Performing	460	1,104	1,169	70	79	3,475
Guest Artists/Lecturers	8	689	46	0	55	845
Director/Design	7	258	47	3	11	326
Production/Technical	53	1,456	310	214	76	2,161
Education/Instructional	55	238	115	206	139	795
Other Personnel	<u>10</u>	<u>257</u>	<u>14</u>	<u>160</u>	<u>112</u>	<u>592</u>
Total A/P/T	595	4,002	1,701	652	472	8,193
Total Jobs	722	4,629	1,880	921	573	9,587

FIGURE II-6 EMPLOYMENT CATEGORIES COMPARED, 1992 TO 1997



occupations, while 15% is in administrative occupations. This proportion differs somewhat from the 1993 CCA impact study, as illustrated in Figure II-6. The

1993 CCA impact study estimated administrative employment to be 25% of total employment. Within the artistic, professional, and technical occupations, the bulk of employment is associated with the artistic/performing and guest artist/lecturer categories (totaling 53%); in the 1993 CCA impact study these categories accounted for 58% of jobs of this type. The share of jobs in the other artistic/professional/technical occupations is also similar in the current and the 1993 CCA impact study. The mix of administrative versus artistic/professional/technical employment varies across discipline, and the composition of employment within these two broad categories also varies by discipline. Visual arts organizations have a relatively large proportion of employment in administrative occupations, while musical organizations have relative few administrative staff. Theatre relies on a relatively large number of production/technical and guest artist staff, while music and arts service organizations have strong reliance on artistic/performing staff.

The organizations participating in this study provided an estimate of full time equivalent number of employees for their part-time labor force. They were also asked to provide an estimate of the full time equivalent employment for their contract employees. However, responses were incomplete on these questions, especially with regard to contract employees. Table II-23 presents estimates of the full-time equivalent number of part-time workers. The estimate in this table is certainly an underestimate of the number of full-time equivalent workers, but it is not possible to identify the magnitude of this undercount with precision. Table II-23 measures 944 full-time equivalent workers for the 3,786 part-time workers reported in Table II-18. A conservative estimate would place the full time equivalent at about 1,000, with larger numbers in dance and music where the most serious gaps appeared in the data provided by arts and cultural organizations. Accepting the data in Table II-23 as better than no estimates at all, we can see that the level of full-time equivalent administrative employees is about half (actually 55%) of the count of part time administrative employees. In contrast, the full time equivalent count of artistic/professional/technical employment is only about 20% the headcount of part-time employment.

TABLE II-23 FULL TIME EQUIVALENT NUMBER OF PART-TIME EMPLOYEES

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
<u>Administrative</u>						
Executive	1	5	0	2	0	10
Clerical	1	12	106	107	0	228
Marketing/Promotion/ Publicity	1	47	11	17	11	86
Fundraising	1	8	1	4	3	17
Other Administrative	<u>1</u>	<u>23</u>	<u>0</u>	<u>7</u>	<u>2</u>	<u>35</u>
Total Administrative	4	95	118	135	16	376
<u>Artistic/Professional/ Technical</u>						
Artistic/Performing	3	76	20	7	1	107
Guest Artists/Lecturers	0	0	0	0	0	0
Director/Design	0	4	1	0	1	7
Production/Technical	0	260	53	33	4	356
Education/Instructional	0	10	2	19	34	65
Other Personnel	<u>0</u>	<u>21</u>	<u>0</u>	<u>2</u>	<u>8</u>	<u>33</u>
Total A/P/T	3	373	76	61	47	568
Total FTE - PT	7	468	195	196	63	944

Expenditures of Patrons

People attending arts and cultural organizations incur costs related to their visits which go beyond the direct costs for tickets or admissions. They have travel costs, costs for food, in some cases lodging costs, and other outlays that they attribute to their visit or attendance. Table II-24 identifies the average expenditures per patron based upon the survey of patrons conducted as a part of this study. There are major differences in the aggregate expenditures per patron for dance, theatre, and music events than is the case for attendance at visual, heritage, or events sponsored by arts service organizations. The single largest factor explaining these differences is the cost of tickets/admission. Some costs are relatively similar across disciplines, such as food and beverages at the event, and bus/ferry/taxi costs. However, visitors to visual arts and heritage organizations report spending much less on food and beverages before or after the event than those attending events in the other disciplines—but at the same time their auto and air travel costs are much higher than average. Visual arts patrons report relatively high lodging/accommodation costs, while visual arts and heritage patrons have relatively high expenditures on souvenirs and gifts.

TABLE II-24 PER CAPITA PATRON EXPENDITURES

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Tickets/Admissions	\$37.39	\$28.10	\$33.04	\$3.95	\$5.42	\$0.50	\$18.32
Parking Fees	2.77	1.24	2.16	1.10	0.53	1.56	1.23
Bus/Ferry/Taxi Costs	0.40	0.56	0.49	1.47	0.51	0.69	0.65
Auto Travel Costs	3.20	2.03	2.52	3.91	4.95	3.32	3.29
Food/Beverages Before Or After Event	13.28	9.89	10.31	4.99	4.07	8.51	7.82
Food/Beverages At Event	1.99	1.75	1.96	1.82	1.43	1.79	1.71
Entertainment	0.59	0.58	0.47	1.95	1.59	1.04	1.05
Souvenirs & Gifts	2.13	0.45	1.06	3.18	3.91	2.15	2.03
Lodging/Accommodation Costs	1.34	1.98	2.39	5.33	2.89	2.79	2.70
Air Travel Costs	0.00	1.90	1.02	7.67	6.22	3.36	3.70
Child Care	0.71	0.43	0.70	0.02	0.06	0.38	0.32
Other	<u>0.03</u>	<u>0.26</u>	<u>0.81</u>	<u>0.11</u>	<u>0.19</u>	<u>0.28</u>	<u>0.26</u>
Total	\$63.85	\$49.17	\$56.91	\$35.50	\$31.75	\$26.36	\$43.07

The survey of organizations documented a number of community events sponsored by arts service organizations, which were similar in character to events produced by dance, theatre, music, visual arts, and heritage organizations. These events were typically free or had a nominal admission fee. The survey of patrons did not extend to events of this type. Rather than ignoring the patron spending associated with attendance at events of these organizations, a simulation was developed of patron spending. This was done by estimating from the arts service organizations reports the number of patrons, and calculating across the five disciplines for which we had patron spending data an average expenditure per patron. The result of this estimation process is contained in the last column of Table II-24.

There are differences in patron spending related to the region of origin of the patrons. These differences and other details related to the patron survey will be discussed in Chapter III.

Patron spending levels per capita appear to be considerably higher in the survey undertaken for this study, when compared to the 1993 CCA impact study in constant dollars. This difference is consistent across disciplines, and is reflected in tickets/admissions as well as in other expenditures (except for visual arts where the current study indicates a lower average ticket cost than in the 1993 CCA impact study). Further discussion of this issue will be taken up in Chapter III.

The per patron expenditures estimated in Table II-24 were used with the estimate of net attendance found in Table II-25 to estimate aggregate patron spending, which is reported in Table II-26. The levels of attendance were

estimated from the survey of organizations. It was reasoned that discounted student attendance would not be subject to the same pattern of spending as was measured through the survey of patrons. Although it is likely that students attending various events did in fact make expenditures in relation to their trip, we have no measures of these expenditures. Therefore, the net attendance figures in Table II-25 were used to calculate the spending estimates reported in Table II-26.

TABLE II-25 NUMBER OF PATRONS

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Total Attendance	369,890	1,757,995	525,702	738,336	1,488,943	265,529	5,146,394
Discounted Student Tickets	<u>58,677</u>	<u>52,384</u>	<u>29,770</u>	<u>136,533</u>	<u>113,091</u>	<u>3,741</u>	<u>394,196</u>
Net Attendance	311,212	1,705,611	495,932	601,803	1,375,853	261,788	4,752,198

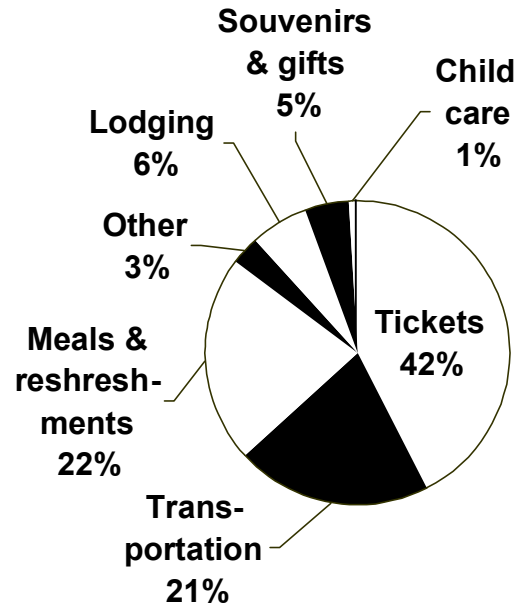
The 4.8 million patrons attending arts and cultural events in King County in 1997 are estimated to have spent just over \$200 million, with the largest share of these costs being for tickets or admission, as illustrated in Figure II-7. Other major outlays are on food and beverages (\$45 million), travel costs (\$37 million), and lodging (\$13 million). This level of patron spending is double that measured in the 1993 CCA impact study, when compared in constant dollars. There are

TABLE II-26 ESTIMATED TOTAL PATRON EXPENDITURES (\$ MILLIONS)

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Tickets/Admissions	\$11.6	\$47.9	\$16.3	\$2.4	\$7.5	\$0.1	\$85.9
Parking Fees	0.9	2.1	1.1	0.7	0.7	0.4	5.8
Bus/Ferry/Taxi Costs	0.1	1.0	0.2	0.9	0.7	0.2	3.1
Auto Travel Costs	1.0	3.5	1.2	2.4	6.8	0.9	15.7
Food/Beverages Before Or After Event	4.1	16.9	5.1	3.0	5.6	2.2	36.9
Food/Beverages At Event	0.6	3.0	1.0	1.1	2.0	0.5	8.1
Entertainment	0.2	1.0	0.2	1.2	2.2	0.3	5.0
Souvenirs & Gifts	0.7	0.8	0.5	1.9	5.4	0.6	9.8
Lodging/Accommodation Costs	0.4	3.4	1.2	3.2	4.0	0.7	12.9
Air Travel Costs	0.0	3.2	0.5	4.6	8.6	0.9	17.8
Child Care	0.2	0.7	0.3	0.0	0.1	0.1	1.5
Other	<u>0.0</u>	<u>0.4</u>	<u>0.4</u>	<u>0.1</u>	<u>0.3</u>	<u>0.1</u>	<u>1.2</u>
Total	\$19.9	\$83.9	\$28.1	\$21.4	\$43.7	\$6.9	\$203.8

two compounding reasons for this major increase: (1) an increase of 33% in the number of patrons, and (2) an increase in per patron expenditures (as measured in constant \$) of 50%. Taken together these two factors explain the strong increase in patron outlays. In the 1993 CCA study tickets/admissions accounted for 51% of patron outlays, while in the current study this figure has fallen to 42%.

FIGURE II-7 PATRON EXPENDITURES BY CATEGORY



Economic Impact of Cultural Organizations and Their Patrons

The expenditure data for arts and heritage organizations and their patrons were used with the economic model described briefly in Chapter I to estimate direct, indirect, and induced economic impacts in Washington state, King county, and in the City of Seattle. The nature of this impact model is discussed in greater detail in the appendix. The model utilizes the data in tables documenting employee expenses, operating expenses, and patron outlays to develop these impact estimates. The categories of expenditures reported in the preceding tables were reclassified into the sectoring plan used in the input-output model (listed in Table II-28), and converted to conventions used in input-output models. For example, a purchase by a patron of a gift or souvenir in a retail store is decomposed into retail margins, transportation costs, and the producer's price for the manufacture of the gift or souvenir commodities. Estimates of the magnitude of margins were obtained from the U.S. Bureau of Economic Analysis, based upon the national input-output table. Allowances were made in

this process for imports of goods and services not produced in Washington State or King County.

