

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

PREPARED FOR:

Corporate Council for the Arts
P.O. Box 19780
Seattle, WA 98109
(206) 281-9050
Tacoma (253) 305-0049
Fax (206) 281-9175
cca@artsfund.org

FUNDED BY:

The Paul G. Allen Foundation for the Arts

PREPARED BY:

GMA Research Corporation
Mountain Pacific Building
11808 Northup Way, Suite 270
Bellevue, WA 98005-1922
(425) 827-1251 • FAX (425) 828-6778

and

Dr. William B. Beyers
Department of Geography, Box 353550
University of Washington
Seattle, WA 98195
(206) 543-5871 • FAX (206) 543-3313 • beyers@u.washington.edu

Released January 1999

TABLE OF CONTENTS

TABLE OF CONTENTS	i
TABLE OF TABLES	iii
TABLE OF FIGURES	v
AUTHORS ACKNOWLEDGEMENTS	vii
SPONSORS ACKNOWLEDGEMENTS	viii
EXECUTIVE SUMMARY	x
AGGREGATE IMPACT.....	x
NEW MONEY	xi
INCOME	xi
EXPENDITURES	xi
EMPLOYMENT.....	xii
ATTENDANCE.....	xii
PATRON SPENDING.....	xiii
VOLUNTEERS	xiii
QUALITY OF LIFE CONSIDERATIONS.....	xiii
I. INTRODUCTION	1
GOALS AND OBJECTIVES OF THIS STUDY	1
RESEARCH APPROACH: DESIGNING THIS STUDY	1
ARTS & HERITAGE ORGANIZATION SURVEY	3
PATRON SURVEY	4
ECONOMIC IMPACT MODEL	5
II. ECONOMIC IMPACT OF CULTURAL ORGANIZATIONS IN PIERCE COUNTY	6
INCOME OF PIERCE COUNTY CULTURAL ORGANIZATIONS.....	6
(1) <i>Total Income</i>	6
(2) <i>Earned Income</i>	9
(3) <i>Contributed Income</i>	9
(4) <i>Government Income</i>	12
(5) <i>Other Income</i>	12
EXPENDITURES OF PIERCE COUNTY CULTURAL ORGANIZATIONS.....	13
(1) <i>Composition of Employee Expenses</i>	14
(2) <i>Operating Expenses</i>	15
(3) <i>Endowments and Capital Expenditures</i>	18
EMPLOYMENT IN ARTS AND CULTURAL ORGANIZATIONS.....	19
EXPENDITURES OF PATRONS.....	24
ECONOMIC IMPACT OF CULTURAL ORGANIZATIONS AND THEIR PATRONS.....	26
(1) <i>Aggregate Impacts</i>	27
(2) <i>New Money Impacts</i>	29
VOLUNTEERS IN CULTURAL ORGANIZATIONS.....	31
III. CULTURAL ORGANIZATION PATRONAGE CHARACTERISTICS	32
NUMBER OF PATRONS.....	32
PATRONS WITH DISABILITIES.....	34
CULTURAL ORGANIZATION PERFORMANCE AND EXHIBITION STATISTICS	35

PATRON TRIP REASONS	35
PATRON ORIGINS	36
PATRON EXPENDITURES	37
PATRON GROUP SIZES	38
PATRON CULTURAL ORGANIZATION PROFILE	39
IV. COMPARISON TO OTHER STUDIES	43
INCOME	43
EXPENDITURES	43
EMPLOYMENT.....	44
ECONOMIC IMPACTS	44
ENDOWMENTS.....	45
ATTENDANCE.....	45
PATRON SPENDING.....	45
VOLUNTEERS.....	46
V. CONCLUDING REMARKS	47
ORGANIZATION SURVEY.....	47
PATRON SURVEY	47
CAPITAL IMPACTS.....	48
NET ASSETS/FUNDS	48
REFERENCES.....	49
APPENDICES.....	50
APPENDIX 1: PIERCE COUNTY ORGANIZATIONS EITHER PARTICIPATING OR INCLUDED IN THIS STUDY.	50
APPENDIX 2: INPUT-OUTPUT MODEL METHODOLOGY	51
<i>Definitions and Conventions</i>	51
<i>Impact Analysis Methodology</i>	51
<i>Direct Economic Impacts: Cultural Organization Expenditures</i>	53
<i>Direct Economic Impacts: Patrons</i>	53
APPENDIX 3: SURVEY FORM FOR ARTS ORGANIZATIONS	55
APPENDIX 4: SURVEY FORM FOR PATRONS.....	60
APPENDIX 5: 1997 CCA ECONOMIC IMPACT STUDY MEASURES SUMMARIZED.....	ERROR! BOOKMARK NOT DEFINED.
APPENDIX 6: 1999 CORPORATE COUNCIL FOR THE ARTS BOARD OF TRUSTEES AND STAFF.....	64
INDEX.....	68

TABLE OF TABLES

TABLE I-1 CULTURAL ORGANIZATIONS INCLUDED IN THIS STUDY	3
TABLE I-2 PIERCE COUNTY CULTURAL ORGANIZATIONS BUDGET COVERAGE	4
TABLE II-1 TOTAL INCOME TO PIERCE COUNTY CULTURAL ORGANIZATIONS (\$ IN MILLIONS)	7
TABLE II-2 PERCENTAGE OF TOTAL INCOME BY DISCIPLINE AND TOTAL.....	7
TABLE II-3 PERCENTAGE COMPOSITION OF EARNED INCOME.....	9
TABLE II-4 PERCENTAGE COMPOSITION OF CONTRIBUTED INCOME BY SOURCE (EXCEPT GOVERNMENT)	10
TABLE II-5 INDIVIDUAL CONTRIBUTIONS TO PIERCE COUNTY CULTURAL ORGANIZATIONS	10
TABLE II-6 CORPORATE CONTRIBUTIONS TO PIERCE COUNTY CULTURAL ORGANIZATIONS	11
TABLE II-7 PRIVATE FOUNDATION CONTRIBUTIONS TO PIERCE COUNTY CULTURAL ORGANIZATIONS.....	11
TABLE II-8 IN-KIND CONTRIBUTIONS TO PIERCE COUNTY CULTURAL ORGANIZATIONS	12
TABLE II-9 GOVERNMENT INCOME BY SOURCE (% OF GOVERNMENT INCOME)	12
TABLE II-10 OTHER INCOME	13
TABLE II-11 AGGREGATE EXPENDITURES OF PIERCE COUNTY CULTURAL ORGANIZATIONS	13
TABLE II-12 EMPLOYEE AND OPERATING EXPENSE BY DISCIPLINE	14
TABLE II-13 COMPOSITION OF EMPLOYEE EXPENSES	15
TABLE II-14 OPERATING EXPENSES BY BROAD CATEGORY	16
TABLE II-15 OPERATING EXPENSES BY DETAILED CATEGORIES (% OF TOTAL OPERATING EXPENSES).....	16
TABLE II-16 ENDOWMENTS, INTEREST INCOME, AND ASSETS RELEASED (\$ MILLIONS).....	18
TABLE II-17 PIERCE COUNTY CAPITAL EXPENDITURES BY DISCIPLINE (\$ MILLIONS)	19
TABLE II-18 EMPLOYMENT STATUS.....	19
TABLE II-19 FULL-TIME EMPLOYMENT IN CULTURAL ORGANIZATIONS.....	20
TABLE II-20 PART-TIME EMPLOYMENT IN CULTURAL ORGANIZATIONS	21
TABLE II-21 CONTRACT EMPLOYMENT – HEADCOUNT	22
TABLE II-22 TOTAL EMPLOYMENT INCLUDING FULL AND PART-TIME, CONTRACTUAL, AND INTERNS/WORK-STUDY EMPLOYEES.....	23
TABLE II-23 FULL-TIME EQUIVALENT NUMBER OF PART-TIME EMPLOYEES	23
TABLE II-24 PER CAPITA PATRON EXPENDITURES	24
TABLE II-25 NUMBER OF PATRONS	25
TABLE II-26 ESTIMATED TOTAL PATRON EXPENDITURES (\$ THOUSANDS)	25
TABLE II-27 SUMMARY OF WASHINGTON AND PIERCE COUNTY IMPACTS.....	27
TABLE II-28 TOTAL PIERCE COUNTY IMPACT (\$97)	28
TABLE II-29 NEW MONEY SOURCES.....	29
TABLE II-30 NEW MONEY IMPACTS, PIERCE COUNTY	30
TABLE II-31 VOLUNTEERS IN CULTURAL ORGANIZATIONS IN PIERCE COUNTY (# OF VOLUNTEERS).....	31
TABLE III-1 ESTIMATED NUMBER OF PATRONS BY DISCIPLINE.....	33
TABLE III-2 PERCENTAGE DISTRIBUTION OF ATTENDANCE.....	34
TABLE III-3 CULTURAL ORGANIZATION PERFORMANCE & EXHIBITION STATISTICS.....	35
TABLE III-4 REASON FOR PATRON TRIPS	36
TABLE III-5 GEOGRAPHIC ORIGIN OF PATRONS	36
TABLE III-6 PATRON ORIGINS AND PERCENTAGE MAKING TRIP PRIMARILY TO ATTEND A PIERCE COUNTY CULTURAL ORGANIZATION EVENT/PRESENTATION.....	37
TABLE III-7 PATRON EXPENDITURES.....	38
TABLE III-8 ORIGIN OF SAMPLED PATRONS AND SHARES OF TOTAL ATTENDANCE	38
TABLE III-9 GROUP SIZES ATTENDING CULTURAL ORGANIZATIONS (% OF TOTAL)	39
TABLE III-10 SEASON TICKET/MEMBERSHIP PATRON FREQUENCIES	40
TABLE III-11 SEASON TICKET/MEMBERSHIP PARTICIPATION RATES.....	40
TABLE III-12 SINGLE TICKET PATRON PARTICIPATION FREQUENCIES AND PARTICIPATION RATES.....	41
TABLE III-13 A SAMPLING OF RESPONSES TO THE QUESTION: “PLEASE DESCRIBE THE IMPORTANCE OF THE ARTS OR HERITAGE TO YOU PERSONALLY.”	42

TABLE IV-1 A COMPARISON OF MULTIPLIERS.....45
TABLE IV-2 COMPARISON OF PATRON EXPENDITURES, ALBUQUERQUE & PIERCE COUNTY46

TABLE OF FIGURES

FIGURE II-1 PERCENTAGE OF TOTAL INCOME BY SOURCE	8
FIGURE II-2 PERCENTAGE OF TOTAL INCOME BY DISCIPLINE	8
FIGURE II-3 PERCENTAGE OF TOTAL INCOME BY DISCIPLINE AND SOURCE.....	8
FIGURE II-4 AGGREGATE EXPENDITURES OF PIERCE COUNTY CULTURAL ORGANIZATIONS.....	14
FIGURE II-5 EMPLOYMENT STATUS	20
FIGURE II-6 PATRON EXPENDITURES BY CATEGORY	26
FIGURE III-1 PERCENTAGE OF PATRONS BY DISCIPLINE.....	33
FIGURE III-2 PERCENTAGE DISTRIBUTION OF ATTENDANCE BY CATEGORY	34
FIGURE III-3 PERCENTAGE DISTRIBUTION OF ATTENDANCE BY DISCIPLINE.....	34

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 Pierce County contribute even more strongly to the quality of life in their communities than they have in recent years.


I
 esident
ion


William B. Beyers
Department of Geography
University of Washington
Seattle, WA

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.

Peter Donnelly
*Corporate Council
for the Arts*

Dwight Gee
*Corporate Council
for the Arts*

Eli Ashley
*Broadway Center for the
Performing Arts*

Mary Pat Byrne
Bellevue Arts Commission

Wendy Ceccherelli
Seattle Arts Commission

David Fischer
*Broadway Center for the
Performing Arts*

Leonard Garfield
*King County Arts
Commission*

Julia Garnett
*Cultural Council of
Greater Tacoma*

Donovan Gray
*Arts Network of
Washington State*

Gretchen Johnston
*Washington State
Arts Alliance*

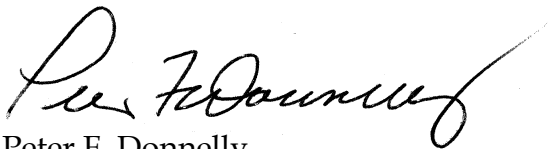
We were fortunate to have the same team that conducted our previous survey undertake this expanded effort. GMA Research Corporation conducted the research and Dr. William Beyers of the University of Washington very ably handled the economic modeling and writing the report.

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 Pierce County, as well as in surrounding counties and elsewhere in Washington State. They are also important forces in drawing people to this community as tourists. Several patrons put it this way:

"I am always fascinated to see where the world of today came from. Art is a way to glimpse how people of yesterday and sometimes today live."

"This community is greatly enhanced by the arts. Young people are attending in greater numbers and someone is doing things right."

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 important as well within the context of the larger business community:

"The growth and the maturity of the arts community in Tacoma has been mirrored in the growth and maturity of the town."

SOURCE: PATRON SURVEY

This study measures the economic impact of 40 non-profit cultural organizations, and the expenditures of their patrons, on the Washington State and Pierce county 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 Pierce 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 \$35.1 million in business activity was generated in Pierce County by the spending of these patrons and cultural organizations. In addition, some 3,228 jobs and \$17.6 million in labor income were generated due to these activities. Nearly \$2 million in taxes were collected by state and local governments for sales and business & occupation taxes due to this business activity.

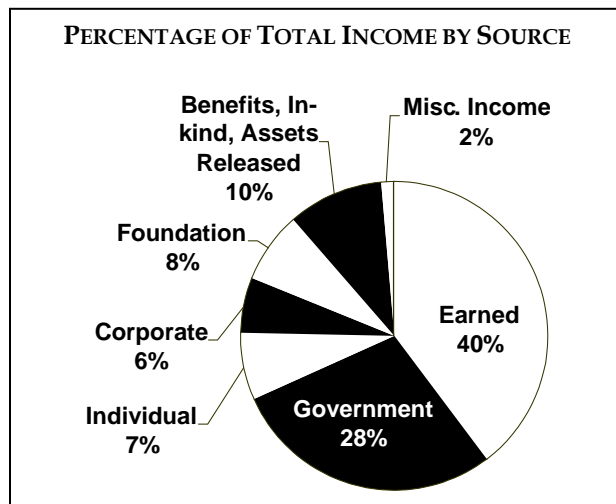
Spending by cultural organization patrons totaled \$16 million, with tickets and admissions accounting for \$4.3 million of these expenditures. Budgets of cultural organizations were \$16 million in 1997. These groups reported tax payments to local, state, and federal governments of \$0.8 million.