The economic impact model is based upon the structure of the Washington State economy. It first estimates impacts on the state economy, and then these are scaled down to produce impact estimates at the King County and City of Seattle geographic scale. The logic of this scaling is as follows. Many types of industrial activity that are found in the Washington economy are not located in King County, such as petroleum refining. Purchases of this type should not enter into the estimate of impacts upon the King County economy. Moreover, there are industries found in King County, but with a lesser economic concentration than in the larger state economy, such that part of the supply of their products or services will likely be supplied from producers located outside King County. A similar logic applies to the estimate of impacts upon the Seattle economy. The model utilized in these impact analyses has the same logic and scaling procedure as used in the 1993 CCA impact study, to allow comparison of results between the two studies.

Two estimates of economic impact are provided. The first is an aggregate estimate, based upon the overall spending of arts and heritage organizations and their patrons. It is recognized that much of this is spending related to local arts and heritage organization patrons disposing of their income on presentations and events mounted by these organizations. The second perspective is referred to as “new money” impacts. This more limited perspective traces the impacts of monies that come from other regions and create impacts within the local economy. The new money measures document the impacts that are linked to the role of cultural organizations in the region’s economic-base.

(1) *Aggregate Impacts*

The aggregate impact of arts and heritage organizations on the Washington, King County, and Seattle economies is summarized in Table II-27. This table provides four measures of impact: output or the total value of sales by industries, employment, labor income, and taxes. Output impacts in the Washington economy are found to be slightly over one half billion dollars, while labor income is almost \$229 million, and some 15,016 jobs are created. At the King County level, the model yields an estimate of \$338 million in output, \$171 million in labor income, and 12,839 jobs. At the level of the City of Seattle, we find some 11,708 jobs created, the volume of business sales is \$267 million, and some \$142 million in labor income created.

Arts and heritage organizations incur taxes to local governments as well as Washington State. Their tax burden is primarily related to labor costs, as they pay only modest business and occupations tax in Washington State, and only a small share of their purchases were estimated to be subject to sales taxes (\$0.5 million).

TABLE II-27 SUMMARY OF WASHINGTON, KING COUNTY, AND SEATTLE IMPACTS

<u>Total Impact</u>	<u>Washington</u>	<u>King County</u>	<u>Seattle</u>
<u>Output (Mils. \$97)</u>	\$506.634	\$338.223	\$266.930
Manufacturing	53.151	15.570	10.259
Nonmanufacturing	453.483	322.653	256.671
Wholesale and Retail Trade	64.592	31.365	15.147
Services	277.262	234.078	207.829
Other	111.629	57.210	33.694
<u>Employment</u>	15,016	12,839	11,708
Manufacturing	241	101	65
Nonmanufacturing	14,775	12,737	11,644
Wholesale and Retail Trade	1,169	568	274
Services	12,504	11,632	11,043
Other	1,102	537	326
<u>Labor Income (Mils. \$97)</u>	\$228.956	\$170.777	\$142.257
Manufacturing	8.588	3.408	2.141
Nonmanufacturing	220.369	167.369	140.116
Wholesale and Retail Trade	26.369	12.804	6.184
Services	158.342	136.796	123.160
Other	35.657	17.768	10.772
<u>Taxes (Mils. \$97)</u>			
Sales Tax	\$17.5	\$<3.1>	
B&O Tax	2.3	<1.1>	

Patron spending does include sales taxes on certain categories of expenditures, and directly and indirectly patron spending generates taxes such as the B&O tax and sales taxes. Table II-27 includes estimates of tax revenue to the State of Washington for sales and B&O taxes, some \$17.5 and \$2.3 million, respectively. These estimates derive primarily from the indirect and induced impacts of industry sales for calculation of the B&O tax, and largely from sales tax collections related to the spending of labor income estimated in Table II-27. There are other types of tax revenue impact, including property, motor vehicle excise, and gasoline taxes, but these tax impacts are not estimated in this study. Local sales tax collections are estimated to be an additional \$3.1 million, while local B&O tax collections are estimated to be \$1.1 million.

More detailed information on economic impacts in King County are presented in Table II-28. This table decomposes the detailed estimates found in Table II-27, providing an estimate of impacts on the individual industries in the input-output models. As was the case in the summary information found in Table II-27, the impacts are by far the strongest in various service industries.

TABLE II-28 TOTAL KING COUNTY IMPACT (\$97)

<u>Sector</u>	<u>Output</u> (Mils. \$97)	<u>Employment</u>	<u>Labor Income</u> (Mils. \$97)
1 Agriculture	\$0.115	2	\$0.049
2 Forestry and Fishing	0.458	3	0.086
3 Mining	0.069	1	0.017
4 Food Products	7.110	28	0.907
5 Apparel	0.154	3	0.051
6 Wood Products	0.366	2	0.074
7 Paper Products	0.504	2	0.092
8 Printing	4.067	41	1.312
9 Chemical Products	0.392	2	0.108
10 Petroleum	0.307	0	0.012
11 Stone, Clay, and Glass	0.486	5	0.142
12 Primary Metals	0.037	0	0.007
13 Fabricated Metals	0.553	4	0.154
14 Non-electrical Machinery	0.149	2	0.072
15 Electrical Machinery	0.083	1	0.037
16 Aerospace	0.085	0	0.025
17 Ship and Boat Building	0.121	1	0.051
18 Other Transportation Equipment	0.067	0	0.020
19 Other Manufacturing	1.089	10	0.345
20 Construction	8.354	73	2.576
21 Transport Services	14.264	171	6.649
22 Communications	6.085	47	2.468
23 Utilities	8.264	27	1.458
24 Wholesale and Retail Trade	31.365	568	12.804
25 Finance, Insurance, and Real Estate	19.602	213	4.465
26 Business Services	43.291	929	22.047
27 Health Services	11.143	152	4.891
28 Other Services	<u>179.645</u>	<u>10,551</u>	<u>109.858</u>
Total	\$338.223	12,839	\$170.777

The growth in the aggregate impacts of cultural organizations is documented in Table II-29 and Figure II-8. This table reports strong growth in each measure of impact, while Figure II-8 provides a comparison on Washington State impacts on sales (output) and labor income, as measured in constant \$1997. The growth in the measures of impact is a result of several interdependent factors. First, the number of patrons has increased by 33%, as documented in Table III-3. Second, the spending in real dollars by patrons has also risen relative to the budgets of arts and heritage organizations, causing overall economic impacts to outpace the expansion in patronage levels. These data make it clear that there has been rapid growth in the economic impacts of arts and heritage organizations located in King County over the past five years. One way of visualizing the magnitude of this growth is provided by comparing population and employment growth statistics with the employment impacts, as described in

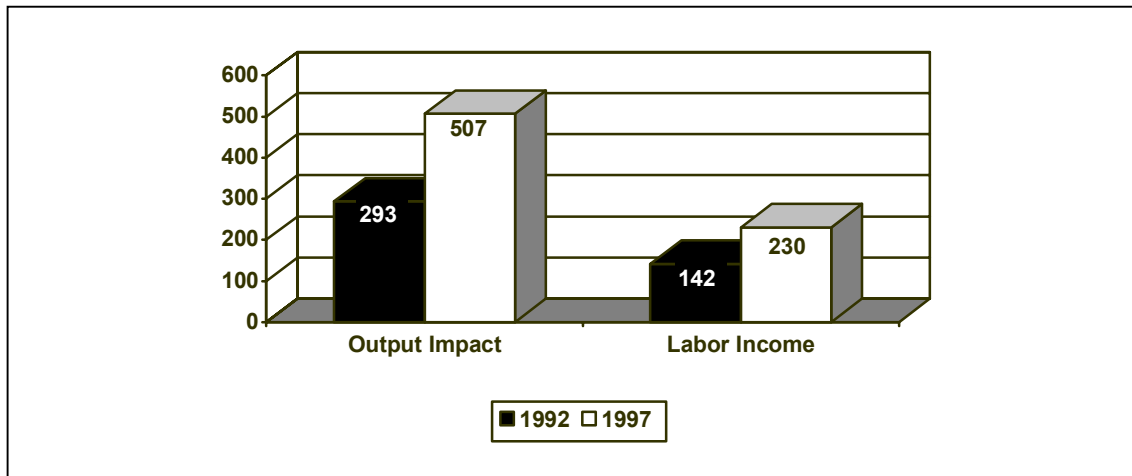
Table II-29. The background measures show much lower levels of expansion than the employment impact estimates for arts and heritage organizations.

TABLE II-29 CHANGE IN IMPACT MEASURES - CULTURAL ORGANIZATIONS - 1992-1997

	<u>Washington State</u>	<u>King County</u>	<u>Seattle</u>
	(%)	(%)	(%)
Output (constant \$)	73	62	53
Employment	48	45	43
Labor Income (constant \$)	62	54	50
<u>Background measures</u>			
Population	9	5.5	2.8
Employment	15	17	NA

SOURCES FOR BACKGROUND MEASURES: WASHINGTON STATE DEPARTMENT OF EMPLOYMENT SECURITY AND WASHINGTON STATE OFFICE OF FINANCIAL MANAGEMENT.

FIGURE II-8 AGGREGATE IMPACTS IN WASHINGTON STATE COMPARED, 1992 TO 1997



(2) *New Money Impacts*

As discussed earlier in this section, an alternative view of economic impacts to the aggregate impact estimate just presented is the “new money” impacts perspective. These are impacts stemming from spending by patrons and income to arts and heritage organizations that originates outside King County. These are funds that flow into the county as “export” income, creating jobs that would not otherwise exist in the local economy. The sources of new money are identified in Table II-30. Approximately 20% of all revenue to cultural organizations is new money, while about 44% of patron spending is estimated to be new money.

TABLE II-30 NEW MONEY SOURCES

<u>Cultural Organization Income</u>	<u>Outside King County (%)</u>
Dance	22.3
Theatre	23.1
Music	15.8
Visual Arts	18.0
Heritage Organizations	26.7
A.S.O.	6.1
Total - All Disciplines	20.3
<u>Income Category:</u>	<u>(\$ millions)</u>
Earned Income	\$22.3
Government Income	1.5
Contributed Income	
Corporate	0.6
Other Contributed	<u>4.7</u>
Total Organization Income	\$29.1
Patron Expenditures (total)	\$88.7
Except Tickets	64.9
Total Gross New Money Payments	\$93.2

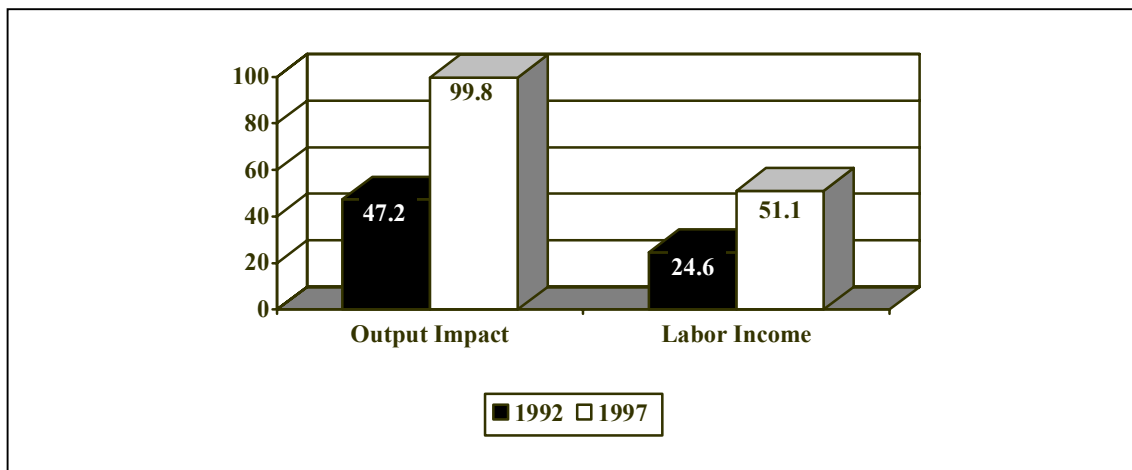
TICKET INCOME INCLUDED WITH EARNED INCOME

Table II-30 documents varying percentages of new money as a source of income for arts and heritage organizations, and indicates that it is predominantly earned income (primarily ticket income). Patron expenditures net of ticket outlays are estimated to be \$65 million, and total new money payments were over \$93 million. Table II-31 presents estimates of the impact of new money output, jobs, and labor income in King County and Seattle. We did not have data that would have allowed new money estimates on Washington state, but they would have been smaller than the King County estimates because many of the patrons and some of the sources of cultural organization income were from locations within Washington state, but outside King County. This table yields impact estimates that are about 29% of the aggregate impacts documented in Table II-28.