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 traveling from outside Pierce County, and from income earned by local cultural organizations from sources located outside Pierce 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 Pierce County economy. New money provides 28% of the income of cultural organizations, and accounted for 48% of total patron outlays. New money economic impacts in 1997 include \$12.2 million in business sales, 950 jobs, and \$6.0 million in labor income.

Income

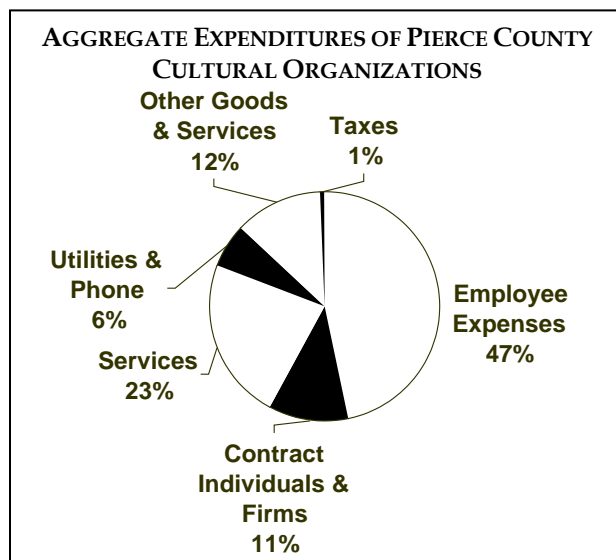
Earned income from tickets, admissions, tuition, retail sales, and other sources accounted for 40% of total income of Pierce County cultural organizations. The other 60% was raised from contributions, which included 28% from governments, 10% from benefits/galas/in-kind/endowment income, 8% from foundations, 7% from individuals, and 6% from corporations.



Expenditures

Expenses are divided between employee expenses (47%) and operating expenses (53%). Almost all employee expenses are incurred in Pierce County, while operating expenses were more widely distributed. A major operating cost (21%) was for contract personnel, such as visiting artists, and approximately 58% of these expenditures were made outside Pierce County.

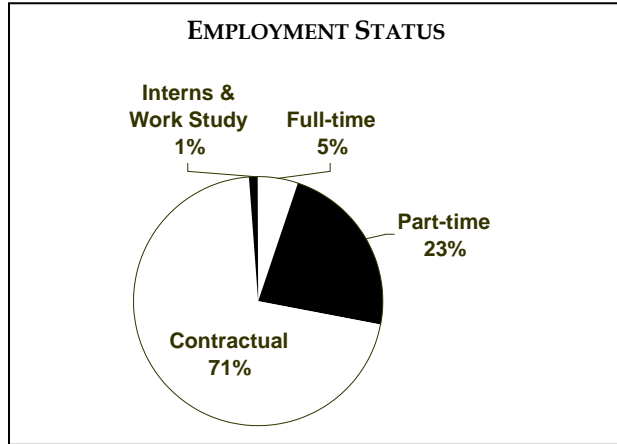
Service purchases account for 44% of operating expenses, 89%



of which were made in Pierce 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 23% of operating costs, while utility and postage costs were 12%.

Employment

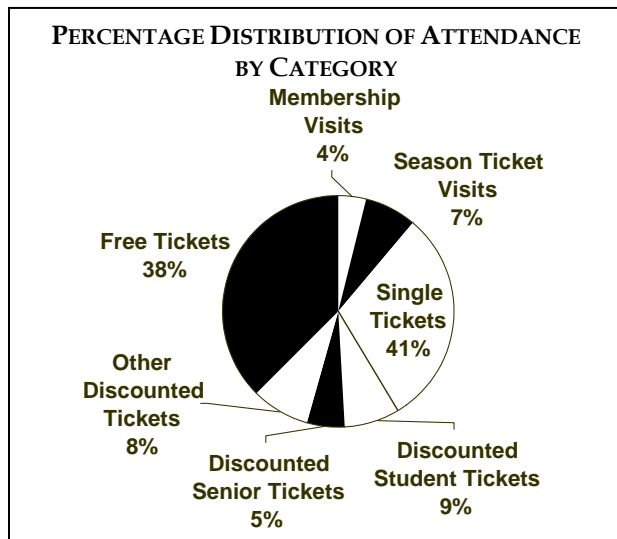
As estimated 3,228 jobs in Pierce County were related to cultural organizations in 1997. Of this level of employment 2,923 were jobs directly tied to local cultural organizations. Most of these jobs were part time or contractual jobs (94%). Part time employment is predominately in dance, theatre, and the music disciplines, although arts service organizations



contract with many artists to provide local arts services on a short-term basis. People working in Pierce County cultural organizations were paid \$9.9 million in labor income in 1997.

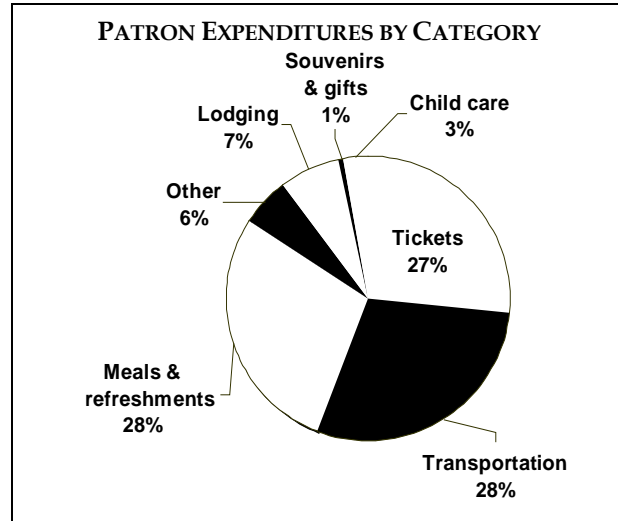
Attendance

There were 788 thousand admissions to events sponsored by cultural organizations covered in this study in Pierce County in 1997. The bulk of these (40%) were single tickets or season ticket visits/membership visits, while some 38% (296,000) were free admissions, and the balance (22%) were discounted admissions (176,000).



Patron Spending

Patrons spent an average of \$25 on their visits to Pierce County cultural organizations in 1997. Local residents spent less (an average of \$20) than those from outside Pierce County (\$36) 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 1,900 people are estimated to have volunteered to work with cultural organizations in Pierce County in 1997. They are estimated to have volunteered 44,000 hours of work time.

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 Pierce 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 Pierce County citizens with a high quality of life, as documented in the following quotes from the survey of patrons.

"The arts are critical to the well being of the community. We need beauty and history continually in our lives."

"Within the community the arts are a vital medium to share different cultural experiences, broadening our awareness, understanding, and acceptance of others."

"Incredible. Makes the city a better place to live. Attracts people and business."

“Arts are important to the community because they give us a chance to better understand different cultures and ways of life.”

“It’s the best resource for development in Tacoma.”

SOURCE: PATRON SURVEY

I. INTRODUCTION

"Part of my spirit and life blood. I retire in a few months and would move elsewhere if arts ceased to exist in Tacoma."

SOURCE: PATRON SURVEY

Goals and Objectives of this Study

Arts and cultural activities are a central component in the mix of institutions, organizations, and environmental attributes that make the quality of life in Pierce 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 Pierce 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 Tacoma Art Museum, Broadway Center for the Performing Arts, and the Washington State Historical Society. 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 Pierce County with annual operating budgets of at least budget \$23,000¹. This definition thereby excludes a significant portion of the commercial art and cultural business activity located in Pierce County, including festivals, commercial 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 undertaken with regard to King County cultural organizations (GMA Research Corporation and Beyers, 1993).

¹ This figure was established after discussions reviewing the bases for including organizations in a similar impact analysis undertaken for King County Cultural Organizations for the year 1992 by the CCA. This study was published in 1993; see GMA Research & Beyers in the references to this study. In the 1993 CCA impact 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.

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. It should be noted that this study of Pierce county cultural organizations was conducted simultaneously with a parallel study of King County cultural organizations (GMA Research Corporation and Beyers, 1999). The two studies shared a common methodology, and have similar format and text.

In some other studies of cultural organizations 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 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 the non-profit arts organizations (Port Authority of New York). 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 Art Museum, Dean Runyon & Associates, Beyers 1998).

The Pierce County organizations included in this study are included in several industries reported by the Washington State Employment Security Department for Pierce 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 Pierce County Arts Commission, 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 which 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 Pierce County. There were 40 organizations identified whose budgets met our criteria for inclusion in this 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. 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 18 questionnaires being returned. 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.

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	0	4
Performing Arts - Theatre	5	2
Performing Arts - Music	5	9
Visual Arts	1	1
Heritage	4	4
Art Service Organizations (ASO)	<u>3</u>	<u>4</u>
Total	18	24

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 \$13 million of estimated total budgets of \$15.5 million, 84% 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 3.3%, in

preparing the expenditures, income, employment, and other organizational statistics reported in Chapters II and III of this study. 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 of King County cultural organizations.

TABLE I-2 PIERCE 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	\$0	\$517,217	NA
Theatre	\$3,670,897	\$3,792,897	1.033
Music	1,779,513	2,642,629	1.485
Visual	1,900,232	2,380,232	1.253
Heritage	4,471,445	4,626,445	1.035
ASO	<u>1,214,117</u>	<u>1,496,015</u>	1.232
Total	\$13,036,204	\$15,455,435	1.186

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

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

A Note on Dance

Table I-2 indicates that no dance organizations were included in the survey of Pierce county organizations. This table also indicates that these organizations are not large, as measured by their aggregate budgets. After consultation with the CCA, the authors of this study have utilized selected survey results for King County to simulate expenditures and patron characteristics of Pierce County dance organizations. The Pierce County Arts Commission has supplemented this information with financial data on Pierce County dance organizations.

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 eight different events, midweek and on weekends, in the daytime as well as the evening, over the spring and early summer of 1998. About 330 surveys were obtained from patrons at Pierce 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, 296 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.

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 Pierce 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.

II. ECONOMIC IMPACT OF CULTURAL ORGANIZATIONS IN PIERCE COUNTY

"Viewing art slows me down. It gives me a few minutes to examine and reflect on what other people do and see."

SOURCE: PATRON SURVEY

The economic impact of Pierce County arts and heritage organizations, and their patrons, is estimated in this chapter. First, the sources of income to Pierce 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 Pierce 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 Pierce County cultural organizations.

Income of Pierce County Cultural Organizations

Pierce 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 Pierce County arts organizations. It is estimated that these organizations had a total of \$15.4 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 40% of total income is earned income. However, this table indicates that the percentage of earned income varies considerably across disciplines, ranging from only 7% for arts service organizations (labeled A.S.O. in tables which follow), which are overwhelmingly dependent upon government for their income, to 73% in dance.

Tables II-1 and II-2, and Figure II-1 indicate that private sector contributions, earned income, and government income are of roughly equal importance to Pierce County cultural organizations. Government income accounted for some 28% of total income, while private sector contributions provided 33% of total income, and earned income supplied the balance (40%).

TABLE II-1 TOTAL INCOME TO PIERCE COUNTY CULTURAL ORGANIZATIONS (\$ IN MILLIONS)²

<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	0.38	2.02	1.21	1.13	1.32	0.10	6.16
Government	0.02	0.38	0.08	0.03	2.67	1.22	4.39
Individual	0.01	0.22	0.30	0.27	0.26	0.00	1.06
Corporate	0.02	0.26	0.29	0.25	0.04	0.06	0.91
Foundation	0.08	0.18	0.41	0.33	0.11	0.08	1.18
Benefits, In-kind, Assets Released	0.01	0.61	0.29	0.37	0.23	0.01	1.52
Other Income	<u>0.01</u>	<u>0.13</u>	<u>0.07</u>	<u>0.00</u>	<u>0.00</u>	<u>0.03</u>	<u>0.23</u>
Total	0.52	3.79	2.64	2.38	4.63	1.50	15.46
Discipline income as a % of total income	3%	25%	17%	16%	30%	10%	100%

The relative importance of the disciplines in terms of total income is displayed in Figure II-2, and in Table II-1. Heritage accounted for 30% of total income, followed by theatre that accounted for some 25% of total income. Music and dance together accounted for 20% in the present study, while visual arts accounted for about one-eighth of total income, and art service organizations accounted for 10% of total income.

Figure II-3 and Table II-2 indicate the variation in the mix of income sources among disciplines. Government contributions are clearly of major importance to heritage and arts service organizations, but do not constitute a

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	73	53	46	47	29	7	40
Government	4	10	3	1	58	81	28
Individual	1	6	11	12	6	0	7
Corporate	3	7	11	10	1	4	6
Foundation	14	5	15	14	2	5	8
Benefits, In-kind, Assets Released	3	16	11	15	5	0	10
Other Income	<u>2</u>	<u>3</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>
Total	100	100	100	100	100	100	100

² Due to rounding, percentages or absolute values in some tables may not add to column or row totals.