TABLE II-31 NEW MONEY IMPACTS, KING COUNTY AND SEATTLE

<u>Total Impact</u>	<u>King County</u>	<u>Seattle</u>
Output (Mils. \$97)	\$99.757	\$74.769
Manufacturing	5.208	3.354
Nonmanufacturing	94.549	71.415
Wholesale and Retail Trade	11.000	5.547
Services	62.262	52.923
Other	21.287	12.945
Employment	3,172	2,766
Manufacturing	33	20
Nonmanufacturing	3,139	2,746
Wholesale and Retail Trade	199	100
Services	2,732	2,514
Other	208	131
Labor Income (Mils. \$97)	\$51.064	\$40.887
Manufacturing	1.110	0.667
Nonmanufacturing	49.954	40.220
Wholesale and Retail Trade	4.491	2.265
Services	38.419	33.492
Other	7.044	4.463
Taxes (Mils \$97)		
State Sales Tax		<\$4.5>
Local Sales Tax		<0.85>
State B&O Tax		<0.5>
Local B&O Tax		<0.2>

FIGURE II-9 NEW MONEY IMPACTS IN KING COUNTY COMPARED, 1992 TO 1997 (MILLIONS \$97)



The impacts of new money on the King County and Seattle economies are up considerably over the 1993 CCA impact study, as illustrated in Figure II-9. Table II-32 presents estimates in constant dollars of the increases in impacts related to output and income, as well as measured by employment. These percentage increases outstrip the estimates of change in Table II-30. This relative increase is due to an increase in the share of cultural organization income received from outside King County (20.3% in the current study vs. 17.8% in the 1993 CCA impact study), and an increase in the proportion of patron expenditures being made by non-King County residents. Patron spending shifted from being 24.6% new money in the 1993 CCA impact study, to 44% new money in the current study.

TABLE II-32 PERCENTAGE CHANGE IN NEW MONEY IMPACTS (IN CONSTANT DOLLARS)

	<u>King County</u>	<u>Seattle</u>
	(%)	(%)
Output or Sales Revenue	111	93
Employment	77	71
Labor Income	108	97

Volunteers in Arts and Heritage Organizations

In addition to the thousands of people who receive some form of compensation for their work in arts and heritage organizations, there are also many people who volunteer time to these organizations. Table II-33 documents the estimated number of volunteers within each discipline and by the type of occupation in which they are volunteering. The mix of administrative versus artistic/professional/technical volunteer personnel shifts towards administrative volunteers, in comparison to those earning some income from arts and heritage organizations. About one-fourth of the volunteers are doing administrative work, while 15% of the paid labor force is in administrative occupations. The extremely large number of people in the artistic/performing category in heritage is related to the Folklife Festival, a portion of whose activity was included in this impact study. The current study tallied volunteer activity in a somewhat different set of classifications than the 1993 CCA impact study, making comparisons of changes in the occupational distributions not possible. However, we can observe that there has been a 30% increase in the overall number of volunteers.

**TABLE II-33 VOLUNTEERS IN ARTS AND HERITAGE ORGANIZATIONS IN KING COUNTY
(# OF VOLUNTEERS)**

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>ASO</u>	<u>Total</u>
<u>Administrative</u>							
Executive	66	59	55	6	104	605	895
Clerical	9	121	160	19	0	7	316
Marketing/Promotion/ Publicity	30	456	66	273	6	1	832
Fundraising	32	117	413	267	47	285	1,161
Other Administrative	<u>110</u>	<u>541</u>	<u>149</u>	<u>187</u>	<u>21</u>	<u>595</u>	<u>1,603</u>
Total Administrative	248	1,294	843	752	177	1,493	4,806
<u>Artistic/Professional/ Technical</u>							
Artistic/Performing	63	167	691	0	6,265	210	7,396
Guest Artists/Lecturers	0	53	9	0	0	0	62
Director/Design	0	57	1	1	14	0	73
Production/Technical	157	215	203	128	2,357	92	3,152
Education/Instructional	0	29	242	307	359	198	1,135
Other Personnel	<u>110</u>	<u>1,191</u>	<u>149</u>	<u>0</u>	<u>745</u>	<u>28</u>	<u>2,223</u>
Total A/P/T	329	1,712	1,296	437	9,740	528	14,042
Total	577	3,005	2,139	1,189	9,917	2,021	18,848
Volunteer Hours	6,485	81,804	22,747	51,918	54,028	27,278	244,259
Hours per Volunteer	11.2	27.2	10.6	43.7	5.4	13.5	13.0

III. CULTURAL ORGANIZATION PATRONAGE CHARACTERISTICS

“As a retiree, I look forward to the mental stimulation, pleasure and insight I gain from the arts.”

SOURCE: PATRON SURVEY

This chapter presents information on the patrons attending cultural organizations performances, exhibitions, and programs in King County. It describes the categories of patrons by discipline, and reports on a number of attributes of patrons, such as group size, trip reasons, and overall participation by patrons in arts and heritage activities.

Number of Patrons

Cultural organizations reported information on the number of patrons and selected other statistics on their cultural services in the survey of cultural organizations. These data were used to derive the aggregate estimate of patronage reported in Table III-1, and were used to calculate the percentage distribution of attendance shown in Table III-2 and Figure III-1. Line (1) in Table III-1 shows the number of membership visits, a category of importance primarily

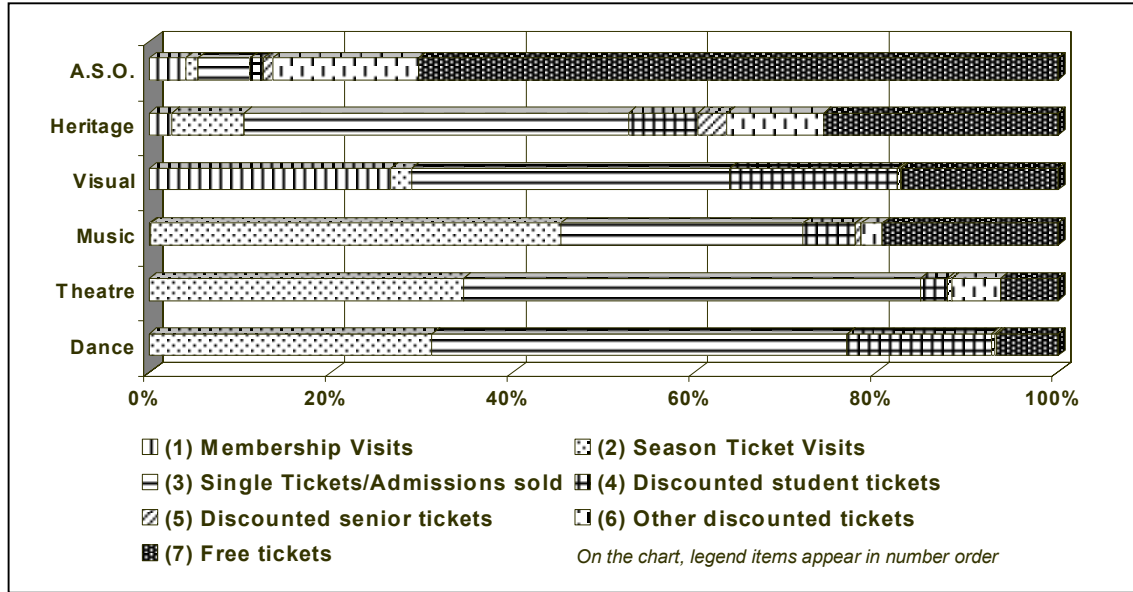
TABLE III-1 ESTIMATED NUMBER OF PATRONS BY DISCIPLINE

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Membership Visits	0	127	799	196,162	36,737	10,600	244,425
Season Ticket Visits	115,125	607,747	237,471	16,843	118,710	3,564	1,099,460
Single Tickets/ Admissions Sold	169,185	883,848	140,267	258,764	629,698	15,377	2,097,139
Discounted Student Tickets	58,677	52,384	29,770	136,533	113,091	3,741	394,196
Discounted Senior Tickets	1,143	8,563	3,962	2,135	48,790	2,858	67,451
Other Discounted Tickets	1,142	94,277	12,032	508	158,623	42,522	309,105
Free Tickets	24,617	111,049	101,401	127,392	383,294	186,867	934,619
Total Attendance	369,890	1,757,995	525,702	738,336	1,488,943	265,529	5,146,394
Total Attendance, Net of Discounted Students	311,212	1,705,611	495,932	601,803	1,375,853	261,788	4,752,198

in the visual and heritage disciplines. This is not an estimate of how many memberships were sold (that data is reported in Table III-3), but the number of occasions members are estimated to have attended. Line (2) reports the number of visits associated with season tickets, and line (3) reports the number of single tickets or admissions. These three categories provide the majority of the box office/admission income to cultural organizations. In addition, there are several categories of discounted tickets (lines (4), (5), and (6)), plus free tickets/admissions (line 7). Total attendance is reported in line (8), being the sum of lines (1) through (7). In calculating the economic impacts these patron statistics were reduced by the volume of discounted students; the data in line (9)

formed the basis for estimating patron expenditures reported in Table II-28. The composition of attendance by discipline is presented in Figure III-3.

FIGURE III-1 PERCENTAGE OF PATRONS BY DISCIPLINE



The composition of patronage is reported in Table III-2 and Figure III-2. Table III-2 indicates that two-thirds of total visits are either membership/season ticket or single admission/single ticket visits. Another 15% of total patronage comes from discounted tickets, and the balance of attendance is free (some 18%). However, there are differences in the composition of patronage among disciplines, as illustrated in Figure III-1. Most patrons attending events sponsored by arts service organizations came for free, as indicated in the patron

TABLE III-2 PERCENTAGE DISTRIBUTION OF ATTENDANCE

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Membership Visits	0	**	0	27	2	4	5
Season Ticket Visits	31	35	45	2	8	1	21
Single Tickets/ Admissions Sold	46	50	27	35	42	6	41
Discounted Student Tickets	16	3	6	18	8	1	8
Discounted Senior Tickets	**	**	1	**	3	1	1
Other Discounted Tickets	**	5	2	**	11	16	6
Free Tickets	7	6	19	17	26	70	18
Total Attendance	100	100	100	100	100	100	100

** LESS THAN 0.5%

FIGURE III-2 PERCENTAGE DISTRIBUTION OF ATTENDANCE BY CATEGORY

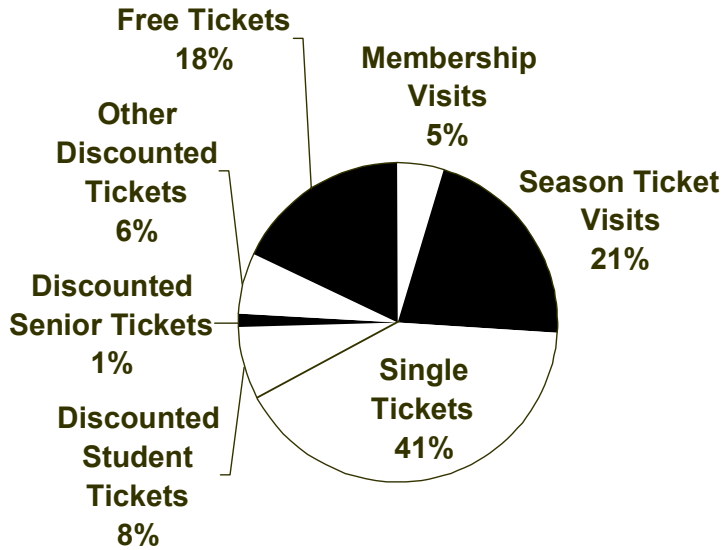
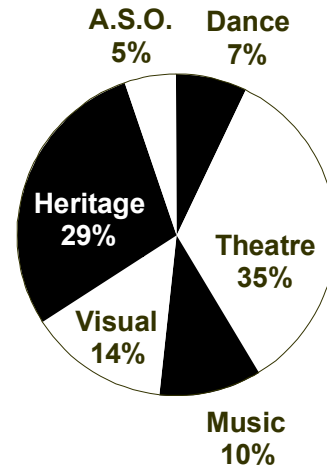


FIGURE III-3 PERCENTAGE DISTRIBUTION OF ATTENDANCE BY DISCIPLINE



spending estimates in Table II-24. Discounted student tickets are relatively important in the dance and visual arts disciplines, while membership visits were highly important to visual arts organizations. The combination of single tickets and season ticket visits were the largest types of patronage for dance, theatre, and music, and single ticket admissions were the largest single source of patrons for visual and heritage organizations.