FIGURE II-1 PERCENTAGE OF TOTAL INCOME BY SOURCE

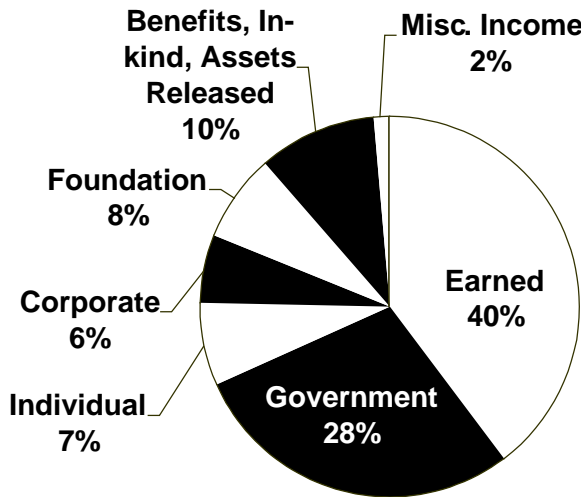


FIGURE II-2 PERCENTAGE OF TOTAL INCOME BY DISCIPLINE

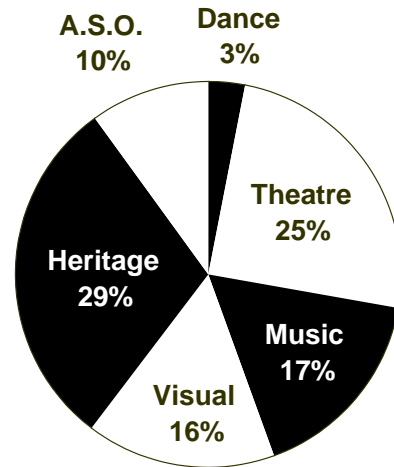
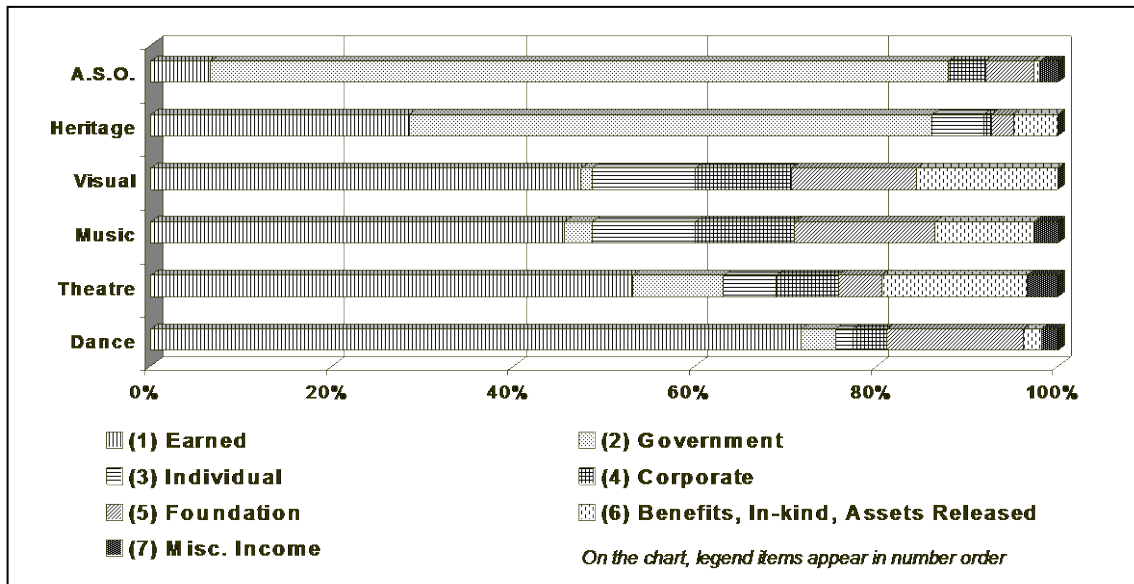


FIGURE II-3 PERCENTAGE OF TOTAL INCOME BY DISCIPLINE AND SOURCE



primary source of income for other disciplines. Each discipline has a different pattern of income. There are also major differences in the sources of income received by individual organizations within the disciplines. Earned income is the primary source for dance, theatre, music, and the visual arts, but each of these disciplines also relies on a mixture of individual, corporate, foundation, and other types of income (including in-kind income).

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

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	0.8	4.7	3.1	0.0	3.5
Season Ticket Visits	0.0	26.7	16.1	0.0	0.1	0.0	6.9
Single Ticket/Admissions	85.0	31.3	44.5	21.5	46.7	91.0	42.9
Retail/Wholesale Sales	0.0	2.7	0.0	15.7	5.2	0.4	4.9
Other Earned Income	15.0	35.6	11.8	22.9	41.8	0.0	34.9
Interest	<u>0.0</u>	<u>1.1</u>	<u>1.5</u>	<u>33.9</u>	<u>0.1</u>	<u>0.0</u>	<u>6.9</u>
Total Earned Income	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(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 \$9 million in 1997. Foundations account for the largest single source (24%), followed by individuals (22%), corporate giving (19%), and benefits (13%). 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> (%)
Individuals	4	16	22	22	41	0	22
CCA	0	9	7	5	0	0	6
Other Corporate Giving	13	10	15	15	6	36	13
Foundations	66	13	30	27	18	45	24
Other-benefits	6	10	12	24	6	0	13
Other-in kind	4	34	10	6	31	3	18
Other	<u>7</u>	<u>9</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>5</u>
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.

Arts and cultural organizations tallied up donations from over 8,000 individual contributors, as documented in Table II-5. These people gave \$1.1 million, with the average donation being \$131. Some 12% of these donations were from outside Pierce County.

TABLE II-5 INDIVIDUAL CONTRIBUTIONS TO PIERCE 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 thousands)	\$5.0	\$221.2	\$304.6	\$276.0	\$257.3	\$0.6	\$1,064.8
Number of Contributors	40	1,219	2,604	3,843	411	27	8,144
\$/Contributor	\$125	\$182	\$117	\$72	\$626	\$22	\$131
% Outside Pierce County	25.0%	3.5%	11.2%	30.0%	0.8%	0.0%	12.0%

Corporate contributions amounted to \$0.9 million in 1997 (including CCA), as described in Table II-6. The average level of corporate giving was much higher than for individuals, \$2,998 versus \$131. Over 37% of all corporate donations came from outside Pierce County.

TABLE II-6 CORPORATE CONTRIBUTIONS TO PIERCE COUNTY CULTURAL ORGANIZATIONS

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual Heritage</u>	<u>A.S.O.</u>	<u>Total</u>	
Corporate Contributions (\$ in thousands)	\$15.0	\$263.1	\$289.6	\$251.4	\$35.2	\$64.3	\$913.4
Number of Contributors*	6	54	90	44	10	10	214
\$/Contributor*	\$2,596	\$2,583	\$2,221	\$4,240	\$3,400	\$6,563	\$2,998
% Outside Pierce County	20.0%	24.5%	9.4%	82.0%	32.0%	29.4%	37.4%

*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 \$1.2 million to Pierce County arts and cultural organizations, with the average contribution being \$6,992. Some 12% of these contributions came from outside Pierce County. Major differences in the geographic source of these funds are evident in Table II-7, with dance obtaining large percentages of funding from nonlocal sources compared to other disciplines. Music and theatre relied on local private foundation donors more strongly than visual arts and heritage organizations.

TABLE II-7 PRIVATE FOUNDATION CONTRIBUTIONS TO PIERCE 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 thousands)	\$75.0	\$178.5	\$410.9	\$332.1	\$112.3	\$80.4	\$1,182.7
Number of Contributors	6	31	69	29	17	18	169
\$/Contributor	\$12,500	\$5,733	\$5,955	\$11,459	\$6,777	\$4,375	\$6,992
% Outside Pierce County	13.8%	7.8%	5.6%	22.0%	17.0%	0.0%	11.7%

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 \$6,834. They provided almost as much support as corporations, some \$0.9 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.

TABLE II-8 IN-KIND CONTRIBUTIONS TO PIERCE 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>
In-kind Contributions (\$ in thousands)	\$4.6	\$472.1	\$138.9	\$76.8	\$193.7	\$5.5	\$891.7
Number of Contributors	11	48	42	10	15	5	130
\$/Contributor	\$408	\$9,887	\$3,307	\$7,623	\$13,357	\$1,125	\$6,834
% Outside Pierce County	0.0%	3.8%	2.4%	10.0%	20.2%	0.0%	7.7%

(4) *Government Income*

Government income levels were \$4.4 million in 1997, representing 29% of income to arts and cultural organizations in Pierce 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 are typically linked to local governments, and receive their funding from their parent governments. In contrast visual arts organizations rely on the federal government, although the absolute dollar value of their federal receipts are small. Cities and County government are important government revenue sources, providing funds to help 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	0	1	0	46	0	2	1
State	0	6	16	54	99	3	62
County	25	7	6	0	0	22	7
Cities	<u>75</u>	<u>85</u>	<u>78</u>	<u>0</u>	<u>1</u>	<u>73</u>	<u>30</u>
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 \$0.46 million in 1997, or about 2.9% of the operating budgets of Pierce County arts and cultural organizations. Major variations in dependence upon this source of income are evident in Table II-10, with Music and Visual Arts organizations receiving 7.6%

and 8.9% of their operating budgets from these sources, respectively. In contrast, the other disciplines did not rely on this source.

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 (\$ thousands)	\$0.2	\$0.8	\$220.5	\$234.0	\$0	\$0	\$455.4
% Of Total Income	0.04%	0.02%	7.63%	8.92%	0%	0%	2.87%

Expenditures of Pierce County Cultural Organizations

The preceding section on income reported aggregate income of \$15.4 million in 1997 to arts and cultural organizations in Pierce County. Let us now turn to how these organizations spent this income. Table II-11 provides an overview of these outlays, which totaled \$16 million, leaving a slight deficit of expenses, over income across all the organizations covered in this study. These expenditures can be seen to be divided between employee expenses and operating expenses, with some 47% of expenditures being made in relation to employees, and 53% 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 Pierce County, while a more substantial fraction of non-employee expenses were made outside Pierce County. In the aggregate, 82% of total expenditures were made locally.

TABLE II-11 AGGREGATE EXPENDITURES OF PIERCE COUNTY CULTURAL ORGANIZATIONS

	<u>Total</u>	<u>Pierce County</u>
Employee Expenses	\$7,461,308	\$6,645,825
Operating Expenses	\$8,525,020	\$6,514,506
Total	\$15,986,329	\$13,160,331

The mix of expenses by discipline varies from that reported in Table II-11, as documented in Table II-12. This table shows that employee expenses vary from 39% of total operating expenses in Pierce County visual arts organizations, to 56% in heritage organizations.

FIGURE II-4 AGGREGATE EXPENDITURES OF PIERCE COUNTY CULTURAL ORGANIZATIONS

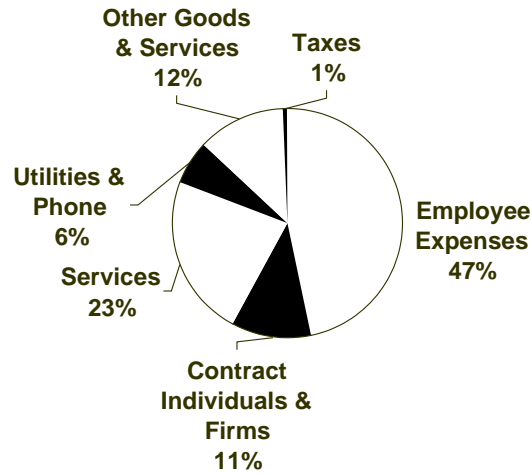


TABLE II-12 EMPLOYEE AND OPERATING EXPENSE BY DISCIPLINE

Discipline	Employee Expenses (%)	Operating Expenses (%)	Total (%)
Dance	55	45	100
Theatre	44	56	100
Music	43	57	100
Visual	39	61	100
Heritage	56	44	100
A.S.O.	43	57	100
Total	47	53	100

(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 46% of employee expenses are associated with administrative employees, and 54% with artistic/professional/technical employees. The share of expenses for the two types of occupations is quite variable for the five presenting disciplines, and is skewed in the direction of administrative employees in Arts Service Organizations, as would be expected. Visual arts in Pierce County has a relatively high proportion of administrative employee

expenses, while heritage organizations show a lower than average share of administrative employee expenses.

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	53	47	43	64	32	92	47
Artistic/Professional / Technical Salaries, Wages & Benefits	47	53	57	36	68	8	53
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 are presented. Then in Table II-15 detailed breakdowns are given of operating expense categories.

Across all disciplines the largest operating expense was for services (44%), followed by expenditures on contract individuals and firms, and for other goods and services (21% and 23% respectively). Utilities accounted for 12% 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.

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	16	42	4	12	34	21
Services	68	69	34	46	27	29	44
Utilities & Postage	4	7	2	14	25	8	12
Other Goods & Services	12	7	21	35	30	28	23
Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</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 Pierce County arts and cultural organizations. In the contract individual/firm category, the relatively high cost of those considered artistic/performers to dance and music are evident. 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 arts service organizations, and low for heritage and visual arts organizations. Taxes other than those associated with employee expenses are a small fraction of total costs for all disciplines except heritage, where sales from shops are subject to the sales tax.

TABLE II-15 OPERATING EXPENSES BY DETAILED CATEGORIES (% OF TOTAL OPERATING 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> (%)
<u>Contract Individuals or Firms</u>							
Artistic/Performing	10.6	12.4	25.6	2.4	0.1	12.8	10.7
Guest Artists/Lecturers	0.1	0.0	3.4	0.0	2.2	0.0	1.3
Director/Design	0.1	1.4	4.7	0.0	1.4	0.0	1.7
Production/Technical	2.0	1.0	5.7	0.0	3.4	6.1	2.9
Educational/Instructional	1.6	0.9	1.6	1.6	3.8	5.4	2.3
Other Personnel	<u>1.9</u>	<u>0.5</u>	<u>1.3</u>	<u>0.0</u>	<u>1.5</u>	<u>9.6</u>	<u>1.8</u>
Total Personnel	16.4	16.3	42.4	4.1	12.5	34.0	20.7

(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	10.6	9.3	4.1	3.0	15.6	8.1
Press and Public Relations	1.2	1.1	4.3	0.0	3.2	0.2	2.0
Photographic/ Art Services	0.6	0.1	0.8	1.0	0.5	0.6	0.6
Banking	1.6	1.3	1.1	1.8	0.2	0.1	1.0
Insurance	1.4	1.6	0.6	4.0	0.7	0.4	1.5
Professional Services	2.1	2.5	1.8	0.4	8.1	3.0	3.3
Janitorial/Protective	0.9	0.3	**	4.2	5.9	0.0	2.2
Transportation	2.1	0.6	0.9	3.2	1.5	0.9	1.4
Lodging	0.8	0.0	0.4	0.7	0.3	5.0	0.8
Food/Beverage Services	0.8	1.8	0.6	2.2	0.0	0.0	1.0
Set/costume/exhibit rental	0.2	1.3	2.4	0.0	0.7	0.0	1.0
Equipment Rental	0.2	1.4	1.1	1.2	0.3	0.0	0.9
Hall Rental	6.2	5.1	6.7	0.0	0.0	1.7	3.1
Office and Work Space Rental	4.9	0.6	1.8	0.0	1.2	1.2	1.0
Royalties	0.0	2.3	0.4	0.0	0.0	0.2	0.7
Other Services	<u>26.1</u>	<u>38.6</u>	<u>2.0</u>	<u>23.1</u>	<u>1.4</u>	<u>0.0</u>	<u>15.3</u>
Total Services	67.9	69.2	34.5	46.0	26.9	28.9	43.9
<u>Utilities & phone</u>							
Telephone	2.2	1.7	1.1	1.8	5.1	2.2	2.4
Postage	1.2	0.6	1.0	10.2	1.4	5.8	3.1
Other Utilities	<u>0.3</u>	<u>5.1</u>	<u>0.0</u>	<u>2.3</u>	<u>18.8</u>	<u>**</u>	<u>6.1</u>
Total utilities & phone	3.7	7.4	2.1	14.4	25.3	8.1	11.6
<u>Other goods & services</u>							
Printing of Programs, etc.	1.2	2.3	3.5	8.4	5.8	5.3	4.7
Exhibit/Set Materials	**	1.7	0.2	0.0	3.0	0.0	1.2
Production Materials	6.7	1.4	4.2	2.3	0.2	15.8	3.4
Supplies	1.6	0.2	1.7	4.8	10.8	5.1	4.3
Maintenance	1.8	1.3	0.6	1.3	9.4	1.2	3.0
Other Goods & Services	<u>0.5</u>	<u>0.1</u>	<u>10.7</u>	<u>18.6</u>	<u>1.2</u>	<u>1.0</u>	<u>6.0</u>
Total Other Goods & Services	11.8	7.0	21.0	35.4	30.5	28.4	22.6
<u>Taxes</u>							
Sales Tax	0.2	**	0.1	0.0	4.6	0.5	1.1
B&O Tax	**	**	0.0	**	0.1	0.0	**
Property Tax	0.0	**	0.0	**	0.0	0.0	**
Other Taxes	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>**</u>
Total Taxes	0.2	0.1	0.1	0.2	4.8	0.6	1.2
Total Operating Expenses	100.0	100.0	100.0	100.0	100.0	100.0	100.0

** - LESS THAN .05%

(3) *Endowments and Capital Expenditures*

Arts and cultural organizations in Pierce 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 Pierce County cultural organizations totaled \$3 million in 1997, with visual arts organizations accounting for the majority of these endowments. Interest income accounted for 2.6% of total operating income for all cultural organizations, ranging from zero for arts service organizations, to over 14% for visual arts. Assets released from endowments or other funds accounted for 2.5% of total operating income. The relative importance of these sources of operating income also varies considerably by discipline. Theatre and heritage organizations had hardly any income from the release of assets, while these sources accounted for about 8% of the operating income of music and visual arts organizations.

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

	<u>Dance</u>	<u>Theater</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Endowments	NA	\$0	\$0.22	\$2.48	\$0.30	\$0	\$3.01
Total Operating Income	NA	3.67	1.93	2.09	4.47	1.21	13.37
Interest	NA	0.02	0.01	0.31	**	0	0.34
Net Assets Released	NA	**	0.15	0.19	0	0	0.33
Interest % of Total Income	NA	0.57%	0.63%	14.67%	0.04%	0.00%	2.55%
Assets Released as % of Total Income	NA	0.02%	7.63%	8.90%	0.00%	0.00%	2.49%

NA - DATA NOT AVAILABLE FOR DANCE IN PIERCE COUNTY.

** LESS THAN .005

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 \$95 million over the 1990-1997 time period. Foundations, individuals, governments and corporations provided the income for capital projects; capital expenditures were primarily for construction, but capital campaigns, design services, and other non-construction costs were also important categories of expenditures in relation to capital investments.

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

Dance	\$0.0
Theatre	12.3
Music	0.0
Visual Arts	37.0
Heritage	45.9
Arts Service Organizations	<u>0.0</u>
Total	\$95.2

Employment in Arts and Cultural Organizations

Arts and cultural organizations in Pierce 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 Pierce County arts and cultural organizations. An estimated headcount of 2,923 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 music – about one third of the headcount of employees in all disciplines, while arts services organizations engaged the largest headcount of contractual workers.

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	6	46	16	25	43	14	151
Part-time	3	380	211	18	56	4	671
Contractual	30	122	820	84	53	957	2,066
Interns & Work Study	<u>0</u>	<u>6</u>	<u>6</u>	<u>10</u>	<u>10</u>	<u>3</u>	<u>36</u>
Total	39	555	1,053	137	162	978	2,923
# of Personnel under Contracts	3	316	69	0	0	0	388

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 52% of the jobs are administrative, and 48% are artistic/professional/technical. Within the administrative category, the full time jobs are predominately executive, clerical, and other administrative occupations, while the artistic/professional/technical jobs are split among the artistic/performing, production/technical, educational/instructional, and “other” categories.

FIGURE II-5 EMPLOYMENT STATUS

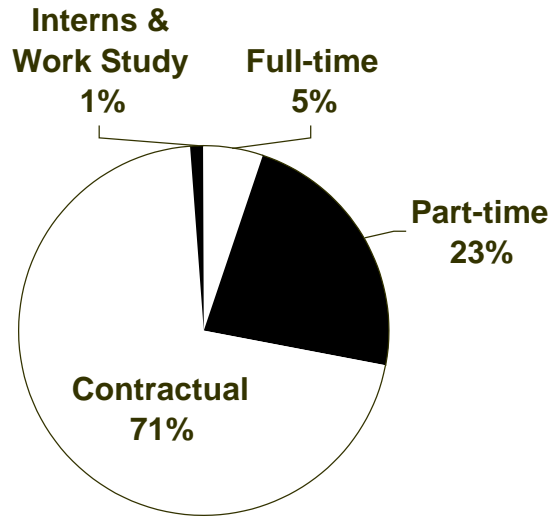


TABLE II-19 FULL-TIME EMPLOYMENT IN CULTURAL ORGANIZATIONS

	<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	1	5	8	0	6	26
Clerical	0	3	3	6	3	19
Marketing/Promotion/ Publicity	0	2	2	1	2	7
Fundraising	0	2	2	5	1	10
Other Administrative	<u>0</u>	<u>10</u>	<u>2</u>	<u>4</u>	<u>0</u>	<u>17</u>
Total Administrative	2	23	15	16	12	79
<u>Artistic/Professional/ Technical</u>						
Artistic/Performing	3	3	2	5	1	16
Guest Artists/Lecturers	0	0	0	0	0	0
Director/Design	0	0	0	0	0	0
Production/Technical	0	5	0	0	10	16
Education/Instructional	0	1	0	4	7	13
Other Personnel	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>	<u>12</u>
Total A/P/T	4	24	2	9	31	72
Total Jobs	6	47	17	25	44	151

The part-time employment documented in Table II-20 is overwhelmingly artistic/professional/technical employment. Only 9% of the part-time employees are administrative, and few of these are associated with executive functions. Most are engaged in clerical, or marketing/promotion/publicity, administrative functions. With regard to the part-time employment, over half of it is associated with theatre, dominated by production/technical and artistic/performing employees. Music and heritage organizations account for the majority of the balance of part-time employees. In music most are in artistic/performing occupations, while heritage part time employees are broadly distributed among 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 arts service organizations and music. Arts service organizations employed a number of artistic/performing employees (many of these are related to programs presented in local communities by arts service organizations). Three-fourths of contract employees are in the artistic/performing occupations, followed by the 12% who engaged in educational/instructional activities, dominantly in musical and arts service organizations.

TABLE II-20 PART-TIME EMPLOYMENT IN 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>
<u>Administrative</u>							
Executive	1	1	1	0	4	0	7
Clerical	0	2	6	3	3	1	15
Marketing/Promotion/ Publicity	0	1	3	0	19	0	23
Fundraising	0	0	1	2	1	0	4
Other Administrative	<u>0</u>	<u>4</u>	<u>2</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>9</u>
Total Administrative	1	8	13	4	30	1	58
<u>Artistic/Professional/ Technical</u>							
Artistic/Performing	0	21	178	10	8	0	218
Guest Artists/Lecturers	0	0	6	0	0	0	6
Director/Design	0	0	0	0	0	0	0
Production/Technical	1	350	9	0	5	0	365
Education/Instructional	0	1	3	4	7	2	18
Other Personnel	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>7</u>
Total A/P/T	1	372	200	14	26	2	613
Total Jobs	3	380	211	18	56	4	671

TABLE II-21 CONTRACT EMPLOYMENT – HEADCOUNT

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
Artistic/Performing	25	38	606	25	17	875	1585
Guest Artists/Lecturers	1	0	21	0	8	0	30
Director/Design	0	29	13	0	3	0	46
Production/Technical	1	27	34	0	4	18	85
Education/Instructional	<u>2</u>	<u>20</u>	<u>101</u>	<u>59</u>	<u>13</u>	<u>62</u>	<u>257</u>
Other Personnel	<u>1</u>	<u>8</u>	<u>45</u>	<u>0</u>	<u>7</u>	<u>2</u>	<u>64</u>
Total	30	122	820	84	53	957	2066

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-22 correspond to those found in Table II-18. Across all disciplines, some 95% of employment in arts and cultural organizations in Pierce County was in artistic, professional, and technical occupations, while 5% is in administrative occupations. Within the artistic, professional, and technical occupations, the bulk of employment is associated with the artistic/performing category (totaling 62%). 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. Heritage 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 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 61 full-time equivalent workers for the 675 part-time workers reported in Table II-20. A conservative estimate would place the full time equivalent at about 100. 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 42%) of the count of part time administrative employees. In contrast, the full time equivalent count of artistic/professional/technical employment is only about 7% the headcount of part-time employment.

TABLE II-22 TOTAL EMPLOYMENT INCLUDING FULL AND PART-TIME, CONTRACTUAL, AND INTERNS/WORK-STUDY 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	6	9	0	11	34
Clerical	0	5	15	9	6	41
Marketing/Promotion/ Publicity	0	5	4	1	21	32
Fundraising	1	3	3	7	3	17
Other Administrative	<u>1</u>	<u>17</u>	<u>3</u>	<u>4</u>	<u>3</u>	<u>29</u>
Total Administrative	3	36	34	21	44	153
<u>Artistic/Professional/ Technical</u>						
Artistic/Performing	29	62	786	42	26	1,822
Guest Artists/Lecturers	1	0	27	0	8	36
Director/Design	0	29	13	0	3	45
Production/Technical	2	385	43	0	20	468
Education/Instructional	3	22	104	74	35	303
Other Personnel	<u>1</u>	<u>8</u>	<u>46</u>	<u>0</u>	<u>25</u>	<u>83</u>
Total A/P/T	36	519	1,019	116	117	2,770
Total Jobs	39	555	1,053	1,37	162	2,923

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	0	1	1	0	1	3
Clerical	0	1	3	2	2	8
Marketing/Promotion/ Publicity	0	1	1	0	6	8
Fundraising	0	0	0	2	1	3
Other Administrative	<u>0</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>4</u>
Total Administrative	0	4	5	4	10	25
<u>Artistic/Professional/ Technical</u>						
Artistic/Performing	0	5	2	2	5	15
Guest Artists/Lecturers	0	0	0	0	0	0
Director/Design	0	0	0	0	0	0
Production/Technical	0	8	0	0	3	11
Education/Instructional	0	0	0	1	4	6
Other Personnel	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>6</u>	<u>6</u>
Total A/P/T	0	10	3	3	18	35
Total Jobs	0	15	9	7	28	61

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 across disciplines. 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 auto travel 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. Visual arts patrons report relatively high lodging/accommodation costs, while heritage patrons have relatively high expenditures on souvenirs and gifts, and for air travel and lodging.

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	\$5.25	\$12.43	\$22.33	\$2.37	\$5.56	\$0.47	\$6.07
Parking Fees	0.30	0.24	0.36	0.26	0.53	0.34	0.38
Bus/Ferry/Taxi Costs	0.11	0.11	0.10	0.95	0.07	0.27	0.27
Auto Travel Costs	1.67	1.49	1.86	1.47	1.83	1.66	1.68
Food/Beverages Before Or After Event	6.67	6.00	7.33	4.83	4.73	5.91	5.58
Food/Beverages At Event	1.03	1.22	0.85	0.13	0.95	0.84	0.82
Entertainment	0.65	1.24	0.05	0.75	0.27	0.59	0.54
Souvenirs & Gifts	0.47	0.09	0.85	1.27	3.02	1.14	1.55
Lodging/Accommodation Costs	0.00	0.00	0.00	1.80	2.52	0.86	1.28
Air Travel Costs	0.00	0.00	0.00	0.00	11.89	2.38	4.30
Child Care	0.40	0.23	0.57	0.00	0.00	0.24	0.17
Other	<u>0.01</u>	<u>0.00</u>	<u>0.01</u>	<u>0.00</u>	<u>0.17</u>	<u>0.04</u>	<u>0.07</u>
Total	\$16.56	\$23.05	\$34.31	\$13.84	\$31.55	\$14.74	\$22.71

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 next to 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.

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

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	40,500	87,314	73,023	117,825	271,061	198,075	787,798
Discounted Student Tickets	<u>1,000</u>	<u>7,063</u>	<u>2,940</u>	<u>9,588</u>	<u>49,999</u>	<u>1,232</u>	<u>71,822</u>
Net Attendance	39,500	80,252	70,083	108,237	221,063	196,843	715,977

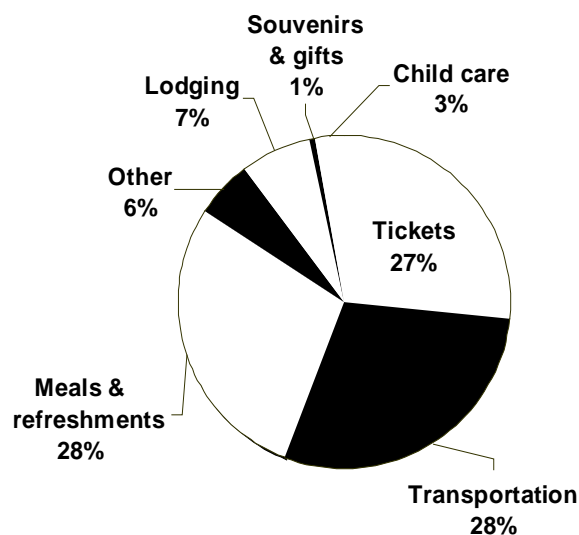
figures in Table II-25 were used to calculate the spending estimates reported in Table II-26.

The 714,000 patrons attending arts and cultural events in Pierce County in 1997 are estimated to have spent over \$16 million, with the largest share of these costs being for food and beverages (\$4.6 million), as illustrated in Figure II-6. Other major outlays are on admissions (\$4.4 million), travel costs (\$4.5 million), souvenirs (\$1.1 million) and lodging (\$0.9 million).

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

	<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	\$207	\$998	\$1,565	\$256	\$1,218	\$92	\$4,336
Parking Fees	12	19	25	28	117	67	268
Bus/Ferry/Taxi Costs	4	9	7	103	15	53	192
Auto Travel Costs	66	119	130	159	401	327	1,203
Food/Beverages Before Or After Event	263	482	514	523	1035	1164	3,980
Food/Beverages At Event	41	98	59	14	209	165	586
Entertainment	26	99	4	81	59	117	386
Souvenirs & Gifts	19	7	59	138	661	224	1,109
Lodging/ Accommodation Costs	0	0	0	195	553	170	917
Air Travel Costs	0	0	0	0	2604	468	3,072
Child Care	16	18	40	0	0	47	121
Other	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>38</u>	<u>7</u>	<u>46</u>
Total	\$654	\$1,849	\$2,405	\$1,498	\$6,908	\$2,901	\$16,215

FIGURE II-6 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 and Pierce County. 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 Pierce 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 Pierce County 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 Pierce County, such as apple orchards. Purchases of this type should not enter into the estimate of impacts upon the Pierce County economy. Moreover, there are

industries found in Pierce 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 Pierce County.