Table III-3 provides a comparison of the levels and composition of patronage statistics from this study and the 1993 CCA impact study. This table indicates a 31% increase in the number of patrons. However, the growth rate in the single ticket/admissions categories – a very important traditional source of revenue only increased by 11%. And, the volume of discounted and free tickets increased at rates well above the overall average, except for discounted senior tickets that are estimated to have declined by 39%. Single tickets and season ticket/membership visits decreased from 73% of overall attendance to 67%.

TABLE III-3 COMPARISON OF PATRONAGE LEVELS AND COMPOSITION

Patronage Category	1992	1997	Change (%)	1992	1997
	patrons (#)	patrons (#)		(%) of total	(%) of total
Season Ticket					
Visits/Membership Visits	968,209	1,343,885	33.8	24.7	26.1
Single Tickets/Admissions	1,884,197	2,097,139	11.3	48.0	40.7
Discounted Student Tickets	294,737	394,196	33.7	7.5	7.7
Discounted Senior Tickets	110,584	67,451	-39.0	2.8	1.3
Other Discounted Tickets	82,851	309,105	273.1	2.1	6.0
Free Tickets	<u>585,172</u>	<u>934,619</u>	59.7	<u>14.9</u>	<u>18.2</u>
Total Attendance	3,925,750	5,146,395	31.1	100.0	100.0

Patrons with disabilities

Table III-4 indicates that cultural organizations in King County served over 67,000 patrons with disabilities in 1997. The largest number of patrons with disabilities were served by visual arts and heritage organizations, serving 28,000 and 21,000 respectively. Theatre groups served 16,000 disabled patrons, while 1,700 patrons with disabilities were served by musical organizations. Arts service organizations and dance organizations served 650 and 200 disabled patrons, respectively.

Cultural Organization Performance and Exhibition Statistics

The survey of cultural organizations provides some measures of performance frequency, and the utilization of facilities in the case of the presenting disciplines of dance, theatre and music. It also measured the number of memberships and full and partial subscriptions purchased by patrons. Table III-4 summarizes information on these topics. Nearly 100,000 memberships were sold by cultural organizations, and these members are estimated to have made on average 2.5 visits to the organizations in which they are members (compare with data on membership visits in Table III-1). Nearly 200,000 subscriptions were sold, resulting in 1.1 million season ticket visits (see Table III-1). These season ticket visits are predominately in dance, theatre, and musical organizations. Table III-4 indicates that the venues in which these subscription performances were given operated between 72% and 83% of capacity. Over 3,000 different productions or exhibitions were mounted in King County in 1997.

TABLE III-4 CULTURAL ORGANIZATION PERFORMANCE & EXHIBITION STATISTICS

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
# of Productions/Exhibits	331	1,007	424	447	175	859	3,244
# of Memberships Sold	NA	NA	1,092	35,179	60,041	3,167	99,479
# of Full Subscriptions Sold	17,160	105,714	42,332	1,831	7,027	733	174,797
# of Partial Subscriptions Sold	1,148	18,020	1,445	264	NA	NA	20,877
% of Capacity	82.80%	76.80%	71.60%	NA	NA	NA	NA
# of Patrons Served with Disabilities	197	16,067	1,698	27,846	20,948	648	67,404

NA - DATA NOT AVAILABLE

Patron Trip Reasons

Patrons were asked whether the primary reason for their trip was to attend the performance or exhibition where they were surveyed. A weighted average (based on the proportions of total attendance accounted for by each discipline) of 82% indicated that the visit was the primary reason for their trip. These percentages are much higher for dance, theatre, and music patrons – almost all of these patrons made their trips because of their attendance at the performance. In contrast, 62% of the visual arts and heritage patrons made their trips primarily to attend exhibitions of these organizations. The patrons indicating that their trip was not primarily to attend and exhibition or performance cited a wide variety of reasons for their trips. A sampling of these trip reasons includes comments such as: “business,” “came to Seattle for the day on business and had extra time,” “a lay over before flying to Alaska,” “my son wanted to see Seattle and Nintendo,” “attend a wedding,” “multipurpose sightseeing – baseball,” “treatment at Virginia Mason (hospital),” “part of interest during vacation to Washington/Seattle area,” “bring relatives from out of town who had never been here before,” “testing at U of W for daughters placement,” and “rain escape.”

TABLE III-5 REASON FOR PATRON TRIPS

	<u>Dance</u> (%)	<u>Theatre</u> (%)	<u>Music</u> (%)	<u>Visual</u> (%)	<u>Heritage</u> (%)	<u>A.S.O.</u> (%)	<u>Total</u> (%)
Went Primarily to Attend	98	97	98	62	62	NA	82
Did Not Go Primarily to Attend	2	3	2	38	38	NA	18

NA - DATA NOT AVAILABLE

Patron Origins

The bulk of the patrons attending King County cultural organization exhibitions and performances are local residents. Table III-6 reports these percentages by discipline. The weighted average share of King County residents is 65.6%, with higher shares of local patrons in dance, theatre and music. The survey from visual arts organizations shows a very different mix – with less than half of the patrons from King County. Heritage organizations also draw a larger than average share of patrons from outside King County. The patrons from outside King County are divided into those who came from elsewhere in Washington State (17%), and those who came from out-of-state (17.5%). This survey has yielded a larger proportion of patrons from outside King County than measured in the 1993 CCA impact study. That study estimated that 85.5% of the patrons were from King County, some 10.9% came from the rest of the state, and 3.6% were estimated to be from out-of-state.

TABLE III-6 GEOGRAPHIC ORIGIN OF PATRONS

	<u>King County</u> (%)	<u>Other Wash.</u> (%)	<u>Out of State</u> (%)
Dance	78.9	16.7	4.4
Theatre	75.3	22.2	2.5
Music	84.5	12.3	3.2
Visual	48.5	10.8	40.7
Heritage	51.3	14.7	34.0
Weighted Average	65.6	16.9	17.5

Table III-7 presents a cross-tabulation of patron origins and the percentage who indicated they came primarily to attend the event or exhibition. In the aggregate, some 87% of King County residents made their trip primarily to attend, compared to the overall percentage of 82% as reported in Table III-5. In each discipline the percentages are lowest for those patrons making the longest distance trips. While the sample sizes in some cells in Table III-7 are small, there is a clear inverse relationship between distance traveled and the chance that the

TABLE III-7 PATRON ORIGINS AND PERCENTAGE MAKING TRIP PRIMARILY TO ATTEND A KING COUNTY CULTURAL ORGANIZATION EVENT/PRESENTATION

	<u>Dance</u> (%)	<u>Theatre</u> (%)	<u>Music</u> (%)	<u>Visual</u> (%)	<u>Heritage</u> (%)	<u>A.S.O.</u> (%)	<u>Total</u> (%)
King	100	98	98	77	69	NA	87
Other Washington	100	97	100	62	58	NA	81
Out of State	25	53	92	46	52	NA	54

NA - DATA NOT AVAILABLE

primary purpose of the trip was to visit a King County cultural organization. Even so, more than half of all out of state visitors surveyed claimed the visit was the primary purpose for their trip.

Patron Expenditures

Patron spending is greater for those making long-distance trips, than for local patrons. Table III-8 presents estimates of per patron expenditures by geographic origin. These data have been weighted by the proportion of patrons originating in each of the three regions by discipline, and aggregated with respect to the share of total attendance accounted for by each discipline. The spending of local patrons can be seen to be lower than that of patrons from other Washington counties or from out-of-state. At first glance the fact that other Washington residents have higher expenditures than out of state residents may seem counterintuitive. However, this is a reflection of the mix of activities in which the out of state patrons participated, compared to Washington residents, and the costs related to these trips.

Table III-9 contains in the first column the percentage of total attendance (net of discounted students) by discipline (excluding arts service organizations from this calculation). The next three columns document the percentages of the sample of patrons by discipline, and it is quite clear that the bulk of the out of state sample was drawn from interviews at visual arts and heritage organizations. These two disciplines have lower admissions costs than the typical theatre, music, or dance performance, and this is reflected in the relatively low ticket/admission expenditure by out of state residents. However, non-residents did have higher travel and lodging costs than Washington residents.

TABLE III-8 PATRON EXPENDITURES

	<u>King County</u>	<u>Other Washington</u>	<u>Out of State</u>
Tickets/Admissions	\$20.89	\$22.95	\$8.11
Parking Fees	1.14	1.61	1.11
Bus/Ferry/Taxi Costs	0.41	0.96	0.94
Auto Travel Costs	1.37	3.56	9.82
Food/Beverages Before Or After Event	7.14	11.12	6.81
Food/Beverages At Event	1.39	1.72	2.13
Entertainment	0.79	0.77	2.60
Souvenirs & Gifts	1.05	1.85	5.85
Lodging/Accommodation Costs	0.51	4.18	8.31
Air Travel Costs	0.50	0.32	19.13
Child Care	0.42	0.18	0.10
Other	<u>0.28</u>	<u>0.23</u>	<u>0.29</u>
Total	\$35.90	\$49.44	\$65.21

TABLE III-9 ORIGIN OF SAMPLED PATRONS AND SHARES OF TOTAL ATTENDANCE

	Total Attendance	King County	Other Washington	Out of State
	(%)	(%)	(%)	(%)
Dance	7	9.4	9.6	1.2
Theatre	38	36.1	41.8	5.1
Music	11	22.6	16.9	3.6
Visual	13	15.5	14.6	48.9
Heritage	31	16.4	17.2	41.1
A.S.O.	NA	NA	NA	NA
Total	100	100	100	100
(Sample size)		n=1122	n=258	n=329

NA - NOT INCLUDED IN THESE PERCENTAGES

Patron Group Sizes

The median size of groups attending cultural organizations was two persons, while the weighted average party size was somewhat larger, 2.7 persons, as documented in Table III-9. The mean group size varied somewhat among disciplines, and exhibits a distribution that is quite similar to that documented in the 1993 CCA impact study. The average size party in the current study is slightly larger (2.7 persons versus 2.4) than in the 1993 CCA impact study, but the relative size of groups remains the same between the two studies. Heritage organizations have the largest average group size, while visual arts groups are the smallest.

TABLE III-10 GROUP SIZES ATTENDING CULTURAL ORGANIZATIONS (% OF TOTAL)

# of Persons	Dance	Theatre	Music	Visual	Heritage	Total
	(%)	(%)	(%)	(%)	(%)	(%)
1	10	6	14	29	20	14
2	69	59	68	48	37	52
3 or 4	18	28	14	17	31	25
5+	<u>4</u>	<u>7</u>	<u>4</u>	<u>5</u>	<u>12</u>	<u>8</u>
Total	100	100	100	100	100	100
Mean Group Size (#)	2.3	2.6	2.4	2.2	3.0	2.7

Patron Cultural Organization Profile

Patrons were asked to identify the organizations in which they had a season ticket or a membership, as well as those that they had attended as a single ticket holder. Tables III-10 through III-12 summarize results from these questions. In Table III-10, each column provides responses for patrons interviewed at that

particular discipline. Thus, 587 patrons were interviewed in theatre, and 96 of these people did not respond to any portion of this question. Of the 491 people responding at theatre events, 285 indicated that they held a theatre season ticket, and in total they cited holding at least one season ticket or membership in all disciplines, with a total of 492 citations. However, many people have multiple season tickets/memberships, and the lower panel of Table III-10 summarizes this total, which for theatre is 473 theatre season tickets, and a grand total of 771 season tickets/memberships. In summary, the average patron responding to this question holds about 1.5 season tickets/memberships. While there is a tendency for the largest number of these season tickets/memberships to be held in the discipline in which the interview occurred, the totals indicate broad-based participation in multiple disciplines as season ticket holders or patrons with memberships. The 1993 CCA Economic Impact Study asked a similar question, although the summarization of the responses to that survey and the current survey differ slightly in their methodology, making comparisons not entirely equivalent statistically. However, the ratio of net to gross response appears to be quite similar – about a 50% difference.

TABLE III-11 SEASON TICKET/MEMBERSHIP PATRON FREQUENCIES

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>Total</u>
Sample Size	148	587	354	494	458	2,041
No response	29	96	72	251	171	619
Net Sample	119	491	282	243	287	1,422
<u># Holding Season Tickets/</u>						
<u>Memberships:</u>						
Dance	97	28	40	13	15	193
Theatre	51	285	77	44	37	494
Music	45	66	162	36	28	337
Visual	33	80	51	32	59	255
Heritage	<u>16</u>	<u>33</u>	<u>24</u>	<u>25</u>	<u>41</u>	<u>139</u>
Total	242	492	354	150	180	1,418
<u>Total # of Season</u>						
<u>Tickets/Memberships</u>						
Dance	104	32	43	13	20	212
Theatre	100	473	120	89	58	840
Music	73	91	244	50	57	515
Visual	51	124	71	93	47	386
Heritage	<u>24</u>	<u>51</u>	<u>29</u>	<u>34</u>	<u>51</u>	<u>189</u>
Total	352	771	507	279	233	2,142

In Table III-11 an additional perspective is presented on season ticket/memberships, by converting the data in Table III-10 into percentages and proportions. Thus, again using theatre as the example, 58% of the patrons

interviewed at a theatre presentation held a theatre season ticket, while the total number of theatre season tickets held per capita were 0.96. The top panel in Table III-11 gives a summary measure of the frequency of holding season tickets/memberships, while the lower panel is a gross measure of participation rates. There are interesting differences among the disciplines in the gross participation rates; dance patrons clearly hold relatively large numbers of season tickets/memberships compared to those interviewed at visual and heritage organizations. As mentioned above, while there are methodological differences in the processing of responses to this question between the current study and the 1993 CCA economic impact study, the number of single tickets cited per patron is almost identical between the two studies: 5.63 in the 1993 study, and 5.45 in the current study.

TABLE III-12 SEASON TICKET / MEMBERSHIP PARTICIPATION RATES

<u>% of Patrons Holding a Season Ticket/Membership:</u>	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>Total</u>
	(%)	(%)	(%)	(%)	(%)	(%)
Dance	82%	6%	14%	5%	5%	14%
Theatre	43%	58%	27%	18%	13%	35%
Music	38%	13%	57%	15%	10%	24%
Visual	28%	16%	18%	13%	21%	18%
Heritage	13%	7%	9%	10%	14%	10%
<u>Proportion of Sample - # Season Ticket/Memberships per Patron</u>	<u>(#)</u>	<u>(#)</u>	<u>(#)</u>	<u>(#)</u>	<u>(#)</u>	<u>(#)</u>
Dance	0.87	0.07	0.15	0.05	0.07	0.15
Theatre	0.84	0.96	0.43	0.37	0.20	0.59
Music	0.61	0.19	0.87	0.21	0.20	0.36
Visual	0.43	0.25	0.25	0.38	0.16	0.27
Heritage	<u>0.20</u>	<u>0.10</u>	<u>0.10</u>	<u>0.14</u>	<u>0.18</u>	<u>0.13</u>
Total	2.96	1.57	1.80	1.15	0.81	1.51

Table III-12 presents frequencies and participation rates for single tickets similar those presented in Tables III-10 and III-11 for season ticket/memberships. The absolute magnitude of the participation reported in Table III-12 is well above that reported for season tickets/memberships. The net sample responding to questions regarding single tickets is the same as reported in Table III-10; these figures were the basis for estimating the percent of the sample buying single tickets, and the number of single tickets held as a proportion of the sample. The lower panel in Table III-12 presents a remarkably consistent report of the number of single tickets purchased---on average 5.45 per patron – varying only between 5.23 and 5.9 tickets across the disciplines. The last line of Table III-12 presents a combination of season ticket/single ticket purchase frequencies, and this data series indicates approximately seven single ticket or season ticket/memberships experienced by the average patron.

TABLE III-13 SINGLE TICKET PATRON PARTICIPATION FREQUENCIES AND PARTICIPATION RATES

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>Total</u>
<u>Single Ticket - Net Response</u>	(#)	(#)	(#)	(#)	(#)	(#)
Dance	37	143	107	78	50	415
Theatre	70	332	155	139	104	800
Music	69	206	199	116	90	680
Visual	74	272	160	198	146	850
Heritage	57	215	118	121	198	709
Total	307	1168	739	652	588	3454
<u>Gross Response - Single tickets</u>	(#)	(#)	(#)	(#)	(#)	(#)
Dance	52	205	140	102	87	586
Theatre	180	1009	427	356	341	2313
Music	138	393	434	243	263	1471
Visual	154	576	351	494	354	1929
Heritage	127	394	235	239	456	1451
Total	651	2577	1587	1434	1501	7750
<u>% of Sample Buying Single Tickets by Discipline</u>	(%)	(%)	(%)	(%)	(%)	(%)
Dance	31	29	38	32	17	29
Theatre	59	68	55	57	36	56
Music	58	42	71	48	31	48
Visual	62	55	57	81	51	60
Heritage	48	44	42	50	69	50
<u>Proportion of Sample - # Single Tickets per Patron Interviewed</u>	(#)	(#)	(#)	(#)	(#)	(#)
Dance	0.44	0.42	0.50	0.42	0.30	0.41
Theatre	1.51	2.05	1.51	1.47	1.19	1.63
Music	1.16	0.80	1.54	1.00	0.92	1.03
Visual	1.29	1.17	1.24	2.03	1.23	1.36
Heritage	1.07	0.80	0.83	0.98	1.59	1.02
Total	5.47	5.25	5.63	5.90	5.23	5.45
Gross Response Index	8.43	6.82	7.43	7.05	6.04	6.96

The responses to the preceding questions do not take into account the region of origin of the patrons. Patrons from outside King County, especially patrons from out of state, may account for much of the nonresponse to this question. And it is likely that King County residents, or those from nearby Puget Sound region counties, are more active participants in the multitude of cultural organizations offered in this region than patrons from more distant locations. Even acknowledging these caveats, these data paint a profile of the typical patron as active in a variety of cultural organizations, as indicated by the following sample of open-ended comments on the meaning of arts and cultural organizations to individual patrons (Table III-13).

TABLE III-14 A SAMPLING OF RESPONSES TO THE QUESTION "PLEASE DESCRIBE THE IMPORTANCE OF THE ARTS OR HERITAGE TO YOU PERSONALLY"

"Very important. I didn't know how we have all these opportunities until I read your list!! I'll be doing a lot more."

"In my late middle-age, my life is enriched by experiencing things I have always yearned to experience."

"Live art is very important to us, it is actually the only thing we spend money on for 'entertainment.'"

"I believe the arts broaden our horizons and make us more aware of our environment."

"This is an opportunity to do something completely different from daily work, to see visually beautiful sets and costumes, and to be introduced to new ideas and to laugh."

"I have always valued diversity and very much enjoy the opportunity to experience a wide variety of cultural offerings."

IV. COMPARISON TO OTHER STUDIES

“Would not live in a city without a thriving arts culture.”

SOURCE: PATRON SURVEY

Many communities and states have undertaken economic impact studies of arts and cultural organizations in recent years. Americans For The Arts compiled a list of recent studies in response to a request from the CCA, and from that list a sample of studies was obtained to provide comparisons with the results of this study. Comparisons between the current CCA study and the 1993 CCA study have been made in earlier sections of this report, and will not be repeated in this chapter.

Studies undertaken in New York, Massachusetts, Michigan, St. Louis, and Atlanta were analyzed with regard to the types of measures included in Chapters II and III of this study. There are variations in methodology among each of these studies that render these comparisons problematic. The comparisons drawn in this chapter should be viewed with this caveat in mind. For example, the Massachusetts study was statewide, drawing on a database of organizations filing non-profit tax returns with the IRS—thereby including many historic sites, crafts organizations, and science organizations (Massachusetts Cultural Council). The St. Louis study only included large organizations, including television and radio stations, libraries, zoos, botanical gardens, and a school of fine arts (St. Louis Regional Commerce & Growth Association). The Michigan study was based on a list of over 1,000 organizations networked with the Michigan Council for Arts and Cultural Affairs (Center for arts and Public Policy), while the New York study’s nonprofit cultural organizations were defined as those reporting financial information to the New York State Council on the Arts as well as zoos and botanical gardens (The Alliance for the Arts). The Atlanta study relied on a listing of nonprofit arts and cultural organizations developed by the Arts & Business Council, a department of the Metro Atlanta Chamber of Commerce (Arts & Business Council). The definitions in the organizations included in the Atlanta study are quite similar to those used in the current CCA study. However, the Atlanta study is based on the responses received from 102 of the 278 organizations asked to participate in the Atlanta study. No attempt was made to extrapolate responses received to a total estimate of the impacts of cultural organizations in the Atlanta area.

Income

The current CCA study estimates earned income to be 62% of total income, and contributed income to account for 38% of total income to King County cultural organizations. The contributed income included 7% from government, 29% from private contributions, and 2% from endowments or other income. This percentage of earned income is within the range of earned income percentages

reported in other recent studies. The New York study reports earned income to be 52%, with private contributions accounting for 26%, public support for 13%, and interest from endowments or other sources for 8% of total income (Alliance for the Arts, p. 14). The Massachusetts study found earned income was 51%, private contributions 29%, government contributions to be 8%, and endowments provided 11% of total income (Massachusetts Cultural Council, p. 9). The Atlanta study estimated that earned income was 55% (included with earned income is interest/investment income, which is 8% of total income), government contributions 12%, and private contributions 33% of total income (Arts & Business Council, p. 26). The Michigan study documents a much higher percentage of earned income – 84.4%, and only 15.6% of income coming from contributed income. This study finds that some 75% of income was derived from admissions, a much higher figure than reported in the other studies (Center for Arts and Public Policy, pp. 5-6).

While there is considerable variation in the sources of income among these various studies, the share within King County derived from endowments appears relatively low – especially when compared to the Atlanta, Massachusetts, and New York studies.

Expenditures

The expenditures of arts and cultural organizations are divided between employee expenses, and operating expenses. In the current CCA study, we estimate employee expenses to be 44% of total expenditures, and operating expenses account for 56% of total expenditures. These figures are similar to the New York and Massachusetts studies. The New York study finds personnel costs to be 55% of total expenditures, while the Massachusetts study estimates 50% of total expenditures are wages and fringe benefits (The Alliance for the Arts, p. 13; Massachusetts Cultural Council, p. 7). The Michigan study has a much different estimate, with 29% of total expenditures made for administrative and professional services, and 71% operating expenditures (Center for Arts and Public Policy, p. 7-8).

Employment

The current CCA study measures employment in four categories: full-time, part-time, contractual, and work study/intern. The latter category was not reported in any of the other studies reviewed. The Saint Louis study did report contractual, while the Atlanta and Massachusetts studies report the split between full-time and part-time employment. The current CCA study finds that 14% of total employment is full-time, 41% is part-time, and 45% is contractual. The Saint Louis study contains rather different estimates for full-time and contractual; it reports 43% of employment is full-time, 36% is part-time, and only 20% to be contractual. Considering only the full and part-time employees in the current CCA study, some 26% are full-time, while 74% are part-time. These percentages

are very similar to results obtained in the Atlanta and Massachusetts studies. The Atlanta study found 24% of the work force to be full-time, and 76% part-time, while the Massachusetts study found 31% to be full-time, and 69% to be part-time (Arts & Business Council, p. 44; Massachusetts Cultural Council, p. 3).

Economic Impacts

Each of the studies reviewed utilizes a different methodology for calculating economic impacts. While it might outwardly seem that there could be a simple comparison of multipliers resulting from the models used, this is appropriate given the varying methodologies. The methodology used in the present study was discussed in Chapter II, as well as in the appendix. A brief summary of the methodologies used in each of the other economic impact studies follows.

The New York model appears to be the closest to the one used in the present CCA study. This model combines expenditures data developed through surveys of nonprofit institutions and visitors with an input-output model to estimate economic impacts. The input-output model is a version of the IMPLAN system developed by the U.S. Forest Service, and yields impact estimates measuring total sales (output), labor income, and employment similar to that presented in Table II-28. A separate calculation of tax impacts was made after estimating impacts with the input-output model; that same methodology was employed in the current study (The Alliance for the Arts, p. 24-26; Appendix D). A strength of the New York study is that, like the present study, it is based on survey data for both patrons and cultural organizations. The impact estimates are a combination of total impacts for the organizational budgets, and new money impacts for visitors coming to New York State, or New York City.