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 State and Pierce County economies is summarized in Table II-27. This table provides four measures of impact: output or the total value of sales by industries,

TABLE II-27 SUMMARY OF WASHINGTON AND PIERCE COUNTY IMPACTS

Total Impact	<u>Washington</u>	<u>Pierce County</u>
<u>Output (Mils. \$97)</u>	52.175	35.082
Manufacturing	4.942	1.954
Nonmanufacturing	47.234	33.128
Wholesale and Retail Trade	6.419	3.013
Services	28.967	24.318
Other	11.847	5.797
<u>Employment</u>	3456	3228
Manufacturing	24	11
Nonmanufacturing	3432	3217
Wholesale and Retail Trade	116	55
Services	3203	3109
Other	113	54
<u>Labor Income (Mils. \$97)</u>	23.755	17.609
Manufacturing	0.856	0.379
Nonmanufacturing	22.899	17.230
Wholesale and Retail Trade	2.621	1.230
Services	16.553	14.233
Other	3.725	1.767
Taxes (Mils \$97)		
Sales Tax	\$1.87	\$0.35
B&O Tax	\$0.2	\$0.13

employment, labor income, and taxes. Output impacts in the Washington economy are found to be slightly over \$50 million dollars, while labor income is almost \$24 million, state tax revenues \$1.6 million, and some 3,456 jobs are created. At the county level, the model yields an estimate of \$35 million in output, \$18 million in labor income, and 3,228 jobs.

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 (\$0.1 million).

Patron spending does include sales taxes on certain categories of expenditures, and directly and indirectly patron spending generates taxes such

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

Sector	<u>Output</u>	<u>Employment</u>	<u>Labor Income</u>
	Mils. \$97		Mils. \$97
1 Agriculture	\$0.010	0	\$0.004
2 Forestry and Fishing	0.043	0	0.008
3 Mining	0.004	0	0.001
4 Food Products	0.445	2	0.057
5 Apparel	0.016	0	0.005
6 Wood Products	0.037	0	0.007
7 Paper Products	0.080	0	0.015
8 Printing	0.578	6	0.186
9 Chemical Products	0.026	0	0.007
10 Petroleum	0.517	0	0.020
11 Stone, Clay, and Glass	0.047	0	0.014
12 Primary Metals	0.001	0	0.000
13 Fabricated Metals	0.050	0	0.014
14 Nonelectrical Machinery	0.015	0	0.007
15 Electrical Machinery	0.002	0	0.001
16 Aerospace	0.001	0	0.000
17 Ship and Boat Building	0.013	0	0.005
18 Other Transportation Equipment	0.005	0	0.002
19 Other Manufacturing	0.121	1	0.038
20 Construction	0.858	8	0.265
21 Transport Services	1.462	18	0.681
22 Communications	0.441	3	0.179
23 Utilities	0.970	3	0.171
24 Wholesale and Retail Trade	3.013	55	1.230
25 Finance, Insurance, and Real Estate	2.010	22	0.458
26 Business Services	4.139	89	2.108
27 Health Services	1.155	16	0.507
28 Other Services	<u>19.024</u>	<u>3004</u>	<u>11.618</u>
Total	35.082	3228	17.609

as the B&O tax and sales taxes. Table II-26 includes estimates of tax revenue to the State of Washington for sales and B&O taxes, some \$1.4 and \$0.2 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.

More detailed information on economic impacts in Pierce 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.

(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 Pierce County. These are funds that flow into the county as “export” income, creating jobs that would

TABLE II-29 NEW MONEY SOURCES

<u>Cultural Organization Income</u>	<u>Outside Pierce County</u>
	(%)
Dance	9.2
Theatre	7.5
Music	16.7
Visual Arts	20.6
Heritage	65.3
A.S.O.	<u>5.6</u>
Total - All Disciplines	28.2
<u>Income Category:</u>	(\$ millions)
Earned Income	\$1.06
Government Income	2.79
Contributed Income:	
Corporate	0.24
Other	<u>0.37</u>
Total Organization Income	\$4.45
Patron Expenditures (total)	\$8.66
Except Tickets	7.02
Total Gross New Money Payments	\$11.48
(Ticket income included with earned income)	

TICKET INCOME INCLUDED WITH EARNED INCOME

not otherwise exist in the local economy. The sources of new money are identified in Table II-29. Approximately 28% of all revenue to cultural organizations is new money, while about 44% of patron spending is estimated to be new money. Table II-29 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 \$7 million, and total new money payments are \$11.5 million. Table II-30 presents estimates of the impact of new money as measured by output, jobs, and labor income in Pierce County. We did not have data that would have allowed new money estimates on Washington State, but they would have been smaller than the Pierce County estimates because many of the patrons and some of the sources of cultural organization income were from locations within Washington State, but outside Pierce County. This table yields impact estimates that are about 30-35% of the aggregate impacts documented in Table II-27.

TABLE II-30 NEW MONEY IMPACTS, PIERCE COUNTY

<u>Total Impact</u>	<u>Pierce County</u>
Output (Mils. \$97)	\$12.212
Manufacturing	0.747
Nonmanufacturing	11.465
Wholesale and Retail Trade	1.118
Services	7.783
Other	2.563
Employment	950
Manufacturing	4
Nonmanufacturing	946
Wholesale and Retail Trade	20
Services	900
Other	25
Labor Income (Mils. \$97)	\$6.044
Manufacturing	0.133
Nonmanufacturing	5.911
Wholesale and Retail Trade	0.456
Services	4.592
Other	0.862
Taxes (Mils. \$97)	
State Sales Tax	\$0.50
Local Sales Tax	0.10
State B&O Tax	0.10
Local B&O Tax	0.05

Volunteers in Cultural 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-31 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 62% of the volunteers are doing administrative work, while 5% of the paid labor force is in administrative occupations.

TABLE II-31 VOLUNTEERS IN CULTURAL ORGANIZATIONS IN PIERCE COUNTY (# OF VOLUNTEERS)

	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>A.S.O.</u>	<u>Total</u>
<u>Administrative</u>							
Executive	2	51	48	0	52	0	152
Clerical	0	4	66	88	6	0	165
Marketing/Promotion/ Publicity	1	15	14	0	13	0	42
Fundraising	1	1	8	6	13	0	29
Other Administrative	<u>3</u>	<u>374</u>	<u>75</u>	<u>0</u>	<u>4</u>	<u>334</u>	<u>790</u>
Total Administrative	7	444	210	95	89	334	1,179
<u>Artistic/Professional/ Technical</u>							
Artistic/Performing	2	135	2	3	135	0	275
Guest Artists/Lecturers	0	1	0	0	2	0	3
Director/Design	0	2	0	0	0	0	2
Production/Technical	4	7	0	0	6	0	18
Education/Instructional	0	0	6	57	83	2	148
Other Personnel	<u>3</u>	<u>269</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>272</u>
Total A/P/T	9	414	8	59	226	2	718
Total	15	858	218	154	315	337	1,897
Volunteer Hours	173	2,519	1,331	12,257	26,700	408	43,388
Hours per Volunteer	11.5	2.9	6.1	79.6	84.8	1.2	22.9

III. CULTURAL ORGANIZATION PATRONAGE CHARACTERISTICS

“Art is important to the community because it gives us a chance to better understand different cultures and ways of life.”

SOURCE: PATRON SURVEY

This chapter presents information on the patrons attending cultural organizations performances, exhibitions, and programs in Pierce 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

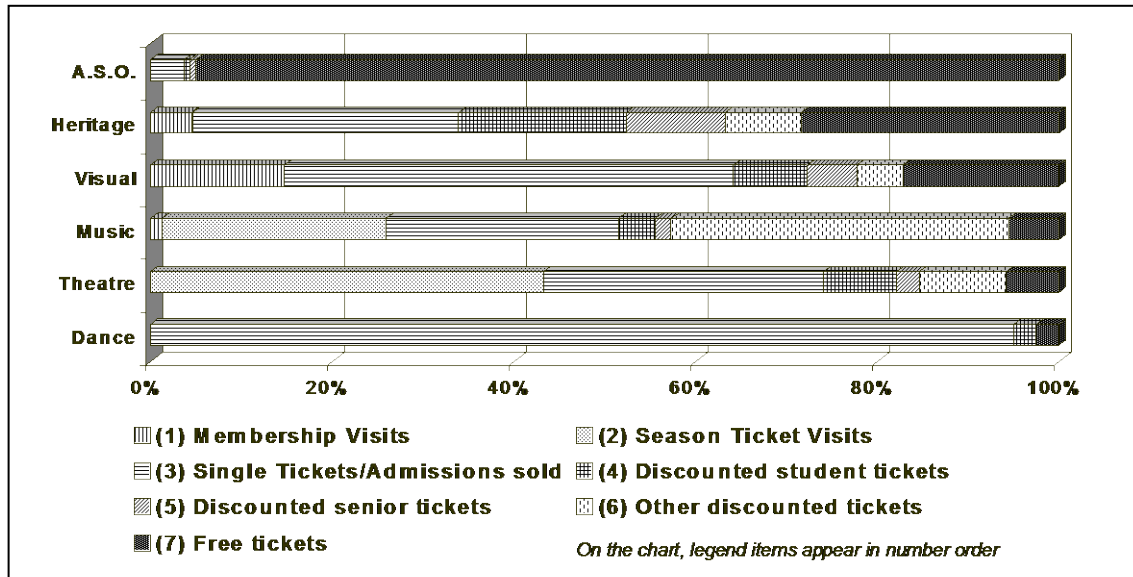
Cultural organizations reported information on the number of patrons and selected other statistics on their cultural services in the survey of cultural organizations. These data were used to derive the aggregate estimate of patronage reported in Table III-1, and were used to calculate the percentage 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 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-24. The composition of attendance by discipline is presented in Figure III-3.

The composition of patronage is reported in Table III-2 and Figure III-2. This table indicates that 40% of total visits are either membership/season ticket or single admission/single ticket visits. Another 22% of total patronage comes from discounted tickets, and the balance of attendance is free (some 38%).

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	0	891	17,384	12,177	0	30,452
Season Ticket Visits	0	37,819	18,052	0	518	0	56,388
Single Tickets/ Admissions Sold	38,500	26,854	18,718	58,199	79,356	7,392	229,019
Discounted Student Tickets	1,000	7,063	2,940	9,588	49,999	1,232	71,822
Discounted Senior Tickets	0	2,168	1,273	6,393	29,546	1,232	40,612
Other Discounted Tickets	0	8,333	27,094	5,982	22,474	0	63,883
Free Tickets	<u>1,000</u>	<u>5,077</u>	<u>4,056</u>	<u>20,279</u>	<u>76,993</u>	<u>188,219</u>	<u>295,623</u>
Total Attendance	40,500	87,314	73,023	117,825	271,061	198,075	787,798
Total Attendance, Net of Discounted Students	39,500	80,252	70,083	108,237	221,063	196,843	715,977

FIGURE III-1 PERCENTAGE OF PATRONS BY DISCIPLINE



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 spending estimates in Table II-24. Discounted student tickets are relatively important to heritage organizations, 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-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	1	15	5	0	4
Season Ticket Visits	0	43	25	0	**	0	7
Single Tickets/ Admissions Sold	95	31	26	49	30	4	29
Discounted Student Tickets	2	8	4	8	19	1	9
Discounted Senior Tickets	0	2	2	5	11	1	5
Other Discounted Tickets	0	10	37	5	8	0	8
Free Tickets	<u>2</u>	<u>6</u>	<u>6</u>	<u>17</u>	<u>29</u>	<u>95</u>	<u>38</u>
Total Attendance	100	100	100	100	100	100	100

** LESS THAN 0.5%.

FIGURE III-2 PERCENTAGE DISTRIBUTION OF ATTENDANCE BY CATEGORY

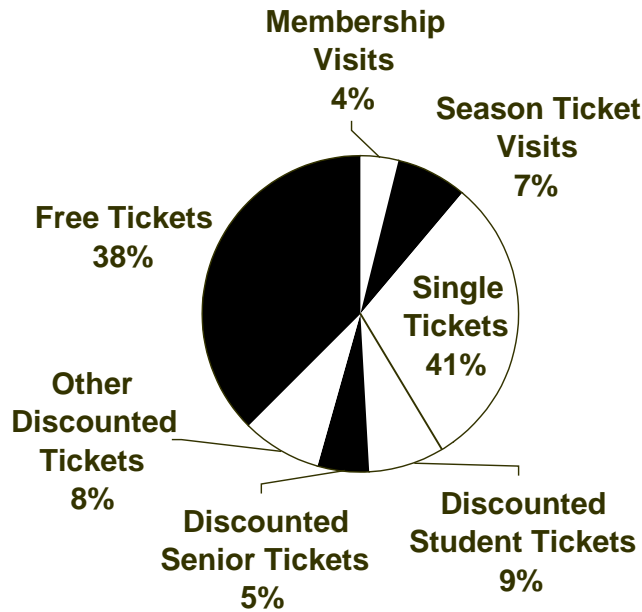
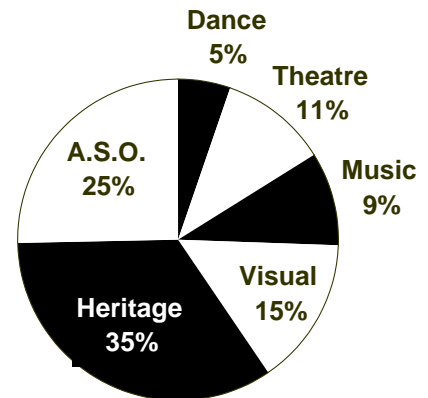


FIGURE III-3 PERCENTAGE DISTRIBUTION OF ATTENDANCE BY DISCIPLINE



Patrons with disabilities

Table III-3 indicates that cultural organizations in Pierce County served almost 23,000 patrons with disabilities in 1997. The largest number of these were served by theatre and arts service organizations, serving 10,000 and 8,000 respectively. Musical groups served 2,800 disabled patrons, while 1,700 patrons with disabilities were served by heritage organizations.