The Atlanta, Michigan, St. Louis, and Massachusetts studies utilize less complex methodologies, and treat the organizational budgets and patron outlays in a varying manner. The Atlanta study uses multipliers developed from RIMS-II models developed by the U.S. Bureau of Economic Analysis (Arts & Business Council, pp. 19-25). These multipliers were applied to total operations expenditures, ancillary spending of patrons (excluding tickets/memberships), and capital outlays. The data on organizational expenditures were derived from the survey of organizations, while the audience spending figure was an aggregate developed by adjusting data on patron spending measured in Houston TX in 1990. New Money impacts were not measured in the Atlanta study, only gross impacts, as measured in jobs and output (sales). The Michigan study takes organizational expenditures and multiplies them by an aggregate multiplier (4.25) that appears to be derived by judgement (Center for Arts and Public Policy, p. 15). Not only is this a relatively high multiplier, but no allowance was made for leakage in the purchases of cultural organizations outside the Michigan economy.

The St. Louis study is similar methodologically to the Atlanta study; it uses input-output model multipliers developed by the University of Illinois and the expenditures of cultural organizations and out-of-town visitor spending to

estimate impacts (St. Louis Regional Commerce & Growth Association, p. 1-5). This study uses data from the Convention and Visitors Bureau to estimate out-of-town visitor spending, and is based on the assumption that one day of the average 2.5 night stay in St. Louis is associated with a visit to a cultural institution. It also appears to use the total budgets of the cultural organizations in the impact analysis, not the net spending in St. Louis. The Massachusetts study relies on a multiplier for cultural organizations derived from the U.S. Bureau of Economic Analysis RIMS-II model. This multiplier is applied to only the out of state share of revenues (37.7%), and the resulting direct and indirect effect of out of state monies is added to the direct expenditures to estimate total impacts of the organizations. No impact estimate is presented for patrons, but it is noted that 28.8% of patron spending is from out of state (Massachusetts Cultural Council, pp. 14-15).

This review of impact model methods indicates the variety of approaches taken to estimate the economic impact of arts and cultural organizations in communities around the United States. The present CCA study has a relatively strong base of primary information from both patrons and cultural organizations compared to most of these studies. Care has also been taken in the present study to exclude from the economic impacts leakages out of the regional economy, an adjustment that does not appear to have been made in a number of other studies. Although it is not appropriate to compare the magnitude of multipliers in these various models, the modeling approach taken in the present study is relatively conservative, and is designed to not overstate impact effects. The present study excludes the impact of current capital outlays, which were included in the Atlanta study. The inclusion of the impacts of capital projects would increase the economic impact of arts and cultural organizations on the state and local economy.

Endowments

Interest income and assets released from funds such as endowments accounted for 7.8% of operating income for King County cultural organizations, as reported in Table II-16. This compares with of operating income 11% from endowments documented in the Massachusetts study, 8.4% as interest from endowments (and other) income in the New York Study, and 9.3% of operating income in the Atlanta study (Massachusetts Cultural Council, p. 9; The Alliance for the Arts, p. 14; Arts & Business Council, p. 37). The Atlanta study observes the sharply uneven distribution of endowment funds among respondents, with the top 6 organizations accounting for 96% of the value of endowments, and most organizations having no endowments (Arts & Business Council, p. 37). This uneven distribution of endowment funds is also a characteristic of King County cultural organizations.

Attendance

Two perspectives on attendance can be developed by comparing statistics with other economic impact studies: (1) the composition of patrons origins, and (2) the mix of paying versus free/discounted attendees. It should be re-emphasized that the great variance in the types of activity are included in these various studies make these comparisons problematic.

The present CCA impact study estimates 34% of the patrons came from outside King County, and 17.5% came from out-of-state (See Table III-6). The King County percentage is similar to that estimated in the St. Louis study, and compares with 28.8% reported in the Massachusetts study (this is a measure of non-Massachusetts resident patrons; the percentage would be higher for a region such as the Boston metropolitan area; Massachusetts Cultural Council, p. 15; St. Louis Regional Commerce & Growth Association, p 1). The New York study does not directly identify the volume of nonresident attendance relative to total attendance. It does indicate an estimated local attendance figure of 46 million visits, and an estimated 4.3 million people spending an average of 2 ¾ days in New York State for cultural tourism purposes (The Alliance for the Arts, p.22-23). If these nonresidents engaged in two cultural organization events per day, this would yield an estimate of nonresident attendance of 34%. As with the Massachusetts data, for a community such as New York City, this percentage would rise, due to the effect of New York State residents on the computation. The draw of nonresidents to King County cultural organizations appears similar to St. Louis, but below estimates for New York and Massachusetts – although these latter studies have a more embracing definition of cultural organizations than used in this study.

The current CCA impact study indicates that 18% of patrons received free tickets, and 15% entered cultural organizations on discounted tickets. This compares with 32% unpaid admissions in the Massachusetts study, and 52% free admissions in the Atlanta study (Massachusetts Cultural Council Supplement, p. 6). It should be emphasized that the Massachusetts study includes a much broader mix of organizations than in the current CCA study. Most of the Atlanta free admissions were to special events/festivals (90% free) or to multidisciplinary organizations presenting to children (81%; Arts & Business Council, p. 41).

Patron Expenditures

The Michigan and Massachusetts studies did not report estimated spending by patrons on a per capita basis. In the current CCA study this spending averages \$43 per patron per day (Table II-24), including admissions. The St. Louis study utilizes a figure of \$58.6 per person per day for visitors from outside the local area, while the New York study indicates per patron expenditures of \$143 per day excluding admissions/tickets (St. Louis Regional Commerce & Growth Association, p. 5; The Alliance for the Arts, p. 22). At the other extreme, the

Atlanta study relied upon an estimate of \$14 per day per patron for Houston TX, and updated this estimate to \$16.65 to take into account inflation. This figure was applied to all participation—including free participation by children and others—in calculating the economic impacts of patron spending. In the present CCA study the patronage associated with discounted student tickets was excluded from the economic impact analysis.

Volunteers

Volunteers are important in all cultural disciplines, and were estimated to number almost 19,000 persons working with King County cultural organizations in 1997 (See Table II-33). This level of volunteer activity is related to the 160 organizations included in this study. By way of comparison, the Atlanta study documented 10,345 volunteers, while the Massachusetts study documented 98,350 volunteers (Arts & Business Council, p. 44; Massachusetts Cultural Council, p. 5). These various studies are covering different mixes of cultural organizations in communities or regions of varying size. One measure of volunteer activity that provides some degree of comparison is the number of volunteers relative to the full and part time work force. On this basis there is broad similarity in the level of volunteer effort in these three regions. The Atlanta study documented 1.63 volunteers per employee, the Massachusetts study 2.17 volunteers per employee, and in the current CCA study 2.02 volunteers per employee (including contract workers).

Summary Comments

This section began with a warning about the non-comparability of the various studies being reviewed, and in the discussion of the various aspects of these economic impact studies issues of comparability were discussed where pertinent. However, while the findings of the current CCA study are not identical to other recent studies reviewed in this section of this report, there is a general tendency for results to be of the same order of magnitude. These comparisons help place results of the current study in perspective, and provide support for the reasonableness of the results contained in this document.

V. CONCLUDING REMARKS

“Arts – 20%, Sports – 10%, Sleep – 30%, Love – 40%”

SOURCE: PATRON SURVEY

This study has presented a comprehensive description of economic activities related to arts and heritage organizations in King County. It provides a picture of a thriving cultural community, which has experienced substantial real growth over the five years since the CCA first undertook an assessment of the economic impacts of cultural organizations in King County. While the Executive Summary provides an overview of the main findings of this study, there are several issues that are addressed in this section that could be addressed by other studies, or that appear to be a priority for the cultural community in this region.

The sample of cultural organizations participating in this study accounted for 88% of the budgets of cultural organizations in King County. This is a very high level of coverage from a statistical standpoint, and provides confidence in the accuracy of the data contained in this report. The patron sample was also large, and was based on a strong survey research approach that should minimize self-selection bias among respondents. Although care was taken in the design and execution of the study, in retrospect there are some changes which could have been made that would have further strengthened the results.

Possible areas for improvement include the following.

(1) Organization Survey

The quality of data gathered from cultural organizations in the present survey was much better than in the 1993 CCA impact study, in large measure due to the use of spreadsheet-based records that verified arithmetic. However, the questions asked were often difficult for respondents to answer, as they were phrased in a manner that did not correspond to organizational bookkeeping. This was particularly the case for questions surrounding contract personnel, capital/building activity, and net assets (funds). Respondents who we know have had activity in the capital/building and funds area in many cases simply did not answer this portion of the questionnaire. They also frequently did not indicate what fraction of their contract employees was obtained locally, and did not convert their headcount of contract employees into a full time equivalent. Future studies should try to develop improved formats or alternative approaches to gathering information on these topics, so as to provide a better understanding of the economics of cultural organizations in the community.

(2) Patron Survey

The administration of the patron survey in-house produced needed quantities of interviews by discipline, and minimized self-selection bias. While it was

necessary to keep the interviews short, especially for those interviewed at performances, there were many people who omitted answers to particular questions or skipped entire sections of the questionnaire. Although it is unlikely that one could ever get complete responses, one strategy would be for those helping to administer the survey to quickly scan returned questionnaires for omissions of key information—such as party size, zip code or region of origin—to help increase the effective size of the sample.

(3) *Capital Impacts*

Some other economic impact studies of nonprofit cultural organizations also track the economic impact of capital investments. The present study did not include such measures, and as discussed above the completeness of data on capital outlays was an important measurement issue. In future studies if capital investment is to be included, then there will need to be more detailed measurement of the costs incurred related to capital projects so that they can be related to the economic impact model. One strategy would be to expand the existing questionnaire developed by CCA, while another would be to separately measure capital outlays.

(4) *Net Assets/Funds*

The current study conceptualized net assets/funds in terms of unrestricted, temporarily restricted, and permanently restricted funds, sought to obtain beginning and ending balances in these funds, as well as additions to and transfers from them. The questionnaire also sought transfers from funds into operating income. However, these two measures of transfer are not necessarily the same magnitude, because the transfers could have been made among funds or for purposes other than into operating income accounts. A tighter conceptualization of how these financial flows are measured should be considered.

On a related note, the level of these funds in this community is relatively low, when compared against other regions. And, there are relatively few organizations with sizable endowments. It may be appropriate for a broader base of cultural organizations in King County to develop endowments, in order to provide a stable base of income for their programs.

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APPENDICES

Appendix 1: King County organizations either participating or included in this study.

Dance – Returned Questionnaire

Evergreen City Ballet
Meany Hall for the Performing Arts
On the Boards
Pacific Northwest Ballet
Pat Graney Company
Spectrum Dance Theater
Unidentified Moving Objects Company, Inc

Dance – Included in Study

33 Fainting Spells
Ballet Bellevue
Co-Motion Dance
Cranky Destroyers
Dance on Capitol Hill
Ewajo Dance Workshop
KT/Dance
Ragamala

Theatre- Returned Questionnaire

A Contemporary Theatre
Bathhouse Theatre
Belltown Theater Center
Encore Players
Freehold Theatre Lab Studio
Growth and Prevention Theatre Co.
House of Dames
Intiman Theatre
Langston Hughes Cultural Arts Center
Meydenbauer Theater
New City Theater
Northwest Playwrights Guild
Northwest Puppet Center/Carter Family
Marionettes
Printers Devil
Renton Civic Theatre
Seattle Children's Theatre
Seattle Fringe Festival
Seattle International Children's Festival
Seattle Landmark Association
(Paramount/Moore Theaters)
Seattle Mime Theatre
Seattle Repertory Theatre
The 5th Avenue Theatre
The Empty Space Theatre

Village Theatre
Thistle Theatre

Theatre – Included in Study

Northwest Asian American Theatre
Annex Theatre
ArtsWest
Asian Performing Arts Theater
Auburn Performing Arts Center
Bellevue School District Youth Theatre
Book-It Repertory Theatre
Burien Little Theatre
Jack Straw Productions
Seattle Sheakespeare Festival
The Group Theatre
Theater Puget Sound
Theater Schmeater
Youth Theatre NW