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-3 summarizes information on these topics. Over 12,000 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). Subscriptions were sold to over 10,500 people, resulting in over 56,000 season ticket visits (see Table III-1). These season ticket visits are predominately in dance, theatre, and musical organizations. Table III-3 indicates that the venues in which these subscription performances were given operated between 53% and 87% of capacity. Over 500 different productions or exhibitions were mounted in Pierce County in 1997.

TABLE III-3 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	15	212	165	13	94	47	545
# of Memberships Sold	0	0	2,559	4,234	5,543	0	12,336
# of Full Subscriptions Sold	0	6,710	2,455	0	0	0	9,165
# of Partial Subscriptions Sold	0	191	1,161	NA	NA	NA	1,352
% of Capacity	70.0	52.8	86.6	NA	NA	NA	NA
# of Patrons Served With Disabilities	5	10,117	2,755	0	1,677	8,131	22,685

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 72% indicated that the visit was the primary reason for their trip, as documented in Table III-4. 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, 70% of the visual arts and 58% of the 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,” “cultural event for school,” “on vacation and was curious, heard from friends how nice museum was,” “to see my parents who live in Tacoma,” “downtown at a convention with

a spare couple of hours,” “part of birthday celebration,” and “to visit my daughter, an Army reserve trainee.”

TABLE III-4 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	95	99	70	58	NA	72
Did Not Go Primarily to Attend	2	5	1	30	42	NA	28

NA – DATA NOT AVAILABLE

Patron Origins

The majority of patrons attending Pierce County cultural organization exhibitions and performances are local residents. Table III-5 reports these percentages by discipline. The weighted average share of Pierce County residents is 52%, with higher shares of local patrons in dance, theatre and music. The survey from heritage and visual arts organizations shows a very different mix. Visual arts organizations draw slightly more than half of the patrons from Pierce County. Heritage organizations draw the majority of their patrons from outside Pierce County. In total, patrons outside Pierce County are divided into those who came from elsewhere in Washington State (31%), and those who came from out-of-state (17%).

TABLE III-5 GEOGRAPHIC ORIGIN OF PATRONS

	<u>Pierce County</u> (%)	<u>Other Wash.</u> (%)	<u>Out of State</u> (%)
Dance	83.3	16.7	0.0
Theatre	76.1	23.9	0.0
Music	85.1	14.9	0.0
Visual	51.6	34.2	14.2
Heritage	30.7	38.1	31.1
Weighted Average	51.6	31.2	17.2

Table III-6 presents a cross-tabulation of patron origins and the percentage who indicated they came primarily to attend the event or exhibition. In the aggregate, 73% of Pierce County residents made their trip primarily to attend, compared to the overall percentage of 72% as reported in Table III-4. A relatively large number of the out-of-county Washington state patrons come from nearby populous King County. 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-6 are small, there is a clear inverse relationship between distance

traveled and the chance that the primary purpose of the trip was to visit a Pierce County cultural organization. Even so, more than a third of all out-of-state visitors surveyed claimed the visit was the primary purpose for their trip.

TABLE III-6 PATRON ORIGINS AND PERCENTAGE MAKING TRIP PRIMARILY TO ATTEND A PIERCE 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> (%)
Local	100	94	98	67	59	NA	73
Other Washington	100	100	100	79	59	NA	77
Out-of-state	None	None	None	60	46	NA	34

NA - DATA NOT AVAILABLE

Patron Expenditures

Patron spending is greater for those making long-distance trips, than for local patrons. Table III-7 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. The increase in expenditures by out-of-state visitors is also linked to a very different pattern of visitation than local residents or other Washingtonians. Table III-8 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 all 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. The high air travel cost reported for out-of-state residents is largely related to patrons traveling to heritage organizations, that attracted a large share of their patrons from out-of-state (31%, Table III-5), who made their trip primarily to come to heritage organizations (46%, Table III-6).

TABLE III-7 PATRON EXPENDITURES

	<u>Pierce County</u>	<u>Other Wash.</u>	<u>Out of State</u>
Tickets/Admissions	\$9.75	\$7.74	\$4.21
Parking Fees	0.32	0.60	0.34
Bus/Ferry/Taxi Costs	0.17	0.34	0.52
Auto Travel Costs	1.12	2.48	2.46
Food/Beverages Before Or After Event	6.10	5.18	5.17
Food/Beverages At Event	0.82	1.04	0.41
Entertainment	0.16	1.25	0.38
Souvenirs & Gifts	0.98	2.79	2.05
Lodging/Accommodat ion Costs	0.00	1.76	5.82
Air Travel Costs	0.00	0.45	35.76
Child Care	0.24	0.09	0.00
Other	<u>0.18</u>	<u>0.00</u>	<u>0.00</u>
Total	\$19.85	\$23.72	\$57.11

TABLE III-8 ORIGIN OF SAMPLED PATRONS AND SHARES OF TOTAL ATTENDANCE

	<u>Total Attendance</u>	<u>Pierce County (%)</u>	<u>Other Wash. (%)</u>	<u>Out of State (%)</u>
Dance	2	0	0	0
Theatre	17	22	13	0
Music	15	39	13	0
Visual	22	20	26	21
Heritage	45	20	48	79
A.S.O.	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
Total	100	100	100	100
Sample Size		(n=376)	(n=203)	(n=106)

NA - NOT INCLUDED IN THIS TABLE.

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. Heritage organizations have the largest average group size, while visual arts groups are the smallest.

TABLE III-9 GROUP SIZES ATTENDING CULTURAL ORGANIZATIONS (% OF TOTAL)

<u># of persons</u>	<u>Dance</u> (%)	<u>Theatre</u> (%)	<u>Music</u> (%)	<u>Visual</u> (%)	<u>Heritage</u> (%)	<u>Total</u> (%)
1	10	5	7	29	19	17
2	69	65	60	51	43	52
3 or 4	18	15	29	17	23	21
5+	<u>4</u>	<u>15</u>	<u>4</u>	<u>3</u>	<u>14</u>	<u>10</u>
Total	100	100	100	100	100	100
Average Size (#)	2.3	2.7	2.5	2.2	2.8	2.6

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, 79 patrons were interviewed in visual arts organizations, and 32 of these people did not respond to any portion of this question. Of the 47 people responding at visual arts organizations, eight indicated that they held a visual arts membership, and in total they cited holding at least one season ticket or membership in all disciplines, with a total of 29 citations. However, many people have multiple season tickets/memberships, and the lower panel of Table III-10 summarizes this total, which for visual arts are 12 memberships, and a grand total of 39 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. It should be noted that the cultural organizations covered in Table III-10 are located in both King and Pierce counties. The information in Tables III-10 through III-12 should be interpreted as measures of participation as season ticket/membership or single ticket holders in cultural organizations in these two counties.

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 visual arts as the example, 17% of the patrons interviewed at a visual arts organization held a visual arts membership, while the total number of visual arts memberships held per capita was 0.26. 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; music patrons clearly hold relatively large numbers of season tickets/memberships compared to those interviewed at visual and heritage organizations.

TABLE III-10 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	NA	86	32	79	133	330
No response	NA	71	14	32	66	183
Net Sample	NA	15	18	47	67	147
<u># Holding Season Tickets/ Memberships:</u>						
Dance	NA	2	2	2	1	7
Theatre	NA	5	4	11	16	36
Music	NA	1	10	4	9	24
Visual	NA	2	2	8	4	16
Heritage	NA	<u>0</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>8</u>
Total	NA	10	21	29	31	91
<u>Total # Season Tickets/ Memberships</u>						
Dance	NA	6	4	2	2	14
Theatre	NA	12	10	17	29	68
Music	NA	2	23	4	14	43
Visual	NA	2	4	12	4	22
Heritage	NA	<u>0</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>8</u>
Total	NA	22	44	39	50	155

NOTE: NO SURVEYS WERE CONDUCTED IN DANCE ORGANIZATIONS IN PIERCE COUNTY

TABLE III-11 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	NA	13	11	4	1	5
Theatre	NA	33	22	23	24	24
Music	NA	7	56	9	13	16
Visual	NA	13	11	17	6	11
Heritage	NA	0	17	9	1	5
<u>Proportion of Sample - # Season Ticket/Memberships per Patron</u>						
	(#)	(#)	(#)	(#)	(#)	(#)
Dance	NA	0.40	0.22	0.04	0.03	0.10
Theatre	NA	0.80	0.56	0.36	0.43	0.46
Music	NA	0.13	1.28	0.09	0.21	0.29
Visual	NA	0.13	0.22	0.26	0.06	0.15
Heritage	NA	<u>0.00</u>	<u>0.17</u>	<u>0.09</u>	<u>0.01</u>	<u>0.05</u>
Total	NA	1.47	2.44	0.83	0.75	1.05

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 relatively consistent report of the number of single tickets purchased---on average 4.17 per patron---varying between 2.73 and 4.81 tickets across the disciplines. The last line of Table III-12 presents a

TABLE III-12 SINGLE TICKET PATRON PARTICIPATION FREQUENCIES AND PARTICIPATION RATES

<u>Single Ticket - Net Response</u>	<u>Dance</u>	<u>Theatre</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>Total</u>
	(#)	(#)	(#)	(#)	(#)	(#)
Dance	NA	2	3	13	15	33
Theatre	NA	9	9	26	31	75
Music	NA	4	11	16	29	60
Visual	NA	3	6	30	35	74
Heritage	NA	<u>4</u>	<u>6</u>	<u>23</u>	<u>43</u>	<u>76</u>
Total	NA	22	35	108	153	76
<u>Gross Response - Single tickets</u>	(#)	(#)	(#)	(#)	(#)	(#)
Dance	NA	2	4	19	17	42
Theatre	NA	22	21	61	57	161
Music	NA	4	26	34	48	112
Visual	NA	5	23	64	65	157
Heritage	NA	<u>8</u>	<u>10</u>	<u>48</u>	<u>75</u>	<u>141</u>
Total	NA	41	84	226	262	613
<u>% of Sample buying single tickets by discipline</u>	(%)	(%)	(%)	(%)	(%)	(%)
Dance	NA	13	17	28	22	22
Theatre	NA	60	50	55	46	51
Music	NA	27	61	34	43	41
Visual	NA	20	33	64	52	50
Heritage	NA	27	33	49	64	52
<u>Proportion of sample - # single tickets per patron interviewed</u>	(#)	(#)	(#)	(#)	(#)	(#)
Dance	NA	0.13	0.22	0.40	0.25	0.29
Theatre	NA	1.47	1.17	1.30	0.85	1.10
Music	NA	0.27	1.44	0.72	0.72	0.76
Visual	NA	0.33	1.28	1.36	0.97	1.07
Heritage	NA	<u>0.53</u>	<u>0.56</u>	<u>1.02</u>	<u>1.12</u>	<u>0.96</u>
Total	NA	2.73	4.67	4.81	3.91	4.17
Gross Response Index	NA	4.20	7.11	5.64	4.66	5.22

combination of season ticket/single ticket purchase frequencies, and this data series indicates approximately five single ticket or season ticket/memberships experienced by the average patron.

The response rate to these questions about participation in cultural activities was not high, as indicated in Table III-10. However, those responding document active participation in the activities of cultural organizations. Information was also gathered from patrons on the importance of arts and heritage organizations to them personally, and to the community. The following sample of quotes are taken from responses to the question on the importance of cultural organizations to the patron personally. These quotes suggest the importance of a diverse mix of cultural activities to patrons of Pierce county arts and heritage organizations.

TABLE III-13 A SAMPLING OF RESPONSES TO THE QUESTION: "PLEASE DESCRIBE THE IMPORTANCE OF THE ARTS OR HERITAGE TO YOU PERSONALLY."

"It is important that my children be exposed to music of all kinds, dance and theatre, etc. Art of any kind is the expression of ultimate human activities and its feeds the soul of all of us."

"Very important – I feel it enriches our community and wish we had more events."

"Art & music are essential to civilized culture. Personally I appreciate art of all forms and view concerts at least once a month."

"As an artist I personally find the diverse expressions of the arts as an important spiritual and cultural source of meaning and values."

"There is nothing (more) important than history, music, and art to enrich the lives of everyone, especially children. They need to know what they are missing."

IV. COMPARISON TO OTHER STUDIES

"The arts make Tacoma an attractive place to live with options for entertainment."

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. Studies were selected from several medium-sized metropolitan areas, similar in size to the Tacoma/Pierce County region. These included studies for Charlotte NC and Albuquerque NM. In addition, a study completed in 1994 that covered the Tacoma non-profit art community was included in this review.

Each of these studies differs from the present study, making comparisons problematic. The Charlotte study only covered cultural organizations; the impact of patron spending was excluded. The Albuquerque study included both nonprofit and for-profit arts organizations; the impact study report does not separate patron expenditures in relation to nonprofit attendance versus for profit attendance. The earlier Tacoma study included fewer organizations.

Income

Neither the Charlotte nor the Albuquerque studies provided information on the composition of income. However, the 1994 Tacoma study provides some figures for comparison. The current study estimated 1997 income of Pierce County cultural organizations to be \$15.5 million. This compares with an average of \$12.3 million over the average three year 1990/1992 time period covered in the Tacoma study (National Assembly of Local Arts Agencies, 1994, p. 81). The present study estimates that 40% of total income was earned, and 60% was contributed. The 1994 study finds these percentages reversed, with earned revenue at 59.5%. Government support in the current study is estimated to be 28%, while in the 1994 Tacoma study government support was estimated to be 15%, and local arts agency support another 3.1%, for total public support of 18.1%. The current study estimates private support to account for 31% of total income, while the 1994 Tacoma study estimated this share to be 22.4% (National Assembly of Local Arts Agencies, 1994, p. 81).

Expenditures

The current study estimates that expenditures are split 47% versus 53% for employee expenses and operating expenses, respectively. The 1994 Tacoma study documented a somewhat different mix, estimating staff/employee expenses at 28.6%. However, another 21.1% was estimated in the 1994 Tacoma study to have been paid to artists. In the present study these would be regarded as payments to contract individuals and firms, and are estimated to be 11% of

total expenditures. The 1994 Tacoma study also found that cultural organizations expenditures outstripped their income by about 3%; the current study documents a similar relationship (National Assembly of Local Arts Agencies, 1994, p. 81).

Employment

The Charlotte, Albuquerque, and the earlier Tacoma study all report employment in full time equivalent, while the current study measures a combination of full and part time employment. If the number of contract employees documented in Table II-18 is converted to a full time equivalent using the ratio of the FTE of part time documented in this study (see Tables II-20 & II-23), then it is possible to compare the expenditures per worker across these studies. When this conversion is made, the expenditures per worker in the Charlotte (\$39,158) and earlier Tacoma study (\$41,700) are quite similar to that measured in the current study (\$38,370). The expenditures per worker in the Albuquerque study (\$26,911) are only 2/3 that measured in these other studies.