Music – Returned Questionnaire

Belle Arte Concerts
Bellevue Chamber Chorus
Bellevue Eastside Youth Symphonies
Bellevue Philharmonic Orchestra
Civic Light Opera
Early Music Guild
Federal Way Chorale
Federal Way Philharmonic
Imperials Youth Music Organization
Northwest Chamber Chorus
Northwest Chamber Orchestra
Northwest Choirs (NW Boychoir)
Northwest Girlchoir
Seattle Baroque Orchestra
Seattle Choral Company
Seattle Men's Chorus
Seattle Opera Association
Seattle Pro Musica
Seattle Symphony
Seattle Youth Symphony Orchestras
Northwoods Wind Quartet

Music: Included in Study

Auburn Symphony Orchestra
Chinese Arts & Music Association
Chinese Opera R&D Association
Earshot Jazz Society of Seattle
Gallery Concerts
Issaquah Chorale
Ladies Musical Club
Northwest Symphony Orchestra
Olympic Music Festival
Orchestra Seattle
Pacific Sound Chorus
Puget Sound Musical Theatre
Rainier Chamber Winds
Seattle Chamber Music Festival
Seattle Philharmonic Orchestra
The Young Composers Collective

Visual Arts – Returned Questionnaire

Bellevue Art Museum
Center on Contemporary Art
Henry Gallery Association
Kirkland Arts Center
Pottery Northwest
Pratt Fine Arts Center (City Art Works at)
Seattle Art Museum

Visual Arts – Included in Study

Cinema Seattle
Daybreak Star Center (Visual Arts)
Frye Art Museum
Northwest Film Forum
Phinney Neighborhood Center Gallery
Pilgrim Center for the Arts
Studio East
White River Valley Museum
Wing Luke Asian Museum

Heritage – Returned Questionnaire

Museum of Flight
Museum of History and Industry
Nordic Heritage Museum
Northwest Folklife (partial)
Seattle Arts & Lectures
The Children's Museum

Heritage – Included in Study

Association of Pacific Northwest Quilters
Center for Wooden Boats
El Centro de la Raza
Ethnic Heritage Council
Irish Heritage Club

Klondike Gold Rush National Historical
Park
Puget Sound Railway Historical Museum
Richard Hugo House
Seattle Cherry Blossom & Japanese Cultural
Festival
Shoreline Historical Museum
The Raven Chronicles
Thomas Burke Memorial Museum
Virginia V Foundation

Art Service Orgs. – Returned
Questionnaire

Artist Trust
Auburn Arts Commission
Bellevue Arts Commission
Business Volunteers for the Arts
Corporate Council for the Arts
Cultural Resources Division, King County
Interurban Center for the Arts
Kent Arts Commission
Mercer Island Arts Council
PONCHO
Redmond Arts Commission
Seattle Arts Commissions
Shoreline Arts Council
Vashon Allied Arts
Washington State Arts Alliance

Art Service Orgs. – Included in Study

911 Media Arts Center
Allied Arts Foundation
Arts 2000
Arts and Visually Impaired Audiences
ArtsStar Association
Bellevue Arts Commission
Bellevue Downtown Association
Chaspen Foundation for the Arts
City of SeaTac
Enumclaw Arts Commission
Federal Way Arts Commission
Institute for Community Leadership
Issaquah Arts Commission
Pomegranate Center
Renton Parks & Recreation
South East Seattle Arts Council
Standing Ovation
Tukwila Arts Commission
Very Special Arts Washington

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 \$1997 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 \$1997 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 1987 Washington State input-output model developed by Chase, Conway, and Bourque (Chase, Conway & Bourque). 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 five input-output models. Beginning with the model developed for the year 1963, and continuing through the 1987 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 1963-1987 time period, there has been relatively modest changes in the multiplier structure contained in this model. A complete description of the 1987 Washington input-output model may be found in Chase, Conway & Bourque.

Updating and Augmenting the Input-Output Model

Since 1987, the date of the latest Washington input-output model, the economy has had continuing changes in its industrial structure and in the relations of production. This model has been widely used for many economic impact studies, but it has been necessary to develop price series that consider the

changes in relative prices for the value of industrial output among industries since construction of the model for the year 1987. The model used in the current study is similar to one developed by Conway and Beyers for use in economic impact studies of The Seattle Mariner's Baseball Club and the Seattle Seahawks football team. This model is more aggregate than the 1987 benchmark Washington State model, and has been structured so that it is possible to estimate sub-state economic impacts. Price deflators for each sector were developed for the year 1997, so that the model could adjust 1997 dollar values in relative terms to 1987 dollars (the baseline for transactional relationships contained in the model).

The current model also has been used to make estimates of sales 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 income and output and the volume of sales tax revenue and B&O tax revenues to the state, as well as to local governments. Calculations of this nature were undertaken in this study.

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 cultural 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 expenditure and cultural 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 cultural 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 communications 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 are considered as direct requirements in the input-output model.

The input-output model's multiplier structure translates the direct demands of patrons and cultural 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 cultural 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 from income generated from outside the Washington economy. Instead, it was only possible to estimate new money impacts at the local 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 portion of the new money impacts stem from Washington residents spending their income within the county, and at the state level these expenditures would not be considered new money.

Accuracy of the Results

The economic impact estimates 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 and heritage 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: Cultural 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 well over 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. Dramatic improvements were made in the accuracy of responses of organizations in comparison to the 1993 CCA impact study, both in terms of the layout and design of the questionnaire, and in the methodology used to gather the information from cultural organizations.

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 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 SURVEY FORM PAGE 1

1998 CCA Economic Impact Study

Page 1 of 5

ORGANIZATION INFORMATION

County:

Name of Organization:

Individ. completing this form:

Address:

City: State: Zip+4:

Telephone: E-Mail:

Fax: Website:

Date org. established (mm/dd/yy): Most recently completed from

Date form completed (mm/dd/yy): fiscal year (mm/dd/yy) : to

Primary Activity: (Enter a number from 1 to 6 in cell to the left - see below)

In the cell above, please enter a number from the following list that best represents your organization's **primary** activity. For purposes of this survey, we need to fit your organization into one of these categories.

- | | | |
|------------------------------|----------------------------|------------------------------|
| 1. Performing Arts - Dance | 4. Visual Arts | 5. Heritage |
| 2. Performing Arts - Theatre | 3. Performing Arts - Music | 6. Arts Service Organization |

GENERAL INFORMATION

Most Recent Fiscal Year
(Actual -Fiscal 1997)

Number of productions/exhibits (1)	<input type="text"/>
Number of memberships sold	<input type="text"/>
Number of full subscriptions sold	<input type="text"/>
Number of partial subscriptions (2)	<input type="text"/>
Average percentage of capacity	<input type="text"/>
Attendance	
1 - Membership visits	<input type="text"/>
2 - Season ticket visits (3)	<input type="text"/>
3 - Single tickets or admissions sold (other than member tickets/admissions)	<input type="text"/>
4 - Discounted student tickets (other than season tickets)	<input type="text"/>
5 - Discounted senior tickets (other than season tickets)	<input type="text"/>
6 - Other discounted tickets (rush etc.)	<input type="text"/>
7 - Free tickets	<input type="text"/>
TOTAL ATTENDANCE (add lines 1-7)	<input type="text"/>
Number of patrons with disabilities served	<input type="text"/>

Footnotes for Page 1

- Performance groups should enter number of individual productions; visual arts/heritage/etc. groups should enter number of individual exhibits.
- Enter data for partial subscriptions in the following way: # sold / # productions or exhibits. For example, 100, 3-production subscriptions would be entered 100 / 3. If you have more than one partial series, you may enter more than one ratio (e.g. 100/3;125/2;7/4).
- Season ticket visits equals the number of subscriptions sold times the number of productions or exhibits available to each subscriber.

ORGANIZATION SURVEY FORM PAGE 2

1998 CCA Economic Impact Study

Page 2 of 5

Name of Organization: Fiscal year ends:

OPERATING INCOME (1)

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

Earned Income:

Enter the actual or estimated amount of earned income from the sources listed, and the percentage sold to patrons or clients outside King County.

	Most Recent Fiscal Year (Actual -Fiscal 1997)	% Outside King County
Box Office/Admissions	<input type="text"/>	<input type="text"/>
Tuition/Workshops	<input type="text"/>	<input type="text"/>
Retail/Wholesale Sales	<input type="text"/>	<input type="text"/>
Other earned income (touring, rents, royalties, etc.)	<input type="text"/>	<input type="text"/>
Interest	<input type="text"/>	<input type="text"/>
Total Earned Income	<input type="text"/>	<input type="text"/>

Contributed Income:

Enter the actual or estimated amount of contributed income from the sources listed, percentage of these types of income which originated outside King County, and the number of contributors.

	Most Recent Fiscal Year (Actual -Fiscal 1997)	% Outside King County	Number of Contributors
Corporate Council for the Arts/ArtsFund	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other corporations	<input type="text"/>	<input type="text"/>	<input type="text"/>
Foundations	<input type="text"/>	<input type="text"/>	<input type="text"/>
PONCHO	<input type="text"/>	<input type="text"/>	<input type="text"/>
Federal Government (NEA/NEH/IMS)	<input type="text"/>	<input type="text"/>	<input type="text"/>
State Government	<input type="text"/>	<input type="text"/>	<input type="text"/>
County Government	<input type="text"/>	<input type="text"/>	<input type="text"/>
City Government	<input type="text"/>	<input type="text"/>	<input type="text"/>
Individuals	<input type="text"/>	<input type="text"/>	<input type="text"/>
Benefits / Galas / Guilds	<input type="text"/>	<input type="text"/>	<input type="text"/>
In-Kind contributions (exclude non-prof. vols.)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Misc. contributions	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Contributed Income	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Earned & contributed Income	<input type="text"/>	<input type="text"/>	<input type="text"/>

Asset Releases ("Fund Transfers") (2)

Net assets released from restriction

Total Operating Income

Footnotes for Page 2

- 1 Report only operational activity (earned and contributed income related to programming, operations etc.) on this page.
- 2 Report net assets released from restriction (i.e. "fund transfers") such as earnings from endowments or administrative expenses from a building campaign.

ORGANIZATION SURVEY FORM PAGE 3

1998 CCA Economic Impact Study

Name of Organization: _____

Fiscal year ends: _____

For the purposes of this economic impact study, general operating expenses are measured in two categories: Labor-related expenses for your employees (or non-contract personnel - **entered on this page**), and other operating expenses (which include contract personnel - **entered on the next page**).

EMPLOYEE EXPENSES (1)

NOTE: Report operational employee activities only (see Note "1" on Footnotes).

1. In columns A and B, please enter your employee expenses for administrative and production/exhibition personnel and the percentage of these payments which were made to residents outside King County. 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 let us know how many 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.

4. In column F convert the numbers in column E to full time equivalent using a 40 hour work week times 52 weeks or 2080 hours as a full time equivalent. The simplest way of calculating this figure is to arrive at the total number of hours worked by part time employees and dividing that figure by 2080 hours. Examples: If you have one part time employee who works 20 hours per week year round, you have 0.5 full time employees [1 x 20 x 52/2080=0.5]. If you have four employees that work 40 hours per week for 10 weeks (e.g. actors in a play), this is 0.8 full time employees [(4 x 40 x 10)/2080 = 0.8]. Please round to the nearest 1/10th. We appreciate your effort on this. Employee figures are one of the most significant elements of an accurate economic impact study.

(NOTE: Report activity for Most Recent Fiscal Year (Actual - Fiscal 1997)

	A	B	C	D	E	F	G	H
	Salaries, Wages & Benefits	% of \$ spent on employees residing outside King County	Employment Taxes (2)	Number of Full Time Employees	Number of Part Time Employees	# of Part Time in full-time equiv.	Number of Work Study/Interns	Number of Volunteers
Administrative Employees								
1 - Executive								
2 - Clerical								
3 - Marketing/promotion/publicity								
4 - Fundraising								
5 - Other								
Subtotal Administrative Employees								
Artistic/Professional/Technical Employees								
1 - Artistic/performing								
2 - Guest artists/lecturers								
3 - Director/design								
4 - Production/technical								
5 - Educational/Instructional								
6 - Other personnel								
Subtotal Art/Pro/Tech Employees								

1 - Please estimate the number of hours contributed by the volunteer personnel you identified in Col. G above
 2 - If this is a performing arts organization, how many of the personnel listed above are under contract with Actor's Equity, AGMA, Musicians Union, IATSE, or AFTRA?

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.)