Economic Impacts

The studies undertaken for Charlotte, Albuquerque, and the earlier Tacoma study were all undertaken by the same organization and used similar economic models. The Albuquerque study included patron spending, while the other two studies did not include it. The types of models used appear similar to the input-output model used in the current study.

While the sizes of the budgets and coverage of these various studies vary, making comparison of the absolute magnitude of the impact results not appropriate, it is possible to examine the multiplier structure in these models. The earlier Tacoma study and the Charlotte study did not include patron spending; their multipliers should be lower than the current study and the Albuquerque studies, which did include the impacts of patron spending. This is precisely what Table IV-1 documents. The Albuquerque study reports separate estimates of the impact of nonprofit cultural organizations and of patron spending. The last row of Table IV-1 presents the combined multiplier implicit in the Albuquerque study. The labor income multiplier comparison with the current study is remarkably close--.794 versus .711. Differences in model specification result in the variations in the job measures; in our model the only direct employment counted is within cultural organizations, and the model computes the direct and indirect employment linked to patron spending. The models developed by the National Assembly of Local Arts Agencies measured the direct jobs tied to patron spending. Although there are differences in methods of input-output model construction, and variations in the economic structure of the communities reviewed here that will result in variations in multiplier relationships, there is nevertheless some consistency in the magnitude

of the multipliers in the current study, and those obtained in the other studies used for comparison.

TABLE IV-1 A COMPARISON OF MULTIPLIERS

<u>Study</u>	<u>Ratio Indirect Jobs/ Direct Job</u>	<u>Ratio Indirect Labor Income / \$ Direct Labor Income</u>
This study	.717	.794
Tacoma	.400	.324
Charlotte	.391	.345
Albuquerque-Only		
Nonprofits	.306	.474
Albuquerque-Nonprofits & Patron Spending	.486	.711

SOURCES: TABLE II-25; NATIONAL ASSEMBLY OF LOCAL ARTS AGENCIES, 1994, 1995, AMERICANS FOR THE ARTS.

Endowments

No information on endowments was presented in any of the studies used for comparison.

Attendance

Only the Albuquerque study allows a comparison of patron attendance characteristics. This study estimated that residents of the Albuquerque area account for 73% of the arts audiences in the city (Americans for the Arts, p.15). This compares with 52% of the patrons to Pierce County cultural organizations originating in Pierce County. However, as discussed in Chapter III, many patrons to Pierce County cultural organizations came from populous nearby King County. It is clear that most of the nonlocal patrons in the Albuquerque study came from out-of-state, as their patrons spending was extremely high when compared to local residents.

Patron Spending

The Albuquerque study found an enormous difference in local and non-local resident spending. The mean for local residents was \$14.84, which compares to \$19.85 for local residents in the current study. In contrast, non-Albuquerque residents are estimated to have spent \$129.58 per capita on their visits. This is an expenditure level well above that of \$57.11 recorded in the current study for out-of-state residents visiting Pierce County cultural organizations. Table IV-2 provides a comparison of the distribution of expenditures from these two studies. The local area distributions are quite similar. However, the out-of-state distributions show much higher expenditures in the Albuquerque study. Analysis of the questionnaire used in the Albuquerque study indicates that patrons were likely counted who were on trips not specifically related to their

attendance at a cultural event. In the case of the current CCA study patrons were instructed to “Include only those expenditures you would attribute to attending today’s/tonight’s performance/exhibition.” Thus, the Albuquerque study appears to have captured more outlays than specifically attributable to attending a cultural organization event. However, the aggregate per party expenditures reported in the Albuquerque study do not appear to be high, given the average party size of 3.2 persons (Americans for the Arts 1998).

TABLE IV-2 COMPARISON OF PATRON EXPENDITURES, ALBUQUERQUE & PIERCE COUNTY

<u>Expenditure Category</u>	<u>Albuquerque</u>		<u>Albuquerque</u>		<u>Albuquerque</u>	
	<u>Local</u>	<u>Pierce Local</u>	<u>Nonresident</u>	<u>Pierce</u>	<u>Out of State</u>	<u>Nonresident Party</u>
Transportation	\$1.22	\$1.29	\$36.93		\$38.74	\$118.18
Meals & Refreshments	6.67	6.92	21.65		5.58	69.28
Souvenirs	3.66	0.98	24.75		2.05	79.2
Lodging	0.35	0	18.4		5.82	58.88
Clothing & Accessories	1.59	0	10.06		0	32.19
Child Care	0.12	0.24	0.42		0	1.344
Other	<u>1.24</u>	<u>0.67</u>	<u>17.37</u>		<u>0.71</u>	<u>55.58</u>
Total	\$14.84	\$10.10	\$129.58		\$52.90	\$414.66

Volunteers

Volunteers are important in all cultural disciplines, and were estimated to number almost 1,900 persons working with Pierce County cultural organizations in 1997 (See Table II-29). These volunteers were estimated to have spent 22.9 hours per volunteer in their volunteer work. The Charlotte study documented 9,558 volunteers donating 221,818 hours, or 23.2 hours per volunteer. The Tacoma study documented 4,254 volunteers donating 140,000 hours, or 32.9 hours per volunteer. The Albuquerque study documented 148,900 hours of volunteer effort by 2,695 volunteers, for an average of 55.3 hours of volunteer time. The current study measures Pierce county volunteer effort at a somewhat lower level than in studies used for comparison.

V. CONCLUDING REMARKS

"It is essential to a feeling of community to appreciate that which makes us unique and that which draws us together."

SOURCE: PATRON SURVEY

This study has presented a comprehensive description of economic activities related to arts and heritage organizations in Pierce 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 84% of the budgets of cultural organizations in Pierce 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.

Organization Survey

The quality of data gathered from cultural organizations in the present survey was much better than in the 1993 CCA impact study conducted in King County, 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.

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.

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.

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 Pierce County to develop endowments, in order to provide a stable base of income for their programs.

REFERENCES

- Americans for the Arts. 1998. Economic Impact of the Arts in Albuquerque. Washington, D.C., Americans for the Arts.
- Beyers, William. 1998. *Leonardo Lives* Economic Impact Study. Seattle: University of Washington Department of Geography.
- Chase, R.A., P.J. Bourque & R.S. Conway, Jr. 1993. Washington State Input-Output 1987 Study. Olympia: Office of Financial Management Forecasting Division.
- Conway, R. S., Jr. and W. B. Beyers. 1994. Seattle Mariners Baseball Club Economic Impact.
- Dean Runyon Associates & CIC Research Inc. November 1996. Portland Art Museum Imperial Tombs of China Exhibit. Economic Impacts and Visitor Profile.
- GMA Research Corporation and William B. Beyers. 1993. An Economic Impact Study of Arts and Cultural Organizations in King County. Bellevue WA: GMA Research Corporation.
- GMA Research Corporation and William B. Beyers. 1999. An Economic Impact Study of Arts and Cultural Organizations in King County, 1997. Bellevue WA: GMA Research Corporation.
- National Assembly of Local Arts Agencies. 1994. Arts in the Local Economy. Tacoma, Washington. Washington, D.C.: National Assembly of Local Arts Agencies.
- National Assembly of Local Arts Agencies. 1995. Arts in the Charlotte Economy. Washington, D.C.: National Assembly of Local Arts Agencies.
- Philadelphia Museum of Art. September 1996. A Study of Visitors to the Cézanne Exhibition. Marketing and Public Relations, Philadelphia Museum of Art.
- Port Authority of New York. 1993. The Arts as an Industry: Their Economic Importance to the New York-New Jersey Metropolitan Area. New York: Port Authority of New York.
- The Alliance for the Arts. 1997. The Economic Impact of the Arts on New York City and New York State. New York: The Alliance for the Arts.

APPENDICES

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

Dance – Organizations Included

Washington Contemporary Ballet
Dance Net
Dance Theater NW
Tacoma Performing Dance

Theatre – Organizations Surveyed

Performance Circle
Puget Sound Revels
Tacoma Little Theatre
Broadway Center for the Performing Arts
Tacoma Actors Guild

Theatre – Other Organizations Included

Lakewood Players
Spirit Theater

Music – Organizations Surveyed

Northwest Sinfonietta
Tacoma Opera Association
Tacoma Philharmonic, Inc.
Tacoma Symphony Orchestra
Tacoma Youth Symphony Assoc.

Music – Other Organizations Included

Evergreen Brass Quintet
Puget Sound Music Society
Steilacoom Tribal Cultural Ctr. & Museum
Tacoma Master Chorale
Tacoma Musical Playhouse
Tacoma Youth Chorus
UPS Community Music Dept.
Victory Music
Wintergrass

Visual Arts Surveyed

Tacoma Art Museum

Visual Arts – Organization also included

International Glass Museum

Heritage – Organizations Surveyed

Ezra Meeker Historical Society
Washington State Historical Museum
Children’s Museum
Fort Nisqually Historic Site

Heritage – Other Organizations Included

Karpeles Manuscript Library
Pierce County Landmarks Comm.
White River Valley
Puyallup Tribal Museum

Arts Service Organizations Surveyed

Diaz Art for Youth
Pierce County Arts Commission
Cultural Resources Division: TAC & LPC

Arts Service Organizations also included

Community Arts School of Tacoma
Cultural Council of Greater Tacoma
Metropolitan Parks District
Valley Arts United

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 have 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 King County 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 Pierce County.

	Most Recent Fiscal Year (Actual -Fiscal 1997)	% Outside Pierce 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 Pierce County, and the number of contributors.

	Most Recent Fiscal Year (Actual -Fiscal 1997)	% Outside Pierce 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 Pierce 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 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)

Administrative Employees

- 1 - Executive
- 2 - Clerical
- 3 - Marketing/promotion/publicity
- 4 - Fundraising
- 5 - Other

Subtotal Administrative Employees

Artistic/Professional/Technical Employees

- 1 - Artist/performing
- 2 - Guest artists/lecturers
- 3 - Director/design
- 4 - Production/technical
- 5 - Educational/Instructional
- 6 - Other personnel

Subtotal Art/Prof/Tech Employees

	A	B	C	D	E	F	G	H
	Salaries, Wages & Benefits	% of \$'s spent on employees residing outside Pierce 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 - Artist/performing								
2 - Guest artists/lecturers								
3 - Director/design								
4 - Production/technical								
5 - Educational/Instructional								
6 - Other personnel								
Subtotal Art/Prof/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 "1" of Footnotes).

Contract Personnel (not employees)	Most Recent Fiscal Year (Actual - Fiscal 1997)	% Outside Pierce County	Number of contract personnel	FTE# of of contract personnel
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: <input type="text"/>	<input type="text"/>	<input type="text"/>
(please specify) <input type="text"/>	<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: <input type="text"/>	<input type="text"/>	<input type="text"/>
(please specify) <input type="text"/>	<input type="text"/>	<input type="text"/>
Subtotal Taxes	<input type="text"/>	<input type="text"/>

Total Operating (except labor)

Footnotes for Page 4

- 1 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.
- 2 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

Name of Organization: _____ Fiscal year ends: _____

CAPITAL/BUILDING ACTIVITY (1)	Total Capital/Building Activity Since Fiscal 1990
Income and Support:	
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)

Projects:

1 - _____	Start date _____	End date _____
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.

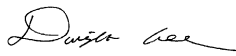
Post Office Box 19780
10 Harrison Street
Suite 200
Seattle, WA 98109-67
206-281-9050
Tacoma 253-305-0049
FAX 206-281-9175
cca@artsfund.org

James C. Hawkanson
Chairman

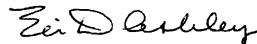
Peter F. Donnelly
President



Peter Donnelly, President
Corporate Council for the
Arts/ArtsFund



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



Eli Ashley, Manager
City of Tacoma Cultural
Resources Division



Mary Pat Byrne
Arts Specialist
Bellevue Arts Commission




Wendy Ceccherelli
Executive Director
Seattle Arts Commission



David Fischer
Pierce County Arts
Commission Manager



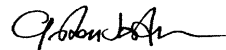
Leonard Garfield, Manager
King County Arts
Commission



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.

PATRON SURVEY FORM PAGE 3

- 6) In Column **A** check the boxes for all performances/exhibits you attended in the past 12 months as a **SEASON TICKET HOLDER** or member
- 7) In Column **B** check the boxes for all performances/exhibits you attended in the past 12 months as a **SINGLE TICKET HOLDER** or member