ORGANIZATION SURVEY FORM PAGE 4

1998 CCA Economic Impact Study

Page 4 of 5

Name of Organization: Fiscal year ends:

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

OPERATING EXPENSES (except labor) (1) NOTE: Report operational activities only (see Note ** of Footnotes).

	Most Recent Fiscal Year (Actual -Fiscal 1997)	% Outside King County	Number of contract personnel	FTE# of of contract personnel
Contract Personnel (not employees)				
1 - Artistic/performing	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2 - Guest artists/lecturers	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3 - Director/design	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4 - Production/technical	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5 - Educational/instructional	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
6 - Other personnel	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Subtotal Contract Personnel	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Services				
Marketing expenses	<input type="text"/>	<input type="text"/>		
Press and public relations	<input type="text"/>	<input type="text"/>		
Photographic/art services	<input type="text"/>	<input type="text"/>		
Banking	<input type="text"/>	<input type="text"/>		
Insurance	<input type="text"/>	<input type="text"/>		
Professional services	<input type="text"/>	<input type="text"/>		
Janitorial/protective	<input type="text"/>	<input type="text"/>		
Transportation	<input type="text"/>	<input type="text"/>		
Lodging	<input type="text"/>	<input type="text"/>		
Food/beverage services	<input type="text"/>	<input type="text"/>		
Set/costume/exhibit rental	<input type="text"/>	<input type="text"/>		
Equipment rental	<input type="text"/>	<input type="text"/>		
Hall rental	<input type="text"/>	<input type="text"/>		
Office and work space rental	<input type="text"/>	<input type="text"/>		
Royalties	<input type="text"/>	<input type="text"/>		
Other services: <small>(please specify)</small>	<input type="text"/>	<input type="text"/>		
Subtotal Services	<input type="text"/>	<input type="text"/>		
Utilities & Phone				
Telephone	<input type="text"/>	<input type="text"/>		
Postage	<input type="text"/>	<input type="text"/>		
Other utilities	<input type="text"/>	<input type="text"/>		
Subtotal Utilities & Phone	<input type="text"/>	<input type="text"/>		
Other Goods & Services				
Printing of programs etc.	<input type="text"/>	<input type="text"/>		
Exhibit/set materials	<input type="text"/>	<input type="text"/>		
Production materials	<input type="text"/>	<input type="text"/>		
Supplies	<input type="text"/>	<input type="text"/>		
Maintenance	<input type="text"/>	<input type="text"/>		
Other goods & services	<input type="text"/>	<input type="text"/>		
Subtotal Other Goods & Services	<input type="text"/>	<input type="text"/>		
Taxes (2)				
Sales tax	<input type="text"/>	<input type="text"/>		
B&O tax	<input type="text"/>	<input type="text"/>		
Property tax	<input type="text"/>	<input type="text"/>		
Other taxes: <small>(please specify)</small>	<input type="text"/>	<input type="text"/>		
Subtotal Taxes	<input type="text"/>	<input type="text"/>		
Total Operating (except labor)	<input type="text"/>	<input type="text"/>		

Footnotes for Page 4

- Report only operational activity (programming, administration, fundraising etc.) on this page. Exclude employees (non-contract personnel); this information may be entered on page 3. All information should be entered as dollars.
- Do not include employment taxes here. Employment taxes should be included as part of your labor costs on page 3.

ORGANIZATION SURVEY FORM PAGE 5

1998 Economic Impact Study

Page 5 of 5

Name of Organization: _____ Fiscal year ends: _____

CAPITAL/BUILDING ACTIVITY (1) Total Capital/Building Activity

Income and Support:	Since Fiscal 1990
Corporate	_____
Foundation	_____
Individual	_____
Government:	
1 - Federal	_____
2 - State	_____
3 - County	_____
4 - City	_____
Subtotal Government (add lines 1-5)	_____
Other: _____	_____
TOTAL INCOME AND SUPPORT	_____

Expenses Related to Capital/Building Activity:

Campaign	_____
Design (i.e. architect fees, etc.)	_____
Construction	_____
Other	_____
TOTAL EXPENSES	_____

Capital (2)	1 -	Start date	End date
Projects:	2 -	Start date	End date
	3 -	Start date	End date
	4 -	Start date	End date

NET ASSETS ("FUNDS") (3)

	Beg. Balance Fiscal 1996	Additions - Fiscal 1997	Transfers - Fiscal 1997	End. Balance Fiscal 1997
Unrestricted Net Assets ("Funds"): (4)				
(1) _____	_____	_____	_____	_____
(2) _____	_____	_____	_____	_____
(3) _____	_____	_____	_____	_____
Temp. Restricted Net Assets: (5)				
(1) _____	_____	_____	_____	_____
(2) _____	_____	_____	_____	_____
(3) _____	_____	_____	_____	_____
Perm. Restricted Net Assets: (6)				
(1) _____	_____	_____	_____	_____
(2) _____	_____	_____	_____	_____
(3) _____	_____	_____	_____	_____
TOTAL NET ASSETS ("FUNDS")	_____	_____	_____	_____

Footnotes for Page 5

- 1 Please include totals of all capital/building campaigns since fiscal year 1990. If you have conducted more than one campaign, provide totals here of all activity and list the separate campaigns below.
- 2 List individual capital/building campaigns since fiscal year 1990.
- 3 Please report the total current values or your endowments, cash reserves and other net assets ("funds"). Also report contributions to each fund for the last completed fiscal year (fiscal 1997).
- 4 Assets under no restriction by the donor.
- 5 Assets under a restriction or restrictions that can be removed by the passage of time or action of the organization.
- 6 Assets under a restriction by the donor that can never be removed.

Appendix 4: Survey Form for Patrons

PATRON SURVEY FORM PAGE 1

CORPORATE COUNCIL FOR THE ARTS

Dear arts patron,

Cultural organizations in this region make important contributions to both our quality of life and to our economic prosperity. To determine the impact of cultural activity on our economy, Corporate Council for the Arts/ArtsFund – with special funding from The Allen Foundation for the Arts – is updating its comprehensive economic impact study. The first study, released in 1993, has provided a cornerstone of data for many policies and decisions concerning the region's cultural life.

The committee overseeing this study includes representatives of key King and Pierce County cultural service organizations. GMA Research Corporation, an independent marketing research firm, is conducting the study.

The survey that follows is the heart of this project. Please take a few minutes to complete the form, then drop it in the box provided or return it to the arts organization volunteer who gave it to you.

Thanks for your cooperation. The information you provide is an essential part of this important study.

Post Office Box 19780
10 Harrison Street
Suite 200
Seattle, WA 98109-67
206-281-9050
Tacoma 253-305-0049
FAX 206-281-9175
cca@artsfund.org

James C. Hawkanson
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Arts/ArtsFund

Dwight Gee, V.P.
Community Affairs
CCA/ArtsFund

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David Fischer
Pierce County Arts
Commission Manager

Leonard Garfield, Manager
King County Arts
Commission

Julia Garnett, Director
Cultural Council of Greater
Tacoma

Donovan Gray, Director
Arts Network of Washington
State

Gretchen Johnston
Executive Director
Washington State Arts Alliance

PATRON SURVEY FORM PAGE 2

PATRON SURVEY

- 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, etc. (One person should estimate expenditure for the entire party.)

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

- 4) Please describe the importance of the arts or heritage to you personally.

- 5) Please describe the importance of the arts or heritage to the community.

Appendix 5: 1997 CCA Economic Impact Study Measures Summarized

<u>\$ Measures</u>	<u>Seattle 1997 (\$97) (\$)</u>	<u>Seattle 1992 (\$92) (\$)</u>	<u>Seattle - % Increase 97 over 92*</u> (%)	<u>King Co. 1997 (\$97) (\$)</u>	<u>King Co. 1992 (\$92) (\$)</u>	<u>King Co. - % Increase 97 over 92*</u> (%)	<u>Pierce Co. 1997 (\$97) (\$)</u>	<u>King and Pierce Co. Combined (\$)</u>
Aggregate Sales	\$269.9	\$152.5	55%	\$338.2	\$182.7	62%	\$35.1	\$373.3
Impacts								
New Money Sales	74.8	33.8	93%	99.8	41.3	111%	12.2	102.8
Impacts**								
Labor Income	142.3	83.0	50%	170.8	96.9	54%	17.6	188.4
Impacts								
New Money Labor	40.9	18.1	98%	51.1	21.5	108%	6.0	52.5
Income Impacts**								
Patron Spending- Aggregate	NA	NA	NA	203.8	91.0	96%	16.2	220.0
Patron Spending- New Money**	NA	NA	NA	88.7	22.4	246%	8.6	84.8
Org. Income - Aggregate	NA	NA	NA	143.6	86.0	46%	15.5	159.1
Org. Expenditures - Aggregate	NA	NA	NA	141.9	84.0	48%	16.0	157.9
Tax Impacts - Aggregate	NA	NA	NA	\$24.0	\$12.9	63%	\$2.6	\$26.6
<u>Other Measures</u>	<u>Seattle 1997 (#)</u>	<u>Seattle 1992 (#)</u>	<u>Seattle - % Change 92 to 97 (%)</u>	<u>King Co. 1997 (#)</u>	<u>King Co. 1992 (#)</u>	<u>King Co. - % Change 92 to 97 (%)</u>	<u>Pierce Co. 1997 (#)</u>	<u>King and Pierce Co. Combined (#)</u>
# Cultural Orgs. Included	NA	NA	NA	160	142	13%	40	200
<u>Jobs</u>								
Total Jobs Created (full & part time)	11,708	8,190	43%	12,839	8,853	45%	3,228	16,067
Direct Jobs Created	NA	NA	NA	9,587	6,629	45%	2,923	12,510
New Money Total								
Jobs Created**	2,766	1,622	71%	3,172	1,790	77%	950	3,740
Volunteers	NA	NA	NA	18,848	14,000	35%	1,900	20,748

(CONTINUED ON NEXT PAGE)

NA = DATA NOT AVAILABLE

* \$ ADJUSTED FOR INFLATION

APPENDIX 5 (CONTINUED)

<u>Other Measures</u>	<u>Seattle 1997</u>	<u>Seattle 1992</u>	<u>Seattle - % Change 92 to 97</u>	<u>King Co. 1997</u>	<u>King Co. 1992</u>	<u>King Co. - % Change 92 to 97</u>	<u>Pierce Co. 1997</u>	<u>King and Pierce Co. Combined</u>
<u>Expenses</u>	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
% Budget Spent on Employee Expenses	NA	NA	NA	44%	48%	-4%	47%	44%
% Budget Spent on Operating Expenses	NA	NA	NA	56%	52%	4%	53%	56%
<u>Income</u>	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Earned Income	NA	NA	NA	62%	48%	14%	40%	60%
Contributed- Individual	NA	NA	NA	9%	11%	-2%	7%	9%
Contributed- Corporate	NA	NA	NA	5%	8%	-3%	6%	5%
Contributed- Government	NA	NA	NA	7%	15%	-8%	28%	9%
Contributed- Foundation	NA	NA	NA	3%	4%	-1%	8%	3%
Contributed-Other	NA	NA	NA	14%	14%	0%	12%	12%
<u>Attendance</u>	NA	NA	NA	5.1 million	4.0 million	28%	788,000	5.9 million
Student Admissions	NA	NA	NA	394,196	295,000	34%	71,822	466,018
Discounted Senior Admissions	NA	NA	NA	67,451	110,000	-39%	40,612	108,063
# of Memberships Sold	NA	NA	NA	99,479	NA	NA	12,336	111,815
# of Full or Partial Subscriptions Sold	NA	NA	NA	195,674	NA	NA	10,517	206,191
Season Ticket Visits / Membership Visits	NA	NA	NA	1,343,885	968,209	39%	86,840	1,430,725
Single Ticket / Admission Visits	NA	NA	NA	2,097,139	1,884,197	11%	229,019	2,326,158
Patrons Served with Disabiliites	NA	NA	NA	67,404	30,924	118%	23,000	90,404

NA = DATA NOT AVAILABLE

* \$ ADJUSTED FOR INFLATION

** NEW MONEY IMPACTS ARE NOT ADDITIVE BECAUSE OF PATRON
CROSS-OVER BETWEEN KING & PIERCE COUNTIES

Appendix 6: 1999 Corporate Council for the Arts Board of Trustees and Staff

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Frank Russell Company

John F. Sacia
Sacia Risk Solutions

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Eddie Bauer, Inc.

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Wall Data Incorporated

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