<i>Music</i>			
A	B	A	B
<input type="checkbox"/>	<input type="checkbox"/> Northwest Chamber Orchestra	<input type="checkbox"/>	<input type="checkbox"/> Seattle Symphony
<input type="checkbox"/>	<input type="checkbox"/> Evergreen Brass Quintet	<input type="checkbox"/>	<input type="checkbox"/> Tacoma Master Chorale
<input type="checkbox"/>	<input type="checkbox"/> Lakewood Players	<input type="checkbox"/>	<input type="checkbox"/> Tacoma Opera
<input type="checkbox"/>	<input type="checkbox"/> Northwest Sinfonietta	<input type="checkbox"/>	<input type="checkbox"/> Tacoma Philharmonic
<input type="checkbox"/>	<input type="checkbox"/> Puget Sound Music Society	<input type="checkbox"/>	<input type="checkbox"/> Tacoma Symphony Orchestra
<input type="checkbox"/>	<input type="checkbox"/> Puget Sound Revels	<input type="checkbox"/>	<input type="checkbox"/> Tacoma Youth Chorus
<input type="checkbox"/>	<input type="checkbox"/> Seattle Opera Association	<input type="checkbox"/>	<input type="checkbox"/> Tacoma Youth Symphony Association
		<input type="checkbox"/>	<input type="checkbox"/> Wintergrass
<i>Theatre</i>			
<input type="checkbox"/>	<input type="checkbox"/> A Contemporary Theatre	<input type="checkbox"/>	<input type="checkbox"/> Puyallup Tribal Museum
<input type="checkbox"/>	<input type="checkbox"/> Broadway Center for the Performing Arts	<input type="checkbox"/>	<input type="checkbox"/> Seattle Arts & Lectures
<input type="checkbox"/>	<input type="checkbox"/> Dance Theater NW	<input type="checkbox"/>	<input type="checkbox"/> Seattle Children's Theatre
<input type="checkbox"/>	<input type="checkbox"/> The Empty Space Theatre	<input type="checkbox"/>	<input type="checkbox"/> Seattle Repertory Theatre
<input type="checkbox"/>	<input type="checkbox"/> Fifth Avenue Theatre	<input type="checkbox"/>	<input type="checkbox"/> Spirit Theater
<input type="checkbox"/>	<input type="checkbox"/> Intiman Theatre	<input type="checkbox"/>	<input type="checkbox"/> Tacoma Actors Guild
<input type="checkbox"/>	<input type="checkbox"/> Paramount Theatre	<input type="checkbox"/>	<input type="checkbox"/> Tacoma Little Theatre
<input type="checkbox"/>	<input type="checkbox"/> Performance Circle	<input type="checkbox"/>	<input type="checkbox"/> Tacoma Musical Playhouse
<i>Dance</i>			
<input type="checkbox"/>	<input type="checkbox"/> Dance Net	<input type="checkbox"/>	<input type="checkbox"/> Pacific Northwest Ballet
<input type="checkbox"/>	<input type="checkbox"/> Meany Hall for the Performing Arts	<input type="checkbox"/>	<input type="checkbox"/> Tacoma Performing Dance
<input type="checkbox"/>	<input type="checkbox"/> On the Boards	<input type="checkbox"/>	<input type="checkbox"/> Washington Contemporary Ballet
<i>Heritage</i>			
<input type="checkbox"/>	<input type="checkbox"/> Burke Memorial Museum	<input type="checkbox"/>	<input type="checkbox"/> Museum of History & Industry
<input type="checkbox"/>	<input type="checkbox"/> Ezra Meeker Historical Society	<input type="checkbox"/>	<input type="checkbox"/> Marymoor Museum
<input type="checkbox"/>	<input type="checkbox"/> Fort Nisqually Historic Site	<input type="checkbox"/>	<input type="checkbox"/> Thomas Burke Memorial Museum
<input type="checkbox"/>	<input type="checkbox"/> Karpeles Manuscript Library	<input type="checkbox"/>	<input type="checkbox"/> Victory Music
<input type="checkbox"/>	<input type="checkbox"/> Museum of Flight	<input type="checkbox"/>	<input type="checkbox"/> Washington State History Museum
<i>Visual Arts</i>			
<input type="checkbox"/>	<input type="checkbox"/> The Children's Museum, Seattle	<input type="checkbox"/>	<input type="checkbox"/> Seattle International Film Festival
<input type="checkbox"/>	<input type="checkbox"/> Children's Museum of Tacoma	<input type="checkbox"/>	<input type="checkbox"/> Seattle Art Museum
<input type="checkbox"/>	<input type="checkbox"/> Henry Gallery Association	<input type="checkbox"/>	<input type="checkbox"/> Steilacoom Tribal Cultural Center & Museum
<input type="checkbox"/>	<input type="checkbox"/> International Glass Museum	<input type="checkbox"/>	<input type="checkbox"/> Tacoma Art Museum

PATRON SURVEY FORM PAGE 4

- 8) Are you: Male Female
- 9) Your age: 19 or younger 35-44 65-74
 20-24 45-54 75 or older
 25-34 55-64
- 10) Please indicate years of school completed:
- | | |
|--|--|
| <input type="checkbox"/> Some high school | <input type="checkbox"/> Four-year college/university degree |
| <input type="checkbox"/> High school graduate | <input type="checkbox"/> Post graduate degree |
| <input type="checkbox"/> Some college or vocational/technical school | |
- 11) Please indicate your household income:
- | | |
|--|--|
| <input type="checkbox"/> Under \$10,000 | <input type="checkbox"/> \$40,000-\$44,999 |
| <input type="checkbox"/> \$10,000-\$14,999 | <input type="checkbox"/> \$45,000-\$49,999 |
| <input type="checkbox"/> \$15,000-\$19,999 | <input type="checkbox"/> \$50,000-\$59,999 |
| <input type="checkbox"/> \$20,000-\$24,999 | <input type="checkbox"/> \$60,000-\$74,999 |
| <input type="checkbox"/> \$25,000-\$29,999 | <input type="checkbox"/> \$75,000-\$99,999 |
| <input type="checkbox"/> \$30,000-\$34,999 | <input type="checkbox"/> \$100,000-\$124,999 |
| <input type="checkbox"/> \$35,000-\$39,999 | <input type="checkbox"/> \$125,000 or more |
- 12) What is your zip code? _____
- 13) How many people are currently living in your household, including yourself? _____
- 14) Please indicate your ethnic origin:
- | | |
|---|---|
| <input type="checkbox"/> Caucasian | <input type="checkbox"/> Asian/Pacific Islander |
| <input type="checkbox"/> Native American | <input type="checkbox"/> Hispanic/Latin |
| <input type="checkbox"/> African American | <input type="checkbox"/> Other |

***Thank you very much for participating our survey!
Please drop this is in the box provided in the lobby.***

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

Stanley D. Savage, *Seafirst Bank*
Chairman

Deanna W. Oppenheimer, *Washington Mutual*
Vice Chair

James F. Tune, *Bogle & Gates P.L.L.C.*
Secretary

Ralph S. Tuliano, *PricewaterhouseCoopers LLP*
Treasurer

James C. Hawkanson, *The Commerce Bank of Washington*
Immediate Past Chairman

Peter F. Donnelly
President

Ginger Ackerley
The Ackerley Group

J.D. Alexander
Seattle Post-Intelligencer

William J. Bain
NBBJ

Judi Beck

Sally Skinner Behnke
REB Enterprises

Douglas P. Beighle
Madrona Investment Group L.L.C.

Deborah L. Bevier
Laird Norton Trust Company

Robert C. Blethen
The Seattle Times

William E. Boisvert
Attachmate Corporation

Ron Bradford
Coca-Cola Bottling Company of Washington

David D. Buck
Graham & James LLP/Riddell Williams P.S.

Gary J. Carpenter
Bentall U.S. LLC

Lawrence W. Clarkson
The Boeing Company

Steven Clifford
National Mobile Television, Inc.

Robert S. Cline
Airborne Express

Edward T. Cooney
The Bon Marché

Kay Deasy
Intel Corporation

Patrick J. Dineen
U.S. Bank

Michael J. Dubes
Northern Life Insurance Co.

David R. Edwards
Weyerhaeuser Company

Roger H. Eigsti
SAFECO Corporation

Maureen S. Frisch
Simpson Investment Company

Edward V. Fritzky
Immunex Corporation

Alvin Goldfarb
Alvin Goldfarb, Jeweler

Brian L. Grant
Medical Consultants Network, Inc.

R. Danner Graves
The Graves Group

Joshua Green III
Joshua Green Foundation

Mary Stewart Hall
Stewart/Hall

Jerry Hanauer
Pacific Coast Feather Company

Paul P. Heppner
Encore Media Group

Peter A. Horvitz
Horvitz Newspapers, Inc.

Wendell P. Hurlbut
Esterline Technologies

Ren Jurgensen
KPMG Peat Marwick LLP

Charles J. Katz Jr.
Perkins Coie

Jon H. Knoll
Arthur Andersen LLP

Anita C. Lammert
AT&T

Howard C. Lincoln
Nintendo of America, Inc.

Lynn J. Loacker
Foster Pepper & Shefelman PLLC

Bev Losey
Raleigh, Schwarz & Powell, Inc.

Douglas W. McCallum
Financial Resources Group

Scott McClellan
U S WEST

Robert P. McCleskey
Sellen Construction Co, Inc.

William H. Neukom
Microsoft Corporation

Phil Nudelman
Kaiser/Group Health

Donovan Olson
Wells Fargo Bank

Jo Allen Patton
Paul G. Allen Foundation for the Arts

Merle Pope
Howard S. Wright Construction Co.

Robert A. Ratliffe
Eagle River, Inc.

Jane Russell
Frank Russell Company

John F. Sacia
Sacia Risk Solutions

Jack Sansolo
Eddie Bauer, Inc.

Faye Sarkowsky

Patrick M. Scott
Fisher Broadcasting Inc.

Rebecca D. Stewart
EFIS

Brian Sullivan
ARCO External Affairs

Daniel M. Waggoner
Davis Wright Tremaine

Rolle Walker
AON Risk Services, Inc.

John R. Wall
Wall Data Incorporated

John D. Warner
The Boeing Company

James A. Washam
KeyBank

William S. Weaver
Puget Sound Energy

Marion O. Williams
The McCaw Foundation

Dennis A. Williamson
KING5

J. Todd Wolfenbarger
NEXTLINK

Board of Advisors

John F. Behnke

Robert F. Buck
Foster Pepper & Shefelman

Stephan A. Duzan

Wilbur J. Fix

John M. Fluke
Fluke Capital Management, L.P.

William Honeysett

Lynn S. Huff

J. Dewayne Kreager

Hon. M. Margaret McKeown
U.S. Court of Appeals for the Ninth Circuit

Robert D. O'Brien
Univar Corporation

William D. Pettit, Jr.
R.D. Merrill Co.

James C. Pigott
MR&S

Edward A. Rauscher
Real Estate Investments

Kayla Skinner

Andrew V. Smith

Irwin Treiger
Bogle & Gates P.L.L.C.

Roland Trafton

Corporate Council for the Arts Staff

Peter F. Donnelly, *President*

Dwight Gee, *Vice President, Community Affairs*

Angela Beard, *Campaign Director*

Alan Horton, *Finance & Operations Director*

Theda Jackson Mau, *Director of Individual & Workplace Giving*

Mendy Graves, *Executive Assistant*

Mindy Koblenzer, *Campaign Assistant*

INDEX

<p>1993 economic impact study design of current study relative to1</p> <p>A</p> <p>Accuracy of study results 53</p> <p>Aggregate capital expenditures 19</p> <p>Aggregate impacts x, 27</p> <p>Aggregate taxes 17</p> <p>Assets released 18</p> <p>Attendance xii comparison with other studies 45 patrons with disabilities 34 patterns in cross-over of 39 season ticket 33, 34, 39, 40 senior tickets 33, 34 single-ticket 33, 34 student tickets 33, 34 total, by discipline 33</p> <p>Audiences characteristics 32 types of tickets sold to 34</p> <p>Authors Acknowledgements vii</p> <p>B</p> <p>Benefits, proceeds from 10</p> <p>Budget size, criteria for inclusion in report1</p> <p>Budgets of cultural organizations x</p> <p>Business output 27</p> <p>C</p> <p>Capital expenditures 18, 19</p> <p>Contributed income, comparison of sources of 9</p> <p>Corporate contributions 7, 10 size and number of grants 10, 11</p> <p>Corporate Council for the Arts grants from 10 pattern of giving by 10</p> <p>Coverage of cultural organizations in report ...3</p> <p>Cultural organizations included in report x</p> <p>D</p> <p>Data collection electronic3 methods3</p> <p>Design of study1</p> <p>Disciplines of organizations included3</p> <p>E</p> <p>Earned income9</p> <p>Economic impact aggregate impacts 27 breakdown by state and county 27</p>	<p> by industry sector 27 how determined 26 new money xi, 27 total by industry sector 28</p> <p>Economic impact model description of 5</p> <p>Economic impact studies, other 43</p> <p>Economic impacts comparison with other studies 44</p> <p>Employee expenses compared to total expenses 13 composition of 14</p> <p>Employment both direct and indirect xii comparison with other studies 44 direct 19 total direct and indirect x, 27</p> <p>Employment, direct 19 contractual 19, 22 full-time 19 full-time by occupation 20 full-time equivalent estimates 23 interns & work-study 19 part-time 19 part-time by occupation 21 total 19, 23</p> <p>Endowments 18</p> <p>Executive Summary x</p> <p>Exhibits, numbers of 35</p> <p>Expenditures aggregate, compared to income 13 comparison with other studies 43 employee expenses/operating expenses. 13, 14 of cultural organizations xi patron 37</p> <p>Export, arts as 29</p> <p>F</p> <p>Foundation contributions 7, 10 size and number of grants 11</p> <p>G</p> <p>Government contributions 7</p> <p>Government income 7, 12 by source 12</p> <p>Groups included in report x criteria for inclusion 1 list of 50 numbers and types included 3</p> <p>I</p> <p>Impact model used 5</p>
--	--

Improvements possible for future studies	47		
Income			
comparison with other studies	43		
contributed	7		
from ticket sales.....	9		
of cultural organizations, magnitude	6		
Income sources.....	xi		
by category and discipline	7		
comparison with other studies.....	43		
Individual contributions	7, 10		
number and size of donations	10		
Industry			
economic impacts by	27		
impacts	28		
In-kind contributions, number and size of	12		
Input-Output model, detailed description of	51		
Interest income.....	18		
<i>J</i>			
Jobs	<i>See</i> Employment		
<i>L</i>			
Labor income			
direct and indirect.....	x, 27		
<i>M</i>			
Multipliers			
comparison with other studies.....	45		
<i>N</i>			
New money impacts.....	xi, 29		
<i>O</i>			
Objectives of Study	1		
Operating expenses.....	15		
by detailed category	16, 17		
composition of	16		
Taxes	17		
Organization survey			
methodology	2		
sample of.....	55		
Organizations included in report			
criteria for inclusion.....	1		
list of.....	50		
numbers and types included	3		
Other income.....	12		
Other studies	43		
<i>P</i>			
Patron expenditures.....	24		
by region of origin	36		
by region or origin	xiii		
detailed breakdown by category	24		
per capita.....	24		
survey results use in projecting.....	5		
totals by category.....	25		
Patron spending.....	x, xiii		
comparison with other studies	45		
Patron survey			
methodology	4		
responses received	4		
sample of	60		
Patrons			
characteristics	32		
counts used in calculating impacts.....	25		
cross-over attendance patterns.....	39		
expenditures	5, 37, 45		
geographic origins.....	36		
group sizes	38		
numbers of	32		
reasons for trips	35		
types of tickets sold to	34		
Patrons with disabilities.....	34		
Productions, numbers of.....	35		
<i>Q</i>			
Quality of life.....	x, xiii		
<i>S</i>			
Season ticket.....	<i>See</i> Subscriptions		
Senior admissions	34		
Single tickets			
cross-over patterns of	41		
numbers sold	34		
Sources of income	7		
Student tickets	34		
Study design	1		
Subscriptions			
cross-over pattern of.....	40		
numbers purchased	34		
Survey form for organizations.....	55		
Survey form for patrons.....	60		
<i>T</i>			
Taxes.....	x, 17, 27		
Ticket sales, income from.....	9		
Tourism.....	x		
new money impacts	xi		
<i>V</i>			
Volunteers	xiii, 31		
comparison with other studies	46		
<i>W</i>			
Washington State input-output model			
.....	2, 5, 26, 51		